Ocean Wilsons Holdings Limited

Annual Report 2010

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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% non-controlling 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.

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

Introduction

I am pleased to report another good year of trading for Ocean Wilsons Holdings Limited. Our maritime services business continued to experience strong demand across all business segments and the investment portfolio generated significant returns in the period. During the year we continued to invest heavily in our core businesses and the Group remains well positioned to meet our customers evolving needs and benefit from the strong growth in Brazil.

Group Results

Revenue for the Group grew by 20% to US$575.6 million (2009: US$477.9 million) principally due to increases in port terminal and logistics revenue. Operating profit margins for the Group were 5% lower at 12% (2009: 17%) reflecting the change in sales mix, the adverse impact of a stronger Brazilian Real against our reporting currency the US Dollar, higher employee expenses and increased depreciation.

Profit before tax decreased by US$22.6 million from US$139.8 million to US$117.2million principally due to the decrease in operating profit US$67.9 million (2009: US$79.3 million) lower gains from the investment portfolio of US$22.5 million (2009: US$34.3 million) and exchange gains on cash balances of US$4.0 million (2009: US$23.7 million). These were partially offset by the profit realised on formation of the joint venture of US$20.4 million.

Earnings per share based on ordinary activities after taxation and non-controlling interests were 160.8 cents (2009: 198.5 cents).

Offshore Joint Venture

In June 2010 we were pleased to announce the formation of our offshore joint venture between Wilson Sons Limited, through two of its subsidiaries in Brazil, and Remolcadores Ultratug Ltda., a company owned by the Chilean maritime group, Ultratug.

The joint venture vehicle named Wilson, Sons Ultratug Participações S.A. ("Wilson Sons Ultratug") is a 50/50 company set up between Wilson Sons and the Ultratug groups that owns and operates offshore vessels to support oil and gas exploration and production activities in Brazil.

Both Wilson Sons and Ultratug transferred their existing Brazilian offshore businesses into the new joint venture. The principal objective of the joint venture is to take advantage of the growing opportunities in Brazil's oil and gas industry and expand both groups' operations in the offshore segment.

Tecon Salvador

In September 2010 Tecon Salvador signed an amendment to the terminal lease agreement with the Companhia das Docas do Estado da Bahia (CODEBA). The amendment granted the company the area adjacent to Tecon Salvador known as Ponta Norte for an initial payment of US$14.5 million and amendments to the rental and container handling fee agreements. This additional area will allow Tecon Salvador to extend the quay and back area while deepening the draft to accommodate the larger container vessels operating in Brazil.

Brasco

In June 2010 we acquired the remaining 25% non-controlling interest in our onshore base manager and logistics business, Brasco Logistica Offshore Ltda for US$9.0 million. The acquisition of the non-controlling interest increases our exposure to the growing offshore oil and gas industry.

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.

Chairman's Statement

Investment strategy
The Board of 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
Following the fall in equity markets in the second quarter, share prices rose across the board in the second half of the year generating satisfactory returns for the period. The trading investment portfolio and cash under management increased US$18.2million (after capital redemptions of US$5million), from US$245.2 million at 31 December 2009 to $263.4million at year end.

Approximately 50% of the investment portfolio is invested in global equities, 31% in alternative assets, 9% in bonds and the balance in cash and liquidity funds. The investment managers continued to deploy the portfolio's cash and liquidity funds in new investments and at year end the investment portfolio held US$24.7 million in cash and liquidity funds, down from US$75.1 million in 2009. Details of the individual investment holdings at 31 December 2010, new investments made during the period and performance, are contained within the Investment Managers report.

Wilson Sons Limited
At the close of business on the 21 March 2011, the Wilson Sons share price was Real 27.80 resulting in a market value for the Ocean Wilsons holding of 41,444,000 shares (58.25% of Wilson Sons) of approximately US$689.9 million which is the equivalent of US$19.51per Ocean Wilsons Holdings Limited share.

Brazil
In 2010 GDP grew in excess of 7%. 2010 was also an election year in Brazil and Dilma Rousseff was elected president. The new government so far has not implemented any major changes in policy except to announce a R$50 billion reduction in government expenditure to remove some of the fiscal stimulus in the economy.

Brazil continues to boom thanks in large part to commodity prices and the economic stability of the last decade. China became the most significant trade partner and investor in Brazil. The consensus forecast for growth in 2011 is 4-5% although the economy is showing signs of overheating with high capacity utilisation and a tight labour market. The currency remains strong pushed by high commodity prices and foreign capital inflows attracted by the high real interest rates. The government is tightening monetary policy with interest rates rising to 11.75 % in an attempt to control inflationary pressures. Inflation as measured by the CPI (consumer price index) is currently running at 6% per annum. The country continues to invest in infrastructure and the development of the pre salt offshore oilfields.

Dividend
The Board is recommending a final dividend of 38 cents per share to be paid on 31 May 2011, to shareholders on the register at close of business on 13 May 2011. In 2009 no final dividend was paid; instead a second interim dividend of 38 cents per share was paid in March 2010. Together with the interim dividend paid in October 2010, this will give a total dividend for the year of 42 cents per share (2009: 42 cents per share).

The dividend for the year represents the full dividend to be received from Wilson Sons relating to 2010 plus approximately 1.7% of the average capital employed in the investment portfolio consistent with the Board's dividend policy in respect of each financial year of paying 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.

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 2010 participants exercised 280,280 options. The maximum remaining liability under the plan is US$8.3 million based on the Wilson Sons IPO offer price. An accrual of US$6.7 million (2009: US$7.0 million) has been included in the 2010 accounts for benefits accruing under the plan.

Charitable donations

Around the Group our offices are widely engaged with the local community. Through our corporate programme "Criando Lacos" (Creating ties), the Group provides financial support and promotes employee involvement in social initiatives.

We are also proud to support a number of local causes and during the year the Group made contributions of US$105,000 (2009: US$102,000) to charitable causes. The Group makes one off contributions as well as supporting some charities on an on-going basis. The Group's principal contributions in 2010 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

Brigada Mirim Ecologica – maintaining the ecology of Ilha Grande in the state of Rio de Janeiro and raising the awareness of visitors and the local population about the environment.
Website: www.brigadamirim.org.br

Rio Voluntario – Supports and provides assistance to voluntary organisations.
Website: Riovoluntario.org.br

Board of Directors

It was with deep regret that we announced the death of our fellow director and colleague Mr. Francisco Gros in May 2010. Mr. Gros served as a Director of Ocean Wilsons Holdings Limited since 2004 and was the Chairman of Wilson Sons Limited. On behalf of your Board I would like to acknowledge and express our gratitude for his valued contribution to the Group.

Outlook

The Brazilian economy remains strong with forecasts predicting growth of 4-5% in 2011 The Group continues to grow and invest in our core maritime businesses which are experiencing strong demand across all segments.
In 2011 we will continue the expansion of our shipyard at Guaruja to service the increasing demand for offshore support vessels. So far in 2011 we have already delivered the Platform Supply Vessel (PSV), Torda to our offshore joint venture and during the year we expect to deliver a further two PSVs to the joint venture and seven new tugboats for our own fleet. We have started work on expanding the terminal at Tecon Salvador and are already operating the extended back area granted in September 2010.

Management and staff

On behalf of your Board, I would like to thank our management, staff and partners for their hard work and dedication throughout the year.

J. F. Gouvêa Vieira
Chairman
25 March 2011

Financial Review

Revenue

Revenue for the year increased 20% to US$575.6 million (2009: US$477.9 million) driven by growth in our Brazilian maritime services business, principally port terminals, logistics and shipbuilding. Port terminal revenue benefited from increased container volumes, improved sales mix and strong growth at our Oil and Gas terminal business, Brasco. New business and higher imports increased Logistics revenue 35% in the year to US$102.4 million (2009: US$75.8 million). The fall in offshore revenue attributable to the creation of our new joint venture, Wilson Sons Ultratug (Previously we consolidated 100% of offshore revenue, now we consolidate 50% of the joint venture revenue) was partially offset by the recognition of what were previously intercompany sales to Wilson Sons Ultratug. All Group revenue is derived from Wilson Sons operations in Brazil.

Operating profit

Operating profit for the year remained strong at US$67.9 million although US$11.4 million lower than 2009, US$79.3 million. Operating costs increased US$108.7 million to US$507.7 million from US$399.0 million in 2009 due to an increase in business volume, the continued strength of the Brazilian Real against our reporting currency, the US Dollar, higher employee expenses and depreciation. In addition no fiscal credits relating to prior periods were recognised in the year while 2009 benefited by US$6.5million.

Employee expenses for the year rose 27% to US$205.5 million (2009: US$162.4 million) as a result of increased headcount to attend new business, collective labour agreements and the exchange rate effect on Real denominated expenses. Wages were driven higher by Brazilian domestic inflation and shortages of skilled labour in the booming offshore sector. The share based payment expense from the Group's two long-term incentive schemes remained broadly unchanged at US$16.5 million (2009: US$17.2 million).

Depreciation in the year has increased to US$42.4 million from US$31.9 million in 2009 reflecting the significant capital expenditure undertaken by the Group in port operation, towage and offshore businesses last year.

Raw materials increased from US$49.6 million to US$67.2 million due principally to the increase in shipyard sales.

Exchange rates

The Group reports in US Dollars and has revenue, costs, assets and liabilities in both Brazilian Real and US Dollars. Therefore movements in the US Dollar/Brazilian Real exchange rate can impact the Group both positively and negatively from year to year. In 2010 the Brazilian Real appreciated 4.8% against the US Dollar from R$1.74 at 1 January 2010 to R$1.66 at the year end.

The main impacts from the appreciation of the Brazilian Real against the US Dollar at year end was a net exchange gain of US$3.8 million (2009: US$24.0 million) on the Group's Real-denominated cash balances reported in the income statement and a currency translation adjustment gain to net equity of US$4.6 million (2009: US$16.1 million).

Although the Brazilian Real appreciated 5% against the US Dollar at year end, the average Real/US Dollar exchange rate during the year at 1.76 was 12% lower than the comparative period in 2009, 2.00. The lower average exchange rate adversely impacts Real denominated costs when converted into our reporting currency, US Dollars.

Profit realised on formation of joint venture

A gain of US$20.4 million was realised on formation of the offshore joint venture with Ultratug.

Investment revenues

Investment revenue in 2010 decreased US$17.6 million to US$18.0 million from US$35.6 million in 2009. This decrease was primarily due to lower exchange gains on cash and cash equivalents of US$ 4.0 million (2009: US$23.7 million) Exchange gains arise principally on Brazilian Real denominated cash balances and the significant gain in 2009 was due to the 25% appreciation of the Brazilian Real against the US Dollar in 2009. Interest from bank deposits at US$10.2 million was in line with prior year (2009: US$10.4 million). The investment portfolio received dividends from equity investments in the year of US$3.8 million (2009: US$1.5 million).

Other gains and losses

Other gains at US$22.5 million were US$11.8 million lower than 2009, US$34.3 million reflecting the lower returns in 2010 from world equity markets. Other gains arise from the Group's portfolio of trading investments and represent increases in the fair value of trading investments held at year end and profits on the disposal of trading investments during the year.

Finance costs

Finance costs in 2010 increased by US$2.2 million to US$11.6 million from US$9.4 million. The increase is principally attributable to higher interest payments as a result of increased borrowings.

Profit before tax

Profit before tax for the year was US$117.2 million compared with US$139.8 million for 2009. The decrease in profit before tax is principally due to the fall in operating profit, decreased investment revenue in the period and lower returns from the investment portfolio. Profit realised on formation of the offshore joint venture positively impacted profit before tax by US$20.4 million.

Taxation

The tax charge in the year of US$30.6 million is marginally lower than 2009, US$31.2 million. Current tax in Brazil decreased by US$12.3 million to US$31.2 million (2009: US$43.5 million) as the profit on the realisation of the joint venture is not included in determining taxable profit. The decrease in the current tax charge was partially offset by a lower deferred tax credit in the period of US$0.7 million (2009: US$12.4 million). The lower deferred tax credit is principally attributable to a reduced IFRS deferred tax credit of US$6.6 million (2009: US$35.1 million) arising 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$1.5 million (2009: US$15.2 million) arising from the exchange variance on borrowings.

Net income arising in our Bermudian companies that are not subject to income or capital gains tax and deferred tax movements were US$10.7 million lower at US$0.9 million. (2009: US$11.6 million). The lower net income primarily reflects decreased returns from our Bermudian investment portfolio as the share based payment expense from the Group's two long-term incentive schemes remained broadly unchanged. The combined effect of these movements increased the effective tax rate for the period to 26% compared with 22% in 2009. The corporate tax rate prevailing in Brazil is 34%.

Earnings per share

Basic earnings per share for the year were 160.8 cents, compared with 198.5 cents in 2009.

Cash flow

Net cash flow from operating activities was US$85.5 million (2009: US$52.2 million). The improved cash movement in the year reflected the benefits of better working capital management and lower income taxes paid.

Capital expenditure of US$162.0 million was mainly invested on vessel construction and equipment for port operations and logistics (2009: US$139.7 million). During the year the Group also invested in the expansion of Tecon Salvador and our shipyard in Guaruja.

New loans of US$77.7 million (2009: US$83.9 million) were raised in the period to finance capital expenditure. Repayments of borrowings in the year in accordance with debt repayment schedules were US$19.0 million (2009: US$16.8 million).

At 31 December 2010 the Company and its subsidiaries had US$130.1 million in cash and cash equivalents (31 December 2009: US$196.4 million) of which US$41.4 million was in US Dollar denominated assets and US$85.8 million in Brazilian Real denominated assets.

Balance sheet

Equity attributable to equity holders of the parent increased from US$493.0 million at the beginning of the year to US$535.1 million principally due to the profit in the period attributable to equity holders of the parent less dividends paid. On a per share basis this is the equivalent of US$15.13 per share (31 December 2009: US$13.94 per share). Within this trading investments plus cash held by Ocean Wilsons Investments Limited of US$263.4 million equates to US$7.45 per share.

Included in the Group's trading investments of US$297.3 million at 31 December 2010 is US$36.7 million in US Dollar 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.

Debt

The Group uses debt principally to finance vessel construction, the development of the container terminals at Rio Grande and Salvador and equipment for logistic operations. The majority of debt has long maturity profiles with fixed debt repayment schedules. At 31 December 2010 the Group's borrowings (including obligations under finance leases) were US$325.3 million (31 December 2009: US$268 million) of which US$294.9 million is non-current.

All debt at year end is held in the Wilson Sons Limited Group and has no recourse to the parent company, Ocean Wilsons Holdings Limited or the investment portfolio held by Ocean Wilsons Investments Limited.

Keith Middleton
Finance Director

Investment Managers Report

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

Market background
Global equity markets recovered from a second quarter slump and rallied strongly in the second half of 2010. Many indices ended the year at or above their levels at the time of the Lehman Brothers bankruptcy in September 2008. The MSCI World Index of Developed Markets gained 11.8% over the period and the MSCI Emerging Markets Index gained 18.9%.

In the first half of the year, investors became anxious as China introduced tightening measures to combat rising inflation and intensified concerns over Greece led to a significant Greek rescue package and the introduction of a €750bn regional bailout facility. Market jitters heightened in May when the Dow Jones plunged 700 points in eight minutes following a system failure and BP's oil spill in the Gulf of Mexico wiped off £60bn from the company's market capitalisation. In the second half of the year, a significant rally in risk assets commenced ahead of the US Federal Reserve's announcement of an additional $600bn round of quantitative easing in November. The US economy developed some positive momentum in the fourth quarter as corporations continued to beat earnings estimates and manufacturing activity remained strong.

With the exception of some European indices, Developed Markets rallied strongly in the second half of the year to finish 2010 at post crisis highs. The S&P 500 Index in the US rose 15.1%, the FTSE 100 Index in the UK rose 9.2% and the DAX Index in Germany was a standout performer amongst continental European markets gaining 8.5% whilst the CAC Index in France fell by 6.0%. The Topix Index in Japan posted a significant gain of 15.9%; nevertheless performance was flat on a local currency basis.

Amongst Emerging Markets, the strongest performances came from the RTS Index of Russia which gained 22.6% and the Bombay Sensex Index of India which rose 22.2%. The Bovespa Index of Brazil, which had posted the largest gains of the BRIC countries in 2009, saw a comparatively modest rise of 6.1% in 2010, most of which was attributable to currency appreciation. The MSCI Asia Pacific ex-Japan Index rose 16.9%, driven by South-East Asian economies including Indonesia, Thailand and the Philippines, whilst the Chinese market was a notable laggard as the domestic A-share CSI 300 Index lost 8.4% over the year.

Commodity prices rallied during the year, driven by continued strength of demand from Emerging Markets and supply constraints resulting from extreme global weather events and continued political instability in certain supplier countries. Precious Metals and Agriculture posted the largest gains. Gold rose 29.5%, ending the year at $1,420 per ounce on the back of continued concerns about the increasing supply of paper money and agricultural commodities rebounded with Corn prices increasing by 30.7%, Soybeans 34.9% and Wheat 21.2%. The price of West Texas Intermediate crude oil gained 8.5%, ending the year at $92 per barrel. Industrial metals rallied on the back of further quantitative easing as Copper prices increased by 29.7%.

In currency markets, the US Dollar reversed some of its 2009 losses, appreciating 3.4% against Sterling and 7.1% against the Euro. However it depreciated against the Yen by 12.9% and weakened against commodity currencies, losing 12.2% against the Australian Dollar, 4.6% against the Canadian Dollar and 4.8% against the Brazilian Real. The notion of competitive currency devaluations amongst nations to improve their growth prospects gained impetus during the year as significant currency interventions were seen from the central banks of Brazil and Japan. In June the People's Bank of China announced that it would manage the Renminbi exchange rate more flexibly, allowing the currency to appreciate or depreciate by up to 0.5% against the US Dollar in a single day. This move saw a slight appreciation of the Renminbi by approximately 3% versus the US Dollar. China's refusal to let its currency appreciate more significantly remains at the centre of global imbalances.

In fixed income markets, positive performance continued across all sectors, however at a declining pace after significant spread contraction in the prior year. The broad global indices of Sovereign Debt, Investment Grade Corporate Debt, High Yield Corporate Debt and Emerging Markets Debt all posted gains over the period. Additional quantitative easing in the US led treasury yields on a continued downwards trajectory. US ten year treasury yields fell to 3.3% from 3.9%, albeit having posted a significant rebound from a low of 2.4% in October, UK ten year gilt yields fell to 3.4% from 4.0% and the European Central Bank ten year yield fell to 3.0% from 3.4%. Elsewhere, yields on Japanese 10 year government bonds continued to tighten, moving to 1.13% from 1.30%, despite snowballing government debt approaching 200% of GDP.

Analysis of investment silos
There are four main 'silos' in the OWIL portfolio: (i) Global Equities, (ii) Alternative Assets, (iii) Bonds and (iv) Cash.

'**Global Equities**' (50.2% of NAV as at 31 December 2010) is comprised of holdings that are sensitive to stock market movements and may take the form of investments in open-ended funds, closed-ended list funds (such as Investment Trusts), UCITS funds, long / short directional hedge funds as well as direct quoted equities. Global Equities achieved performance of +16.2% in 2010.

'**Alternative Assets**' (31.2% of NAV) is comprised of three constituents: (i) Private Assets, (ii) Market Neutral Funds and (iii) Liquid Real Assets.

Private Assets (10.1% of NAV) contains fixed life investments typically with lives of approximately ten years and often structured through commitments to Limited Partnership vehicles that make investments in private equity, private real assets (such as property and natural resources) and private debt (such as distressed debt and mezzanine financing). These investments offer access to longer cycle plays, typically with less volatility than and lower correlation to public security markets. Phased drawdown of capital reduces market timing risk. The first commitment to Private Assets was made in 2007. A total of 14 commitments (totalling $61.6m) have been made as at 31 December 2010. $31.0m has been drawn down to date, indicating that this silo is at an immature stage of value realisation. Private Assets achieved performance of +3.5% in 2010.

Above: The Brasco offshore base located in Rio de Janeiro, which provides support services to the oil and gas industry.

Investment Managers Report

Market Neutral Funds (18.5% of NAV) contains 'all-weather' holdings in funds which exhibit low correlation to public security markets and have the ability to generate positive absolute returns regardless of the prevailing market environment. Several of the underlying holdings are hedge funds which engage in shorter term trading across asset classes. Market Neutral Funds achieved performance of +11.5% in 2010.

Marketable Real Assets (2.6% of NAV) contains real asset investments (such as property and natural resources) which are quoted on a stock market. Liquid Real Assets achieved performance of +24.9% in 2010.

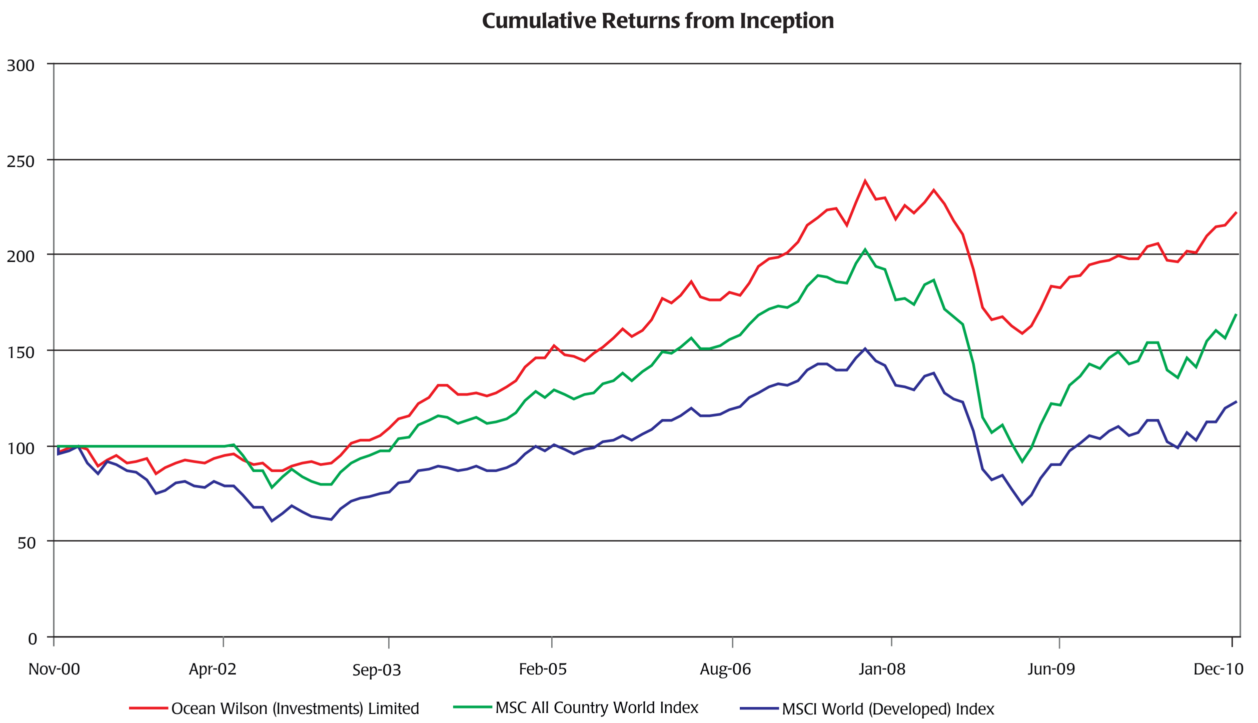
'**Bonds**' (9.2% of NAV) is comprised of two constituents: (i) High Yield Bonds and (ii) Corporate Bonds. Returns may be generated from an increased capital value, coupons as well as currency exposure.

High Yield Bonds (9.2% of NAV) contains investments in Emerging Market (both sovereign and corporate debt) and other high yield corporate debt. High Yield Bonds achieved performance of +12.9% in 2010.

Investment Grade Bonds (0% of NAV) contains investments in sovereign (government) bonds as well as corporate bonds with high credit ratings (typically at least 'BBB' as defined by Standard & Poor's). Investment Grade Bonds achieved performance of +1.8% in 2010.

'**Cash**' (9.4% of NAV) is comprised of cash and cash equivalents including money market/liquidity funds. Cash may be held in currencies other than the US Dollar. Cash achieved performance of +1.8% in 2010.

Performance



Annual and Cumulative Returns

Annual performance (time weighted return)

	Since inception (1 Nov 2000)	2010	2009	2008	2007	2006
Fund performance	122.2%	11.6%	19.0%	(27.1)%	16.0%	19.5%
MSCI World (Developed) Index	19.3%	11.8%	30.0%	(40.7)%	9.0%	20.1%
MSCI All Country World Index	*n/a%	12.7%	34.5%	(42.2)%	11.8%	20.8%
Performance Benchmark	53.4%	3.0%	4.0%	6.2%	7.3%	6.8%

* Note: Performance information for the MSCI All Country World Index, which includes Developed, Emerging and Frontier Markets (weighted by market capitalisation), is only available from 31 May 2002.

Above and left: The 71 ton bollard pull tugboat Andromeda. Wilson Sons is the largest provider of towage services in Brazil.

Investment Managers Report

INVESTMENT PORTFOLIO PERFORMANCE for the year ended 31 December 2010 (excluding cash and cash funds)

Sector	Portfolio Weighting %	Time Weighted Return %	*MSCI Return %
North America	11.4	6.5	15.3
Developed Europe ex-UK	4.4	19.4	1.6
UK	6.0	14.7	8.8
Japan	4.0	8.4	15.4
Developed Asia ex-Japan	4.8	16.2	16.9
Emerging Asia	20.1	13.3	19.0
Latin America	3.9	14.2	14.7
Emerging Europe	6.6	18.9	16.7
Africa*	1.8	(6.4)	14.6
Middle East*	1.2	12.8	15.7
Global Themes	14.7	20.3	12.7
Market Neutral	21.1	11.2	3.0

***Notes:**

(i) The MSCI EFM Africa Index was launched during 2010 hence the FTSE/JSE Africa Top 40 Index has been used on a one off basis in its place.

(ii) There is no longer an appropriate MSCI Index for the Middle East so the S&P Pan Arab Index is shown instead.

(iii) Market Neutral Funds are compared with the performance benchmark.

Excluding cash, the invested portfolio generated a time weighted return of +13.0% in 2010. Cash represented approximately 9.4% of the portfolio's NAV at the end 2010 with an average level of 20.9% throughout the year. In comparison, the MSCI All Country World Index (includes Developed, Emerging and Frontier Markets – weighted by market capitalisation) was +12.7%.

Overall performance was enhanced by top-down asset allocation as compared to the MSCI All Country World Index. Within the portfolio, 11 out of the 12 sectors generated positive returns with Global Themes (driven by commodity exposure), Emerging Asian and Market Neutral investments the top three contributors. Only African investments (1.8% of overall NAV) generated a negative return due largely to the effect of fees (early stage in the 'J-curve') on the two commitments to private equity funds.

Approximately 33% of performance stemmed from Emerging Markets, 27% from Developed Markets, 22% from Global Themes and 18% from Market Neutral funds (see summary of these holdings below). As at 31 December 2010, approximately 10% of OWIL's NAV was held in Private Assets (predominantly Emerging Markets private equity limited partnerships) towards the beginning of their investment lives. The portfolio also benefited from its considerably underweight exposure to Developed Europe ex UK (4.4% versus 16.5% for the MSCI All Country World Index), which was the weakest geographical region in 2010.

The top performing investments included several Emerging Market funds: **Pacific Alliance China Land Ltd** +50.9%, **ARC Capital Holdings Ltd** +30.0%, **Neptune Russia & Greater Russia Fund** +29.3% and **Aberdeen Global – Asia Pacific** +26.8%. Global sector focused funds such as **BlackRock World Mining Trust Plc** +43.5% and **Phaunos Timber Fund Ltd** +34.3% also posted strong gains. In Developed Markets, the standout performers were **Jupiter European Opportunities Trust Plc** +37.2% and **BlackRock UK Emerging Companies Hedge Fund** +25.5%.
The top contributors were:

Top Contributors (in USD)	Contribution %	Performance %	Gain $m
BlackRock World Mining Trust Plc	1.6	43.5	3.5
Findlay Park American Smaller Companies Fund	0.8	22.6	1.8
Jupiter European Opportunities Trust Plc	0.8	37.2	1.8
AR New Asia Fund*	0.6	18.6	1.4
BlackRock UK Emerging Companies Hedge Fund	0.6	25.5	1.4
Aberdeen Global – Asia Pacific	0.6	26.8	1.4
Pacific Alliance China Land Ltd	0.6	50.9	1.3
Capital International Emerging Markets Debt Fund	0.6	11.8	1.2
BlueCrest AllBlue Leveraged Feeder Fund	0.5	11.0	1.2
Neptune Russia & Greater Russia Fund	0.5	29.3	1.1
Total			**16.1**

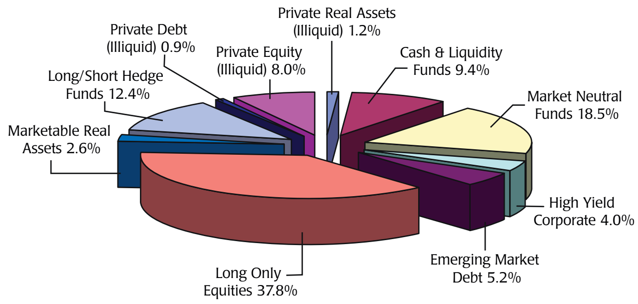
Note: * Purchased during 2010.

Above and left: Tecon Salvador in Salvador Bahia. In 2010 volumes at Tecon Salvador increased 13% to 262,500 TEUs (Twenty foot equivalent units).

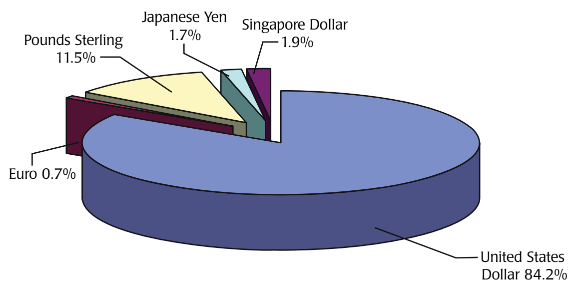
Investment Managers Report

In terms of negative performance, the most disappointing performance came from **Prusik Asia Fund** –9.4% (sold in August), where the manager continued its poor performance of 2009 and **RWC US Absolute Alpha** –4.5% which ended in negative territory against a positive environment for US equities. **ETFS Natural Gas** –25.6% (sold in March) was a significant detractor due mainly to the underlying commodity remaining in contango, a situation which, given the negative 'roll yield', provides a significant headwind for positive returns. Elsewhere, **SR Global – Asia** and **SR Global – Emerging Markets** were laggards and only just in positive territory despite strong performance from Asian and Emerging Market equities.

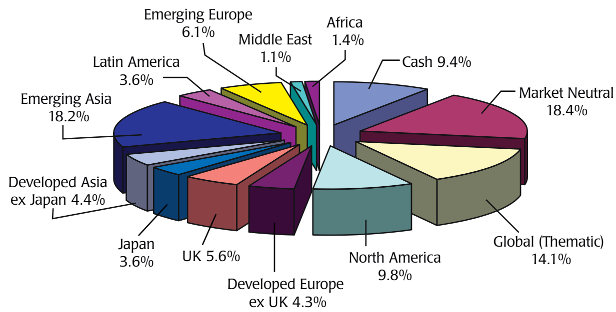
Asset Allocation at 31 December 2010



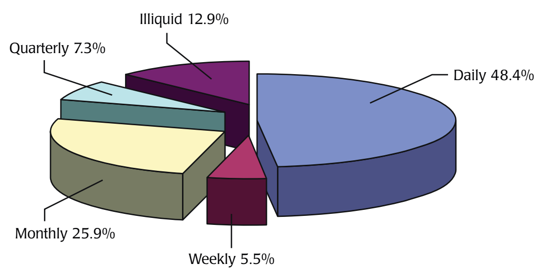
Currency Exposure (by denomination) at 31 December 2010



Geographical Distribution at 31 December 2010



Underlying Liquidity at 31 December 2010



Above: A platform supply vessel (PSV) being completed at our shipyard in Guaruja. At the end of 2010 the Wilson Sons Ultratug joint venture operated 10 PSV's.

Investment Managers Report

PORTFOLIO ACTIVITY – for the year to 31 December 2010
At the beginning of the year, the portfolio had cash and liquidity funds of $75.1m. During 2010, excluding transactions relating to cash and liquidity funds, there were total purchases of $61.4m and total sales of $30.9m. Within the portfolio's illiquid investments, there were new commitments to Private Assets of $20.7m and capital contributions to Private Asset investments of $15.1m.

Purchases
There were purchases totalling $61.4m during 2010.

New Positions	$
AR New Asia Fund	7,500,000
Investec GSF Enhanced Global Energy Fund	6,273,295
QFR Victoria Fund Ltd	5,000,000
Winton Futures Fund	5,000,000
Schroder ISF Emerging Markets Debt Fund	5,000,000
Schroder ISF Global Energy	5,000,000
Prosperity Quest Fund	5,000,000
BlueBay Macro Fund	5,000,000
Prusik Asian Smaller Companies Fund Plc	2,497,909
Jupiter Global India Select Fund	2,000,000
Jupiter Absolute Return Fund	1,810,544
Additions to Existing Investments	
Findlay Park American Fund	5,472,637
ARC Capital Holdings Ltd	2,805,178
Atlantis China Fund	2,000,000
SR Global Emerging Markets Fund	905,109
Pacific Alliance China Land Ltd	162,766
	61,427,438

New Positions
AR New Asia Fund makes investments in Asian ex-Japan equities via a long-only absolute return concentrated (c30 stocks) portfolio, supported by a macro overlay to manage risk. AR Capital was founded in 2005 by Leong Wah Kheong, formerly CIO for Schroder's Asia ex-Japan equities for eight years.

Investec GSF – Enhanced Global Energy Fund was purchased from the proceeds of the sale from Investec Global Energy Long/Short Fund (market neutral fund) into a new hedged UCITS III vehicle. The Fund is long-biased but with downside protection through the use of derivative instruments.

QFR Victoria Fund is a global macro market neutral hedge fund, investing in fixed income, currencies and credit securities in Emerging Markets.

Winton Futures Fund is a market neutral 'trend following' hedge fund, trading in futures, options and forwards on approximately 100 global equity, currency, bond commodity and short-term interest rate markets.

Schroder Emerging Markets Debt Absolute Return Fund is a long-only absolute return market neutral fund investing in Emerging Markets debt through local and external (USD) cash bonds, with significant thought given to currency positioning as a meaningful contributor to performance.

Prosperity Quest Fund invests in Russian equities with a bias towards small and mid-capitalisation companies. The Fund specialises in restructuring and consolidation opportunities and may have a small percentage invested in unlisted assets.

Schroder Global Energy Fund is a long-only fund, investing in a concentrated portfolio of listed energy (oil, gas and coal) equities through both direct exploration and production companies as well as related energy services and equipment companies. The portfolio has a high exposure to mid-capitalisation companies.

BlueBay Macro Fund – is a global macro absolute return hedge fund, investing in fixed income, currency, equity and other liquid markets, typically with a high exposure to Emerging Markets.

Jupiter Global India Select Fund invests across market capitalisations in a portfolio of Indian equities. The focus in on under-researched companies in the mid-capitalisation space.

Prusik Asian Smaller Companies Fund was purchased using approximately half of the proceeds from the sale of the Prusik Asia Fund. The transaction reflects the manager's better track record in the Smaller Companies Fund and higher conviction ideas.

Jupiter Absolute Return was purchased with proceeds from the sale of Jupiter Financial Opportunities Fund. The new UCITS III Fund is an unconstrained fund, investing across asset classes with a bias towards equities. Given the manager's area of expertise, equities in financials may constitute a significant part of the portfolio. It is anticipated that the returns will offer greater downside protection and exhibit lower volatility than the Jupiter Financial Opportunities Fund.

Shipbuilding and logistic operations.

Investment Managers Report

Additions to Existing Investments

Findlay Park American Fund was increased to reflect the Investment Manager's high conviction in this long-term holding and some selective value in a largely out of fashion stock market.

ARC Capital Holdings Ltd was increased to take advantage of a significant discount to NAV (approximately 18%) and greater exit visibility on a maturing portfolio. Furthermore, one (profitable) follow-on investment was made ahead of the January 2011 tender offer where the Company made a one-off distribution equal to 10% of NAV.

Atlantis China Fund – tactical increase of exposure to high conviction China fund following a weak local market in 2010.

Pacific Alliance China Land Ltd was increased ahead of the October tender offer where the Company made a third (and final) distribution equal to 6% of NAV. The Investment Manager has participated in all three of these tender offers, purchasing an equal amount of shares in advance of the tender and then tendering these shares at NAV – this has proved a profitable strategy.

SR Global – Emerging Markets was increased with proceeds from the sale of SR Phoenicia following disappointing performance despite significant crossover of ideas with the Emerging Markets Portfolio.

Switches

There were three switches during 2010.

Lansdowne UK Equity Fund Ltd ($10.6m) was switched from the GBP class to the USD (hedged) class.

Prior to its sale, **Prusik Asia Fund** ($4.8m) was switched at the start of 2010 from the USD class to the SGD class, reflecting the manager's positive outlook for Asian currencies in general and more specifically the Singapore Dollar.

RWC Biltmore (hedge fund, $2.9m) was switched into **RWC US Absolute Alpha Fund**, a UCITS III fund with a very similar portfolio. The **RWC US Absolute Alpha Fund** benefits from daily liquidity versus monthly for RWC Biltmore.

Sales

There were sales with proceeds totalling $30.9m during 2010.

Commitments

There were five new commitments to illiquid private limited partnerships in the year:

	$
Avigo SME Fund III, LLC	5,000,000
Capital International Private Equity Fund V, LP	5,000,000
China Harvest Fund II, LP	5,000,000
Greenspring Global Partners IV, LP	5,000,000
L Capital Asia Private Investors Offshore, LP	4,650,000
Total	**24,650,000**

Avigo SME Fund III, LLC invests in Indian Small and Medium Enterprises with a focus on the industrial sector.

Capital International Private Equity Fund V, LP makes private equity investments in market-leading local companies and well-positioned exporters across the global emerging markets. This was a secondary transaction where a $5m commitment was acquired from an existing Limited Partner. The price paid was a 12.5% discount to the drawn portfolio's valuation.

China Harvest Fund II, LP provides growth capital to leading mid-market companies (typically with top five market positions) in mainland China, Hong Kong, Macau and Taiwan.

Greenspring Global Partners IV, LP is a venture capital fund of funds, aiming to provide access to top-tier funds, principally in the United States. In addition, approximately 25% of commitments will be used to make direct investments in private companies.

L Capital Asia Private Investors Offshore, LP is a private equity fund sponsored by French luxury conglomerate, the LVMH Group, to provide growth capital through minority stake investments in Asian 'aspirational' brands (affordable alternatives to luxury brands), directed at the growing middle class and discretionary consumption.

Market outlook

Economists are anticipating a two tier economy in 2011. The International Monetary Fund is forecasting economic growth of 2.2% in the developed economies and 6.4% in the developing world with world GDP expanding at 4.2% overall. It is an environment where the developing world is doing the bulk of the 'heavy lifting'. For example, car sales and oil imports in these economies have exceeded the developed world for the first time.

Although there have been some muted signs of growth in the US, it has tended to be focused on technology and productivity improvement and has not necessarily been beneficial for job creation. The ongoing deleveraging cycle in the West is a huge headwind for growth. US total debt as a percentage of GDP peaked during the first quarter of 2009 at 373% (its previous peak being 300% in 1933). This exponential rise in total outstanding debt in the US economy is clearly unsustainable and correcting it will be a serious constraint on their economic growth prospects. The other central issue undermining growth in the West is the collapse in the velocity of money. Despite the scale of the increase in the monetary base, banks have been guilty of 'monetary constipation', sitting on an improved reserve position with no benefit to the real economy. As a result of the two tier nature of the world economy, governments and central banks are pursuing differing agendas with the West keen to avoid slumping into Japanese style deflation while policy makers in the developing world are confronted by either rising inflationary pressures or unwanted strength in their currencies, which threatens to undermine their competitiveness.

Following the recovery in the capital markets from the 2008 crisis, there remains significant unease amongst investors about the lasting legacy of the policy response to the crisis and the deep rooted structural challenges many economies are facing. 'Quantitative Easing' has succeeded in supporting asset prices but it defies investor logic to assume the creation of excess liquidity will bring structural benefit to problems created by an excess of liquidity. The unintended consequences and distortions caused by current policy settings will become clearer over time but there can be little doubt that they will occur.

Much of the developed world has to confront a poor demographic profile and deteriorating dependency ratios as fewer people in work support increasing numbers of people who are not. In terms of investment strategy, the 'big picture' still favours the Emerging Markets which have superior growth prospects and a lower debt burden at both public and private levels. However, the case for their capital markets outperforming those of the developed world is not as clear cut in 2011 as it has been through much of the last decade.

For one thing, inflation is increasingly a concern for many Emerging Markets as a consequence of rapid GDP growth, strong capital inflows and higher food and raw material prices. In India, for instance, core inflation is running at 8.5% and food price inflation at close to 17%. The Food and Agriculture Organisation price index is at an all-time high following a very strong increase in a range of agricultural commodities resulting from weather related crop losses, rising demand and high input costs such as fertiliser. In China, inflationary pressures are also returning, exacerbated by an artificially low level for the currency and wage settlements are rising. Ultimately, it is hard to see how the Chinese and other Asian economies with US Dollar pegs can avoid allowing their undervalued currencies to float freely. Any tightening of monetary policy has historically been negative for Emerging Markets. Emerging Market equities tend to be much more closely correlated with their fixed income markets and therefore a rise in bond yields is likely to be more threatening than it would be in stock markets in more mature economies where a rise in bond yields would signal improved economic vitality.

Emerging Markets are much more fashionable with investors than they were a decade ago and capital flows from both institutional and retail investors have grown markedly. This greater weight of investor exposure also makes them more vulnerable to any potential setbacks. By contrast, the US stock market has recently experienced the worst decade in its history with the annualised real rate of return in the ten years to March 2010 being -6%. In this context, US fund flows have seen high inflows into bond funds and Emerging Market equity funds, largely at the expense of neglected domestic equities. Despite the softness of the US economy and a consumer undermined by poor job prospects and a weak housing market, Corporate America is in strong shape. Profit margins for the S&P 500 Index exceeded 8% for the first time in over 30 years. Balance sheets are strong and many US corporations enjoy dominant global franchises.

For much of 2010, capital markets were focused on the significant strains evident within the Euro project and the peripheral European countries in particular stumbled under the weight of their debt burden. These concerns are still likely to be high on the list of investor unease in 2011. What is apparent, however, is a divergence within Europe. Germany for instance, is experiencing significant strength in its industrial sector buoyed by capital good sales to the Emerging Markets. Unemployment is now at its lowest level since re-unification and consumer sentiment has recovered. The German IFO business survey, which reflects general business confidence, is at its highest level since it was started in 2000. Elsewhere in Europe the picture is not as bright as policy makers seem reluctant to grapple with serious structural negatives such as deteriorating dependency ratios and an 'entitlement culture' that seems to be on a collision course with reality.

Notwithstanding the complexity of the current investment landscape and conflicting policy agendas, there is still a strong central case to be made for a diversified portfolio of international equities. With effectively zero available on cash deposits and extremely low nominal bond yields (close to negative in real terms), the balance of risk/reward favours shares. Analyst forecasts for the MSCI (Developed) World Index suggest a forward price earnings multiple of 12x and a price to book ratio of less than two. These are amongst the lowest valuations seen in the last 20 years. Furthermore, with dividends in many cases exceeding bond yields, shares are a competitive asset as a source of income as well as having long-term appreciation prospects. Interest rates at either the short or long end would have to spike upwards much more than seems likely in the current scenario to undermine this fundamental valuation support for equities.

At the time of writing, recent headlines have been dominated by events in the Middle East. Unrest against the long-term undemocratic regimes originated from widespread concerns including food price inflation, unemployment and corruption, with the people of Tunisia and Egypt and subsequently Bahrain, Yemen and Libya attempting to enact political change to differing degrees. These popular uprisings could represent the vanguard of democracy in a volatile region long starved of political freedoms. Alternatively, it remains to be seen to what extent power vacuums will be filled by religious extremists. The impact on risk assets has not been inconsiderable, with oil prices spiking to two year highs and equities, especially Emerging Markets, generally retrenching. Given the portfolio's relatively low geographic exposure to the region, and far greater exposure to oil related entities, the direct impact on portfolio performance should be relatively muted. However, the Investment Manager is conscious that further geopolitical tensions have the potential to cause oil prices to rise further and, should they approach the highs of 2008, could be capable of destabilising a fragile global economic recovery.

Hanseatic Asset Management LBG
February 2011

Wilson Sons Limited Operating Review

We have summarised the following highlights from the Wilson Sons 2010 Earnings Report released on 25 March 2011. Wilson Sons represents one segment for IFRS 8 segmental reporting purposes in the Ocean Wilsons Holdings Limited accounts. The full report is available on the Wilson Sons Limited website: www.wilsonsons.com:

Cezar Baião CEO of Operations in Brazil said:

"We are pleased to deliver another strong year to our shareholders. Wilson, Sons' record investment of US$190.3 million in 2010 demonstrates our commitment to developing port, maritime, and logistics infrastructure for the service of our clients. The Company is experiencing outstanding demand in the areas of international trade, oil and gas, and the Brazilian domestic economy.

In 2011, we are expanding our container terminal in Salvador and doubling our shipbuilding capacity in Guarujá, together with the on-going fleet expansion in Offshore and Towage. As such, we have unprecedented confidence that Wilson, Sons' investments will set the stage for a successful future."

Net Revenues

Port Terminal revenue for the year is up 30% due to higher volumes, the strong Brazilian Real stimulating higher-yielding imports which, in turn, favoured warehousing revenues and increased activity at Brasco. Towage revenue grew 7%, with strong demand for special operations which accounted for 16% of towage revenue in the year. Offshore revenue is down 27% as a result of the formation of WSUT joint venture in May 2010 and the migration of 4 vessels from spot market operations to long-term contracts.

Capital Expenditure

The Group invested record capital expenditure in the year. The capital expenditure is a result of the Company's fleet expansion in offshore and towage, new equipment for Tecon Rio Grande, the expansions of both Tecon Salvador and the shipyard in Guarujá. Equipment for port terminals included 2 new ship-to-shore cranes (portainers) and 4 rubber-tyre gantry cranes (transtainers) at Tecon Rio Grande, and the aforementioned expansion of Tecon Salvador. Equipment was also purchased for logistics to attend new client in-house operations.

Port terminals

Wilson, Sons Terminais

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

Total port terminal revenue grew 30% from US$175.4 million to US$228.0 million due to increased container volumes and revenue from Brasco. Revenue also benefited from an improved container sales mix and increased warehousing revenues. Brasco had a particularly strong year with revenue growing 84% to US$49.2 million (2009: US$26.7 million). Revenue growth reflects the higher demand for auxiliary services, such as warehousing, transportation, waste management, container rental, and utilisation of manpower and equipment. The Company experienced strong demand at all our facilities in Rio de Janeiro, Niterói, and Vitória.

Container terminal volumes for the year were 5% higher at 928,700 TEUs (Twenty foot equivalent units) benefiting from the strong domestic economy and growth in cabotage volumes. Deep sea volumes in the period were lower due to the negative effect of the strong Brazilian Real on our predominantly export-driven ports although this was mainly reflected in a fall in low value empty container movements. Imports of parts and machinery, chemicals, and plastics at Tecon Rio Grande partially offset the fall in export volumes at this terminal. The Full-to-Empty container mix improved with full containers up 15.1% for the year. Warehousing revenues benefited from greater import volumes.

Volumes at Tecon Salvador were up 13% at 262,500 TEUs with increases in transhipment, inland navigation and cabotage volumes. Chemicals, ores, grains, pulps, and rubber were particularly strong.

The increase in revenue was reflected in increased EBITDA which improved 31% to US$76.3 million from US$58.3 million. Within this Brasco EBITDA improved 63% to US$14.9million (2009: US$9.1 million).

Towage

Wilson, Sons Rebocadores

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

Towage revenues increased 7% to US$156.0 million from US$145.7million helped by better volumes in both harbour towage and special operations. The Company continues to focus on developing our higher margin special operations business which accounted for 16% of towage revenue in the year (2009: 14%). Special operations are mainly support to offshore oil & gas platforms and FPSO (Floating, Production, Storage and Offloading vessels) construction. Special Operations accounted for 35% of Towage EBITDA in the year (2009: 25%).

We continue to invest in renewing and expanding our fleet with the addition of 5 tugboats during the year. (Lyra, Regulus, Sculptur, Carina, and Vela) Currently, the company has 3 tugboats in different stages of construction at our shipyard in Guarujá.

Offshore

Through our 50/50 joint venture Wilson, Sons Ultratug (WSUT),Wilson Sons operates platform supply vessels (PSVs), to transport equipment and supplies to and from offshore oil and gas installations.

The Wilson, Sons Ultratug joint venture results are proportionally consolidated since the formation of the joint venture in May 2010. Prior to this the Group reported 100% of our subsidiary results.

Offshore revenue at US$28 million decreased 27% compared to prior year (2009: US$38.1 million) due to the formation of the joint venture and the migration of four PSVs operating in the high value spot market to long-term contracts with Petrobras during the year.

Operating profit is down 53% for the year to US$6.5 million (2009: US$13.7 million) because of the joint venture formation, lower spot market rates, the migration of four vessels from spot contracts to 8-year, long-term contracts with Petrobras (long-term contracts bring guaranteed revenue but carry lower daily rates than riskier spot market rates). Operating costs were adversely impacted by higher depreciation due to the expansion of our fleet and higher personnel costs driven by collective labour agreements and increased headcount.

The Groups shipyard delivered two new PSVs during the year (Fulmar and Talha-Mar). At the end of 2010 the joint venture operated 10 PSVs of which 9 were on long-term contract to Petrobras. The PSV Torda was delivered in March 2011 and the company has a further 3 PSVs in different stages of construction at the Wilson, Sons Guarujá Shipyard.

Shipyards

Shipyard revenues were up 58% in the year as a result of faster build programs and completion of higher specification vessels during 2010. EBITDA at US$ 6.0million was US$3.8 million lower than 2009 (US$9.8 million) principally due to higher start-up costs associated with the new shipyards in Guarujá and Rio Grande.

Following the formation of the WSUT joint venture, 50% of shipyard construction for WSUT is treated as third-party revenues in the Wilson Sons Limited accounts with the remaining 50% treated as fixed asset investment. Any profits generated by the shipyard relating to the 50% treated as fixed asset investment is considered intercompany and therefore eliminated on consolidation.

All tugboats constructed for Wilson, Sons towage business are considered intercompany and recorded at cost in the consolidated balance sheet.

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.

Ship Agency revenues increased 16% to US$17.6 million compared to 2009 (US$15.2 million) as a result of strong volumes. The number of vessel calls attended increased 11% to 7,258 with increases also in the number of bill of ladings issued and containers controlled. Volumes benefited from both higher domestic and international shipping demand.

EBITDA margins decreased as a result of higher personnel costs and the strength of the Brazilian Real against the US Dollar. A stronger Brazilian Real erodes ship agency margins as the 100% of costs are Real-denominated and the majority of revenues are USD-denominated.

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 increased 35% to US$102.4 million from US$75.8million principally due to new operations in the steel, mining and pulp and paper industries.

Logistics EBITDA improved 86% to US$13.1 million (2009: US$7.1 million) due to the ramp up in new operation volumes and improved performances across the in-house logistics operations. The Company's bonded-warehouse operations in Santo André (SP) performed particularly strong benefiting from robust import volumes driven by the strong Brazilian Real.

Directors and Advisers

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

Secretary
Malcolm S Mitchell

Profiles of Non-executive Directors
Dr J F Gouvêa Vieira is aged 61 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, International Meal Company, 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 53 and joined the Group in 1995. He is senior partner of Hansa Capital Partners LLP. He is also a non-executive director of Hansa Trust PLC, Wilson Sons Limited and New India Trust.

C F A Cooper is aged 68 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.

Mr Rozental is aged 65 and is the founding partner of Rozental & Asociados. He is a Director of Wilson Sons Limited, Chairman of the Board of Directors of ArcelorMittal Mexico and an independent Director of ArcelorMittal Brazil. He serves on the advisory boards of Kansas City Southern de México, EADS de México, Toyota de México and is an operating partner of Advent International Private Equity.

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Ocean Wilsons Dividend Election
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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 2010.

The Group accounts, presented under International Financial Reporting Standards (IFRS), comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes 1-39.

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 attributable to equity holders of the parent amounted to US$56,879,000 (2009: US$70,200,000).

An interim dividend of 4.0c (2009: 4.0c) gross per share was paid on 1 October 2010 and the Directors are recommending the payment of a final dividend for the year of 38.0c (2009: second interim dividend 38.0c) gross per share. The final dividend will be paid on 31 May 2011 to all shareholders who are on the register at close of business on 13 May 2011.

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 1 to 19.

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

In accordance with the Company's bye-laws, Mr K Middleton and Mr C F A Cooper will retire at the next annual general meeting and, being eligible, offer themselves for re-election. The Directors who held office at 31 December 2010 had the following interest in the Company shares:

	Interest	**2010**	2009
C F A Cooper	Beneficial	**42,900**	42,900
J F Gouvêa Vieira	Beneficial	**136,600**	136,600
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, Mr K Middleton has terms of service which can be terminated by the company on not less than twelve months notice in writing and by the Director on not less than six months notice in writing. There is no service contract between Mr C F A Cooper and the company.

Employees
The average number of persons, including Directors, employed by the Group was 4,936 (2009: 4,447).

Charitable and Political Donations
During the year Group made charitable donations of US$105,000 (2009: US$102,000) principally to social programmes in Brazil. There were no political contributions in either year.

Long-term incentive plan
In March 2007, the Finance 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$6,676,000 (2009: US$7,035,000) has been included in the 2010 accounts for benefits accruing under the plan.

On 9 April, 2007, the boards of Ocean Wilsons Holding Limited and Wilson Sons Limited approved a stock option plan which allows for the grant of phantom options to eligible employees selected by the Wilson Sons Limited Board. The options will provide cash payments, on exercise, based on the number of options multiplied by the growth in the price of a Wilson Sons Limited Brazilian Depositary Receipt "BDR" between the date of grant (the Base Price) and the date of exercise (the "Exercise Price"). The plan is a Brazilian Real denominated scheme. An accrual of US$23,795,000 (2009: US$10,591,000) has been included in the 2010 accounts for benefits accruing under the plan.

Auditor
Deloitte LLP have expressed their willingness to continue in office as auditor 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 16 March 2011 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	3,183,838	9.0
Montanaro Asset Management	1,426,500	4.0

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

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

Report of the Directors

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

Corporate Governance
The Board has put in place corporate governance arrangements which it believes are appropriate for the operation of your Company. The Board has considered the principles and recommendations of the 2008 Combined Code on Corporate Governance ("Combined Code") issued by the Financial Reporting Council and decided to apply those aspects which are appropriate to the business. This reflects the fact that Ocean Wilsons Holdings Limited is an investment company incorporated by an act of parliament in Bermuda with significant operations in Brazil. The Company complies with the Combined Code where it is beneficial for its business to do so and has done so throughout the year but as noted below, it does not fully comply with the Combined Code. The position is regularly reviewed and monitored by the Board.

The Board
The Board currently comprises the Chairman, Mr J F Gouvêa Vieira, Deputy Chairman Mr W Salomon, two independent non-executives, Mr A Cooper and Mr A Rozental and one executive Director, Mr K Middleton. Mr Cooper and Mr Rozental are considered by the Board to be independent under the UK Combined Code. Although Mr Cooper has served as a Director of Group Companies for more than nine years he has been assessed as independent by virtue of his personal characteristics, experience and performance. The Directors' Biographies appear on page 20. The Combined Code states that the board should appoint one independent director to be the senior independent non-executive director. Due to the small size of the Board and the fact that Ocean Wilsons Holdings Limited is a holding Company, the Board does not consider it appropriate to appoint a senior independent non-executive director. If a shareholder feels it is inappropriate to relay views through the Chairman or Executive Director, all non-executive Directors are available.

All Directors are subject to election by shareholders at the first AGM following their appointment to the Board and no more than one third of the Board are subject to re-election at each AGM. The Board is proposing at the forthcoming AGM to amend the Company's articles to ensure that Directors are subject to election by shareholders once every three years. Directors serving more than nine years are not subject to annual re-election as your Board considers continuity and knowledge of the Company's investments and business acquired over time is of great value. Mr K Middleton and Mr C F A Cooper, are offering themselves for re-election at the next AGM. The Board considers on a regular basis how to refresh itself.

Non-executive Directors hold letters of appointment. The other commitments of Directors appear on page 20 as part of their biographies and the Board is satisfied that these commitments do not conflict with their ability to carry out effectively their duties as Directors of the Company.

The division of responsibilities between the Chairman and the Executive Director has been clearly established, set out in writing and agreed by the Board. The Group does not have a Chief Executive.

The Board has appointed an Executive Director, Mr Keith Middleton to administer the Holding Company.

Our maritime services subsidiary, Wilson Sons Limited (an autonomous listed company) is supervised by the Board of Wilson Sons Limited who have appointed Mr Cezar Baiao as Chief Executive to run the business. The Chief Executive in turn delegates responsibility to senior executives, in particular strategic business unit directors. Ocean Wilsons Holdings Limited manages its interest in Wilson Sons Limited through the appointment of three Ocean Wilsons Holdings Limited Directors as Non-Executive Directors of Wilson Sons Limited, (presently Mr J F Gouvêa Vieira, Mr W Salomon and Mr A Rozental) voting on matters requiring Wilson Sons Limited shareholder approval and the relationship agreement between Ocean Wilsons Holdings Limited and Wilson Sons Limited signed following the listing of Wilson Sons Limited on the Sao Paulo and Luxembourg Stock Exchanges. The relationship agreement details areas of co-operation between Ocean Wilsons Holdings Limited and Wilson Sons Limited in meeting accounting, reporting and compliance requirements for both companies.

The Ocean Wilsons Holdings Limited Board has a formal schedule of matters specifically reserved for its attention. As previously stated autonomy is given to the Wilson Sons Limited Board to supervise the Wilson Sons Limited business and decisions taken by the Wilson Sons Board do not require ratification by the Board of Ocean Wilsons Holdings Limited. The schedule of matters reserved for the Board of Ocean Wilsons Holdings Limited includes:

- Determine the overall strategy of the Group
- Establishing the finance committee and their terms of reference
- Determining the responsibilities of the Chairman and Directors
- Approving changes to the capital structure of the Company or other matters relevant to its status as a listed Company
- Approving significant matters relating to capital expenditure, acquisitions and disposals and consideration of significant financial matters outside the Wilson Sons Limited Group
- Appointment of Directors to Ocean Wilsons Holdings Limited and Ocean Wilsons Investments Limited
- Appointment and removal of the Company Secretary
- Appointment and removal of executives
- Approval of annual and interim reports
- Approving any interim dividend and recommending the final dividend to shareholders
- Appointment of financial advisor or broker
- To vote the shares in Wilson Sons Limited on matters presented to shareholders for shareholder approval
- To approve changes in Wilson Sons Limited auditor or accounting policies

The Board of Ocean Wilsons Investments Limited is currently constituted by the same Directors as the Board of Ocean Wilsons Holdings Limited. The Board delegates authority to run the investment portfolio held by Ocean Wilsons Investments Limited to the investment manager within certain guidelines agreed with the Board. The Board of Ocean Wilsons Investments Limited has a formal schedule of matters specifically reserved for its attention which include:

- Appointment, removal and terms of an investment manager
- Determine investment guidelines and restrictions in conjunction with the investment manager
- Review the performance of the investment manager
- Approve of the interim and annual accounts for Ocean Wilsons Investments Limited
- Approving any dividends

The Company has a procedure in place by which Directors can seek independent professional advice at the Company's expense if the need arises. The Board has full and timely access to all relevant information to enable it to perform its duties. The Executive Directors are responsible for advising the Board on all corporate matters. Each Director has access to the advice and services of the Company Secretary Mr M Mitchell and the Executive Director.

During 2010 five scheduled meetings of the Ocean Wilsons Holdings Limited Board were held at different locations including one telephone Board meeting. Details of attendance at Board meetings and meetings of the Board committees are set out below. In addition to scheduled Board meetings if matters arise at short notice requiring urgent attention a telephone Board meeting is arranged.

Directors' attendance at Board and Finance Committee meetings

Director	Board Meetings attended	Finance Committee Meetings attended
Mr J F Gouvêa Vieira	5	3
Mr W Salomon	5	3
Mr A Cooper	4	3
Mr K Middleton	5	3
Mr A Rozental	4	3
Mr F Gros	1	2

The formal agenda for each scheduled Board meeting is set by the Chairman in consultation with the Executive Director. The Board of Ocean Wilsons Holdings Limited is invited to attend Wilson Sons Limited Board meetings where appropriate to receive operational updates, including one meeting a year in Brazil where the Board of Ocean Wilsons Holdings Limited is invited to attend the Wilson Sons Limited Board meeting to meet business unit directors and receive detailed management reports on the Brazilian business.
The non-executive directors also meet informally, without any executives present to discuss matters in respect of the business.

All new Directors receive an induction on joining the Company. This covers such matters as strategy, operation and activities of the Group and corporate governance matters. Site visits and meetings with senior management are also arranged. The Board as a whole visits an operational site once a year. Directors are encouraged to visit other sites. Directors are also provided with industry, legal and regulatory updates.

The Company has directors and officers insurance in place.

The Board has in place a procedure for the consideration and authorization of conflicts or possible conflicts of interest with the Company's interests annually. If a Director has a conflict of interest, unless requested to remain, he leaves the meeting prior to discussion and determination of such matters by the other Directors.

Board Evaluation

The Board undertakes an annual formal performance evaluation for the Board and individual Directors. The process involves completion of internally prepared questionnaires. The Chairman discusses their responses with each Director and then reports the results of the process to the Board which discusses the results, highlighting any areas for improvement.

Board Committees

The Board has established a finance committee which has formal terms of reference approved by the Board and which are reviewed on an ongoing basis by the Board. The committee's terms of reference are available at the Company's registered office. During 2010 the finance committee replaced the previously separate audit and remuneration committees. The Chairman of the committee is the Board Chairman, Mr J F Gouvêa Vieira. Due to the size of the Board, the Board considers the Chairman to be the most appropriate person to chair the finance committee.

The Combined Code states there should be a board nomination committee. The Board does not have a separate nomination committee as the identification and appointment of a new Board member is a matter for the full Board. The Board reviews Board composition on an ongoing basis and regularly considers whether any skill gap exists. Any new appointments to the Board will be considered in this context. Any Director may suggest a person to be appointed a non-executive director of the Company. The procedure to be followed is:

(a) The C.V. and qualifications of the candidate for the position will be submitted to the Chairman who will discuss the proposal with at least two other directors.

(b) The candidate will be interviewed by the Chairman, sponsor and at least one other director.

(c) If thought fit a resolution will be submitted to the Board for the appointment of the candidate.

The Board will consider using external consultants in appointing Directors if necessary.

Report of the Directors

Finance Committee report
The finance committee comprises all non-executive Directors, two of whom are considered by the Board to be independent. The Board is satisfied that two Directors, Mr Salomon, and Mr Rozental have recent and relevant financial experience as all have served on the audit committees of other listed companies. Mr Salomon also has considerable experience in finance and investment banking.

The finance committee met three times in 2010 (either as the finance committee or audit committee). At the request of the finance committee the Executive Director, the Chief Executive of Wilson Sons Limited and the Finance Director of Wilson Sons Limited attended each of these meetings. The external auditors attended one meeting.

The finance committee meets with the external auditor without any executives present.

The Combined Code states that the Company Chairman should not be the Chairman of the finance committee. The Board does not consider it appropriate for the committee to be chaired by a senior independent Director due to the size of the Board and so the committee is chaired by the Chairman of the Board Mr J F Gouvêa Vieira. The committee has defined terms of reference which are available at the company's registered office. The principal responsibilities of the committee are:

- to review the integrity of the interim and full year financial statements of the Company reviewing significant financial reporting judgements contained in them;
- to review the Company's internal control and risk management systems;
- to make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- to consult with the Group's auditors and, where necessary the auditors of the subsidiary companies, regarding any matters arising in the course of the annual audit or interim review which should be brought to the attention of the Board;
- to monitor the Group's risk exposure;
- determine the remuneration for all executives, the Chairman and non-executive Directors;
- determine the level of awards made under the Company's long-term incentive plan and performance conditions and vesting periods that apply; and
- determine bonuses payable under the Company Bonus scheme.

To fulfil its responsibility regarding the independence of the external auditors, the finance committee reviewed:

- the external auditors plan for the current year, noting the role of the audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years and any changes in key audit staff;
- a report from the external auditors describing their arrangements to identify, report and manage any conflicts of interest;
- the overall extent of non-audit services provided by the external auditors, in addition to approving the provision of significant non-audit services by the external auditors.

In addition the Group does not currently employ any former external audit staff in key management positions.

Directors' fees are set out within limits set in the Company's Articles of Association. The present limit is US$400,000 in aggregate per annum and the approval of shareholders in a General Meeting would be required to change this amount.

The Board of Wilson Sons Limited is responsible for all remuneration matters relating to Wilson Sons Limited and its subsidiaries. Mr Gouvêa Vieira, Mr Salomon and Mr Rozental receive Directors' fees from Wilson Sons Limited in addition to their fees as Directors of Ocean Wilsons Holdings Limited.

Internal Controls
The Board is responsible for the system of internal control and reviewing its effectiveness. The internal controls are designed to cover material risks to achieving the Group's objectives and include business, operational, financial and compliance risks. These controls have been in place throughout the year and up to the date of the approval of the annual report. The internal controls are designed to identify, evaluate and manage rather than eliminate risk of failure to meet business objectives. The internal control process distinguishes between the Parent Group and the principal operating subsidiary, Wilson Sons Limited which is managed by an autonomous Board.

Wilson Sons Limited is listed on both the Sao Paulo Stock Exchange "BOVESPA" and Luxembourg Stock Exchange, whose rules are different to the London Stock Exchange. The company's internal control procedures whilst sufficient for the Board of Wilson Sons Limited to identify, manage and control the principal risks, may differ from the requirements of the Turnbull Committee. The Board of the principal operating subsidiary is responsible for identifying key business risks and establishing and reviewing internal control procedures.

The Board reviews the need for an internal audit department annually and considers that the Parent Group is not sufficiently large to justify an internal audit function. Wilson Sons Limited operates an internal audit function and the Wilson Sons Limited Board monitors their internal financial control systems through reports received from the internal audit function.

In reviewing Wilson Sons Limited, the Board receives reports from the Wilson Sons Limited internal audit department, legal department and Wilson Sons Limited external auditors.

The Parent Group (including Ocean Wilsons Investments Limited) has an ongoing process for identifying, evaluating and managing key risks including financial, operational and compliance controls. A risk register is maintained detailing business risks, together with controls and responsibilities. The risk register is regularly reviewed by the finance committee.

The systems operated both by the Parent Group and principal operating subsidiary are reviewed annually. The Board is satisfied that these systems are operating effectively.

The Combined Code states that the finance committee should review arrangements by which staff can raise concerns about possible improprieties in matters of financial reporting. Ocean Wilsons Holdings Limited does not have a whistleblowing policy as there is only one employee. The Wilson Sons Limited Group whistleblowing policy and procedures enable employees who have concerns about the application of the Group's Code of Ethics to raise them with the Ethics Committee. The Ethics Committee will maintain their anonymity and report back to the employee on actions taken.

Relations with Shareholders
Communications with shareholders are important to the Board. Ocean Wilsons Holdings Limited sends both its annual report and accounts and half year accounts to all shareholders. To ensure Board members develop an understanding of the views of major shareholders there is regular dialogue with major institutional shareholders. The Chairman and Executive Director usually attend a number of these meetings. A report of meetings with shareholders is distributed to all directors. All Broker reports are distributed to all Board members. The Annual General Meeting of the Company provides a forum both formal and informal, for shareholders to meet and discuss issues with the Board. Despite being a Bermudian Company the Annual General Meeting is currently held in the UK to enable the maximum number of shareholders to attend. The Company Website www.oceanwilsons.bm contains copies of the annual and interim report and stock exchange announcements.

Going Concern
The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US$130.1 million in cash and cash equivalents and the Group's 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 1 to 20. The financial position, cash flows and borrowings of the Group are set out in the Financial review in pages 4 to 5. In addition note 38 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.

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
25 March 2011

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 2010 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 39. The financial reporting framework that has been applied in their preparation is applicable Bermudian law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group financial statements that give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable Bermudian law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the Bermudian Companies Act 1981.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Listing Rules we are required to review:

- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Other matter

In addition to our legal duties set out above, the Company has asked us to report on the following area as if they were a UK incorporated company.

We have nothing to report in respect of the review of the directors' statement, contained within the Report of the Directors, in relation to going concern.

Deloitte LLP

Chartered Accountants and Statutory Auditor
London
25 March 2011

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2010

	Notes	**Year to 31 December 2010 US$'000**	Year to 31 December 2009 US$'000
Revenue	3	**575,551**	477,888
Raw materials and consumables used		**(67,222)**	(49,570)
Employee benefits expense	6	**(205,486)**	(162,367)
Depreciation & amortisation expense	5	**(42,923)**	(32,066)
Other operating expenses		**(192,090)**	(155,042)
Profit on disposal of property, plant and equipment		**90**	470
Operating profit		**67,920**	79,313
Profit realised on formation of joint venture	29	**20,407**	–
Investment revenue	7	**17,982**	35,613
Other gains and losses	8	**22,460**	34,305
Finance costs	9	**(11,611)**	(9,411)
Profit before tax		**117,158**	139,820
Income tax expense	10	**(30,564)**	(31,228)
Profit for the year		**86,594**	108,592
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**4,644**	16,072
Other comprehensive income for the year		**4,644**	16,072
Total comprehensive income for the year		**91,238**	124,664
Profit for the year attributable to:			
Equity holders of parent		**56,879**	70,200
Non-controlling interests		**29,715**	38,392
		86,594	108,592
Total comprehensive income for the year attributable to:			
Equity holders of parent		**59,749**	79,059
Non-controlling interests		**31,489**	45,605
		91,238	124,664
Earnings per share			
Basic and diluted	12	**160.8c**	198.5c

Consolidated Balance Sheet

as at 31 December 2010

	Notes	As at 31 December 2010 US$'000	As at 31 December 2009 US$'000
Non-current assets			
Goodwill	13	**15,612**	15,612
Other intangible assets	14	**16,841**	2,239
Property, plant and equipment	15	**560,846**	438,892
Deferred tax assets	24	**28,923**	25,499
Trade and other receivables	21	**6,400**	–
Other non-current assets	27	**6,550**	10,521
		635,172	492,763
Current assets			
Inventories	19	**20,147**	20,687
Trading investments	18	**297,273**	249,778
Trade and other receivables	21	**129,242**	107,075
Cash and cash equivalents		**130,071**	196,428
		576,733	573,968
Total assets		**1,211,905**	1,066,731
Current liabilities			
Trade and other payables	26	**(126,656)**	(98,690)
Current tax liabilities		**(3,354)**	(853)
Obligations under finance leases	25	**(4,847)**	(3,902)
Bank overdrafts and loans	22	**(25,565)**	(18,146)
		(160,422)	(121,591)
Net current assets		**416,311**	452,377
Non-current liabilities			
Bank loans	22	**(288,596)**	(237,271)
Deferred tax liabilities	24	**(15,073)**	(16,140)
Provisions	27	**(12,289)**	(9,831)
Obligations under finance leases	25	**(6,305)**	(8,653)
		(322,263)	(271,895)
Total liabilities		**(482,685)**	(393,486)
Net assets		**729,220**	673,245
Capital and reserves			
Share capital	28	**11,390**	11,390
Retained earnings		**475,042**	435,844
Capital reserves		**31,760**	31,760
Translation reserve		**16,900**	14,030
Equity attributable to equity holders of the parent		**535,092**	493,024
Non-controlling interests		**194,128**	180,221
Total equity		**729,220**	673,245

The accounts on pages 27 to 65 were approved by the Board on 25 March 2011. 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 2010

For the year ended 31 December 2009	Share capital US$'000	Retained earnings US$'000	Capital reserves US$'000	Translation reserve US$'000	Attributable to equity holders of the parent US$'000	Non controlling interests US$'000	Total equity US$'000
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
For the year ended 31 December 2010							
Balance at 1 January 2010	11,390	435,844	31,760	14,030	493,024	180,221	673,245
Currency translation adjustment	–	–	–	2,870	2,870	1,774	4,644
Profit for the period	–	56,879	–	–	56,879	29,715	86,594
Total income and expense for the period	–	56,879	–	2,870	59,749	31,489	91,238
Dividends	–	(14,853)	–	–	(14,853)	(11,405)	(26,258)
Acquisition of non-controlling interest	–	(2,828)	–	–	(2,828)	(6,177)	(9,005)
Balance at 31 December 2010	11,390	475,042	31,760	16,900	535,092	194,128	729,220

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 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.

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 2010

	Notes	Year to 31 December 2010 US$'000	Year to 31 December 2009 US$'000
Net cash inflow from operating activities	31	**85,538**	52,238
Investing activities			
Interest received		**10,159**	10,379
Dividends received from trading investments		**3,795**	1,487
Proceeds on disposal of trading investments		**120,849**	104,941
Income from underwriting activities		**–**	2
Proceeds on disposal of property, plant and equipment		**959**	751
Purchases of property, plant and equipment		**(161,971)**	(139,742)
Purchases of trading investments		**(145,884)**	(110,420)
Net cash outflow arising from creation of joint venture		**5,040**	–
Net cash outflow arising on purchase of intangible asset		**(14,546)**	–
Net cash inflow arising on increase in capital in non-controlling interest		**–**	1,781
Net cash used in investing activities		**(181,599)**	(130,821)
Financing activities			
Dividends paid	11	**(14,853)**	(10,609)
Dividends paid to non-controlling interests in subsidiary		**(11,405)**	(6,682)
Repayments of borrowings		**(18,953)**	(16,848)
Repayments of obligations under finance leases		**(3,969)**	(3,844)
New bank loans raised		**77,650**	83,894
Increase in bank overdrafts		**6,252**	114
Net cash outflow arising on purchase of non-controlling interest		**(9,005)**	–
Net cash from financing activities		**25,717**	46,025
Net decrease in cash and cash equivalents		**(70,344)**	(32,558)
Cash and cash equivalents at beginning of year		**196,428**	205,315
Effect of foreign exchange rate changes		**3,987**	23,671
Cash and cash equivalents at end of year		**130,071**	196,428

Notes to the Accounts

for the year ended 31 December 2010

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 1 to 20.

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.

In the current year the following new and revised standards and interpretations have been adopted and have affected the amounts reported in these financial statements.

The Group has adopted with effect from 1 January 2010, IFRS 3 (2008) Business Combinations and IAS 27 (2008) Consolidated and Separate Financial Statements. The revisions to IAS 27 consequent upon the issuance of IFRS 3 (Revised) result in transactions with non-controlling interests now being accounted for as transactions with equity owners of the Group. For purchases of non-controlling interests where there is no change in control, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity (previously goodwill). Gains or losses on disposals to non-controlling interests are now also recorded in equity (previously recorded through the statement of comprehensive income). The adoption of the revised standards has resulted in references to minority interests being amended to non-controlling interests.

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 12 (Amended)	Income Taxes
IAS 24 (Amended)	Related party disclosures
IAS 32 (Amended)	Financial Instruments: Presentation – Classification of Rights issues
IFRS 7 (Amended)	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRIC 14 (Amended)	Prepayments of a Minimum Funding Requirements
IFRIC 19	Extinguishing Financial 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.

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 and share-based payments liability that are measured at fair value. The principal accounting policies adopted are set out below.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has 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 directors' assessment of going concern is included in the Report of the Directors.

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income 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.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

Where a change in the percentage of interests in a controlled entity do not result in a change of control, 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 transactions is taken directly to equity.

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 consolidated statement of comprehensive income for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, the consolidated statement of comprehensive income, 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.

When a joint venture is established the assets acquired from the joint venture partner are fair valued at the date of acquisition. In accordance with SIC 13 Jointly Controlled Entities non-monetary contributions to the joint venture from the Group are recognised at book value. The portion of gains or losses resulting from any difference between the net assets acquired and the net assets contributed to the joint venture are recognised in the statement of comprehensive income.

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.

2 Significant accounting policies and critical accounting judgements (continued)

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 statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

- 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 statement of comprehensive income, 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 statement of comprehensive income.

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

Goodwill

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.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling share of changes in equity since the date of the combination.

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 consolidated statement of comprehensive income.
- *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 statement of comprehensive income 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. 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 statement of comprehensive income 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 statement of comprehensive income for the period within investment revenue or finance costs for exchange and interest derivatives.

2 Significant accounting policies and critical accounting judgements (continued)

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 statement of comprehensive income.

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 statement of comprehensive income.

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 statement of comprehensive income.

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

Notes to the Accounts

2 Significant accounting policies and critical accounting judgements (continued)

Critical accounting judgements and key sources of estimation uncertainty

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

Legal cases

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

3 Revenue

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

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Sales of services	**536,258**	455,801
Revenue from construction contracts	**39,293**	22,087
	575,551	477,888
Investment income (note 7)	**17,982**	35,613
	593,533	513,501

All revenue is derived from continuing operations.

4 Business and geographical segments

Business segments

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

The maritime 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 businesses is presented below.

For the year ended 31 December 2010

	Maritime Services Year ended 31 December 2010 US$'000	Investment Year ended 31 December 2010 US$'000	Unallocated Year ended 31 December 2010 US$'000	Consolidated Year ended 31 December 2010 US$'000
Revenue	**575,551**	**–**	**–**	**575,551**
Result				
Segment result	**78,456**	**(2,930)**	**(7,606)**	**67,920**
Profit realised on formation of joint venture	**20,407**	**–**	**–**	**20,407**
Investment revenue	**13,940**	**3,953**	**89**	**17,982**
Other gains and losses	**–**	**22,460**	**–**	**22,460**
Finance costs	**(11,611)**	**–**	**–**	**(11,611)**
Profit before tax	**101,192**	**23,483**	**(7,517)**	**117,158**
Tax	**(30,564)**	**–**	**–**	**(30,564)**
Profit after tax	**70,628**	**23,483**	**(7,517)**	**86,594**
Other information				
Capital additions	**(166,739)**	**–**	**–**	**(166,739)**
Depreciation and amortisation	**(42,922)**	**–**	**(1)**	**(42,923)**
Balance Sheet				
Assets				
Segment assets	**939,521**	**265,023**	**7,361**	**1,211,905**
Liabilities				
Segment liabilities	**(472,309)**	**(505)**	**(9,871)**	**(482,685)**

Notes to the Accounts

4 Business and geographical segments (continued)

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)

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

Unallocated corporate costs, assets and liabilities include 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, United Kingdom and Guernsey.

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 2010 US$'000	31 December 2009 US$'000	**Year ended 31 December 2010 US$'000**	Year ended 31 December 2009 US$'000
Brazil	**869,766**	713,816	**166,739**	149,553
Bermuda	**340,527**	350,736	**–**	–
Other	**1,612**	2,179	**–**	–
	1,211,905	1,066,731	**166,739**	149,553

5 Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Net foreign exchange losses	**4,214**	25,769
Depreciation of property, plant and equipment	**42,435**	31,917
Amortisation of intangible assets	**488**	149
Operating lease rentals	**14,528**	12,440
Auditor's remuneration for audit services (see below)	**894**	837
Non-executive directors emoluments	**259**	230
A more detailed analysis of auditor's remuneration is provided below:		
Statutory audit	**806**	752
Further assurance services	**75**	72
Other services	**13**	13
	894	837

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 as a credit in the Consolidated Statement of Comprehensive Income for that year. The Group concluded the process in 2009 and no amounts were recognised in 2010.

6 Employee benefits expense

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Aggregate remuneration comprised:		
Wages and salaries	**149,582**	117,095
Share based payment expense	**16,545**	17,174
Social security costs	**38,474**	27,370
Other pension costs	**885**	728
	205,486	162,367

7 Investment revenue

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Interest on bank deposits	**10,159**	10,379
Exchange gains on cash	**3,987**	23,671
Dividends from equity investments	**3,795**	1,487
Investment revenues from underwriting activities	**41**	76
	17,982	35,613

Notes to the Accounts

8 Other gains and losses

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Increase in fair value of trading investments held at year end	**21,332**	36,337
Profit/(loss) on disposal of trading investments	**1,128**	(2,032)
	22,460	34,305

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

9 Finance costs

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Interest on bank overdrafts and loans	**9,354**	7,580
Exchange gain on foreign currency borrowings	**(227)**	(2,098)
Interest on obligations under finance leases	**1,848**	1,254
Total borrowing costs	**10,975**	6,736
Other interest	**636**	2,675
	11,611	9,411

Borrowing costs incurred on qualifying assets of US$1,889,000 (2009: US$728,000) were capitalised in the year.

10 Taxation

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Current		
Brazilian taxation		
Corporation tax	**22,747**	31,429
Social contribution	**8,492**	12,031
Total Brazilian current tax	**31,239**	43,460
UK corporation tax	**–**	187
Total current tax	**31,239**	43,647
Deferred tax		
Charge for the year in respect of deferred tax liabilities	**7,353**	23,507
Credit for the year in respect of deferred tax assets	**(8,028)**	(35,926)
Total deferred tax	**(675)**	(12,419)
Total taxation	**30,564**	31,228

Brazilian corporation tax is calculated at 25% (2009: 25%) of the assessable profit for the year.

Brazilian social contribution tax is calculated at 9% (2009: 9%) of the assessable profit for the year.

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

10 Taxation (continued)

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

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Profit before tax	**117,158**	139,820
Tax at the standard Brazilian tax rate of 34% (2009: 34%)	**39,834**	47,539
Tax effect of expenses/income that are not included in determining taxable profit	**(9,292)**	(12,910)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**22**	(3,401)
Tax expense and effective rate for the year	**30,564**	31,228
Effective rate for the year	**26%**	22%

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%.

11 Dividends

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend paid for the year ended 31 December 2009 of zero (2008: 26.0c) per share	**–**	9,194
Second interim dividend paid for the year ended 31 December 2009 of 38.0c (2008: zero) per share	**13,438**	–
First interim dividend paid for the year ended 31 December 2010 of 4.0c per share (2009: 4.0c)	**1,415**	1,415
	14,853	10,609
Proposed final dividend for the year ended 31 December 2010 of 38.0c (2009: zero) per share	**13,438**	–
Second interim dividend for the year ended 31 December 2009 paid March 2010 of 38.0c per share	**–**	13,438

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

12 Earnings per share

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

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Earnings:		
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	**56,879**	70,200
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

Notes to the Accounts

13 Goodwill

	2010	2009
	US$'000	US$'000
Cost and carrying amount		
At 1 January and 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 8% and 10% for Tecon Rio Grande (2009: 6% to 8%) and 7% to 10% for Tecon Salvador (2009: 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 pre-tax to discount forecast cash flows is 13% (2009: 15%).

14 Other intangible fixed assets

	US$'000
Cost	
At 1 January 2009	3,238
Exchange differences	824
At 1 January 2010	4,062
Exchange differences	606
Additions	14,546
At 31 December 2010	**19,214**
Amortisation	
At 1 January 2009	1,439
Charge for the year	149
Exchange differences	235
At 1 January 2010	1,823
Charge for the year	488
Exchange differences	62
At 31 December 2010	**2,373**
Carrying amount	
31 December 2010	**16,841**
31 December 2009	2,239

Intangible fixed assets arose from the acquisition of concession rights for the container and heavy cargo terminal in Salvador and the purchase of the Eadi Santo Andre concession. The addition in 2010 relates to an amendment to the lease agreement with Companhia das Docas do Estado da Bahia (CODEBA). This amendment is for the expansion of the area known as Ponta Norte adjacent to Tecon Salvador. As part of the agreement an intial payment of US$14.5 million was made to CODEBA to acquire the rights to the area. In addition to the downpayment Tecon Salvador will pay a monthly rental fee, container handling and general cargo fees.

Intangible fixed assets are amortised over the remaining terms of the concessions at the time of acquisition which for Tecon Salavdor, is 25 years, Eadi Santo Andre is 10 years and Ponta Norte is 15 years.

15 Property, plant and equipment

	Land and buildings US$'000	Floating Craft US$'000	Vehicles, plant and equipment US$'000	Assets under construction US$'000	Total US$'000
Cost or valuation					
At 1 January 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 1 January 2010	112,445	284,118	142,307	62,377	601,247
Additions	30,959	6,908	64,175	64,697	166,739
Transfers	–	98,429	–	(98,429)	–
Exchange differences	2,112	–	4,704	–	6,816
Disposals	(485)	(574)	(3,151)	–	(4,210)
Net effect of joint venture transaction	(13)	(8,606)	(1,097)	(4,586)	(14,302)
At 31 December 2010	**145,018**	**380,275**	**206,938**	**24,059**	**756,290**
Accumulated depreciation and impairment					
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 1 January 2010	22,182	88,128	52,045	–	162,355
Charge for the year	5,695	19,806	16,934	–	42,435
Exchange differences	432	–	1,782	–	2,214
Disposals	(397)	(122)	(3,125)	–	(3,644)
Net effect of joint venture transaction	(4)	(7,639)	(273)	–	(7,916)
At 31 December 2010	**27,908**	**100,173**	**67,363**	**–**	**195,444**
Carrying Amount					
At 31 December 2010	**117,110**	**280,102**	**139,575**	**24,059**	**560,846**
At 31 December 2009	90,263	195,990	90,262	62,377	438,892

The carrying amount of the Group's vehicles, plant and equipment includes an amount of US$24.9 million (2009: US$23.0 million) in respect of assets held under finance leases.

Land and buildings with a net book value of US$370,000 (2009: US$385,000) and tugs with a value of US$2,587,000 (2009: US$2,794,000) have been given in guarantee of various legal processes.

The Group has pledged assets having a carrying amount of approximately US$317.1million (2009: US$235.4 million) to secure loans granted to the Group.

At 31 December 2010, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to US$116.4 million (2009: US$23.7 million).

Notes to the Accounts

16 Subsidiaries

	Place of incorporation and operation	Effective interest*	Method used to account for investment
OCEAN WILSONS (INVESTMENTS) LIMITED Investment holding and dealing company	Bermuda	100%**	Consolidation
ASCENSION UNDERWRITING LIMITED Corporate underwriting member of Lloyds	UK	100%	Consolidation
WILSON SONS LIMITED Holding company	Bermuda	58.25%**	Consolidation
WILSON SONS DE ADMINISTRAÇÃO E COMÉRCIO LTDA Holding company	Brazil	58.25%	Consolidation
SAVEIROS CAMUYRANO SERVIÇOS MARÍTIMOS LTDA Tug operators	Brazil	58.25%	Consolidation
WILSON, SONS S.A., COMÉRCIO, INDÚSTRIA, E AGÊNCIA DE NAVEGAÇÃO LTDA Shipbuilders	Brazil	58.25%	Consolidation
WILSON, SONS ESTALEIRO LTDA Shipbuilders	Brazil	58.25%	Consolidation
WILSON SONS AGÊNCIA 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 MARÍTIMO 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	58.25%	Consolidation

* Effective interest is the net interest of Ocean Wilsons Holdings Limited after non-controlling 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.

16 Subsidiaries (continued)

Ascension Underwriting Limited

Ascension Underwriting Limited is a wholly owned subsidiary 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 (2009: US$0.3 million) and US$0.3 million (2009: US$0.3 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.

	2010 US$'000	2009 US$'000
Current assets	**17,991**	3,639
Non-current assets	**127,213**	2,297
Current liabilities	**(31,976)**	(4,744)
Non-current liabilities	**(109,242)**	(21)

	2010 US$'000	2009 US$'000
Income	**35,817**	15,963
Expenses	**(30,860)**	(14,748)

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
Wilson Sons Ulratug Particapacoes S.A.	Brazil	29.13%	Proportional
Offshore			consolidation
Consorcio de Rebocadores Baia de Sao Marcos	Brazil	29.13%	Proportional
Tug operator			consolidation
Allink Transportes Internacionais Limitada	Brazil	29.13%	Proportional
Non-vessel operating common carrier			consolidation
Consorcio de Rebocadores Barra de Coqueiros	Brazil	29.13%	Proportional
Tug operator			consolidation

Notes to the Accounts

18 Investments

	2010 US$'000	2009 US$'000
Trading investments		
At 1 January	**249,778**	209,994
Additions, at cost	**145,884**	110,420
Disposals, at market value	**(120,849)**	(104,941)
Increase in fair value of trading investments held at year end	**21,332**	36,337
Profit/(loss) on disposal of trading investments	**1,128**	(2,032)
At year end	**297,273**	249,778
Ocean Wilsons Investment Limited Portfolio	**260,544**	238,662
Wilson Sons Limited	**36,729**	11,116
Trading investments held at fair value at 31 December	**297,273**	249,778

Wilson Sons Limited

During 2010 Wilson Sons Limited invested in Real denominated and US Dollar denominated fixed rate certificates. The Wilson Sons Limited investments are held and managed separately from the Ocean Wilsons Investment Portfolio.

Ocean Wilsons Investment Portfolio

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

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

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

A bank guarantee of £160,000 (US$250,000) in support of the Group's insurance underwriting activities at Lloyds is secured against the trading investment portfolio.

19 Inventories

	2010 US$'000	2009 US$'000
Raw materials and spare parts	**20,147**	20,687

20 Construction contracts

	2010 US$'000	2009 US$'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	**(17,073)**	(12,400)
	(17,073)	(12,400)
Contract costs incurred plus recognised profits less recognised losses to date	**41,632**	22,807
Less progress billings	**(58,705)**	(35,207)
	(17,073)	(12,400)

21 Trade and other receivables

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Trade and other receivables		
Amount receivable for the sale of services	**65,915**	51,496
Allowance for doubtful debts	**(1,320)**	(1,637)
	64,595	49,859
Income taxation recoverable	**8,204**	5,485
Prepayments and accrued income	**62,843**	51,731
	135,642	107,075
Total current	**129,242**	107,075
Total non-current	**6,400**	–
	135,642	107,075

Included in the Group's trade receivable balances are debtors with a carrying amount of US$11.4 million (2009: US$6.9 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	2010 US$'000	2009 US$'000
From 0 – 30 days	**7,351**	5,051
From 31 – 90 days	**3,442**	1,440
From 91 – 180 days	**609**	443
more than 180 days	**–**	–
Total	**11,402**	6,934

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

Included in the Group's allowance for doubtful debts are individually impaired trade receivables with a balance of US$1.3 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	2010 US$'000	2009 US$'000
From 0 – 30 days	**–**	–
From 31 – 90 days	**–**	–
From 91 – 180 days	**–**	–
more than 180 days	**1,320**	1,637
Total	**1,320**	1,637

Movement in the allowance for doubtful debts	2010 US$'000	2009 US$'000
Balance at the beginning of the year	**1,637**	2,761
Amounts written off as uncollectable	**(2,288)**	(4,177)
Increase in allowance recognised in profit or loss	**1,910**	2,423
Exchange differences	**61**	630
Balance at the end of the year	**1,320**	1,637

In determining recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated except for one customer which accounts for 13% of Group revenue, (US$75.9 million) which is included in the maritime services segment. The directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

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

Notes to the Accounts

22 Bank loans and overdrafts

	Interest	**Year ended 31 December 2010 US$'000**	Year ended 31 December 2009 US$'000
Unsecured borrowings			
Bank overdrafts	12.4% to 15.45% p.a.	**6,479**	227
Secured borrowings			
Bank loans			
BNDES – $Real	4.5% to 14.0% p.a.	**26,789**	5,089
BNDES – linked to US$	2.64% to 5% p.a.	**198,192**	230,563
IFC – $Real	14.09% p.a.	**4,888**	5,458
IFC – US$	2.99% to 8.49% p.a.	**9,813**	14,080
Eximbank – US Dollar	2.43% p.a	**14,818**	–
Finimp – US Dollar	2.12% to 2.27% p.a.	**4,051**	–
Banco do Brasil – linked to US $	3.10% p.a	**49,131**	–
		307,682	255,190
Total borrowings		**314,161**	255,417
The borrowings are repayable as follows:			
On demand or within one year		**25,565**	18,146
In the second year		**26,194**	20,545
In the third to fifth years inclusive		**82,187**	60,166
After five years		**180,215**	156,560
Total borrowings		**314,161**	255,417
Amounts due for settlement within 12 months		**(25,565)**	(18,146)
Amounts due for settlement after 12 months		**288,596**	237,271

Analysis of borrowings by currency:

	$Real US$'000	$Real linked to US Dollars US$'000	US Dollars US$'000	Total US$'000
31 December 2010				
Bank overdrafts	**6,479**	**–**	**–**	**6,479**
Bank loans	**31,677**	**247,323**	**28,682**	**307,682**
Total	**38,156**	**247,323**	**28,682**	**314,161**
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

The Group's main sources of financing are:

BNDES (Banco Nacional de Desenvolvimento Economico e Social): As agent for the "FMM" (Fundo de Marinha Mercante) the BNDES finances tug boat and platform supply vessel construction and secure mortgages on the vessels financed. Loans received from the BNDES are $Real denominated loans linked to the US Dollar and are monetarily corrected by the movement in the US Dollar/$Real exchange rate and bear interest of between 2.64% and 5.0% per annum.

22 Bank loans and overdrafts (continued)

The amounts outstanding at 31 December 2010 are repayable over periods varying up to 21 years. The BNDES also finances equipment for Logistic operations with $Real denominated loans and bear interest rates between 4.5% and 14% a year.

Banco do Brasil acts as agent for the "FMM" (Fundo de Marinha Mercante). Banco do Brasil finances platform supply vessel construction and secure mortgages on the vessels financed. Loans received from the Banco do Brasil 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 a fixed interest rate of 3.1% per annum.

These loans are in a grace period with repayments beginning in January 2012 and are repayable over periods varying up to 18 years. The loans were contributed by Magallanes Navegacao Brasileira when the offshore joint venture was formed in 2010.

IFC (International Finance Corporation); The IFC finances the Group's two container terminals, Tecon Rio Grande and Tecon Salvador. The majority of these loans are project finance to fund the expansion of the container terminal at Tecon Rio Grande and have no recourse to other companies in the Group. US dollar denominated loans consist of variable rate and fixed rate loans. Variable rate loans bear interest at between six month Libor per annum plus 2.5% and six month Libor plus 3.5%. 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 2010 are repayable over periods varying up to 6 years.

The Export-Import Bank of China (Eximbank) finances Tecon Rio Grande's equipment. The amounts outstanding at 31 December 2010 are repayable over periods varying up to 10 years and bear interest of six month libor per annum plus 1.7%. The loans are secured by a bank guarantee with Eximbank as beneficiary at a cost of 2% per year.

The Banco Itau BBA S.A. credit line, Finimp, finances equipment for Tecon Rio Grande. The amounts outstanding at 31 December 2010 are repayable over periods varying up to 5 years and bears interest of six month libor per annum plus 1.63%. There is also a 1.75% annual commission.

The weighted average interest rates paid were as follows:

	Year ended 2010	Year ended 2009
Bank overdrafts	**14.8%**	13.3%
Bank loans in US Dollars and linked to the US Dollar	**3.3%**	3.2%
Bank loans in Real	**8.5%**	11.0%

At 31 December 2010, the Group had available US$389.4 million of undrawn committed borrowings facilities available. For each disbursement there are a set of conditions precedent that must be met (2009: US$102.3 million). Included in this amount is 50% of a US$670 million financing agreement between our joint venture, Wilson Sons Ultratug offshore and the BNDES as agent for the Fundo da Marinha Mercante (FMM) signed in September 2010. The financing is intended to be used to construct 13 offshore vessels to be constructed in our shipyards to be delivered between 2011 and 2015. Construction has started on 3 of these vessels and will be repayable over 18 years.

Six 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 2010, 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 2010 or 31 December 2009.

Notes to the Accounts

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$'000	Retranslation of non-current asset valuation US$'000	Total US$'000
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 1 January 2010	**(21,594)**	**(13,247)**	**13,138**	**31,062**	**9,359**
(Charge)/credit to income	(5,869)	(1,484)	1,415	6,613	675
Deferred tax booked on creation of joint venture	5,058	2,885	216	(4,686)	3,473
Exchange differences	–	35	308	–	343
At 31 December 2010	**(22,405)**	**(11,811)**	**15,077**	**32,989**	**13,850**

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

	2010 US$'000	2009 US$'000
Deferred tax liabilities	**(15,073)**	(16,140)
Deferred tax assets	**28,923**	25,499
	13,850	9,359

At the balance sheet date the Group had unused tax losses of US$30,487,000 (2009: US$23,664,000) available for offset against future profits in the company in which they arose. No deferred tax asset has been recognised in respect of US$10,366,000 (2009: US$8,046,000) due to the unpredictability of future profit streams.

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

Deferred tax on exchange losses arises from exchange losses on the Group's 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	
	2010 US$'000	2009 US$'000	**2010 US$'000**	2009 US$'000
Amounts payable under finance leases				
Within one year	**5,921**	5,263	**4,847**	3,902
In the second to fifth years inclusive	**7,098**	9,950	**6,305**	8,653
After five years	**–**	–	**–**	–
	13,019	15,213	**11,152**	12,555
Less future finance charges	**(1,867)**	(2,658)	**N/A**	N/A
Present value of lease obligations	11,152	12,555		
Less: Amounts due for settlement within 12 months (shown under current liabilities)			**(4,847)**	(3,902)
Amount due for settlement after 12 months			**6,305**	8,653

25 Obligations under finance leases (continued)

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 2010 the average effective borrowing rate was 15.87% (2009: 15.21%). 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

	2010 US$'000	2009 US$'000
Trade creditors	**52,302**	47,949
Amounts due to construction contract customers (note 20)	**17,073**	12,400
Other taxes	**16,657**	11,847
Accruals and deferred income	**10,153**	8,868
Share based payment liability	**30,471**	17,626
	126,656	98,690

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

The average credit period for trade purchases is 54 days (2009: 60 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 2010	9,831
Addition of provision in the year	4,464
Utilisation of provision	(2,575)
Exchange difference	569
At 31 December 2010	**12,289**

Included in current liabilities	–
Included in non-current liabilities	12,289
	12,289

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

Analysis of provisions by type.

	2010 US$'000	2009 US$'000
Civil and environmental cases	**1,128**	781
Tax cases	**261**	921
Labour claims	**10,900**	8,129
	12,289	9,831

Notes to the Accounts

27 Provisions (continued)

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

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

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

Other non-current assets of US$6.6 million (2009: US$7.9 million) represent legal deposits required by the Brazilian legal authorities as security to contest legal actions.

28 Share capital

	2010	2009
	US$'000	US$'000
Authorised		
50,060,000 ordinary shares of 20p each	**16,119**	16,119
Issued and fully paid		
35,363,040 ordinary shares of 20p each	**11,390**	11,390

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

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

29 Joint venture formation

On 28 May 2010 the Group finalised the offshore joint venture "Wilson, Sons Ultratug Participacoes S.A". with Remolcadores Ultratug Ltda, a subsidiary of Ultratug Ltda, a Chilean Group.

The Group contributed its 50% participation of the joint venture with the issued shares of Wilson, Sons Offshore S.A., the company that owns and operates the Group's offshore supply vessels. The Ultratug Group contributed its 50% participation of the joint venture with the issued shares of Magallanes Navegacao Brasileira S.A., the owner of the Ultratug Group's offshore operations in Brazil and US$14.3 million in cash.

A gain of US$20.4 million was realised on formation of the joint venture as set out below.

	US$'000
Wilsons Sons share of fair value of the assets contributed by Magallanes	16,165
Less Carrying value of Wilsons Sons Offshore S.A.	(6,208)
Consolidation elimination of intercompany profit	10,450
Wilsons Sons contribution at net book value	4,242
Total gain on joint venture formation	**20,407**

Consolidation elimination of intercompany profit represents profits on the construction of PSVs in the Groups shipyards previously eliminated on consolidation.

29 Joint venture formation (continued)

Change in net assets due to the joint venture transaction.

	US$'000
Cash and cash equivalents	5,040
Property, plant and equipment	(6,386)
Other non-current assets	49
Inventories	(515)
Trade and other receivables	(2,639)
Borrowings	12,002
Trade and other payables	12,856
Total	**20,407**

30 Acquisition of non-controlling interest

On 16 June 2010 the Group acquired the remaining 25% non-controlling interest in our onshore base manager and logistics business, Brasco Logistica Offshore Ltda for a cash consideration of US$9.0 million.

As there was no change in control of the subsidiary, the difference between the consideration paid and the net assets acquired has been recognised in equity.

	US$'000
Net assets acquired	4,155
Total consideration paid	9,005
Negative movement recognised in equity	(4,850)
Negative movement attributable to equity holders of parent	(2,828)
Negative movement attributable to non-controlling interest	(2,022)

Notes to the Accounts

31 Notes to the cash flow statement

	Year ended 31 December 2010 US$'000	Year ended 31 December 2009 US$'000
Reconciliation from profit before tax to net cash from operating activities		
Profit before tax	**117,158**	139,820
Profit realised on formation of joint venture	**(20,407)**	–
Investment revenues	**(17,982)**	(35,613)
Other gains and losses	**(22,460)**	(34,305)
Finance costs	**11,611**	9,411
Operating profit	**67,920**	79,313
Adjustments for:		
Depreciation of property, plant and equipment	**42,435**	31,917
Amortisation of intangible assets	**488**	149
Share based payment expense	**16,545**	17,174
Gain on disposal of property, plant and equipment	**(90)**	(470)
Increase in provisions	**2,458**	1,377
Operating cash flows before movements in working capital	**129,756**	129,460
Decrease/(increase) in inventories	**25**	(11,286)
Increase in receivables	**(28,487)**	(25,440)
Increase in payables	**9,117**	9,748
Decrease/(increase) in other non-current assets	**3,922**	(2,456)
Cash generated by operations	**114,333**	100,026
Income taxes paid	**(20,908)**	(38,550)
Interest paid	**(7,887)**	(9,238)
Net cash from operating activities	**85,538**	52,238

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, 86% 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 January 2011 to September 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.

Cash and cash equivalents held in Brazil amount to US$85.8 million (2009: US$94.9 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$1.9 million (2009: US$8.9 million) were financed by new finance leases.

32 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 2010 is US$53.4 million (2009: US$60.4 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.

33 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 exercise 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 excercise.The awards vest in four tranches from April 2009 to April 2012 and expire in April 2016.

No further options will be granted under the scheme. 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:

	2010 Number of share options	2009 Number of share options
Outstanding at the beginning of the year	**856,598**	1,757,151
Granted during the year	**–**	–
Forfeited during the year	**–**	(620,273)
Exercised during the year	**(280,280)**	(280,280)
Outstanding at the end of the year	**576,318**	856,598

The weighted average equivalent share price at the date of exercise during the period was US$18.86.

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

	2010 US$'000	2009 US$'000
Liability at 1 January	**7,035**	3,296
Charge for the year	**3,341**	7,750
Exercise of options	**(3,700)**	(4,011)
Liability at 31 December	**6,676**	7,035

The Group has recorded liabilities of US$6,676,000 (2009: US$7,035,000) in respect of this scheme. Fair value is determined by using the Binomial model using the assumptions noted in the table below.

	2010	2009
Weighted average option price	**$5.66**	$5.66
Expected volatility	**32%**	45% – 50%
Average expected life	**10 years**	10 years
Average risk free rate	**0.1 – 0.4%**	0.1 – 1.5%
Expected dividend yield	**1.8%**	2.2%

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 exercise restrictions and behavioural considerations.

There were no exercisable options at year end.

Notes to the Accounts

33 Cash-settled share-based payments (continued)

Wilson Sons Limited LTIP

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 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:

	2010 Number of share options	2009 Number of share options
Outstanding at the beginning of the year	**3,912,760**	3,892,760
Granted during the year	**–**	20,000
Forfeited during the year	**(7,500)**	–
Expired during the year	**(7,500)**	–
Outstanding at the end of the year	**3,897,760**	3,912,760

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

	2010 US$'000	2009 US$'000
Liability at 1 January	**10,591**	1,167
Charge for the year	**13,204**	9,424
Exercise of options	**–**	–
Liability at 31 December	**23,795**	10,591

The group has recorded liabilities of US$23,795,000 (2009: US$10,591,000). Fair value is determined by using the Binomial model using the assumptions noted in the table below.

	2010	2009
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$18.70
Expected volatility	**26% – 32%**	34%
Expected life	**10 years**	10 years
Risk free rate	**8.60%**	9.49%
Expected dividend yield	**1.8%**	2.2%

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

The 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$21.48 at 31 December 2009 to R$32.00 at 31 December 2010.

At year end there were 1,922,630 exercisable options.

34 Operating lease arrangements

	2010 US$'000	2009 US$'000
The Group as lessee		
Minimum lease payments under operating leases recognised in income for the year	**14,528**	12,440

At the balance sheet date, the minimum amount due in 2010 by the Group for future minimum lease payments under cancellable operating leases was US$13,668,000 (2009: $8,390,000).

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 1,000 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:

	2010 US$'000	2009 US$'000
Within one year	**2,211**	1,453
In the second to fifth year inclusive	**9,581**	7,262
After five years	**8,844**	6,295
	20,636	15,010

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 2010 is 9 years and 4 months and rental payments are corrected by a Brazilian general inflation index.

Notes to the Accounts

35 Commitments

At 31 December 2010 the Group had entered into thirteen commitment agreements with respect to thirteen 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 $'000	**Year ended Outstanding At 31 December 2010 US$'000**	Year ended Outstanding At 31 December 2009 US$'000
Expiry date			
15 May 2011	3,000	**150**	840
30 June 2011	991	**78**	161
31 October 2012	3,000	**2,543**	3,470
31 October 2012	5,000	**271**	271
01 February 2013	5,000	**3,250**	–
13 March 2013	5,000	**1,906**	3,342
30 March 2013	5,000	**1,363**	–
21 May 2013	4,801	**2,597**	3,834
22 October 2013	5,000	**3,625**	4,250
02 December 2013	5,000	**3,813**	–
08 December 2013	5,000	**4,127**	5,000
31 March 2014	5,000	**3,400**	–
23 February 2015	5,000	**3,454**	–
Total	56,792	**30,577**	21,168

36 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 the statement of comprehensive income of US$885,000 (2009: US$728,000) represents contributions payable to the scheme by the Group at rates specified in the rules of the plan.

37 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 2010 US$'000	31 December 2009 US$'000	**31 December 2010 US$'000**	31 December 2009 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**1,308**	618	**(3)**	–
2. Consórcio de Rebocadores Barra de Coqueiros	**266**	257	**(26)**	(5)
3. Consórcio de Rebocadores Baía de São Marcos	**2,443**	3,116	**(20)**	(6)
4. Dragaport Engenharia	**–**	344	**–**	–
5. Wilson Sons Ultratug	**1,623**	–	**(590)**	–
6. Wilson Sons Offshore	**17,573**	–	**(2,241)**	–
7. Magallanes Navegacão Brasileira	**17,751**	–	**(1,792)**	–
Others				
8. Hanseatic Asset Management	**–**	–	**(2,492)**	(2,326)
9. Gouvea Vieira Advogados	**–**	–	**(94)**	(103)
10. CMMR Intermediacao Comercial Limitada	**–**	–	**(338)**	(343)
11. Jofran Services	**–**	–	**(152)**	(60)
12. Frag Consulting	**–**	–	**(70)**	(50)
13. P Hamilton-Hill	**–**	273	**–**	–

	Amounts owed by related parties		Amounts owed to related parties	
	31 December 2010 US$'000	31 December 2009 US$'000	**31 December 2010 US$'000**	31 December 2009 US$'000
Joint ventures				
1. Allink Transportes Internacionais Limitada	**287**	3	**–**	–
2. Consórcio de Rebocadores Barra de Coqueiros	**7**	134	**–**	–
3. Consórcio de Rebocadores Baía de São Marcos	**1,722**	2,083	**–**	(92)
4. Dragaport Engenharia	**–**	–	**–**	–
5. Wilson Sons Ultratug	**8,915**	–	**–**	–
6. Wilson Sons Offshore	**49**	–	**(15,342)**	–
7. Magallanes Navegacão Brasileira	**–**	–	**(14,020)**	–
Others				
8. Hanseatic Asset Management	**–**	–	**(439)**	(207)
9. Gouvea Vieira Advogados	**–**	–	**–**	–
10. CMMR Intermediacao Comercial Limitada	**–**	–	**–**	–
11. Jofran Services	**–**	–	**–**	–
12. Frag Consulting	**–**	–	**–**	–
13. P Hamilton-Hill	**–**	2,642	**–**	–

Notes to the Accounts

37 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.-6. The transactions with the joint ventures are disclosed as a result of proportionate amounts not eliminated on consolidation. The proportion of ownership interest in each joint venture is described on note 17.

7. Magallanes Navegacão Brasileira is our partner in the offshore joint venture.
8. Mr W H Salomon is Chairman of Hanseatic Asset Management. Fees were paid to Hanseatic Asset Management for acting as investment managers of the Group's investment portfolio and administration services.
9. Dr J F Gouvêa Vieira is a managing partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.
10. Mr C M Marote is a shareholder and Director of CMMR Intermediacao Comercial Limitada. Fees were paid to CMMR Intermediacao Comercial Limitada for consultancy services.
11. Mr J F Gouvêa Vieira is a Director of Jofran Services. Directors fees and consultancy fees were paid to Jofran Services.
12. Mr F Gros was a Director of Frag Consulting. Directors fees were paid to Frag Consulting.
13. Mr P Hamilton-Hill was a non-controlling 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 2010 US$'000	Year ended 2009 US$'000
Short-term employee benefits	**11,368**	10,891
Other long-term employee benefits	**2,669**	1,161
Post-employment benefits	**2,722**	1,680
Share-based payment	**16,545**	17,174
	33,304	30,906

38 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 2010 US$'000	Year ended 2009 US$'000
Financial assets		
Designated as fair value through profit or loss	**260,544**	238,662
Receivables (including cash and cash equivalents and other non-current assets)	**300,788**	319,655
Financial liabilities		
Amortised cost	**(435,312)**	(354,815)

38 Financial instruments (continued)

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.

Credit risk

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

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

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

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

The Group has no significant concentration of credit risk except for one large customer, which makes up 13% of revenue.

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

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	
	2010	2009	**2010**	2009
	US$'000	US$'000	**US$'000**	US$'000
Real	**159,567**	129,292	**324,497**	327,593
Sterling	**652**	530	**30,990**	44,446
Euro	**–**	–	**1,970**	1,829
Yen	**–**	–	**4,505**	3,815
Singapore dollar	**–**	–	**5,091**	–
	160,219	129,822	**367,053**	377,683

Notes to the Accounts

38 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% strengthening against the British pound would give an equal and opposite effect.

	Real impact		Sterling impact	
	2010	2009	**2010**	2009
	US$'000	US$'000	**US$'000**	US$'000
Profit or loss	**9,140**	27,779	**(3,023)**	(4,369)
Total equity	**20,414**	37,733	**(3,023)**	(4,369)

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) and Banco do Brasil to finance vessel construction. These loans are fixed interest rates loans linked to the US Dollar. Due to the favourable rates offered by these institutions, 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 2010 the Company had no outstanding interest rate swap contracts.

38 Financial instruments (continued)

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 2010 would decrease by US$0.7 million (2009: decrease by US$1.5 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 before tax for the year ended 31 December 2010 would increase by US$2.2 million (2009: increase by US$3.1 million). This is mainly attributable to the Group's exposure to interest rates on its cash investments. If Brazilian Real interest rates had been 3% lower this would give an equal and opposite effect.

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

Market price sensitivity

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

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

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

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

	2010 **US$'000**	2009 US$'000
Profit or loss	**26,054**	23,866
Total equity	**26,054**	23,866

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 13% of revenue. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Notes to the Accounts

38 Financial instruments (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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
2010					
Non-interest bearing	**–**	**130,010**	**–**	**–**	**130,010**
Finance lease liability	**15.87%**	**5,921**	**7,098**	**–**	**13,019**
Variable interest rate instruments	**4.73%**	**5,261**	**19,669**	**7,851**	**32,781**
Fixed interest rate instruments	**3.95%**	**20,304**	**88,712**	**172,364**	**281,380**
		161,496	**115,479**	**180,215**	**457,190**
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

The Group has access to financing facilities, the total unused amount which is US$389.4 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.

38 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 initial 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).

2010	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	**80,831**	**145,195**	**34,518**	**260,544**

2009	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:	**2010** **US$'000**	2009 US$'000
Balance at 1 January 2010	**30,661**	16,483
Transfer out of Level 3	**(10,009)**	–
Total gains or losses in statement of comprehensive income	**(421)**	4,329
Purchases and drawdowns of financial commitments	**15,101**	9,898
Sales and repayments	**(814)**	(49)
Balance at 31 December 2009	**34,518**	30,661

39 Subsequent event

On 26 January 2011 Intermarítima Terminais Ltda ("Intermarítima") exercised a call option granted by the Group to buy 7.5% of the ordinary shares of Tecon Salvador S.A., a subsidiary of the Company, at a price of US$6.7million. The right of Intermarítima to exercise this option was subject to the Company gaining the right to operate exclusively in the area of Salvador's Port referred to as "Ponta Norte".

Statistical Statement 2006-2010 (Unaudited)

(in US$'000)

	Year to 31 December 2010 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$'000
Closing rates of exchange – R$ to US$	**1.67**	1.74	2.34	1.77	2.14
Statement of comprehensive income					
Group revenue	**575,551**	477,888	498,285	404,046	334,109
Group operating profit	**67,920**	79,313	98,339	58,508	61,433
Profit before tax	**117,158**	139,820	31,550	303,410	61,433
Income tax expense	**(30,564)**	(31,228)	(38,641)	(25,723)	(20,765)
Profit for the year	**86,594**	108,592	(7,091)	277,687	40,668
Profit for the year attributable to:					
Equity holders of parent	**56,879**	70,200	(26,700)	258,065	56,077
Non-controlling interests	**29,715**	38,392	19,609	19,622	806
	86,594	108,592	(7,091)	277,687	56,883
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance Sheet					
Net assets					
Brazilian interests	**339,399**	297,835	206,539	195,907	146,135
Investments held for trading	**260,544**	238,662	209,994	272,834	73,192
Other net assets	**129,277**	136,748	147,558	144,317	6,314
	729,220	673,245	564,091	613,058	225,641
Attributable net assets – per share					
Brazilian interests – book amount	**960c**	842c	584c	554c	413c
Other assets – book and market amount	**1102c**	1062c	1011c	1180c	225c
	2062c	1904c	1595c	1734c	638c
Key Statistics					
Earnings per share	**160.8c**	198.5c	(75.5c)	729.8c	158.6c
Cash dividends per share paid	**42.0c**	30.0c	40.0c	24.0c	20.0c
Mid-market quotation at end of year	**1382p**	865p	460p	792p	548p
Mid-market quotation at end of year in US Dollars	**2155c**	1378c	666c	1570c	1073c

Notice of Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting of the Company will be held at the Washington Mayfair Hotel, 5 Curzon Street, London W1J 5HE on 24 May 2011 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 2010.
2. To determine the maximum number of Directors for the ensuing year as six and that the Board of Directors so appointed be authorised to appoint on behalf of the Members an additional Director to serve until the conclusion of the next Annual General Meeting.
3. To re-elect Mr C F A Cooper as a Director.
4. To re-elect Mr K Middleton as a Director.
5. To appoint the Auditors, and authorise the Directors to fix the remuneration of the Auditors.
6. To consider and, if thought fit, approve an amendment to the bye-laws of the Company so that all Directors be subject to re-election at intervals of no more than three years.
7. 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 2010.

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

25 March 2011

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 Tuesday 24 May 2011 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 2010.			
2 To determine the maximum number of Directors for the ensuing year as six and that the Board of Directors so appointed be authorised to appoint on behalf of the Members an additional Director to serve until the conclusion of the next Annual General Meeting.			
3 To re-elect Mr C F A Cooper as a Director.			
4 To re-elect Mr K Middleton as a Director.			
5 To appoint the Auditors, and authorise the Directors to fix the remuneration of the Auditors.			
6 To consider and, if thought fit, approve an amendment to the bye-laws of the Company so that all Directors be subject to re-election at intervals of no more than three years.			
7. 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 2010.			

Signature ______________________ Dated ______________ 2011

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

1

PXS
34 Beckenham Road
BECKENHAM
BR3 4TU

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Second Fold

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