

**INTERIM MANAGEMENT STATEMENT**

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Ocean Wilsons Holdings Ld
09 August 2017

Ocean Wilsons Holdings Limited**Interim Management Statement for the six months ended 30 June 2017**

Ocean Wilsons Holdings Limited ("Ocean Wilsons" or the "Company") today provides its interim management statement for the six months ended 30 June 2017.

Key points

- Profit for the period up 39% to US\$55.4 million (2016: US\$39.9 million).
- Investment portfolio increased US\$20.1 million to US\$259.0 million (31 December 2016: US\$238.9 million) after dividends paid from the portfolio of US\$3.5 million.
- Revenue in US Dollar terms 14% higher at US\$245.8 million (2016: US\$214.7 million) benefitting from the lower average US Dollar/Brazilian Real exchange rate and a strong operating performance.
- Earnings per share for the period of 116.9 US cents per share (2016: 56.0 US cents).
- Dividends paid to shareholders in the period of US\$22.3 million (2016: US\$22.3 million).

Chairman's Statement**Introduction**

The first half of 2017 produced another solid result from both our Brazilian and investment portfolio businesses. Group revenue rose 14%, supported by a strong operating performance at our towage and container terminals businesses and a lower average US Dollar/Brazilian Real "USD/BRL" exchange rate. Despite the challenging economic environment in Brazil, operating margins for the period remained a healthy 20% (2016: 21%). Earnings per share rose 109% to 116.9 US cents per share (2016: 56.0 US cents), driven by the strong operating performance and improved returns from our investment portfolio which returned an encouraging 10.3% in the period.

Group Results

Revenue

Revenue for the six months ended 30 June 2017 increased 14% to US\$245.8 million (2016: US\$214.7 million), driven by higher port terminals and logistics revenue. Port terminals and logistics revenue grew 28% to US\$124.9 million (2016: US\$97.6 million), mainly due to the lower average USD/BRL exchange rate used to convert revenue into our reporting currency and higher container terminal revenue. The average USD/BRL exchange rate in the period was 14% lower than the comparative period in 2016, (3.18 v 3.70). Container volumes handled at Tecon Rio Grande and Tecon Salvador for the period, at 503,400 "TEUs" (twenty-foot equivalent units) were in line with prior period, (2016: 503,500 TEUs) although revenue increased benefitting from a more favourable sales mix with increases in import and cabotage volumes and lower empty container movements. Brasco revenue declined to US\$7.8 million (2016: US\$11.0 million), reflecting the weak demand from the Brazilian offshore oil and gas industry. Towing and ship agency revenue at US\$108.5 million was US\$2.5 million higher than the prior period (2016: US\$106.0 million), with stronger harbour towing volumes offsetting weak demand for towing special operations in the period. Harbour towing manoeuvres performed in the period were 6% higher at 29,902 (2016: 28,214). Shipyard third party revenue remains depressed at US\$12.4 million (2016: US\$11.0 million) impacted by the weak market for vessel construction in Brazil.

Operating Profit

Operating profit for the period at US\$48.9 million was US\$4.3 million higher than the comparative period in 2016 (US\$44.6 million) principally due to the increase in revenue. Operating margins for the period at 20% were marginally down on the prior year (21%) although excluding the loss on disposal of property, plant and equipment operating margins were unchanged at 21%. Raw materials and consumables used were US\$2.5 million higher than the prior period at US\$18.8 million (2016: US\$16.3 million) due to a slight increase in shipyard activity and higher fuel costs associated with the increase in harbour manoeuvres. Employee expenses were 23% higher than the prior period at US\$83.8 million (2016: US\$68.3 million), due to the effect of the stronger USD/BRL exchange rate and redundancy costs associated with corporate restructuring. From 1 July 2017 the temporary payroll tax exemption granted to some business sectors in Brazil is being ended by the Brazilian government. We estimate the potential impact of this change in legislation will increase employee costs in the second half of 2017 by US\$5.8 million although the company is seeking to overturn the government's decision and its effects. Other operating expenses were 4% higher at US\$63.4 million (2016: US\$61.2 million), with exchange rate impacts partly offset by reduced tug rental costs, (following the acquisition of six tugboats in 2016 that were previously leased), lower service costs and a non-recurring US\$3.9 million provision reversal. The depreciation and amortisation expense in the period increased US\$4.5 million to US\$28.9 million from US\$24.4 million in 2016 because of the stronger BRL and larger towing fleet. Loss on disposal of property, plant and equipment includes a US\$2.3 million write down on leasehold improvements no longer used by the Group.

Share of results of joint ventures

The share of results of joint ventures is Wilson Sons' 50% share of net profit for the period from our offshore support vessel joint venture. Operating profit for a 50% share in the joint venture in the period was US\$2.4 million higher at US\$9.2 million (2016: US\$6.8 million) supported by two new long-term platform supply vessel (PSV) contracts starting in late 2016, (Larus and Pinguim) and efficient cost management. Net profit attributable to Wilson Sons decreased US\$1.1 million to US\$1.8 million (2016: US\$2.9 million) as 2016 benefitted from a foreign exchange gain on monetary items of US\$5.1 million compared with a US\$0.5 million loss in the current year. Total operating days in the period at 3,144 were 5% higher than the comparative period in 2016 of 2,990 although we currently have four vessels off hire.

Investment revenues

Investment revenues were US\$3.8 million higher at US\$9.8 million (2016: US\$6.0 million) mainly due to increased dividends from equity investments of US\$4.8 million, (2016 US\$2.0 million).

Investment gains and losses

Other gains of US\$20.3 million (2016: US\$7.3 million loss) arose from the Group's portfolio of trading investments and reflect the profit realised on the disposal of trading investments in the period of US\$5.9 million (2016: US\$1.0 million) plus the increase in the fair value of trading investments at the period end of US\$14.4 million (2015: US\$8.3 million loss).

Finance costs

Finance costs for the period were US\$15.9 million higher at US\$8.1 million compared with a US\$7.8 million positive charge for the comparative period in 2016, principally due to exchange movements on foreign currency borrowings. In the current period there was a US\$1.1 million exchange loss compared with a US\$13.9 million gain in the prior year comparative.

Exchange rates

The Group reports in USD and has revenue, costs, assets and liabilities in both BRL and USD. Therefore movements in the USD/BRL exchange rate can impact the Group both positively and negatively from year to year. In the six months to 30 June 2017 the BRL depreciated 3% against the USD from R\$3.27 at 1 January 2017 to R\$3.31 at the period end. In the comparative period in 2016 the BRL appreciated 18% against the USD from R\$3.91 to R\$3.21.

The principal effects from the movement of the BRL against the USD on the income statement are:

	2017	2016
	US\$ million	US\$ million
Exchange gain on monetary items (i)	2.2	3.1
Exchange (loss)/gain on foreign currency borrowings	(1.1)	13.9
Deferred tax on retranslation of fixed assets (ii)	0.2	22.2
Deferred tax on exchange variance on loans (iii)	(0.2)	(14.4)
Total	1.1	24.8

- (i) This arises from the translation of BRL denominated monetary items in USD functional currency entities.
- (ii) The Group's fixed assets are located in Brazil and therefore future tax deductions from depreciation used in the Group's tax calculations are denominated in BRL. When the BRL depreciates against the US Dollar the future tax deduction in BRL terms remain unchanged but is reduced in US Dollar terms and vice versa.
- (iii) Deferred tax credit arising from the exchange losses on USD denominated borrowings in Brazil.

The average USD/BRL exchange rate in the period at 3.18 was 14% lower (2016: 3.70) than the comparative period in 2016. A lower average exchange rate positively impacts BRL denominated revenues and adversely impacts BRL denominated costs when converted into our reporting currency, the USD.

Foreign exchange gains on monetary items

Foreign exchange gains on monetary items of US\$2.2 million (2016: US\$3.1 million) arose from the Group's foreign currency monetary items and largely reflect the movement of the BRL against the USD during the period.

Profit before tax

Profit before tax was US\$17.8 million higher at US\$74.9 million compared to the first half of 2016 (US\$57.1 million). The improvement is principally due to the US\$27.6 million movement in other gains and losses from the investment portfolio, a US\$4.3 million increase in operating profit and a US\$3.8 million increase in investment revenue. These

gains were partially offset by a US\$15.9 million increase in finance costs, as the prior period benefitted from a US\$13.9 million exchange gain on foreign currency borrowings compared with a US\$1.1 million loss in the current period. Share of results from joint ventures and foreign exchange gains on monetary items were US\$1.1 million and US\$0.9 million lower respectively.

Taxation

The tax charge for the period of US\$19.4 million represents an effective tax rate in the period of 26% (2016: 30%) compared to the corporate tax rate prevailing in Brazil of 34%. The difference in the effective tax rate periods is due to the mix of income and expenses that are not included in determining taxable profit. The improvement in the current period is primarily attributable to the increase in income at our Bermudian companies that are not subject to income tax. Current taxation at US\$16.7 million was US\$0.7 million lower than the comparative period in 2016 (US\$17.4 million).

Profit for the period

Profit attributable to equity holders of the parent is US\$41.4 million (2016: US\$19.8 million) after deducting profit attributable to non-controlling interests of US\$14.1 million (2016: US\$20.1 million). Non-controlling interests at 25% are a lower percentage of the Group profit for the period (2016: 50%), as the improved returns from the investment portfolio in the period are fully attributable to equity holders of the parent.

Earnings per share for the period was 116.9 cents (2016: 56.0 cents).

Investment portfolio performance

The trading investment portfolio and cash under management of Ocean Wilsons (Investments) Limited "OWIL" grew US\$20.1 million to US\$259.0 million at period end. (31 December 2016: US\$238.9 million).

Cash flow and debt

Net cash inflow from operating activities for the period at US\$33.1 million was US\$15.2 million lower than the comparative period in 2016, (US\$48.3 million) mainly due to a negative working capital movement in the period of US\$26.7 million. (2016: US\$6.2 million). Capital expenditure in the period at US\$13.1 million was US\$48.1 million lower than the comparative period in 2016 (US\$61.2 million), due to less vessel construction and US\$17.1 million of container terminal equipment delivered in the period where the financier directly paid the supplier. Capital additions per note 12 were US\$33.5 million (2016: US\$ 74.0 million). Dividends of US\$22.3 million were paid to shareholders in the period (2016: US\$22.3 million) with a further US\$15.8 million paid to non-controlling interests in our subsidiaries (2016: US\$14.9 million). The Group made capital repayments on existing loans in the period of US\$27.9 million (2016: US\$20.3 million).

At 30 June 2017 the Group had US\$63.0 million in cash and cash equivalents (31 December 2016: US\$77.3 million). The Group's borrowings at period end were US\$364.6 million (31 December 2016: US\$375.5 million). In addition to the Group's borrowings, the Company's 50% share of our offshore vessel joint venture's debt is US\$247.9 million.

Net asset value

At the close of business on 31 July 2017, the Wilson Sons share price was R\$35.21, resulting in a market value for the Ocean Wilsons holding of 41,444,000 shares (58.25% of Wilson Sons) totalling approximately US\$466.2 million which is the equivalent of US\$13.18 (£9.98) per Ocean Wilsons Holdings Limited share.

Adding together the market value per share of Wilsons Sons, US\$13.18 and the investment portfolio per share of US\$7.32 results in a net asset value per Ocean Wilsons Holdings Limited share of approximately US\$20.51 (£15.52). The Ocean Wilsons Holdings Limited share price of £10.50 at 31 July 2017 represented an implied discount of 32%. Based on the current share price the 2016 dividend of 63 US cents represents an attractive dividend yield

of approximately 4.5%.

Outlook

Brazil continues to face a challenging economic environment and continued political uncertainty. Our core container terminal and towage businesses continue to perform well although prospects for an improvement in demand for offshore support services and small vessel construction remain weak. At period end the shipyard orderbook consists of five vessels, including two tugboats for Wilson Sons and three tugs for third party delivery, in addition to dry-docking operations. Our belief in the fundamental strengths and value of our Brazilian business remain unchanged.

Wilson Sons Limited

The Wilson Sons 2nd quarter 2017 Earnings Report released on 9 August 2017 is available on the Wilson Sons Limited website: www.wilsonsons.com.br

In it Cezar Baião, CEO of Operations in Brazil said:

"Wilson Sons 2Q17 EBITDA of US\$44.7M was up 21.1% with solid results in the Towage and Terminals businesses. The highlight in Container Terminals was the 17.6% growth in import volumes at Tecon Rio Grande. New terminal equipment became operational in April, further improving operational productivity at both Rio Grande and Salvador in the quarter.

The Towage division produced robust results with increased harbour manoeuvres more than offsetting a reduction in special operations. Our Offshore Support Vessels business benefitted from the two new long-term contracts commencing in late 2016. Although some potential contract opportunities are arising for off-hire vessels, daily rates remain under pressure.

Once more we are very grateful for the efforts of all our staff for their contribution to this solid result despite a continuing weak Brazilian macroeconomic scenario and stress throughout the oil and gas services market."

Investment Managers Report

Hanseatic Asset Management LBG, the Manager of the Group's investment portfolio reports as follows:

Market Commentary

Stock markets have produced strong returns during the first half of the year, following their more muted performances last year. The MSCI ACWI +FM Index of global equities has risen 11.5% over the last six months. The information technology sector has been particularly strong, rising by more than 20% over this time, followed by the health care sector that is up almost 16%. Energy has been the weakest sector, registering a decline of 8.6%.

There has been a notable weakening of the US dollar against most other currencies this year, which has had the effect of boosting the performance of overseas assets when measured in dollars. Emerging markets have outperformed developed markets with a return of 18.4% versus 10.7%, with particularly strong performance coming from Asian markets. Equity markets in Europe rose by 17.5%, while UK and Japan were both up 10% and North America was up 9%.

We believe the stock market cycle is undoubtedly maturing, with valuations rising and the current cycle looking rather long in the tooth. We note however that accurately predicting the tops of cycles is extremely challenging, and few have done it consistently well. While at this point we do not see those factors normally associated with market tops, particularly by looking outside of the US, it is still possible to find some attractive areas for investment.

Portfolio activity

The portfolio has produced strongly positive returns year-to-date, with a rise of 10.3%.

During the same period the Performance Benchmark has risen by 2.9%. The strongest contribution to performance came from the portfolio's largest position, with **Findlay Park American Fund** rising by 11.6%. The strong performance of European and emerging markets meant that some of the portfolio's strongest contributors were holdings with exposure to these areas. There was also some pleasing improvement in performance by holdings that had gone through a weak patch in 2016, with the long-only **Adelphi European Select Equity Fund** returning 15.9% and the long-short **Egerton Long-Short Fund** and **BlackRock European Hedge Fund** rising by 13.1% and 12.2%, respectively. Within emerging markets, **NTAsian Discovery Fund** and **Schroder Asian Total Return Fund** were among the biggest contributors to performance with returns of 13.4% and 23.0%, respectively.

There has been weaker performance this year from the CTA fund, **Schroder GAIA BlueTrend**, which was down 6.7% in what has been a difficult environment for trend-following strategies. The other CTA holding, **Cantab Core Macro Fund**, was able to deliver a small positive return of 2.7%, assisted by its exposure to value strategies. **Argentière Fund**, which seeks to trade on volatility, has struggled with a return of -4.2% over the period, as realised volatility has persisted at very low levels. Within the private assets portfolio, **L Capital Asia 2** and **Hony Capital Fund V** contributed positively to performance over the six month period, and are now held at 1.23x and 1.47x cost, respectively. On the other hand, **China Harvest Fund II** and **Capital International Private Equity Fund V** detracted from performance in the first half of the year, although they are both still held at positive multiples of 1.28x and 1.07x cost, respectively.

CUMULATIVE PORTFOLIO RETURNS

Performance (Time-weighted)	YTD	3 Years p.a.	5 Years p.a.	10 Years p.a.
OWIL	10.3%	4.1%	6.3%	2.8%
Performance Benchmark *	2.9%	4.3%	3.8%	4.0%
MSCI ACWI + FM	11.5%	4.8%	10.5%	3.7%
MSCI Emerging Markets	18.4%	1.1%	4.0%	1.9%

***Notes:**

The OWIL Performance Benchmark which came in to effect on the 1st January 2015 is US CPI Urban Consumers NSA +3% p.a. This has been combined with the old benchmark (USD 12 Month LIBOR +2%) for periods prior to the adoption of the new benchmark.

Investment Portfolio at 30 June 2017

	Market Value \$000	% of NAV	Primary Focus
Findlay Park American Fund	19,549	7.5	US equities - long-only
Egerton Long - Short Fund	13,172	5.1	Europe/US equities - hedge
Adelphi European Select Equity Fund	12,378	4.8	Europe equities - long-only Asia ex-Japan equities - long-only
NTAsian Discovery Fund	11,092	4.3	
BlackRock European Hedge Fund	9,017	3.5	Europe equities - hedge
Lansdowne Developed Markets Fund	8,498	3.3	Europe/US equities - hedge
Goodhart Partners: Hanjo Fund	8,367	3.2	Japan equities - long-only
Hony Capital Fund V, LP	7,391	2.9	Private Assets - China

Helios Investors II, LP	6,958	2.7	Private Assets - Africa
Schroder ISF Asian Total Return Fund	6,360	2.5	Asia ex-Japan equities - long-only
Top 10 Holdings	102,782	39.7	
L Capital Asia, LP	6,070	2.3	Private Assets - Asia (Consumer)
Select Equity Offshore, Ltd	5,925	2.3	US equities - long-only
Indus Japan Long Only Fund	5,881	2.3	Japan equities - long-only
Pangaea II, LP	5,837	2.3	Private Assets - GEM
Gramercy Distressed Opportunity Fund II, LP	5,793	2.2	Private Assets - distressed debt
Greenspring Global Partners IV, LP	5,752	2.2	Private Assets - US Venture Capital
Vulcan Value Equity Fund	5,727	2.2	US equities - long-only
GAM Star Technology	5,716	2.2	Technology - long-only
Prince Street Opportunities Fund	5,695	2.2	Emerging Markets equities - long-only
Global Event Partners Ltd	5,325	2.1	Global equities - long-short
Top 20 Holdings	160,503	62.0	
Hudson Bay International Fund	5,181	2.0	Market Neutral - multi-strategy
KKR Special Situations Fund, LP	4,850	1.9	Private Assets - distressed debt
Navegar I, LP	4,283	1.7	Private Assets - Philippines
NG Capital Partners II, LP	4,219	1.6	Private Assets - Latin America
China Harvest Fund II, LP	4,211	1.6	Private Assets - China
AMED Fund, SICAR	4,118	1.6	Private Assets - Africa
L Capital Asia 2, LP	3,414	1.3	Private Assets - Asia (Consumer)
NYLIM Jacob Ballas India III, LLC	3,311	1.3	Private Assets - India
Dynamo Brasil VIII	3,290	1.3	Brazil - long only
African Development Partners I, LLC	2,991	1.2	Private Assets - Africa
Top 30 Holdings	200,371	77.4	
35 remaining holdings	50,459	19.5	
Cash	8,132	3.1	
TOTAL	258,962	100.0	

Hanseatic Asset Management LBG
August 2017

Going concern

The Group closely monitors and manages its liquidity risk. The Group has considerable financial resources including US\$63.0 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 and investment manager's report. The financial position, cash flows and borrowings of the Group are also set out in the Chairman's statement. Details of the Group's borrowings are set out in note 15. Based on the Group's cash forecasts and sensitivities

run, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Responsibility statement

The Directors confirm that to the best of our knowledge:

- (a) the condensed set of financial statements has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R; and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R.

J F Gouvêa Vieira
Chairman
8 August 2017

Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2017

		Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
	Notes		
Revenue	3	245,753	214,670
Raw materials and consumables used		(18,817)	(16,313)
Employee benefits expense	5	(83,797)	(68,255)
Depreciation & amortisation expense	4	(28,949)	(24,405)
Other operating expenses		(63,354)	(61,198)
(Loss)/profit on disposal of property, plant and equipment		(1,962)	67
Operating profit		48,874	44,566
Share of results of joint ventures		1,808	2,881
Investment revenue	6	9,777	5,965
Other gains/(losses)	7	20,280	(7,329)
Finance costs	8	(8,090)	7,852
Foreign exchange gains on monetary items		2,203	3,143
Profit before tax		74,852	57,078
Income tax expense	9	(19,403)	(17,219)
Profit for the period		55,449	39,859
Other comprehensive income: items that may be reclassified subsequently to profit and loss			
Exchange differences arising on translation of foreign operations		(4,970)	36,892

Effective portion of changes in fair value of derivatives		141	427
Other comprehensive (loss)/income for the period		(4,829)	37,319
Total comprehensive income for the period		50,620	77,178
Profit for the period attributable to:			
Equity holders of parent		41,348	19,808
Non-controlling interests		14,101	20,051
Profit for the period		55,449	39,859
Total comprehensive income for the period attributable to:			
Equity holders of parent		38,524	41,457
Non-controlling interests		12,096	35,721
Total comprehensive income for the period		50,620	77,178
Earnings per share			
Basic and diluted	11	116.9c	56.0c

Consolidated Balance Sheet

as at 30 June 2017

		Unaudited as at 30 June 2017 US\$'000	Audited as at 31 December 2016 US\$'000
	Notes		
Non-current assets			
Goodwill		30,318	30,607
Other intangible assets		29,646	30,444
Property, plant and equipment	12	646,093	646,926
Deferred tax assets		29,175	29,055
Trade and other receivables	14	52,777	55,070
Investment in joint ventures	16	24,091	22,230
Other non-current assets		13,497	13,408
		825,597	827,740
Current assets			
Inventories		15,947	15,427
Trading investments	13	270,953	276,181
Trade and other receivables	14	93,269	81,265
Cash and cash equivalents		62,981	77,314
		443,150	450,187
Total assets		1,268,747	1,277,927
Current liabilities			
Trade and other payables		(55,986)	(68,257)
Derivatives		(834)	(712)
Current tax liabilities		(2,238)	(3,299)

Obligations under finance leases		(1,218)	(1,211)
Bank overdrafts and loans	15	(56,541)	(49,780)
		(116,817)	(123,259)
Net current assets		326,333	326,928
Non-current liabilities			
Bank loans	15	(308,048)	(325,750)
Derivatives		(828)	(1,182)
Employee benefits		(674)	(648)
Deferred tax liabilities		(51,560)	(48,974)
Provisions		(19,657)	(20,037)
Obligations under finance leases		(504)	(1,085)
		(381,271)	(397,676)
Total liabilities		(498,088)	(520,935)
Net assets		(770,659)	756,992
Capital and reserves			
Share capital		11,390	11,390
Retained earnings		540,947	521,878
Capital reserves		31,760	31,760
Translation and hedging reserve		(32,509)	(29,685)
Equity attributable to equity holders of the parent		551,588	535,343
Non-controlling interests		219,071	221,649
Total equity		770,659	756,992

Consolidated Statement of Changes in Equity

as at 30 June 2017

For the six months ended 30 June 2016 (unaudited)	HedgingAttributable and to equity Non-							Total Equity
	Share capital	Retained earnings	Capital reserves	Translation reserve	holders of the parent	ofcontrolling interests		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2016	11,390	501,426	31,760	(49,542)	495,034	185,448	680,482	
Currency translation adjustment	-	-	-	21,378	21,378	15,514	36,892	
Effective portion of changes in fair value of derivatives	-	-	-	271	271	156	427	
Profit for the period	-	19,808	-	-	19,808	20,051	39,859	
Total income and expense for the period	-	19,808	-	21,649	41,457	35,721	77,178	
Dividends	-	(22,279)	-	-	(22,279)	(14,850)	(37,129)	
Derivatives	-	-	-	(43)	(43)	(30)	(73)	

Acquisition of non-controlling interest	-	(2,988)	-	-	(2,988)	(2,411)	(5,399)
Share based expense	-	-	-	-	-	1,649	1,649
Balance at 30 June 2016	11,390	495,967	31,760	(27,936)	511,181	205,527	716,708

For the six months ended 30 June 2017 (unaudited)

Balance at 1 January 2017	11,390	521,878	31,760	(29,685)	535,343	221,649	756,992
Currency translation adjustment	-	-	-	(2,906)	(2,906)	(2,064)	(4,970)
Effective portion of changes in fair value of derivatives	-	-	-	82	82	59	141
Profit for the period	-	41,348	-	-	41,348	14,101	55,449
Total income and expense for the period	-	41,348	-	(2,824)	38,524	12,096	50,620
Dividends	-	(22,279)	-	-	(22,279)	(15,845)	(38,124)
Derivatives	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-
Share based expense	-	-	-	-	-	1,171	1,171
Balance at 30 June 2017	11,390	540,947	31,760	(32,509)	551,588	219,071	770,659

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:

- 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
- 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.

Hedging and translation reserve

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

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

Consolidated Cash Flow Statement

for the six months ended 30 June 2017

Unaudited Unaudited
six months to six months to

	Notes	30 June 2017 US\$'000	30 June 2016 US\$'000
Net cash inflow from operating activities	17	33,091	48,255
Investing activities			
Interest received		4,050	3,109
Dividends received from trading investments		4,772	1,973
Proceeds on disposal of trading investments		64,822	29,620
Proceeds on disposal of property, plant and equipment		473	1,482
Purchases of property, plant and equipment		(13,142)	(61,216)
Purchase of intangible asset		(1,626)	(3,576)
Purchases of trading investments		(39,314)	(14,314)
Acquisition of non-controlling interest		-	(1,855)
Net cash used in investing activities		20,035	(44,777)
Financing activities			
Dividends paid	10	(22,279)	(22,279)
Dividends paid to non-controlling interests in subsidiary		(15,845)	(14,850)
Repayments of borrowings		(27,883)	(20,319)
Repayments of obligations under finance leases		(448)	(641)
Derivative paid		(302)	(421)
New bank loans raised		-	23,385
Net cash used in financing activities		(66,757)	(35,125)
Net (decrease)/increase in cash and cash equivalents		(13,631)	(31,647)
Cash and cash equivalents at beginning of period		77,314	97,561
Effect of foreign exchange rate changes		(702)	12,709
Cash and cash equivalents at end of period		62,981	78,623

Notes to the Accounts

for the six months ended 30 June 2017

1 General information

The interim financial information is not the Company's statutory accounts. The auditors of the Company have not made any report thereon under section 90(2) of the Bermuda Companies Act.

Ocean Wilsons Holdings Limited is a company incorporated in Bermuda under the Companies Act 1981 and the Ocean Wilsons Holdings Limited Act, 1991.

These financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Group operates.

2 Accounting policies

The condensed consolidated interim financial report of the Company for the six months ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) and in accordance with IAS 34 - Interim Financial Reporting. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The condensed set of financial statements have been prepared on the basis of accounting policies consistent with those applied to the financial statements for the year ended 31 December 2016.

3 Revenue

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

		Unaudited six months to six months to 30 June 2017 US\$'000	Unaudited to six months to 30 June 2016 US\$'000
	Note		
Sales of services		233,382	203,683
Revenue from construction contracts		12,371	10,987
		245,753	214,670
Investment income	6	9,790	5,965
		255,543	220,635

All revenue is derived from continuing operations.

4 Business and geographical segments

Business segments

Ocean Wilsons Holdings Limited has two reportable segments: Maritime services and investments. The maritime services segment provides towage, port terminals, ship agency, offshore, logistics and shipyard services in Brazil through Wilson Sons Limited. The investment segment holds a portfolio of international investments through Ocean Wilsons (Investments) Limited.

Segment information relating to these businesses is presented below.

For the six months ended 30 June 2017 (unaudited)

	Maritime services six months to six months to 30 June 2017 US\$'000	Investment to six months to 30 June 2017 US\$'000	Unallocated to six months to 30 June 2017 US\$'000	Consolidated to six months to 30 June 2017 US\$'000
Revenue				
Result	245,753	-	-	245,753
Segment result	51,302	(1,330)	(1,098)	48,874

Share of joint venture results	1,808	-	-	1,808
Investment revenue	4,992	4,772	13	9,777
Other gains and losses	-	20,280	-	20,280
Finance costs	(8,090)	-	-	(8,090)
Exchange gains/(losses) on monetary items	2,253	13	(63)	2,203
Profit before tax	52,265	23,735	(1,148)	74,852
Tax	(19,403)	-	-	(19,403)
Profit after tax	32,862	23,735	(1,148)	55,449
Other information				
Capital additions	(33,524)	-	-	(33,524)
Depreciation and amortization	(28,948)	-	(1)	(28,949)
Balance Sheet				
Assets				
Segment assets	1,005,915	259,109	3,723	1,268,747
Liabilities				
Segment liabilities	(497,633)	(233)	(222)	(498,088)

For the six months ended 30 June 2016 (unaudited)

	Maritime services six months 30 June 2016 US\$'000	Investment six months 30 June 2016 US\$'000	Unallocated six months 30 June 2016 US\$'000	Consolidated six months 30 June 2016 US\$'000
Revenue	214,670	-	-	214,670
Result				
Segment result	46,867	(1,267)	(1,034)	44,566
Share of joint venture results	2,881	-	-	2,881
Investment revenue	3,977	1,984	4	5,965
Other gains and losses	-	(7,329)	-	(7,329)
Finance costs	7,852	-	-	7,852
Exchange gains/(losses) on monetary items	3,513	30	(400)	3,143
Profit before tax	65,090	(6,582)	(1,430)	57,078
Tax	(17,219)	-	-	(17,219)
Profit after tax	47,871	(6,582)	(1,430)	39,859
Other information				
Capital additions	(73,970)	-	-	(73,970)
Depreciation and amortisation	(24,404)	-	(1)	(24,405)
Balance Sheet				
Assets				
Segment assets	1,031,761	234,328	3,242	1,269,331
Liabilities				
Segment liabilities	(551,954)	(456)	(213)	(552,623)

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.

Geographical Segments

The Group's operations are located in Bermuda and Brazil.

All of 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 and intangible assets, 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	
	Unaudited 30 June 2017 US\$'000	Unaudited 30 June 2016 US\$'000	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Brazil	983,289	992,917	33,524	64,791
Bermuda	285,458	276,414	-	-
	1,268,747	1,269,331	33,524	64,791

5 Employee benefits expense

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Aggregate remuneration comprised:		
Wages and salaries	68,232	55,787
Share based payment expense	1,180	1,649
Social security costs	13,863	10,353
Other pension costs	522	466
	83,797	68,255

6 Investment revenue

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Interest on bank deposits	2,670	2,918
Dividends from equity investments	4,772	1,973
Other interest	2,335	1,074
	9,777	5,965

7 Other gains and losses

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Increase/(decrease) in fair value of trading investments held at period end	14,384	(8,274)
Profit on disposal of trading investments	5,896	945
	20,280	(7,329)

Other gains and losses form part of the movement in trading investments.

8 Finance costs

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Interest on bank overdrafts and loans	6,716	5,676
Exchange (gain)/loss on foreign currency borrowings	1,110	(13,920)
Interest on obligations under finance leases	143	219
Other interest	121	173
	8,090	(7,852)

9 Taxation

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Current taxation		
Brazilian taxation:		
Corporation tax	11,858	12,379
Social contribution	4,891	4,988
Total current tax	16,749	17,367
Deferred tax		
Charge/(credit) for the period in respect of deferred tax liabilities	4,255	(17,367)
(Credit)/charge for the period in respect of deferred tax assets	(1,601)	17,219
Total deferred tax	2,654	(148)
Total taxation	19,403	17,219

Brazilian corporation tax is calculated at 25% (2016: 25%) of the assessable profit for the year.

Brazilian social contribution tax is calculated at 9% (2016: 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 31 March 2035.

10 Dividends

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend paid for the year ended 31 December 2016 of 63.0c (2015: 63.0c) per share	22,279	22,279

11 Earnings per share

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

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Earnings:		
Earnings for the purposes of basic earnings per share being net profit attributable to equity holders of the parent	41,348	19,808
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

12 Property, plant and equipment

During the period, the Group spent approximately US\$33.5 million mainly on vessel construction and terminal equipment.

At 30 June 2017, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to US\$13.1 million.

13 Investments

	Unaudited six months to 30 June 2017 US\$'000	Audited year to 31 December 2016 US\$'000
Trading investments		

At 1 January	276,181	276,878
Additions, at cost	39,314	67,101
Disposals, at market value	(64,822)	(63,664)
Increase/(decrease) in fair value of trading investments held at period end	14,384	(6,030)
Profit on disposal of trading investments	5,896	1,896
At period end	270,953	276,181
Ocean Wilsons (Investments) Limited Portfolio	253,553	238,781
Wilson Sons Limited	17,400	37,400
Trading investments held at fair value at period end	270,953	276,181

Wilson Sons Limited

The Wilson Sons Limited investments are held and managed separately from the Ocean Wilsons (Investments) Limited Portfolio and consist of US Dollar denominated depository notes.

Ocean Wilsons (Investments) Limited 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 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 that include inputs for the asset or liability that are not based in observable market data (unobservable inputs).

14 Trade and other receivables

	Unaudited period ended 30 June 2017 US\$'000	Audited year ended 31 December 2016 US\$'000
Trade and other receivables		
Amount receivable for the sale of services	62,277	55,434
Allowance for doubtful debts	(731)	(1,187)
	61,546	54,247
Income taxation recoverable	6,267	7,466
Other recoverable taxes and levies	37,691	36,571
Loans to related parties	29,250	28,995
Prepayments	1,889	4,031
Other	9,403	5,025
	146,046	136,335
Total current	93,269	81,265
Total non-current	52,777	55,070

146,046 136,335

Non-current trade receivables relate to: recoverable taxes with maturity dates in excess of one year, which comprise mainly PIS, COFINS, ISS and INSS, customers with maturities over one year. There are no indicators of impairment related to these receivables.

As a matter of routine, the Group reviews taxes and levies impacting its business to ensure that payments of such amounts are correctly made and that no amounts are paid unnecessarily. The Group is developing a plan to use its tax credits, respecting the legal term for using tax credits from prior years, and if unable to recover by compensation, requesting reimbursement of these values from the Receita Federal do Brasil (Brazilian Inland Revenue Service).

Included in the Group's trade receivable balances are debtors with a carrying amount of US\$9.6 million (2016: US\$9.2 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 recoverable.

The Group does not hold any collateral over these balances.

	Unaudited period ended 30 June 2017 US\$'000	Audited year ended 31 December 2016 US\$'000
Ageing of past due but not impaired trade receivables		
From 0 - 30 days	6,475	6,177
From 31 - 90 days	2,442	2,178
From 91 - 180 days	716	844
more than 180 days	-	-
Total	9,633	9,199

Included in the Group's allowance for doubtful debts are individually impaired trade receivables with a balance of US\$1.2 million that 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.

	Unaudited period ended 30 June 2017 US\$'000	Audited year ended 31 December 2016 US\$'000
Ageing of impaired trade receivables		
From 0 - 30 days	-	-
From 31 - 90 days	-	-
From 91 - 180 days	-	-
more than 180 days	731	1,187
Total	731	1,187

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. 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.

15 Bank loans and overdrafts

		Unaudited period ended 30 June 2017 US\$'000	Audited year ended 31 December 2016 US\$'000
	Annual Interest rate		
<i>Secured borrowings</i>			
BNDES - FMM linked to US\$ (1)	2.07% to 6.00%	160,978	168,385
BNDES Real	7.50% - 9.69%	23,048	25,466
BNDES - linked to US\$	5.07% - 5.36%	3,982	5,069
BNDES - FINAME Real	4.50% - 13.72%	2,010	1,133
BNDES - FMM Real (1)	8.90% - 10.21%	1,722	1,838
Total BNDES		191,740	201,891
Banco do Brasil - FMM linked to US\$	2.00% - 3.00%	83,803	85,576
IFC - US\$	5.25%	42,117	48,571
Santander	3.20%	30,011	14,005
China Construction Bank - US\$	4.36%	12,697	19,047
Eximbank - US\$	2.56%	4,221	5,270
Finimp - US\$	4.65%	-	1,170
Total others		172,849	173,639
Total borrowings		364,589	375,530

(1) As an agent of Fundo da Marinha Mercante's (FMM), BNDES finances the construction of tugboats and shipyard facilities.

	Unaudited Period ended 30 June 2017 US\$'000	Audited Year ended 31 December 2016 US\$'000
The borrowings are repayable as follows:		
On demand or within one year	56,541	49,780
In the second year	51,921	49,029
In the third to fifth years inclusive	98,127	105,953
After five years	158,000	170,768
Total borrowings	364,589	375,530
Amounts due for settlement within 12 months	56,541	49,780
Amounts due for settlement after 12 months	308,048	325,750

Analysis of borrowings by currency:

	\$Real linked to \$Real US Dollars	US Dollars	Total

	US\$'000	US\$'000	US\$'000	US\$'000
30 June 2017 (unaudited)				
Bank loans	26,780	248,763	89,046	364,589
Total	26,780	248,763	89,046	364,589
31 December 2016 (audited)				
Bank loans	28,437	259,030	88,063	375,530
Total	28,437	259,030	88,063	375,530

Guarantees

Loans with BNDES rely on a corporate guarantee from Wilson Sons de Administração e Comércio Ltda. For some contracts, the corporate guarantee is additional to: (i) pledge of the respective financed tugboat, (ii) lien of logistics and port operations equipment financed.

Loans with Banco do Brasil rely on a corporate guarantee from Wilson, Sons de Administração e Comércio Ltda. and pledge of the respective financed tugboat.

The loans that Tecon Salvador holds with IFC are guaranteed by shares of the company, projects' cash flows, equipment and buildings.

The loan agreement that Tecon Rio Grande has with the Export-Import Bank of China for equipment is guaranteed by a standby letter of credit issued by Banco Itaú BBA S.A which in turn has the pledge on the financial equipment.

The loan agreement between Tecon Rio Grande and Santander for equipment acquisition relies on a corporate guarantee from Wilson, Sons de Administração e Comércio Ltda.

Undrawn credit facilities

At 30 June 2017, the Group had available US\$67.5 million of undrawn borrowing facilities. For each disbursement, there is a set of precedent conditions that must be satisfied.

Covenants

The Wilson, Sons de Administração e Comércio Ltda. ("WSAC") holding company, as corporate guarantor, has to comply with financial covenants in both Wilson Sons Estaleiros Ltda and Brasco Logística Offshore Ltda loan agreements signed with BNDES. The subsidiary Tecon Salvador has to observe affirmative and negative covenants stated in its loan agreement with the International Finance Corporation - IFC including the maintenance of specific liquidity ratios and a capital structure requirements.

Tecon Rio Grande has to comply with financial covenants in its respective loan agreements with the BNDES and Santander including a minimum liquidity ratio and capital structure. At 31 December 2016, according to the BNDES view, Tecon Rio Grande was not in compliance with the loan agreement minimum Net Equity / Total Assets ratio of 0.6. If a waiver or prepayment of the debt were not employed the subsidiary could be required to provide additional guarantees of at least 130% of the debt's outstanding value by the 4 September 2017 or be subject to a penalty of an additional 1% interest on the outstanding loan until such time as the loan is in compliance. The value of the loan at 30 June 2017 was US\$4.0 million.

At 31 December 2016, with the exception of the above covenant breach, the Company was in compliance with all other loan contracts.

Fair value

Management estimates the fair value of the Group's borrowings as follows:

	Unaudited	Audited
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	30 June	31 December
	2017	2016
	US\$'000	US\$'000
Bank loans		
BNDES	191,740	201,891
Banco do Brasil	83,803	85,576
IFC	42,117	48,571
Santander	30,011	14,005
CCB	12,697	19,047
Eximbank	4,221	5,270
Finimp	-	1,170
Total	364,589	375,530

16 Joint ventures

The Group holds the following significant interests in joint operations and joint ventures at the end of the reporting period:

	Place of incorporation and operation	Proportion of ownership interest 30 June 2017	30 June 2016
Towage			
Consórcio de Rebocadores Barra de Coqueiros (3)	Brazil	29.13%	29.13%
Consórcio de Rebocadores Baía de São Marcos (3)	Brazil	29.13%	29.13%
Logistics			
Porto Campinas, Logística e Intermodal Ltda (3)	Brazil	29.13%	29.13%
Offshore			
Wilson, Sons Ultratug Participações S.A. (1)	Brazil	29.13%	29.13%
Atlantic Offshore S.A. (2)	Panama	29.13%	29.13%

(1) Wilson, Sons Ultratug Participações S.A. controls Wilson, Sons Offshore S.A. and Magallanes Navegação Brasileira S.A. These latter two companies are indirect joint ventures of the Company.

(2) Atlantic Offshore S.A. controls South Patagonia S.A. This company is an indirect joint venture of Wilson Sons Limited.

(3) Joint Operations.

The Group's interests in joint ventures are equity accounted.

	Unaudited six months to 30 June 2017 US\$'000	Unaudited six months to 30 June 2016 US\$'000
Revenue	75,074	63,162
Raw materials and consumable used	(4,404)	(3,454)

Employee benefits expense	(23,754)	(18,812)
Depreciation and amortisation expenses	(20,007)	(17,371)
Other operating expenses	(8,493)	(7,798)
Loss on disposal of property, plant and equipment	(11)	(2,136)
Profits from operating activities	18,405	13,591
Finance income	987	887
Finance costs	(9,909)	(10,872)
Foreign exchange gains/(losses) on monetary items	(973)	10,225
Profit before tax	8,510	13,831
Income tax expense	(4,894)	(8,069)
Profit for the period	3,616	5,762
Participation (before non-controlling interests)	50%	50%
Equity result	1,808	2,881

	Unaudited	Audited
	Period ended	Year ended
	30 June	31 December
	2017	2016
	US\$'000	US\$'000
Property, plant and equipment	657,992	674,476
Long-term investment	2,103	2,066
Other current assets	3,796	3,752
Trade and other receivables	38,534	42,494
Derivatives	201	261
Cash and cash equivalents	19,683	10,859
Total assets	722,309	733,908
Bank overdrafts and loans	517,562	533,731
Other non-current liabilities	34,563	30,295
Trade and other payables	80,764	82,114
Equity	89,420	87,728
Total liabilities	722,309	733,908

Guarantees

Wilson Sons Offshore S.A. loan agreements with BNDES are guaranteed by a lien on the financed supply vessel and, in the majority of the contracts, a corporate guarantee from both Wilson Sons de Administração e Comércio Ltda and Rebocadores Ultratug Ltda, each guaranteeing 50% of its subsidiary's debt balance with BNDES.

Magallanes Navegação Brasileira S.A.'s loan agreement with Banco do Brasil is guaranteed by a lien on the financed supply vessels. The security package also includes a standby letter of credit issued by Banco de Crédito e Inversiones - Chile for part of the debt balance, assignment of Petrobras' long-term contracts and a corporate guarantee issued by Inversiones Magallanes Ltda - Chile. A cash reserve account, accounted for under long-term investments and funded with US\$2.1 million, should be maintained until full repayment of the loan agreement.

The loan agreement that Atlantic Offshore S.A. has with Deutsche Verkehrs-Bank "DVB" and Norddeutsche Landesbank Girozentrale Trade "Nord/LB" for the financing of the offshore support vessel "Pardela" is guaranteed by a pledge on the vessel, the shares of Atlantic Offshore and a corporate guarantee for half of the credit from Wilson Sons de

Administração Ltda e Comércio. Remolcadores Ultratug Ltda, which is the partner in the business, guarantee the other half of the loan.

Covenants

The joint venture Magallanes Navegação Brasileira S.A. has to comply with specific financial covenants. At 30 June 2017, the company was in compliance with all clauses in the loans contracts.

Atlantic Offshore S.A. has to comply with specific financial covenants on its two loan agreements with Deutsche Verkehrs-Bank "DVB" and Norddeutsche Landesbank Girozentrale Trade "Nord/LB". At 30 June 2017, the company was in compliance with all clauses in the loans contracts.

Provisions for tax, labour and civil risks

In the normal course of business in Brazil, the Group remains 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 counsel.

In addition to the cases for which the Group has made provision, there are other tax, civil and labour disputes amounting to US\$14.7 million (2016: US\$13.9 million), whose probability of loss was estimated by the legal counsel as possible.

	Unaudited Period ended 30 June 2017 US\$'000	Audited Year ended 31 December 2016 US\$'000
Civil cases	1	-
Tax cases	10,334	10,066
Labour claims	4,395	3,784
Total	14,730	13,850

17 Notes to the cash flow statement

	Unaudited six months 30 June 2017 US\$'000	Unaudited to six months to 30 June 2016 US\$'000
Reconciliation from profit before tax to net cash from operating activities		
Profit before tax	74,852	57,078
Share of joint venture results	(1,808)	(2,881)
Investment revenues	(9,777)	(5,965)
Other gains/(losses)	(20,280)	7,329
Finance costs	8,090	(7,852)
Exchange (losses)/gains on monetary items	(2,203)	(3,143)
Operating profit	48,874	44,566
Adjustments for:		
Depreciation of property, plant and equipment	26,910	21,767
Amortisation of intangible assets	2,039	2,638

Share based payment expense	1,180	1,649
Gain/(loss) on disposal of property, plant and equipment	1,962	(67)
Increase/(decrease) in provisions	295	3,679
Operating cash flows before movements in working capital	81,260	74,232
Increase in inventories	(520)	(3,217)
Increase in receivables	(11,036)	(14,194)
(Decrease)/increase in payables	(15,036)	13,726
Increase in other non-current assets	(89)	(2,474)
Cash generated by operations	54,579	68,073
Income taxes paid	(14,518)	(13,640)
Interest paid	(6,970)	(6,178)
Net cash from operating activities	33,091	48,255

18 Commitments

At 30 June 2017, the Group has thirty outstanding commitment agreements. These commitments relate to capital subscription agreements entered into by Ocean Wilsons (Investments) Limited.

The details of these commitments are as follows:

Expiry date	Commitment \$'000	Unaudited Outstanding	Audited
		at 30 June 2017 US\$'000	Outstanding at 31 December 2016 US\$'000
31 December 2016	3,000	-	68
05 December 2017	5,000	845	859
30 March 2018	5,000	834	834
4 June 2018	5,000	1,468	1,468
18 July 2018	5,000	682	677
21 December 2018	5,000	277	313
31 December 2018	4,650	68	123
22 November 2019	5,000	550	550
08 December 2019	5,000	100	-
31 December 2019	3,000	30	60
31 January 2020	4,500	170	246
20 February 2020	4,994	128	117
18 December 2021	5,000	143	347
17 February 2022	3,000	541	781
30 April 2022	7,500	2,332	2,793
11 July 2022	4,963	1,239	2,070
01 February 2023	5,000	300	300
28 March 2023	5,000	1,726	1,785
01 April 2023	5,000	1,349	2,081
05 June 2023	3,200	1,147	1,399
21 August 2024	5,005	2,089	2,431

22 August 2024	5,000	136	336
12 March 2025	2,954	1,729	1,826
23 June 2025	1,800	1,246	1,436
14 July 2025	2,500	1,817	2,044
11 April 2029	3,000	810	960
19 October 2030	500	285	360
To be confirmed	750	750	-
To be confirmed	4,000	4,000	4,000
To be confirmed	4,004	4,004	3,672
To be confirmed	3,000	3,000	-
Total	137,129	33,907	33,936

19 Related party transactions

Transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions between the group and its associates, joint ventures and others investments are disclosed below.

	Dividends received/ Revenue of services		Amounts paid/ Cost of services	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June	30 June	30 June	30 June
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Joint ventures				
Allink Transportes Internacionais	1			
1. Limitada		-	(10)	(24)
Consórcio de Rebocadores Barra de	-			
2. Coqueiros		-	-	-
Consórcio de Rebocadores Baía de	290			
3. São Marcos		333	-	(5)
4. Wilson Sons Ultratug	1,031	9,021	-	-
5. Atlantic Offshore	-	-	-	-
Others				
6. Hanseatic Asset Management LBG	-	-	(1,241)	(1,214)
7. Gouvêa Vieira Advogados	-	-	(37)	(20)
CMMR Intermediação Comercial				
8. Limitada	-	-	(100)	(85)
9. Jofran Services	-	-	(87)	(87)

	Amounts owed by related parties		Amounts owed to related parties	
	Unaudited	Unaudited	Unaudited	Audited
	30 June	30 June	30 June	31
	2017	2016	2017	December
	US\$'000	US\$'000	US\$'000	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Joint ventures				

Allink Transportes Internacionais	-			
1. Limitada		2	-	-
Consórcio de Rebocadores Barra de	78			
2. Coqueiros		148	-	-
Consórcio de Rebocadores Baía de	2,547			
3. São Marcos		2,370	-	-
4. Wilson Sons Ultratug	13,546	3,227	-	-
5. Atlantic Offshore	15,667	8,857	-	-
Others				
6. Hanseatic Asset Management LBG	-	-	(233)	(202)
7. Gouvêa Vieira Advogados	-	-	-	-
CMMR Intermediação Comercial				
8. Limitada	-	-	-	-
9. Jofran Services	-	-	-	-

- 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.
- Mr W H Salomon is Chairman of Hanseatic Asset Management LBG. Fees were paid to Hanseatic Asset Management LBG for acting as investment managers of the Group's investment portfolio and administration services.
- Mr J F Gouvêa Vieira is a partner in the law firm Gouvêa Vieira Advogados. Fees were paid to Gouvêa Vieira Advogados for legal services.
- Mr C M Marote is a shareholder and Director of CMMR Intermediação Comercial Limitada. Fees were paid to CMMR Intermediação Comercial Limitada for consultancy services.
- Mr J F Gouvêa Vieira is a Director of Jofran Services. Directors' fees and consultancy fees were paid to Jofran Services.

21 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 15, 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.

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 trading 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.

In addition the Company invests in Limited Partnerships and other similar investment vehicles. The level of credit risk associated with such investments is dependent upon the terms and conditions and the management of the investment structures. The Board reviews all investments at its regular meetings from reports prepared by the Company's Investment Manager.

The Group has no significant concentration of credit risk. 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 Brazilian Real. Due to the cost of hedging the Brazilian Real, the Group does not normally hedge its net exposure to the Brazilian Real as the Board does not consider it economically viable.

Cash flows from investments in fixed assets are denominated in Real and US Dollars. These investments are subject to currency fluctuations between the time that the price of goods or services are settled and the actual payment date. The resources and their application are monitored with purpose of matching the currency cash flows and due dates. The Group has contracted US Dollar-denominated and Real-denominated debt, and the cash and cash equivalents balances are also US Dollar-denominated and Real-denominated.

In general terms, for operating cash flows, the Group seeks to neutralise the currency risk by matching assets (receivables) and liabilities (payments). Furthermore the Group seeks to generate an operating cash surplus in the same currency in which the debt service of each business is denominated.

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 holds most of its debts linked to fixed rates. Most of the Group's fixed rates loans are with the FMM (Fundo da Marinha Mercante).

The Group holds most of its debts linked to fixed rates. Most of the Group's fixed rates loans are with the FMM (Fundo da Marinha Mercante).

Other loans exposed to floating rates are as follows:

TJLP (Brazilian Long-Term Interest Rate) for Brazilian Real denominated funding through FINAME credit line to Port and Logistics operations.

DI (Brazilian Interbank Interest Rate) for Brazilian Real denominated funding in Logistics operations, and 6-month LIBOR (London Interbank Offered Rate) for US Dollar denominated funding for Port Operations. (Eximbank)

The Real-denominated investments yield interest rates corresponding to the DI daily fluctuation for privately issued securities and/or "Selic-Over" government-issued bonds. The US Dollar-denominated investments are part in time deposits, with short-term maturities.

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 cash flow hedges to limit its exposure that may result from the variation of floating

interest rates.

The Group has floating rate financial assets consisting of bank balances principally denominated in US Dollars and 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 that provide the Group with opportunities 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.

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

Ocean Wilsons (Investments) Limited primarily transacts with regulated institutions on normal market terms which are trade date plus one to three days. The levels of amounts outstanding from brokers are regularly reviewed by the Investment Manager. The duration of credit risk associated with the investment transaction is the period between the date the transaction took place, the trade date and the date the stock and cash are transferred, and the settlement date. The level of risk during the period is the difference between the value of the original transaction and its replacement with a new transaction.

In addition Ocean Wilsons (Investments) Limited invests in Limited Partnerships and other similar investment vehicles. The level of credit risk associated with such investments is dependent upon the terms and conditions and the management of the investment structures. The Board reviews all investments at its regular meetings from reports prepared by the company's Investment Manager.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in fulfilling obligations associated with its financial liabilities that are settled with cash payments or other financial asset. The Group's approach in managing liquidity is to ensure that the Group always has sufficient liquidity to fulfil the obligations that expire, under normal and stress conditions, without causing unacceptable losses or risk damage to the reputation of the Group.

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

Normally the Group ensures it has sufficient cash reserves to meet the expected operational expenses, including financial obligations. This practice excludes the potential impact of extreme circumstances that cannot be reasonably foreseen.

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.

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