COECLERICI

ANNUAL REPORT 2015

Photos of the Supramax DACC Tirreno bulk carrier are the main feature of the Coeclerici 2015 financial statements.
This choice was based on the values of Luca Forno's photographic project for the Oshima shipyard in Nagasaki, Japan, but not only.
In 2013, Coeclerici began a new phase in the development of its Shipping sector by creating dACC Maritime Ltd, a joint venture with the d'Amico Group; this investment project involves the purchase of four, latest-generation Supramax vessels, two of which were delivered in 2015: the DACC Tirreno and the DACC Egeo.This strategic decision marks a step of fundamental importance in the Group's growth.
The DACC Tirreno bears the same name as the first ship acquired by Coeclerici in 1913, thereby bearing witness to the tough choices which have characterised its 120 years of history.

COECLERICI

Coeclerici SpA

Registered office:
Piazza Generale Armando Diaz 7, 20123 Milan, Italy

VAT Reg. No., Tax Code No. and Registered Companies No.:
00269690103

Chamber of Commerce No. 1761693
Direction and Coordination: Fincler Srl

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COECLERICI GROUP AT A GLANCE

684 ml	274 ml	13	934
Turnover	Investments over last 5 years*	Countries	Employees**

* Includes entities accounted for using the equity method
Investments adjusted to the 2015 year-end exchange rates

** Employees as of December, 31 2015

DEAR SHAREHOLDERS,

Last year saw a slow-down in the international economy which arose on account of a number of factors: first and foremost, the strong downturn in the emerging economies of the so-called BRICs, especially Chinese imports, the Russian economy, affected by sanctions and the fall in the price of oil, and Brazil; evolutions of the financial markets which started with the collapse of the Chinese stock exchange and spread to all of the other main stock exchanges; finally, the collapse in the price of oil.
The impact of these factors brought about a significant reduction in world trade in general and commodity prices in particular. Coal prices returned to the lowest levels for a decade. This in turn led to a strong devaluation in the currencies of countries exporting raw materials, most noticeably in the Russian rouble, which lost 34% of its value, falling from approximately 51 RUB per US$ in 2014 to 68 RUB per US$ in 2015.
The fall in the price of oil and other raw materials favoured importing countries, but at the same time penalised producing countries.
The European economies benefited from lower import costs but suffered a fall in exports of goods and services and a consequent devaluation of the average value of the Euro compared to the American dollar, which strengthened from 1.33 in 2014 to 1.11 in 2015.
Many macroeconomic, social and political factors remain in a phase of development, which makes the international situation very uncertain and unstable.
Supply of coal remains high compared to demand which, while growing, has shown signs of weakness in both Europe and the United States, on account of the strong competition offered by shale gas, and mainly in China, where demand has fallen by more than 20%.
In 2015 Your Group recorded a turnover of Euro 684 million, reflecting an increase of 16% on 2014, despite these difficult market conditions, consequent on the large impact of the appreciation of the American dollar against the Euro as well as an increase of 15% in tons handled.

In this difficult macroeconomic and sector-based context the Group's financial results were further penalised by a number of extraordinary, non-recurring events fully described in the Directors' Report.
Ebit, if measured before these events, would have been in line with the previous financial year at Euro 14.2 million (Euro 14.3 million in 2014), but was reduced to Euro 4.1 million, and equally the net result, which would have been effectively at break-even point (Euro -0.9 million), showed a loss of Euro 22.3 million.
Moreover, thanks also to the disposal of a number of assets no longer operational since they reached the end of their contracts, and to a cautious management of working capital, the net financial position improved from Euro 173 million to Euro 148 million.

The Logistics Division obtained excellent results, owing to the financial and operational performance of all of its vessels. In order further to improve the range of services it offers its clients, the Logistics Division implemented a loading system for the Bulk Celebes vessel which enables it to blend two different types of coal. This service was offered over the year to its main Indonesian clients.

The quantities handled by the whole Logistics Division amounted to around 24.6 million tons, an increase of 17% on the previous year.

At an organisational level, on 1st July 2015 the Holding Company transferred the Division's business, consisting of the commercial and technical business and the personnel involved in it, to the subsidiary Coeclerici Logistics SpA (previously called Coeclerici Logistics Partecipazioni Srl). This Company has thereby become the Group's Logistics centre, as well

as the sub-holding company in the Logistics and Shipping sectors. It is autonomous, and able to meet the challenges of both present and future which arise from its plans for development.
In addition also the divisional structure was reorganised reducing non operative companies.

The Trading Division sold 9.8 million tons of coal, an increase on the previous year of more than 15%, in a market experiencing strong tension and difficulty, with indices in constant reduction.
During 2015, the Division completed the deep-seated reorganisation begun in 2014 which seeks to create the structures and conditions needed for future development. Starting in January 2015, the Asian business previously handled by the subsidiary Coeclerici Asia (Pte) Ltd was passed to the Swiss subsidiary Coeclerici Compagnie SA, which changed its name to Coeclerici Commodities SA to underline its role as the centre of all the Coeclerici Group's international trading activities. This aggregation built up autonomous commercial, operational and personnel structures and led to significant commercial and structural savings. The company became the sub-holding company of all the shareholdings in the Trading and Mining sectors.

In the first part of the year the Mining Division experienced a slowdown in production as a result of extraordinary events connected to the site's geological structure, a situation set right in the second half of the year. Final extraction amounted to 1.3 million tons of coal, 21% more than the previous year.
Despite these excellent results, the fall in the price of coal, especially in the second half of the year, negated the enormous organisational efforts made in order to catch up with the initial production shortfall, and as a consequence the mine's results remained negative in 2015.
The short-term prospects for the price of coal in 2016 are not encouraging, but this negative effect is partially balanced by the positive operating margins resulting from the devaluation of the rouble, which has affected the cost both of production and of transportation.

Finally, as far as the Shipping Division is concerned, the first two Supramax sister vessels, of 60,000 tons each, were delivered from the Oshima shipyard in Japan during the financial period: DACC Tirreno and DACC Egeo. Their delivery enabled the joint venture company dACC Maritime Ltd to begin its own shipping business for the transportation of dry bulk. The investment plan is continuing, with the construction of two more vessels which will be delivered in 2016, enabling your Group to re-position itself in the shipping industry after more than ten years.

2015 is an important milestone for our Group, of which its shareholders, employees past and present, partners and collaborators can be justly proud. Coeclerici is celebrating its 120th anniversary, more than a century of hard work, ability to innovate and change, and resultant success in many sectors, nowadays reflected in its Trading and Mining, Logistics and Shipping divisions.
2015 was undoubtedly a difficult year, for the economy as a whole and for our industry, which was extremely negative and uncertain, with many factors being in transformation. The 120th anniversary is a further stimulus to both management and the whole Group to continue with what has been started: the redesign and innovation of the business model, of client services and company organisation, by following the long-term strategy with the same tenacity and pro-activeness as have always been used, the same values and ability to innovate which mark our history.

I would like to take this opportunity to thank the management and employees of the Group for their constant best efforts and the results obtained.

Milan, 19 April 2016

Chairman and CEO
Paolo Clerici

COMPANY OFFICERS

Board of Directors

Paolo Clerici	Chairman and CEO
Teresio Gigi Gaudio	Executive Deputy Chairman and Responsible for Risk Avoidance
Corrado Papone	Deputy Chairman
Antonio Belloni	Director
Giorgio Cefis	Director
Andrea Clavarino	Director
Giacomo Clerici	Director
Giovanni Jody Vender	Director
Lupo Rattazzi	Director

The term of office of the Board of Directors expired with the approval of the financial statements on 31 December 2015.

Board of Statutory Auditors

Guglielmo Calderari di Palazzolo	Chairman
Maurizio Dragoni	Standing statutory auditor
Isabella Resta	Standing statutory auditor
Antonino Foti	Alternative statutory auditor
Nicola Iberati	Alternative statutory auditor

The term of office of the Board of Statutory Auditors will expire with the approval of the financial statements on 31 December 2017.

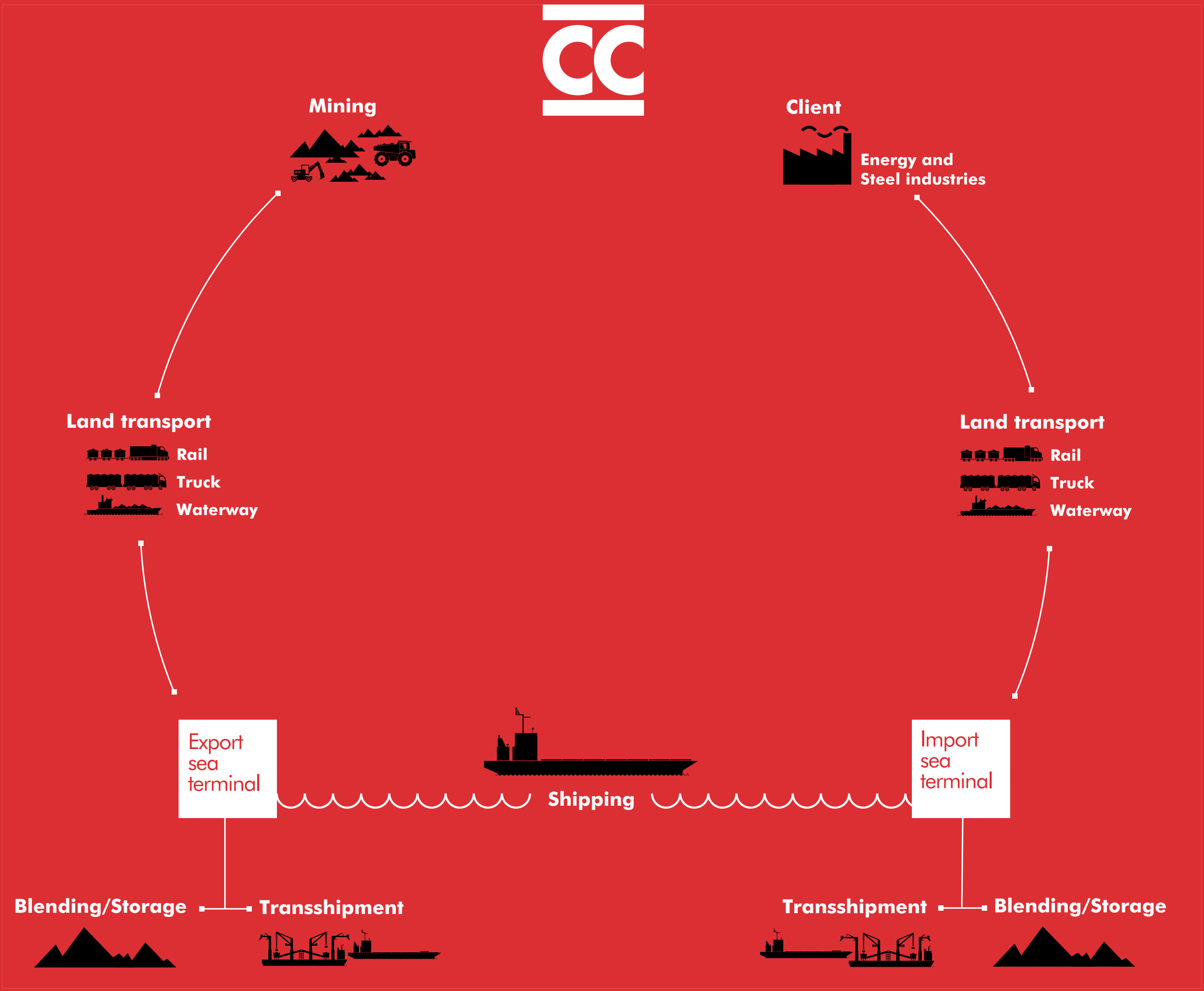
Independent Auditors

Reconta Ernst & Young SpA

The independent auditing firm has been appointed for the three-year period 2015/2017.
The term of office of the independent auditing firm will expire with the approval of the financial statements on 31 December 2017.

COECLERICI'S ROLE IN THE COAL VALUE CHAIN

The added value offered by the Coeclerici Group arises from its experience in all phases of the supply of coal. The Group's activities vary from mining extraction to the transportation of coal by land, and from transshipment to the transportation of coal by sea, thereby guaranteeing that clients receive the high quality product within the times agreed.



A HISTORY OF SUCCESS

1895

Coeclerici is founded in Genoa and begins importing coal from the UK.

1910s

Coeclerici becomes the first company to import US coal into Italy and expands into the shipping sector. In 1913, the Group buys its first dry cargo vessel: the "Tirreno". In 1916 Henry Coe leaves the company, selling his stake to Alfonso Clerici Sr.

1936-1969

Alfonso's son Jack Clerici joins the company in 1936.
After World War II, Coeclerici resumes business and consolidates its international presence in the US, England, South Africa, Australia and the Soviet Union (at the end of the 1950s).
In 1964, Coeclerici signs an agreement for exclusive right to sell Soviet coal and scrap iron on the Italian market.

1970-1997

Coeclerici strengthens its shipping sector by purchasing and operating barges to transship coal within port basin areas. This solution is called and registered as "Cavalletto".
A strategic step towards developing the Group's logistics business.
In 1985 Bulkitalia S.p.A was founded; this company acquires Nedlloyd's dry bulk fleet in 1992. Moreover, in 1994-1995 Bulkitalia acquires Fermar, a company belonging to Ferruzzi Group, and Sidermar.

1998-2000

Coeclerici signs a contract with Murmansk Commercial Sea Port and finances port dredging, to bring in vessels of up to 130,000 tons.
In 2000, at Murmansk, Coeclerici loads the first Capesize vessel ever loaded in a North Russian port.
In these years the first international transshipment contracts are signed.

2002

Coeclerici invests about $ 18 million to finance the completion of a coal mine in Kemerovo, Russia, and signs its first long-term supply agreement, granting Coeclerici exclusive international sales rights for the two million tons of coal the mine produces annually.
The Group also signs a ten-year partnership with the port of Murmansk for the exclusive use of a coal berth.

2003-2005

The Group's Shipping Division concludes 16 chartered contracts for the construction of 10 new Panamax and 6 new Capesize vessels. The Coeclerici pool operates a fleet of 47 Capesize and 44 Panamax.
Coeclerici opens offices in China and Indonesia and starts operating the "Bulk Pioneer", a floating coal transfer station, in Indonesia.

2007

Coeclerici acquires a 60% stake – increased to 85% in 2008 and to 100% in 2010 – in RAG Trading Asia Pacific Ltd, a Singapore based company specialized in coke and coking coal. Through Coeclerici Asia (Pte) Ltd, the Group develops and strenghens its activities across the Far East.

2008

Coeclerici acquires 100% of Korchakol, a low volatile coal (PCI and thermal coal) mine located in Kuzbass, Siberia, becoming the first and only Western company to have acquired a steam coal mine in Russia.
In India, the Group's Logistics Division starts operating the "Bulk Prosperity", a last-generation offshore transshipper.

2011

The Logistics Division takes delivery of the first two of the six vessels designed to the highest standard and performance to be employed in long term service contracts signed by the division: the "Bulk Java", operating in Indonesia and the "Bulk Zambesi" operating in Mozambique.

2012

Coeclerici enters the US market. The Group's Trading Division acquires the assets of the American company Coal Network Inc.
Two new vessels – the "Bulk Limpopo", employed in Mozambique, and the "Bulk Borneo", employed in Indonesia – are delivered.

2013

The Group decides to strengthen its Shipping Division, establishing dACC Maritime Ltd, a joint venture with the d'Amico Group, for the purchase of four Supramax bulk carriers.
In 2013 Coeclerici Coal Network LLC acquires full ownership of the coal trading division of Alley-Cassetty Companies, Inc.
The new vessels "Bulk Celebes" and "Bulk Sumatra" are delivered.

2015

Coeclerici celebrates the 120th anniversary of its foundation (1895 – 2015).

dACC Maritime Ltd takes delivery of "DACC Tirreno" (which inherits the name of the first vessel purchased by the Group in 1913) and "DACC Egeo".

DECEMBER, 31 2015

GROUP STRUCTURE

COECLERICI SpA

LOGISTICS DIVISION

- **100%** Coeclerici Logistics SpA
  - **100%** Coeclerici Mozambico SpA
  - **100%** Capo Noli Transportes Maritimos Lda
    - **90%** Bulkguasare de Venezuela SA
    - **90%** Venezuela Bulk Logistics SA
  - **70%** Logconversion Transportes Maritimos Lda
  - **49%** PT Pelayaran Logistik Konversi Indonesia
  - **49%** PT Asian Bulk Logistics
  - **100%** CGU Logistic Ltd

SHIPPING DIVISION

- **49%** dACC Maritime Ltd

TRADING DIVISION

- **100%** Coeclerici Commodities SA**
  - **100%** LLC Scc-Rozco
  - **99%** LLC Coeclerici Russia*
  - **49%** LLC Delta Property
  - **70%** Coeclerici Coal Network Inc.
  - **100%** DAKO Coal GmbH

MINING DIVISION

- **100%** SC Kisk
  - **100%** LLC Razrez Korchakolsky
  - **100%** LLC UK PTU
  - **100%** LLC Zapadny
  - **100%** Sel Pre Taylepskoe

###

- **100%** Coeclerici Far East (Pte) Ltd
- **100%** Coeclerici Asia (Pte) Ltd
- **100%** Elvezia Immobiliare SA
- **100%** Coeclerici Americas Real Estate Inc.
  - **99.98%** Nuevaco Imobiliaria Srl

Non operational companies and those in liquidation are excluded

* 1% of the subsidiary LLC Coeclerici Russia is held by Coeclerici SpA

** Previously named Coeclerici Compagnie SA (change of name occured on January, 5th 2016)


DACC TIRRENO
VALLETTA

DIRECTORS' REPORT

CONSOLIDATED RESULTS

Here below are shown some of the main financial indicators and a comparison with the consolidated financial statements of 2014 and 2013 drawn up in accordance with International Financial Reporting Standards - IFRS (figures in thousands of Euros):

	2015	2014	2013
Turnover	683,981	588,628	651,803
Ebitda	20,254	30,431	30,111
Ebit	4,129	14,330	13,713
Net profit	(22,354)	5,380	9,081
Group net profit	(22,876)	4,157	7,391

	2015	2014	2013*
Fixed Assets	152,134	173,763	186,263
Working Capital	54,747	68,773	59,006
Net Capital Employed	206,881	242,536	245,269
Group Equity	51,883	60,453	72,392
Minority Interests	6,727	9,013	8,026
Net Financial Position	148,271	173,070	164,851
Sources of Finance	206,881	242,536	245,269
Cash flow from operating activities	28,896	16,683	29,290
Cash flow from investing activities	7,935	(16,780)	(8,252)
Cash flow from financing activities	(15,880)	(4,976)	(16,599)
ROE	(35%)	7%	11%
ROI	2%	6%	5%
NFP/Equity	2.53	2.49	2.05

(*)The reclassified balance-sheet underwent adjustment compared to that published as a result of new Group reporting regulations.

22 ML

Euros of non-recurring negative net impact in 2015

The Group's net result for the financial period in question, considered before non-recurring events, was a loss of Euro 0.9 million with an Ebit equal to Euro 14.2 million (Euro 14.3 million in 2014). This result was further affected by extraordinary events of a non-repeatable nature which increased the loss to Euro 22.9 million. To facilitate an understanding of the Group's operational performance, the table below shows the impact on the Group's net result of these events which are divided between non-recurring income, amounting to Euro 2.1 million, and non-recurring costs, amounting to Euro 24.1 million.

VALUES IN M/EURO	1H	2H	2015	Δ NFP FY15
Group net profit without non-recurring events	**(1.4)**	**0.5**	**(0.9)**	**14.1**
Non-recurring events				
Revenues :	**1.9**	**0.2**	**2.1**	**16.2**
Capital gain from Bulk Irony e Bulk Kremi disposals	1.5		1.5	8.5
Financial gain from "Investments in other companies" disposals	0.4	0.2	0.6	7.6
Costs:	**(16.9)**	**(7.2)**	**(24.1)**	**(5.5)**
Extraordinary costs due to SC Kisk's mining site geological structure	(5.5)		(5.5)	(5.5)
Loss from the sell of the investment in Asia Resource Minerals PLC	(3.3)		(3.3)	No impact on NFP
Accrual to provisions for Asian Subsidiaries	(2.2)	(0.3)	(2.5)	
'Available-for-sale financial assets' and other receivables devaluation	(0.7)	(0.5)	(1.2)	
Fixed asset devaluation belonging to Venezuelan controlled companies	(1.7)		(1.7)	
Devaluation of intangible asset coming from Dako Coal GmbH acquisition and extraordinary costs incurred from such subsidiary	(3.1)	(0.1)	(3.2)	
Bad debt provision	(0.3)	(0.7)	(1.0)	
Net loss from forex financial derivatives		(5.6)	(5.6)	
Group net profit with non-recurring events	**(16.4)**	**(6.5)**	**(22.9)**	**24.8**

As the table shows, these events, most of which occurred in the first six months of the year, significantly affected the Group's net results.

The positive elements, included in non-recurring income and amounting to Euro 2.1 million, result from the following two events:

- a capital gain arising from the disposal of the two vessels, Bulk Irony and Bulk Kremi, amounting to Euro 1.5 million;
- a financial gain arising from the sale of the minority shareholdings in Dharamtar Infrastructure Ltd, USL Coeclerici Logistics and United Shippers Ltd.

Non-recurring costs amounted to Euro 24.1 million and included the following:

- during the first half, and following extraordinary events linked to the geological formation of the site, the Mining Division recorded a lower quantity of tons extracted, which made it necessary to provide coal from external sources. In addition, this extraordinary event incurred higher costs regarding the stripping of the mining site. This resulted in a considerable erosion of the margins of the subsidiary SC Kisk and generated a loss of Euro 5.5 million;
- the Group sold its shareholding in Asia Resource Minerals PLC; following this disposal, the loss accumulated in previous financial periods in a reserve in equity was reclassified to the income statement under the heading 'Available-for-sale financial asset loss/devaluation'. The effect of this on the income statement was a loss of Euro 3.3 million while there was no effect on equity;
- provision against risks made by the Asian subsidiaries to meet possible losses which could arise from commercial transactions in being, and amounting to Euro 2.5 million;
- devaluation of fixed assets belonging to the Venezuelan subsidiary amounting to Euro 1.7 million;
- impairment of value of assets classified as 'Available-for-sale financial assets', specifically Banca Carige and Value Secondary Investments (SICAR), and a devaluation of other receivable amounts, totalling Euro 1.2 million;
- the write-off of intangible assets identified following the acquisition of the German subsidiary Dako Coal GmbH, amounting to Euro 1.5 million; consistently with this write-off, deferred tax assets

set up in the company's books in previous financial periods was derecognized from net assets with a negative impact on the income statement of Euro 1 million; moreover, the subsidiary incurred extraordinary costs of Euro 0.7 million;

- a provision for bad debts against non-recoverable trade receivables amounting to Euro 1 million;
- the negative result of the accounting of changes in the fair value of financial derivatives amounting to Euro 5.6 million.

As mentioned above, the Group made a loss, net of non-recurring events, of Euro 0.9 million with an Ebit of Euro 14.2 million, in line with 2014 when it was Euro 14.3 million.

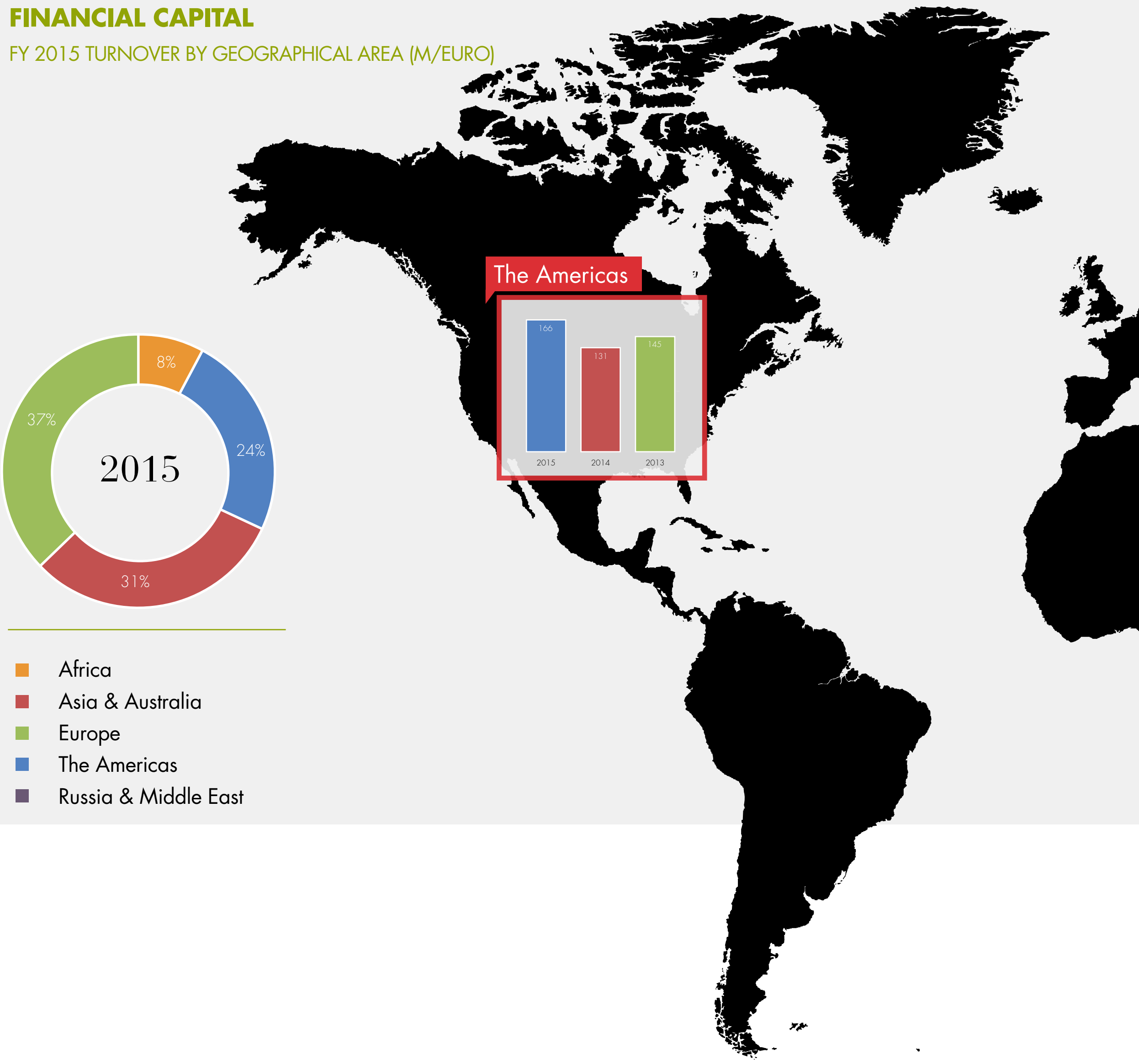
These events affected the first half of the year above all and can be mainly attributed to the performance of the Trading and Mining divisions; they were operating in a challenging macroeconomic and sector situation in which there occurred a significant fall in the price of coal compared to the previous year.
This fall amounted to 24% for API#2 (average weekly index of the price of coal including charter costs on the Amsterdam-Rotterdam-Antwerp route) and 21% for API#4 (average weekly index of the price of coal excluding charter costs with reference to the port of Richards Bay, South Africa).

In order to explain these non-recurring events fully, it may be useful to stress that they affected the Group's financial position only by Euro 10.7 million.

The cash flow generated from operations fully balanced the absorption of financing activities to an amount of Euro 15.9 million, thereby enabling further investment

FINANCIAL CAPITAL

FY 2015 TURNOVER BY GEOGRAPHICAL AREA (M/EURO)



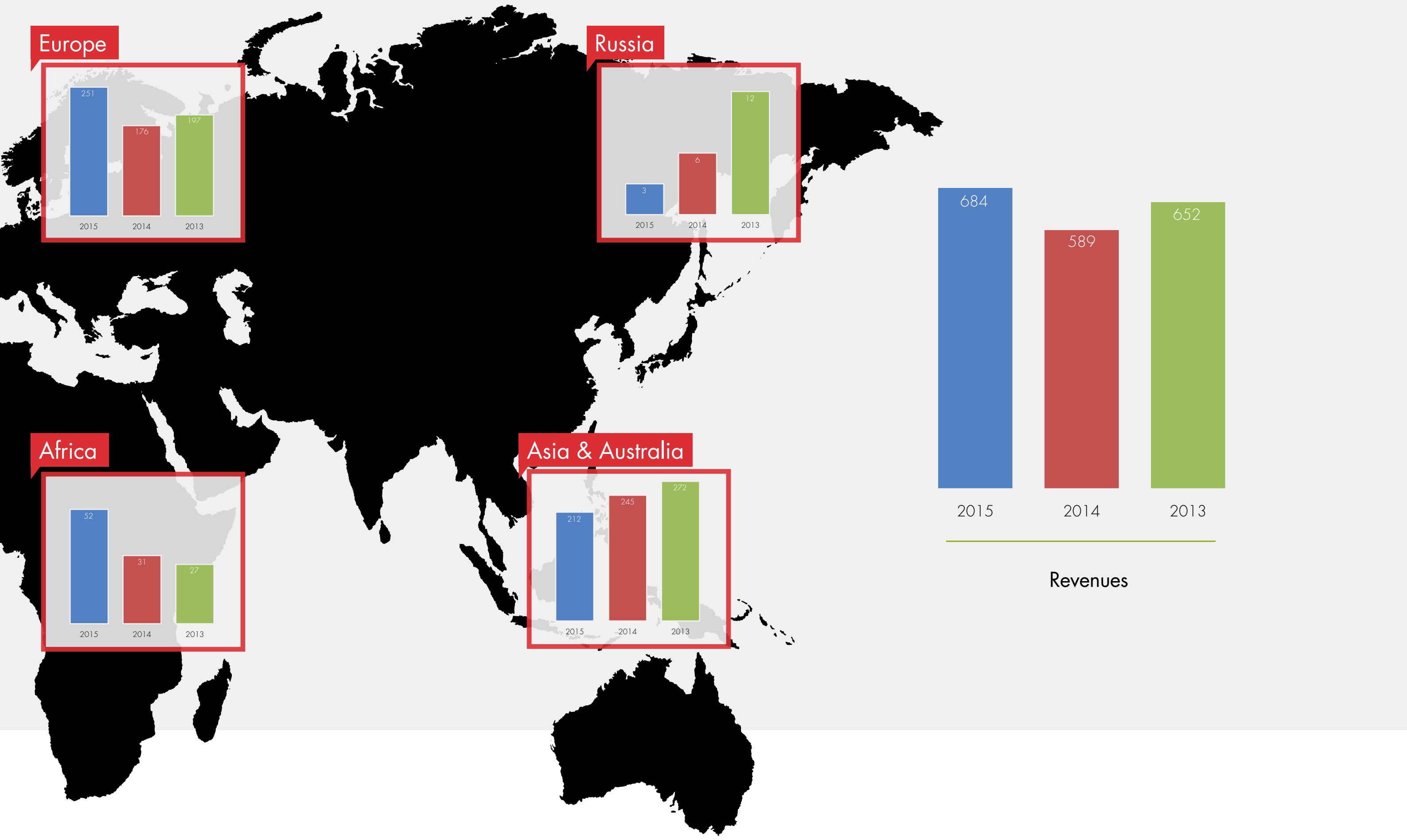
to be made in the Mining and Logistics divisions.
In particular, Euro 5.4 million was invested in order to improve extraction in the mine over the medium and long term and rationalise production; Euro 0.8 million was employed in guaranteeing the operating capacity of the vessels. Despite the absorption of these funds, the cash flow generated from operations improved the Group's net financial position.

The ratio between net financial position and equity (hereafter referred to as NFP/Equity), amounted to 2.53 at 31st December 2015 and was therefore in line with that at 31st December 2014 (equal to 2.49), and below the threshold (the financial covenant) of the syndicated line granted to the Holding Company.

Balancing a loss of Euro 22.3 million, some positive items were included in equity which, all things being equal, could be reclassified to the income statement in subsequent financial periods, amounting to Euro 18 million; more specifically, the equity headings involved refer to the translation reserve for amounts held in currencies other than Euros and totalling Euro 7.7 million, and to a reserve arising from the fair value of financial instruments and 'Available-for-sale financial assets', amounting to Euro 10.3 million.

After these positive adjustments, the Group's equity recorded a decrease when compared to 31st December 2014 of Euro 10.2 million.

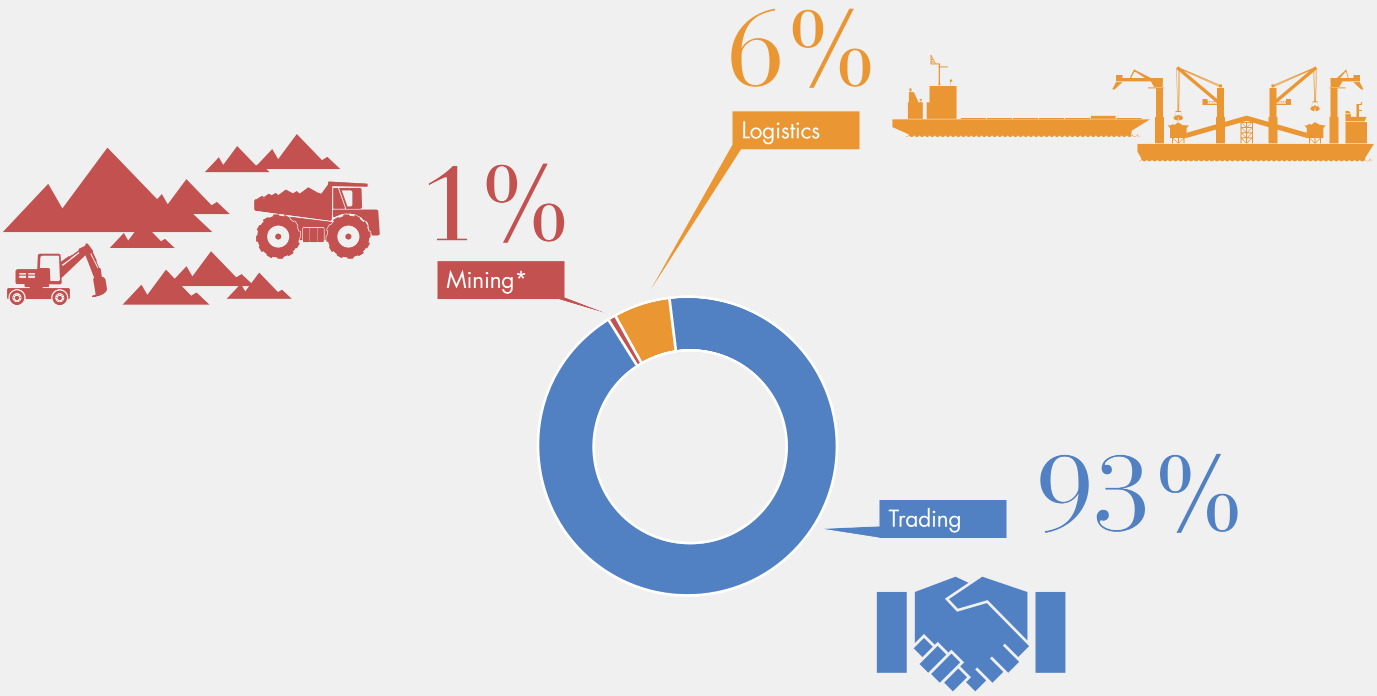
The graphs below illustrate the main financial and management information of the Coeclerici Group.



METRIC TONNES HANDLED (FIGURES IN THOUSANDS OF METRIC TONNES - MT)

FY15	FY14	FY13
35,615	30,973	32,992

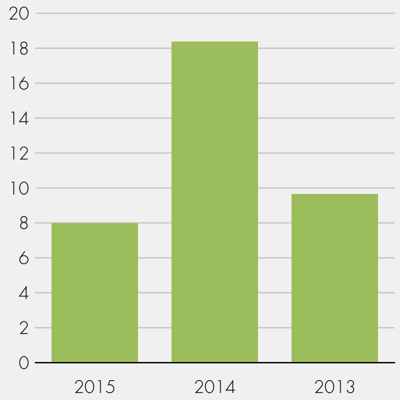
FY 2015 TURNOVER BY DIVISION



* Offset by intercompany transactions

PRODUCTIVE CAPITAL

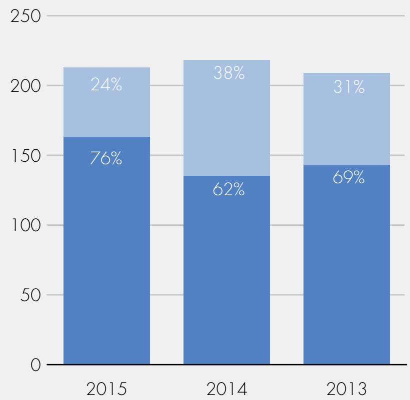
INVESTMENTS IN FIXED ASSETS (M/EURO)



Investments over the last 3 years amount to Euro 36 milion

2015	8
2014	18
2013	10

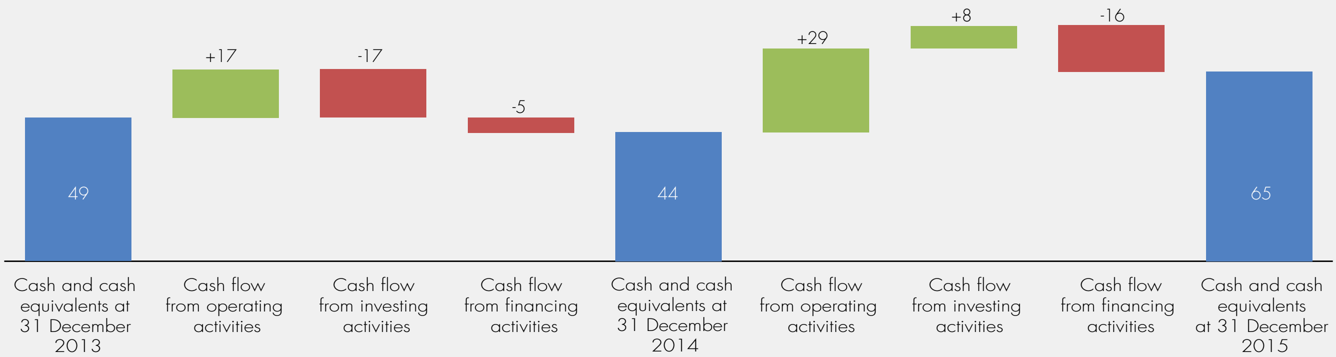
FINANCIAL LIABILITIES (M/EURO)



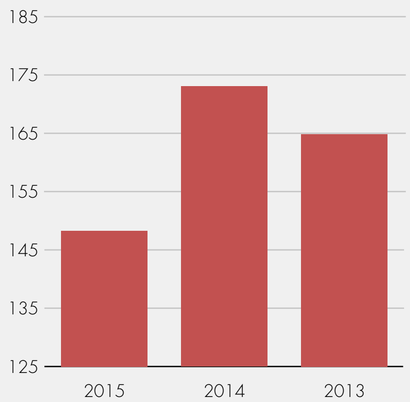
- Short term financial liabilities
- Medium-long term financial liabilities

2015	214
2014	217
2013	209

CASH FLOW (M/EURO)



NET FINANCIAL POSITION (M/EURO)



2015	148
2014	173
2013	165

HUMAN CAPITAL

N° OF EMPLOYEES	2015	2014
Africa	68	69
The Americas	19	24
Asia & Australia	52	54
Russia & Middle East	717	709
Europe	78	77
Total	**934**	**933**

	2015	2014
Average age of employees	**43**	**43**

	2015	2014
Level of education*	**34%**	**34%**

* This index considers all the employees graduated, at least, from the high school (or equivalent).
Miners and seafaring staff are included in the calculation of such index.

TRADING DIVISION

+16 %

Turnover 2015 compared to previous year

	2015	2014	2013
Metric tonnes handled	9,811,440	8,564,340	8,662,893
Turnover	638,826	549,249	589,581
Ebitda	4,010	8,511	8,099
Ebit	717	6,937	7,078
Net profit	(7,086)	2,952	2,830

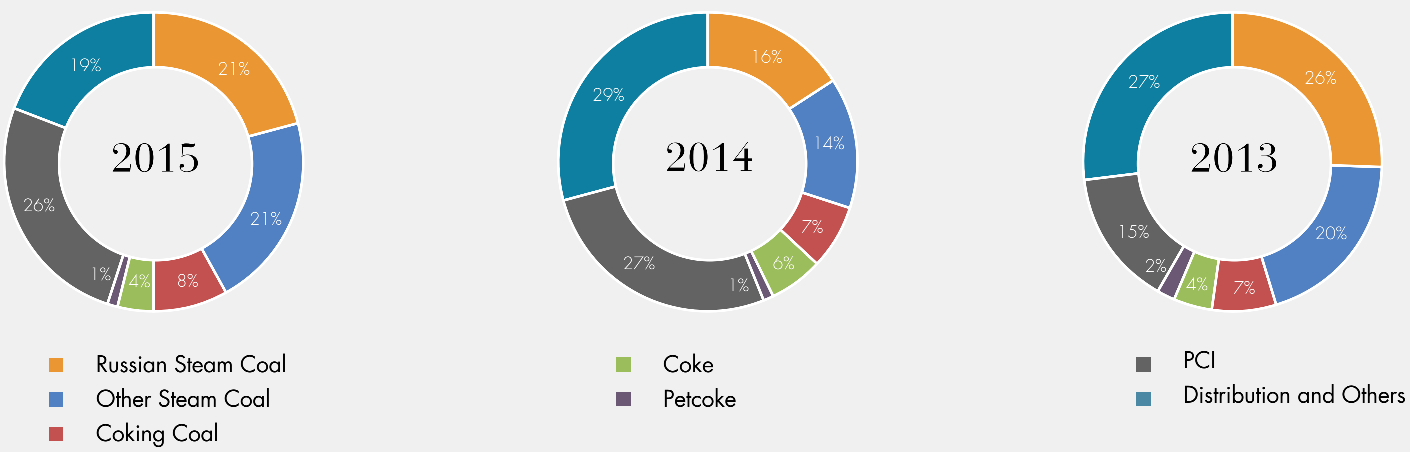
Volumes handled by the Division were 15% higher than the previous year, and thereby affected turnover positively. Variations in turnover were affected by the following:

- an increase in volumes improved turnover by around Euro 80 million;
- the strengthening of the US Dollar compared to the Euro affected turnover positively by around Euro 106 million;
- the fall in the price of coal affected turnover negatively by around Euro 96 million.

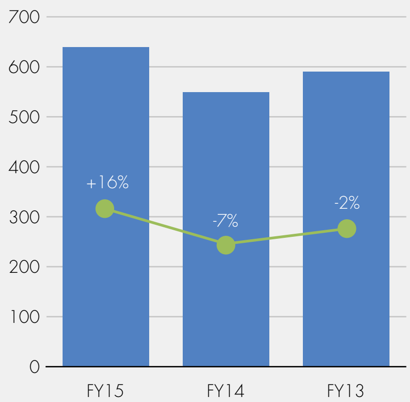
Despite the important dynamics pushing prices downwards operating results were good in a market at a historic low point. Both Ebitda and Ebit were significantly affected by the negative operating results of the German subsidiary Dako Coal GmbH, which demonstrated the need to write-off the intangible value arising on acquisition, as far as it is not recoverable. The negative net result was also affected by the hedging transactions made to stabilize the operating flows (first and foremost, the costs of production and transportation by rail) in foreign currencies (mainly the rouble). This currency, over the year, underwent an entirely unpredictable devaluation which produced strongly negative effects on the income statement of the division.

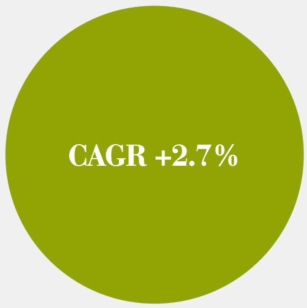
The mix of sales, shown in the graphs which follow as comparisons with the previous year, included an increase in tons of steamcoal (Russian + Other) both as a percentage and in absolute terms. There was also an increase in quantities handled of products with a higher added value, such as coking coal and PCI, demonstrating an ongoing process of diversification towards products with higher added value. Furthermore, there was a reduction in the tons of American coal distributed, primarily due to competition of shale gas.
Here below follows a comparison of tons handled, by product type:

HANDLED COAL BY PRODUCT TYPE



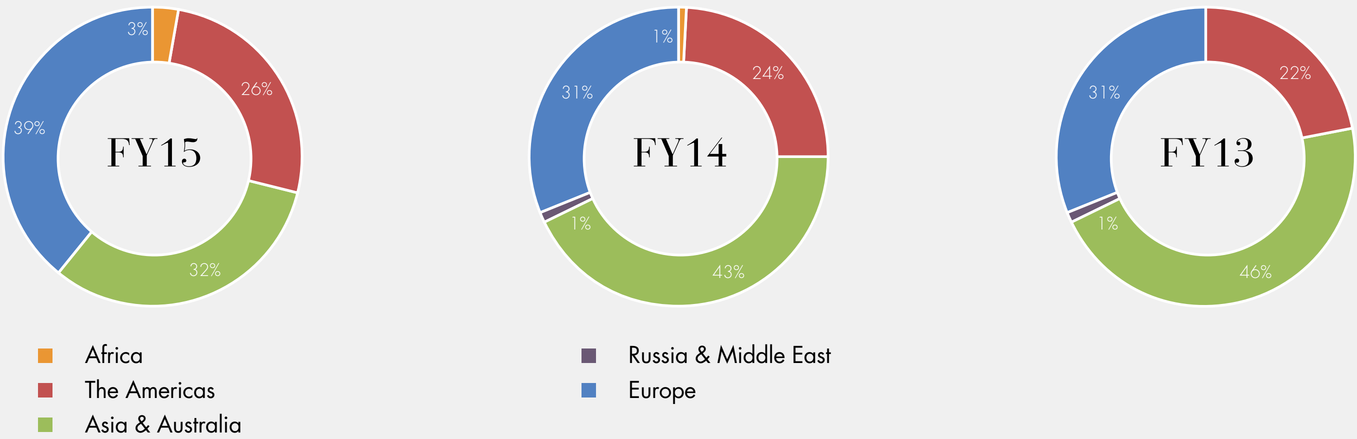
TURNOVER TREND (M/EURO)





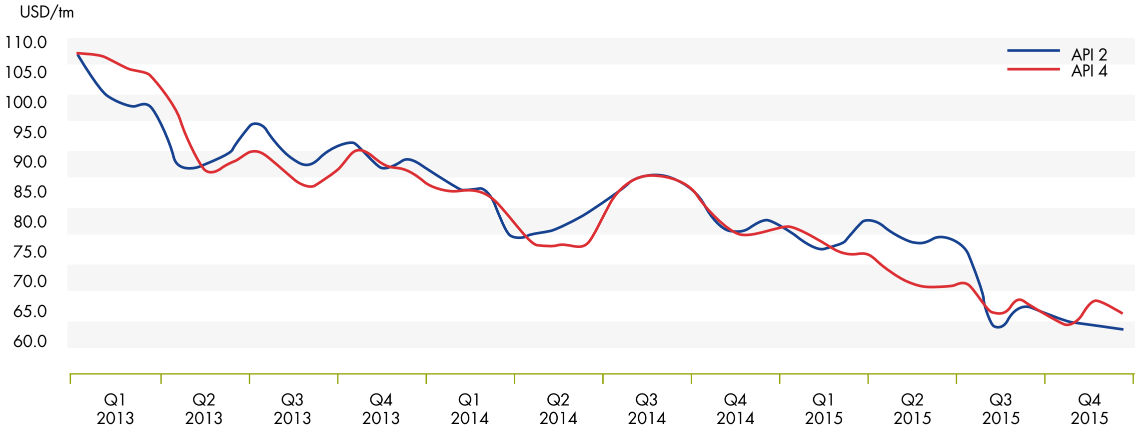
FY15	639
FY14	549
FY13	590

TURNOVER BY GEOGRAPHICAL AREA



The reduction in the indices shown below reflects the contraction occurring in the international economy and an excess of supply over demand, which has been the main characteristic of the global economy in recent years. The average decrease in the price of coal compared to the previous financial period was 24% on API#2 and 21% on API#4.

The main coal market indicators of the previous three years appear below; a so low level of indices is equal to those of years 2003 and 2004.



API#2 = CIF coal price (including freight cost) - unloading ARA (Amsterdam-Rotterdam-Antwerp)
API#4 = FOB coal price (without freight cost) - port of Richards Bay (South Africa)

	2015	2014	2013
API#2 INDEX – average	57	75	82
API#4 INDEX – average	57	72	80


ALL STEEL
REGROOVABLE

MINING DIVISION

	2015	2014	2013
Metric tonnes handled	1,202,096	1,226,662	1,263,956
Turnover	31,820	33,402	36,209
Ebitda	1,588	3,549	4,652
Ebit	(2,335)	(1,365)	(2,061)
Net profit	(11,783)	(5,695)	(2,552)

+21%

Tonnes extracted compared to 2014

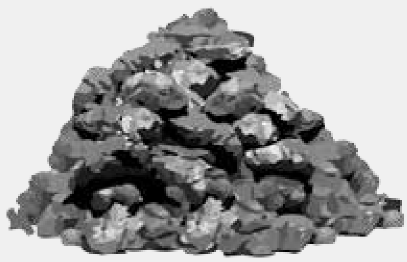
The weak performance of the Mining Division can be attributed in the most part to the reorganisation of the geological site which occurred in the first six months of the year, and which produced both a slow-down of the quantity of product extracted, requiring recourse to foreign suppliers of coal (at increased cost), and reduced sales (which, in the absence of this extraordinary event would have been effected at much higher prices than the onces of the second half of the year). To be highlighted is the huge organisational effort made in the second half, which enabled 1,334,723 tons of coal to be extracted (1,102,323 tons in 2014), catching up with and exceeding the forecast production plan. Despite this recovery in production and a resulting increase in amounts handled, the strong fall in the price of coal in the second half of the year did not permit a substantial recovery in operating results to be made. It should be added that the devaluation of the rouble partly mitigated the worst price effects by influencing the mine's operating costs positively.

The loss reflects the currency hedging taken out in 2014 with a rouble-dollar exchange rate significantly different from that at the beginning of the currency turmoil at the end of 2014 and which continues today.

METRIC TONNES EXTRACTED (FIGURES IN THOUSANDS OF MT)

FY15
1,335

FY14
1,102



FY13
1,234

LOGISTICS & SHIPPING DIVISION

	2015	2014	2013
Metric tonnes handled including JV	24,600,729	21,182,296	23,065,224
Turnover	39,792	36,916	53,943
Ebitda	22,674	15,220	18,553
Ebit	14,551	6,184	10,452
Net profit	8,446	6,428	9,556

+49%

Ebitda margin compared to previous year

The increase in quantities handled, amounting to 3,529,431 tons, can be attributed to the Indonesian companies, and also to the activity of blending which was introduced in 2015 with the Bulk Celebes vessel and which involves blending different types of coal. Quantities handled by the Mozambique vessels with 'time charters', on the other hand, remained basically the same.

METRIC TONNES HANDLED (FIGURES IN THOUSANDS OF MT)

FY15 24,601

FY14 21,182

FY13 23,065

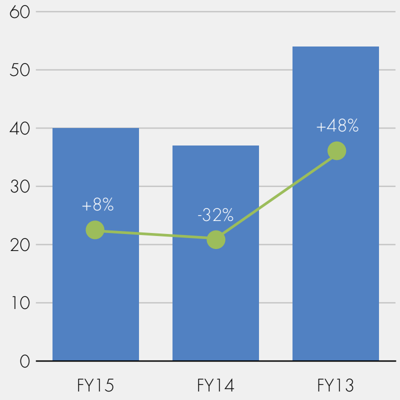
The increase in income when compared to 2014 (+7.8%) results from the greater quantities handled and the strengthening of the US dollar against the Euro, which affected income denominated in US dollars positively.

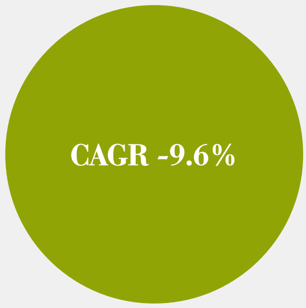
The division's Ebitda increased by Euro 7,454 thousand on 2014 (+49%) as a result of the combined effect of the growth of margins brought about by long-term contracts, which are less price-sensitive, and by the gain on the sale of the Bulk Irony.

The operating result grew by Euro 8,367 thousand, and reflects, apart from the events described above, the reduction in depreciation resulting from the disposal of the Bulk Kremi and Bulk Irony, which were no longer operational.

Beginning in the 2015 financial year, the division's results include those of the dACC Maritime Ltd joint venture with the d'Amico group.

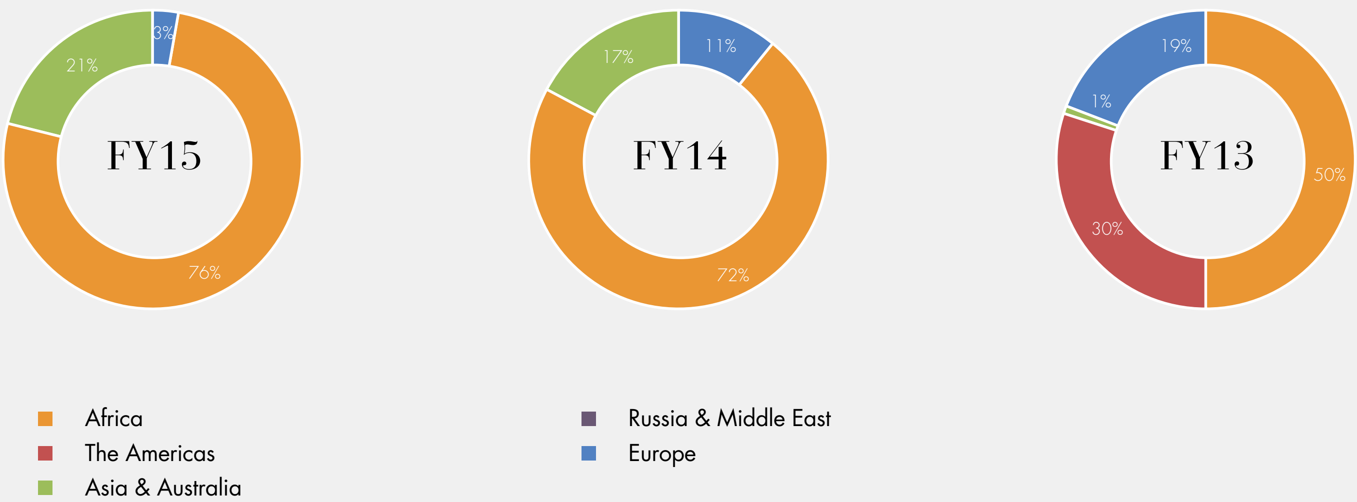
TURNOVER TREND (M/EURO)





FY15	40
FY14	37
FY13	54

TURNOVER BY GEOGRAPHICAL AREA



The Logistics Division fleet at 31st December 2015 consisted of the following:

	COMPANY	DWT	YEAR OF CONSTRUCTION
Bulk Pioneer	PT Pelayaran Logistik Konversi Indonesia	5,974	2005
Bulk Zambesi	Coeclerici Mozambico SpA	54,400	2011
Bulk Limpopo	Coeclerici Mozambico SpA	54,400	2012
Bulk Celebes	PT Asian Bulk Logistics*	11,470	2007
Bulk Java	PT Asian Bulk Logistics*	11,838	2011
Bulk Borneo	PT Asian Bulk Logistics*	11,838	2012
Bulk Sumatra	PT Asian Bulk Logistics*	11,838	2013
Speedboat Matias	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Sophie	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Jack C.	Bulkguasare de Venezuela SA	N/A	2010

(*) Company consolidated using equity method

HOLDING COMPANY

	2015	2014	2013
Turnover	6,489	6,217	6,548
Ebitda	(8,018)	3,151	(1,193)
Ebit	(8,804)	2,574	(1,756)
Net profit	(11,931)	1,695	(753)

As in the past the Holding Company carried out the important role of coordinating and supporting the management of the subsidiaries, as well as group finance, organisation and development of human resources, administration, legal and corporate governance, and the provision of IT services. The considerable decrease in operating results when compared with the previous period reflects the extraordinary events mentioned above in the comments on the consolidated results. In line with the ongoing process of reorganisation which seeks to rationalise the Group's structure by division, during the financial period the Holding Company transferred the Logistics Division's commercial, technical and personnel functions on the subsidiary holding company Coeclerici Logistics SpA with the objective of making it autonomous and capable of meeting the present and future challenges of development plans. It should also be noted that, during the year, the process of reorganization of the Trading and Mining Divisions was completed with the transfer of the needed resources and structures to the Swiss subsidiary Coeclerici Commodities SA.

RESEARCH AND DEVELOPMENT

The Group conducts development primarily of a commercial nature, with special reference to the Logistics and Trading divisions. Inside the Logistics Division, this activity focus on research into and study of new projects regarding the transportation and transshipping of raw materials. All R&D costs are included in the income statement.

STAFF TRAINING

During 2015, health and safety at work courses were planned to meet statutory requirements. Overall were set aside 706 hours of training.

OWN SHARES AND SHARES OF THE PARENT COMPANY

The Holding Company does not hold its own shares nor those of its parent company.

TRANSACTIONS WITH PARENT AND RELATED COMPANIES

The Group has important relations for tax consolidation procedures with the parent company Fincler Srl, which holds the position of consolidator. The credit arising from this position at 31 December 2015 towards Fincler Srl is mentioned in the Notes to the accounts. Furthermore, there is a rental contract in being between your Company and the parent company Fincler Srl which refers to the offices in Piazza Generale Armando Diaz, 7 – Milan.
In accordance with clause 5, article 2497b of the Italian Civil Code, it is hereby affirmed that relations with

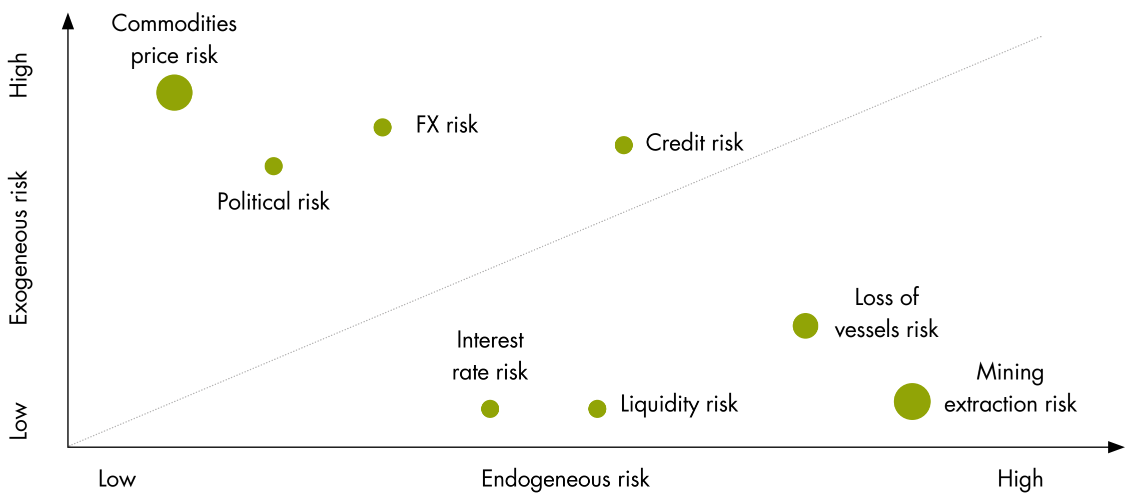
Fincler Srl, which conducts activities of direction and coordination for your Company, exclusively concerned the rental contract which was regulated by normal market conditions as described in the Notes to the accounts.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risks linked to the Group's activities, monitored and handled by Coeclerici SpA and its subsidiaries, are as follows:

- market risk resulting from exposure to the volatility of commodity prices;
- market risk resulting from exposure to fluctuations in the exchange rate;
- market risk resulting from exposure to fluctuations in the interest rate;
- credit risk resulting from the possibility of insolvency of a counterparty;
- liquidity risk resulting from a lack of financial resources to meet commitments undertaken;
- political risk, resulting from activities conducted in countries where from time to time elements of uncertainty arising from specific political and social conditions may be present;
- the risk of losing, partially or wholly, the vessels used to carry out the principal activities of the Logistics Division, and the risk of damage caused to these vessels during these activities;
- operational risk inherent to the extraction of coal, typical of open-face mining, for the Mining Division.

Refer to 'Note 27 – Risks characterising the Group's business' for further details.



ENVIRONMENT AND SAFETY

The Coeclerici Group is particularly sensitive to the need to protect its employees in any place where they may have to work.

As evidence of the considerable effort made by the Group regarding health and safety, and with the intention of raising its already high standards in this field, the subsidiary Coeclerici Logistics SpA underwent a process of certification and reorganisation during the financial year which led to the creation of a specific department dedicated to health and safety and related management systems, thereby obtaining the BS OHSAS 18001:2007 standard early in 2015, which is recognised internationally.

The Coeclerici Group has adopted a system of prevention and protection, constantly monitored by the HSE-Q department (Health Safety Environment and Quality), and suitable for identifying the risks to safety and put in place the measures required to prevent them, also by means of key persons who guarantee the improvement over time of safety standards. In addition, the carrying-out of maritime logistics services entails respect for certain local, national and international regulations and the maintenance of qualitative standards. In particular Coeclerici Logistics SpA operates in compliance with the following standards and regulations:

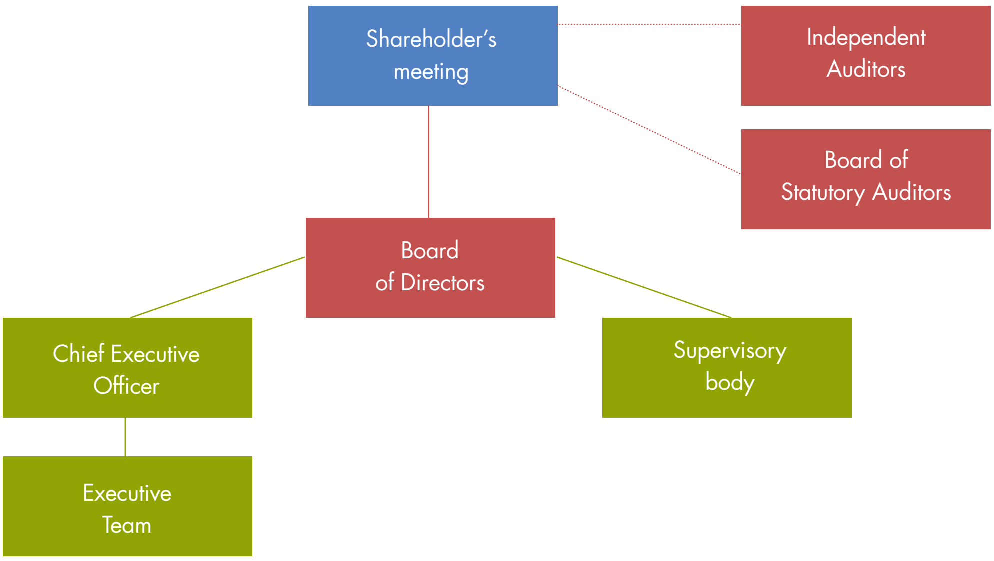
- Environment: binding Venezuelan cogent regulations and authorization to work of the Dirección Ambiental Zulia RASDA 2009 for Venezuela. All terminals apply the internationally binding IMO regulations and those of MARPOL;
- Safety: ISM System conforming to ISM Code (checked by RINA on Bulk Zambesi and Bulk Limpopo, Coeclerici SpA Milan, Seacom Indonesia on Bulk Celebes), conforming to MLC 2006 regulations (Maritime Labour Convention) on the seafarer staff health and safety for Bulk Zambesi and Bulk Limpopo vessels, safety regulations and Italian law D.Lgs, 271/99, binding Venezuelan regulations;
- Standard BS OHSAS 18001:2007: award of certification regarding the two vessels Bulk Zambesi and Bulk Limpopo, and for the companies Coeclerici Logistics SpA and Coeclerici Mozambico SpA.

CORPORATE GOVERNANCE

This section seeks to give a general picture of the system of corporate governance adopted by Coeclerici. The information contained in this section was updated to 19 April 2016.

The structure of Coeclerici's corporate governance is organised in line with the traditional Italian model which delegates: (i) company management to the Board of Directors, the fulcrum of the organisational system which is appointed for the period defined at appointment time, for a maximum of three-year period and may be re-elected, (ii) the functions of overseeing observance of the law to the Board of Statutory Auditors and (iii) legally-required auditing of the company accounts to an auditing firm approved at the shareholders' meeting, after hearing the opinion of the Board of Statutory Auditors.

The Board nominates one or more Managing Directors, to whom it delegates, within legal and statutory limits, activities aimed at furthering the Company's objectives. Moreover, the Board can set up an Executive Committee made up of its own members with a decision-making role on matters concerning overall Group management.



Board of Directors

Composition

In accordance with article 17 of the Statute, the number of members of the Board of Directors may vary between a minimum of three and a maximum of fifteen. An ordinary shareholders' meeting determines the number, within the said limits. The ordinary shareholders' meeting of 29 April 2015 decided to decrease the number of members from twelve to nine. The Board of Directors was given an annual mandate expiring with the approval of the financial statements for the financial year 2015.

Duties

The Board of Directors has wide powers for the ordinary and extraordinary management of the business and, consequently, may put into effect such measures as it considers necessary and opportune to meet the Company's objectives, excluding only those which statute specifically reserves for the shareholders' meeting.

Requisites of independence

The Board of Directors has a central role in checking and guiding the process of Company management.
The efficiency and effectiveness of this organization is guaranteed by the presence within it of independent directors who pay great attention to the substance as well as the form of Company activities. In particular, the presence of independent directors guarantees (i) checks that Company management is inspired by criteria of prudence and transparency; (ii) checks of the adequacy of reporting, ensuring that information is reliable and complete; (iii) updating of the budget for the subsequent year, in line with strategic intentions and the financial, human and physical resources available; (iv) proposals (in the light of the above) for possible corrective action and support to the owners and management of the Company in the execution of their activities; (v) maintenance, over the period of the mandate, of a careful supervision of the Company in order to identify any risks which may not have been adequately guarded against or evaluated.

Executive Team

Executive Team has the task to define and put into effect the corporate strategy and assess its effectiveness; the members belonging to such body hold top roles within Coeclerici Group.

Internal control system

For Coeclerici the so-called 'risk and related control' culture helps to characterise and affect the outlook and choices of management in pursuing Company objectives and reporting their results. Coeclerici has therefore for some time encouraged the increase and spread of awareness regarding internal control among all Company employees.

In order to ensure that the business's activities are managed properly, correctly and coherently with the pre-established objectives, Coeclerici supports a preventive approach to risk management which aims to orient management towards choices and activities which reduce the probability that negative events will take place and may more easily be contained if they do. To this end, Coeclerici uses risk management strategies which depend on the nature and type of those risks, and which are considered in more detail in 'Note 27- Risks characterising Group's business'. The ways in which management identifies, evaluates, manages and monitors the specific risks arising from Company processes are set out by the regulatory, procedural and organisational instruments contained in the Company's regulatory system. These instruments are permeated with risk culture and therefore geared towards risk containment.
The internal control system is reviewed and updated from time to time in order to guarantee its suitability for safeguarding against the main risks involved in Company activity, bearing in mind the particular features of its various operating sectors and organizational structure, as well as any new laws. During this accounting period, the Group internal auditor assisted top management by offering assessments, analysis, evaluations and recommendations in connection with the functioning of and respect for the internal control system and the manner of handling risk at both Company and Group level.

Reporting activities

Each month the companies of the Group prepare reports which aim to communicate and share information. During the reporting phase, specific checks are made on the accounting procedures and the output data arising from these procedures, so that any errors may be identified and corrected which could affect the correctness and completeness of financial information. This is done both for routine processes taking place during the financial year, and for non-routine ones which generally occur when the accounts are closed at year-end.

Adoption of the Organisation, Management and Control Model in accordance with Italian law D.lgs 231/2001

Italian law D.Lgs. 231/2001 introduced administrative responsibility for juridical persons, companies and associations. Specifically, it introduced the criminal responsibility of organizations for certain crimes committed in their interest or to their advantage by persons who hold a representative, administrative or managerial role within the organization or within any of its sub-sections possessing administrative and functional autonomy, as well as by persons who exercise by title or in fact the management and control of the same and, finally, by persons under the direction or supervision of the entities indicated above.

The important criminal actions are those against the Public Administration and in favour of the company's interests.

Articles 6 and 7 of D. Lgs. 231/2001 establish a form of exemption from responsibility if (i) the organization can demonstrate that it had adopted and put into practice organizational, management and control models, before the crime was committed, suited to preventing the crimes indicated in the law; (ii) if the task of supervising the functioning and observance of the models and ensuring that they are updated has been entrusted to a department of the organization with autonomous powers of initiative and control.

To this end, on 27 September 2012 the Board of Directors of Coeclerici Spa approved (and, on 26 September 2013, in line with the provisions of law 123/07, updated) the organization, management and control model established by D.Lgs. 231/2013 with the aim of creating a structured and organic system for procedures and preventive control to prevent the crimes indicated in the decree.

During 2016 the Board of Directors approved the Model updated after the recent organizational changes that affected Coeclerici Group.

Board of Directors also confirmed the current set up of the supervisory body consisting of two external members and one internal member, being the person of the internal auditor.

During the year the supervisory body has applied and analyzed the systems of information flow which enable it to supervise the functioning and observance of the model, including similarly an examination of reports arising from audit, as well as the planning of further activities.
In order to put the checks into effect, the supervisory body has set up a series of interventions to check that the protocols adopted are respected.

Activity of Management and Coordination

Coeclerici SpA is subject to management and control by Fincler Srl. For the purposes of article 2497 b of the Italian civil code, direct and indirect Italian subsidiaries have indicated Coeclerici SpA as the company exercising management and coordination. This activity consists in identifying general and operational strategic indications for the Group, and takes shape in the defining and adjusting of internal control and risk management systems together with governance models and Company organization, in the issuing of a Code of Conduct adopted at Group level and in the creation of general policies for human and financial resource management, and the supply of productive, marketing and communication factors. In addition, it provides, apart from Group coordination, for the management of treasury, legal and administrative functions, as well as those of internal audit, if necessary through specialized companies.
Management and coordination, at Group level, enables subsidiaries, which remain fully autonomous at a

managerial and operational level, to enjoy economies of scale by using the professionalism and specialist knowledge available thereby raising quality levels and concentrating their energies on their core business. Subsidiaries based abroad generally benefit from such activities.

OUTLOOK

The international economic situation, the tensions in the Arab world, the first signs of slow-down in the Chinese economy and the difficulties of other countries forming the BRIC group, such as Brazil, cast doubts on a recovery, at least in the short term, even though the American economy has recovered well.
Despite this scenario it remains the general opinion that the growing demand for energy will be satisfied in the future by recourse to coal. Paradoxically, the fuel so important in the first industrial revolution seems to meet the expectations of another one, as the result of a number of factors, including reduced pollution owing to the use of new technology, and a lower cost and risk compared to other energy sources. According to the projections of the International Energy Agency, world demand for coal will increase by 17% by 2035, with two-thirds of this growth occurring by 2020, with the fall in OECD countries' share counterbalanced by the rise in that of developing countries.

As a consequence, the Group's strategy is to take advantage of the best opportunities for development through the consolidation and improvement of its core business by employing the know-how it has earned over the years. Attention has been placed on creating the conditions to produce long-term success which can pass over the current depressed and negative market conditions in being; at the same time, attention will also be given to short-term results and the maintenance of fundamental balance in the company.

In 2015 the Trading Division strengthened the process of international reorganisation which will lead to improvements in the commercial and administrative and financial fields, making it flowing and more effective in interpreting the requirements of the market and the needs of clients in a setting of deep-seated change. This process should be concluded at the end of this year and be fully operational in 2017. The division will continue with the strategy adopted in recent years which seeks to focus on its core business and market products with a higher added value, favouring profitability over volume.

As far as the Mining Division is concerned, efforts to improve efficiency will be continued and plans to increase production will be defined in 2016, bearing in mind the new licence and a possible recovery in the market. To this end the Group is investing in production by means of the hiring of highly professional individuals in an attempt further to improve the already high level of professionalism of its personnel.
Despite the fact that the price of coal is expected to fall further, positive results are forecast for 2016 owing to both the stability of production and the resolution of difficulties linked to the geological structure of the mine.

The Logistics Division will continue its transshipment activities in 2016 in Indonesia and Mozambique with ever greater focus on the management of production costs and the quality of services provided, in order to improve its own performance and the satisfaction of its customers. In addition to the consolidation of projects already in being, the objective for 2016 is to find new market opportunities to exploit.

The Shipping Division, operating through the joint venture company dACC Maritime Ltd, will begin operating at a maximum level during the year, with the delivery of the third and fourth vessels to form part of a pool, thereby mitigating the effects of the market as it stands at the moment with prices especially depressed.

Following the process of reorganization which has given the divisions more autonomy by transferring personnel and structures, Coeclerici SpA will be more active than before in coordinating and checking, and defining strategies for, the whole Coeclerici Group. The Holding Company will continue to offer its subsidiaries IT and human resource management services.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2015 (thousands of EUR)

ASSETS	(NOTE)	31-DEC-2015	31-DEC-2014	CHANGES
NON-CURRENT ASSETS				
Property, plant and equipment	1	121,998	133,743	(11,745)
Intangible assets	2	2,975	5,833	(2,858)
Interests in jointly controlled entities	3	23,663	18,732	4,931
Other investments	3	452	7,249	(6,797)
Available-for-sale financial assets	3	3,046	8,206	(5,160)
Deferred tax assets	24	10,869	4,538	6,331
Other non-current assets	4	25,787	19,448	6,339
TOTAL NON-CURRENT ASSETS		188,790	197,749	(8,959)
CURRENT ASSETS				
Inventories	5	18,485	23,946	(5,461)
Trade receivables	6	67,659	49,489	18,170
Prepayments	7	2,886	11,220	(8,334)
Other receivables and current assets	7	20,435	21,420	(985)
Cash and cash equivalents	8	65,322	44,371	20,951
TOTAL CURRENT ASSETS		174,787	150,446	24,341
TOTAL ASSETS		363,577	348,195	15,382

EQUITY AND LIABILITIES	(NOTE)	31-DEC-2015	31-DEC-2014	CHANGES
EQUITY				
Shareholders' equity	9	51,883	60,453	(8,570)
Minority interests	9	6,727	9,013	(2,286)
TOTAL EQUITY		58,610	69,466	(10,856)
NON-CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	150,167	123,155	27,012
Provision for liabilities and charges	11	20,049	15,212	4,837
Post-employment benefits	12	1,497	2,120	(623)
Deferred tax liabilities	24	3,018	-	3,018
TOTAL NON-CURRENT LIABILITIES		174,731	140,487	34,244
CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	63,426	94,286	(30,860)
Provision for liabilities and charges	11	25	2,429	(2,404)
Trade payables	13	48,046	23,595	24,451
Other payables and current liabilities	14	18,739	17,932	807
TOTAL CURRENT LIABILITIES		130,236	138,242	(8,006)
TOTAL EQUITY AND LIABILITIES		363,577	348,195	15,382

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2015 (thousands of EUR)

	(NOTE)	2015	2014	CHANGES
Revenues	15	683,981	588,628	95,353
Cost of sales	16	(635,749)	(529,253)	(106,496)
GROSS PROFIT		48,232	59,375	(11,143)
Overhead and administrative expenses	17	(33,603)	(32,925)	(678)
Capital gains / (losses) on non-current assets	18	2,053	429	1,624
Profit / (loss) from jointly controlled entities	19	2,704	4,371	(1,667)
Other net income / (expenses)	20	868	(819)	1,687
EBITDA		20,254	30,431	(10,177)
Depreciation, amortization and devaluation	21	(16,125)	(16,101)	(24)
OPERATING PROFIT (EBIT)		4,129	14,330	(10,201)
Net financial income / (expenses)	22	(10,769)	(5,537)	(5,232)
Exchange gains / (losses)	23	(20,810)	(4,025)	(16,785)
PROFIT BEFORE TAX		(27,450)	4,768	(32,218)
Income taxes	24	5,096	612	4,484
NET PROFIT AFTER TAX FROM CONTINUING OPERATIONS		(22,354)	5,380	(27,734)
Net profit from discontinued operations		-	-	-
NET PROFIT		(22,354)	5,380	(27,734)
Attributable to Coeclerici SpA Shareholders		(22,876)	4,157	(27,033)
Attributable to minority interests		522	1,223	(701)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2015

(thousands of EUR)

	(NOTE)	2015	2014	CHANGES
NET PROFIT		(22,354)	5,380	(27,734)
Items that may be reclassified subsequently to income statement:				
- Differences from conversion of financial statements in currencies other than EUR		7,729	3,648	4,081
- Change in the fair value of available-for-sale financial assets	3	2,680	(751)	3,431
- Change in the fair value of cash flow hedge financial instruments	26	7,562	(8,623)	16,185
Total items that may be reclassified, net of tax		17,971	(5,726)	23,697
Items that will NOT be reclassified subsequently to income statement:				
- Actuarial gains / (losses)		236	(171)	407
Total items that will NOT be reclassified, net of tax		236	(171)	407
NET INCOME RECORDED DIRECTLY IN EQUITY		18,207	(5,897)	24,104
TOTAL COMPREHENSIVE INCOME		(4,147)	(517)	(3,630)
ATTRIBUTABLE TO:				
- Coeclerici SpA Shareholders		(4,859)	(2,477)	(2,382)
- Minority interests		712	1,960	(1,248)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AT 31 DECEMBER 2015 (thousands of EUR)

	SHARE CAPITAL	LEGAL RESERVE	TRANSLATION RESERVE	MERGER SURPLUS RESERVE	RESERVE RELATED TO THE FAIR VALUE OF FINANCIAL INSTRUMENTS	ACTUARIAL GAINS/ (LOSSES)	OTHER RESERVES	RETAINED EARNINGS	NET PROFIT	TOTAL CC GROUP EQUITY	TOTAL MINORITY EQUITY	TOTAL EQUITY
At 31 December 2013	**10,000**	**2,000**	**(7,257)**	**24,983**	**(2,393)**	**(193)**	**49,198**	**(11,337)**	**7,391**	**72,392**	**8,026**	**80,418**
2013 profit transferred to reserves	-	-	-	-	-	-	-	7,391	(7,391)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(8,100)	-	**(8,100)**	(563)	**(8,663)**
Net income recorded directly in equity	-	-	2,911	-	(9,374)	(171)	-	-	-	**(6,634)**	737	**(5,897)**
Reclassification reserves	-	-	-	2,938	-	-	-	(2,938)	-	**-**	-	**-**
Effect of change in consolidation area	-	-	-	-	-	-	-	(1,362)	-	**(1,362)**	(410)	**(1,772)**
Profit for the year	-	-	-	-	-	-	-	-	4,157	**4,157**	1,223	**5,380**
At 31 December 2014	**10,000**	**2,000**	**(4,346)**	**27,921**	**(11,767)**	**(364)**	**49,198**	**(16,346)**	**4,157**	**60,453**	**9,013**	**69,466**
2014 profit transferred to reserves	-	-	-	-	-	-	-	4,157	(4,157)	**-**	-	**-**
Dividends paid	-	-	-	-	-	-	-	(4,000)	-	**(4,000)**	(2,634)	**(6,634)**
Net income recorded directly in equity	-	-	7,539	-	10,242	236	-	-	-	**18,017**	190	**18,207**
Effect of change in consolidation area	-	-	-	-	-	-	-	289	-	**289**	(364)	**(75)**
Profit for the year	-	-	-	-	-	-	-	-	(22,876)	**(22,876)**	522	**(22,354)**
At 31 December 2015	**10,000**	**2,000**	**3,193**	**27,921**	**(1,525)**	**(128)**	**49,198**	**(15,900)**	**(22,876)**	**51,883**	**6,727**	**58,610**

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2015 (thousands of EUR)

	2015	2014
A CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	44,371	49,444
B CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES		
Net operating profit	(22,876)	4,157
Minority interest profit	522	1,223
Depreciation of property, plant and equipment	11,308	14,555
Amortisation of intangible assets	3,428	1,546
Devaluation of fixed assets	1,389	-
Losses (gains) on non-current assets	(2,053)	(429)
Share of profits from equity investments measured using the equity method	(2,704)	(4,371)
Interest paid	(5,993)	(6,501)
Net change in provisions for liabilities and charges	2,433	(3,724)
Net change in post-employment benefits	(623)	367
Net change in deferred taxes	(3,313)	(2,865)
Change in inventories	5,461	(2,850)
Change in trade receivables	(18,170)	27,962
Change in trade payables	24,451	(16,222)
Other changes in working capital	35,636	3,835
CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES (B)	28,896	16,683
C CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(7,133)	(10,644)
Investments in intangible assets	(849)	(2,781)
Disposal of property, plant and equipment	6,483	2,674
Disposal of intangible assets	-	91
Change in other non-current assets	1,359	(1,850)
Disposal / (Increase) of investments in other companies	7,558	-
Disposal / (Increase) of investments in available-for-sale financial assets	517	(4,963)
Dividends and other gains received from jointly controlled companies	-	693
CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES (C)	7,935	(16,780)
D CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES		
Change in current and non-current financial receivables	(5,398)	(6,070)
Net change in non-current financial payables	27,012	(5,722)
Change in current financial payables	(30,860)	14,379
Dividends paid	(4,000)	(7,000)
Dividends paid and capital reimbursements to minority interest	(2,634)	(563)
CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES (D)	(15,880)	(4,976)
E OVERALL CASH FLOW GENERATED (ABSORBED) (E = B + C + D)	20,951	(5,073)
F CASH AND CASH EQUIVALENTS AT END OF PERIOD (A + E)	65,322	44,371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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of the Coeclerici Group as of December 31, 2015

PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. IFRS also includes the International Accounting Standards (IAS) still in place, as well as the interpretations of the IFRS Interpretations Committee, formerly called the International Financial Reporting Interpretations Committee (IFRIC) and even earlier the Standing Interpretations Committee (SIC).

The financial statements have been drawn up on the basis of historical cost, modified as requested for the evaluation of some financial instruments.

The financial statements are in EUR, and unless otherwise indicated, figures are in thousands of EUR.

The consolidated financial statements consist of the balance sheet, income statement, comprehensive income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements, and they have been drawn up by using the accounts of the Holding Company and its subsidiaries, whether Italian or foreign, in which Coeclerici SpA directly or indirectly holds a majority of voting rights, and on which it therefore exercises control or from which it obtains benefits in virtue of its poker of regulating their financial and operational policies.

For the purposes of drawing up the consolidated financial statements, the financial statements of the period to 31 December 2015 have been used. These statements have been adjusted where necessary to respect consolidation requirements and bring them into line with International Financial Reporting Standards (IFRS).

Financial statement models

The Coeclerici Group presents its income statement by expense type, a manner regarded as more representative than classification by function.

The balance sheet has been drawn up in conformity with IAS 1 by classifying assets and liabilities as ‘current/non-current’.

Current assets are classified as such when they may predictably be realised within the normal operational cycle of the business, that is within twelve months from the date of the financial statements. Inventories and trade receivables are included in current assets.

Tangible and intangible assets, as well as all assets other than current ones, are included as non-current assets.

Current liabilities are classified as such when they may predictably be discharged within the normal operational cycle of the business, that is within twelve months from the date of the financial statements.

The cash flow statement was drawn up according to the indirect method.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

These are firms that the Group controls, as defined by ‘IFRS 10 - Consolidated Financial Statements’, the new standard issued by the IASB in May 2011. Control exists when the Group has the direct or indirect power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until such time as that control ceases to exist. The amounts of equity and profit attributable to minority shareholders are shown separately in the consolidated balance sheet and income statement. Where necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group. The book value of the shares held is eliminated against a corresponding fraction of the subsidiary's equity, calculated by attributing each asset and liability its value at the date the Group acquired control. Any remaining positive difference (gain) is included as profit under "goodwill"; any negative difference (loss) is recorded in the income statement, as required by 'IFRS 3 - Business Combinations'.

Jointly controlled entities

These are firms over whose business the Group has joint control as defined in 'IFRS 11 - Joint Arrangements', issued by the IASB in May 2011. The consolidated financial statements include the share of the profits of jointly controlled entities attributable to the Group, measured using the equity method, from the date on which joint control starts until the moment it ceases to exist. If the share of losses attributable to the Group exceeds the book value of the equity investment in the financial statements, the value of the equity investment is written off and the Group's share of any further losses is not recorded, unless and to the extent to which the Group is obliged to answer for them. Where necessary, adjustments have been made to the financial statements of jointly controlled entities to bring their accounting policies in line with those adopted by the Group.

Associated companies

These are companies over whose financial and operating policies the company has considerable influence, but not control or joint control, as defined by 'IAS 28 - Investments in associates'.

The consolidated financial statements include the share of the profits of associated firms attributable to the Group, measured using the equity method, from the date on which considerable influence starts until the moment it ceases to exist. If the share of losses attributable to the Group exceeds the book value of the equity investment in the financial statements, the value of the equity investment is written off and the Group's share of any further losses is not recorded, unless and to the extent to which the Group is obliged to answer for them. Where necessary, adjustments have been made to the financial statements of associated companies to bring their accounting policies in line with those adopted by the Group.

Other investments

Minor equity investments in other companies are entered at fair value with the effects charged to the equity reserve along with the other components of the overall profit; variations in the fair value shown in the equity are taken to the income statement at the moment of devaluation or realisation. When the investment is not quoted in a regulated market and the fair value cannot be reliably determined, the investment is valued at cost adjusted for loss of value. Dividends received from these businesses are included in the income statement.

Transactions eliminated during consolidation

When preparing the consolidated financial statements, all balances and significant transactions between Group companies are eliminated, as well as all unrealized gains and losses on intercompany transactions.

Foreign currency transactions

Items originally expressed in foreign currency are converted into EUR at the historical exchange rate on the date of the transaction. Exchange differences which occur when foreign currency receivables are collected and payables are paid are recorded in the income statement.
Foreign currency assets and liabilities (with the exception of fixed assets) are entered at the year-end spot exchange rate and the relevant exchange gains and losses are recorded in the income statement. Any net profit is set aside in a special non-distributable reserve until it is realized.

The conversion of the financial statements of foreign subsidiaries using other currencies into EUR is based on the year-end exchange rate for balance sheet items and the average annual exchange rate for income statement items. Exchange differences stemming from the conversion of financial statements expressed in foreign currencies are allocated directly to the 'translation reserve' item under equity. The USD bank loan granted to the subsidiary Coeclerici Mozambico SpA was however not adjusted to the year-end exchange rate as described above since the sole purpose of the subsidiary is to perform a single contract that entails revenues in USD using two supramax vessels financed with a medium-term loan in USD. In line with this contract, the revenues generated are not converted into EUR unless they exceed the three-month loan repayment instalment due. The revenues are instead placed in a foreign currency account and recorded financially at the same exchange rate in force when the loan was taken out. This procedure avoids the effects of exchange rate fluctuations when the loan is paid back, since it is covered by the revenue flow in USD. The contract is expected to give rise to revenues in USD that are greater than the payments required to pay back the loan, and this will be periodically checked.

ACCOUNTING POLICIES

The most important criteria used for valuing when drawing up the consolidated financial statements are shown below.

Property, plant and equipment

Tangible fixed assets are entered at cost price or production cost and are not re-valued.
Any costs incurred after purchase are included only if they increase the future economic benefits inherent in the asset they refer to. All other costs are recorded in the income statement when incurred. Assets are depreciated by applying the following depreciation rates, which are designed to spread the value of the tangible assets adequately over their estimated useful life.

	DEPRECIATION RATES
Buildings	3%
Plant and equipment	10% - 25%
Other tangible assets	12% - 25%

Land is not depreciated.
Fleet depreciation is applied on the basis of the cost of each vessel, decreased by the amount it is estimated could be gained from scrapping, based on an assumed useful life of 25 years for the hull, 15-20 years for the engines, 10-15 years for cranes and conveyor belts

and 5 years for all components subject to renovation or replacement during dry-dock maintenance.

'Mining reserves' are determined on the basis of an assessment of the fair value of the coal reserves conducted at the moment the mine was purchased, in keeping with 'IFRS 3 - Business Combinations'. Mine depreciation is calculated on the basis of the production schedule taking into consideration the quantities mined during the reference period. The depreciation schedule used will write off the value of the coal reserves when the licence expires. The carrying amount of the mining reserves, which is determined on the basis of the recoverability of the book value, may be written down, as outlined in IAS 36.

The costs of dismantling and reclaiming mining sites are recorded in compliance with IAS 16 as a separate component of the reference asset and amortized over the whole remaining life of that asset. These costs are set off against a special risk provision that is used when amounts are paid out to reclaim the sites.

'Assets under construction and advances' include all investments that have not yet become part of the production process.

Intangible assets

According to 'IAS 38 - Intangible Assets', intangible assets are entered as assets when it is likely that use of the asset will generate future economic benefits and when the cost of the asset may be measured reliably.

Goodwill

If companies are taken over, the assets, liabilities and potential liabilities acquired and identifiable are recorded at their fair value on the takeover date.

If the difference between the takeover price and the share held by the Group at its fair value is positive, these assets and liabilities are classified as goodwill and are entered in the financial statements as intangible assets. If the difference is negative ('negative goodwill'), this difference is recorded in the income statement at the time of takeover.

Goodwill is not amortized but its value is tested annually, or whenever specific events or changes in circumstances suggest it may have been impaired. After initial determination, goodwill is calculated at cost less any accumulated impairment losses.

If a previously acquired company whose takeover gave rise to goodwill is partly or entirely transferred, the remaining goodwill will be taken into account in the capital gain or capital loss calculation.

When the International Financial Reporting Standards were applied for the first time, the Group chose not to apply 'IFRS 3 - Business Combinations' retroactively to company takeovers that occurred before 1st January 2006. Consequently, the allocations made on the purchase dates have not been reviewed.

Exploration assets

Costs relating to the purchase of exploration rights, geological and topographical surveys, exploratory drilling and excavation, sampling, and the technical feasibility and commercial viability studies of a mining resource are recorded as exploration and evaluation assets, in compliance with IFRS 6.

These costs are recorded as intangible assets and amortized over the period during which it is expected the relevant mining will take place. Exploration assets may be decreased in value in compliance with the procedures laid down in IAS 36, when their book value is not recoverable.

Other intangible assets

According to 'IAS 38 - Intangible Assets', other intangible assets (purchased or produced internally) are entered as such when it is likely that use of the asset will generate future economic benefits and when the cost of the asset may be measured reliably.

These assets are assessed at purchase price or production cost and amortized on a straight-line basis over their estimated useful lives if they have a definite useful lifespan. Intangible assets with indefinite useful lives are not amortized, but are assessed for loss of value annually, or whenever specific events suggest they may have been impaired.

Other intangible assets acquired after taking over a company are entered separately from goodwill if their fair value can be measured reliably.

Leasing contracts

Assets held under financial lease contracts, which essentially transfer all the risks and benefits linked to ownership of the assets to the Group, are recognized as Group assets at their fair value or, if lower, at the present value of the lease payments due. The corresponding liability for the lessor is shown as a specific liability item.

The contract is classified as a finance lease upon stipulation by examining the contract requirements and/or asset involved. Payments made under operating lease contracts are charged to the income statement on a straight-line basis over the lease term.

Loss of asset value

The Group regularly assesses the recoverability of the book values of intangible and tangible assets in order to determine if there is any sign they may have been impaired. If there is such evidence, the book values of the assets concerned are decreased to their respective recoverable values. The recoverable value of an asset is either its fair value less any costs of sale or its value in use, whichever the greater. To determine the value in use of an asset, the Group calculates the present value of the estimated future cash flows (gross of taxation) discounted at a before-tax rate which reflects the current market time value of money and the specific risks associated with that asset.

An impairment loss is recorded if the recoverable value is lower than the book value. When an impairment loss (excluding impairment losses on goodwill) subsequently reverses or decreases, the book value of that asset or cash-generating unit is increased to the revised estimate of its recoverable amount which cannot exceed the book value that would have been determined had no impairment loss been recognized for that asset. Reversal of an impairment loss is immediately recognized in the income statement.

Available-for-sale financial assets

Financial assets available for sale are initially recorded at purchase price and subsequently assessed at fair value. The gains and losses stemming from changes in fair value are recorded directly in equity until the financial asset is eliminated from the balance sheet, which is when the overall profits and losses are recorded in the income statement. If a decrease in fair value is recorded directly in equity and there is objective evidence that the asset has undergone a permanent decrease in value, the cumulative loss which has been recorded in equity is reversed and recorded in the income statement.

Financial instruments

Non-current financial assets other than equity investments, current financial assets, and financial liabilities are entered according to 'IAS 39 - Financial instruments: recognition and measurement'.

Financial derivatives

Financial derivatives are normally used with the intention of hedging. In line with IAS 39, financial derivatives may be recorded according to the methods laid down for hedge accounting only when, at the beginning of the hedging, there is a formally designated and documented hedging relationship, the hedging is considered to be highly effective, its effectiveness may be reliably measured, and the hedging itself is highly effective during the various accounting periods for which it is designated.

All financial derivatives are measured at their fair value, as laid down in IAS 39. When financial instruments have the appropriate characteristics to be entered according to hedge accounting methods, the following accounting principles are applied:

- Fair value hedge – If a financial derivatives is designated to hedge the exposure to changes in fair value of an asset or liability shown on the financial statements and attributable to a particular risk which may affect the income statement, the gain or loss from subsequently re-measuring the hedging instrument at fair value is entered on the income statement. The gain or loss on the hedged item attributable to the hedged risk changes the book value of that item and is recognized in the income statement.
- Cash flow hedge – If a financial derivative is designated to hedge exposure to changes in the future cash flows of an asset or liability entered into the financial statements or of a highly probable forecast transaction that may affect the income statement, the effective portion of the gains or losses on the financial derivative is recorded in equity. Accrued equity gains or losses are reversed and entered into the income statement in the same period in which the hedged transaction is recorded. Gains or losses associated with hedging (or part thereof) which becomes ineffective are recorded in the income statement immediately. If a hedging instrument or hedging relationship is closed before the hedged transaction occurs, the accrued gains and losses recorded up to that time in equity are recorded in the income statement when the relevant transaction actually occurs.

If the hedged transaction is no longer considered likely, the gains or losses that have not yet been realized and are suspended in equity are immediately recorded in the income statement. If hedge accounting cannot be applied, the gains or losses arising from the fair value assessment of the financial derivative are immediately entered in the income statement.

Inventories

Inventories of lubricants and fuels on board ships are recorded at cost price, measured according to the FIFO method. Inventories of commodities are entered at either the cost price of the inventories on hand, measured according to the FIFO method, or their estimated realizable value based on market price, whichever the lower.

Trade receivables

These are recorded at their presumed realizable value.

Cash and cash equivalents

These include cash funds, the surplus balance of current accounts, the total of bank deposits, and all high-liquidity investments with due date within the next three months.

Provisions for liabilities and charges

The Group records provisions for liabilities and charges when it has a legal or implicit obligation towards third parties, when it is likely that Group resources will be needed to fulfil this obligation and when a reliable estimate of the total value of the obligation itself may be made. The provisions reflect the best possible estimate on the basis of the facts available. Estimates are updated to the date of the financial statements. Changes in the estimates are reflected in the income statement for the period during which they are made.

Post-employment benefits

Post-employment benefits are calculated according to IAS 19. Further information are provided under paragraph 'Other Information'.

The severance indemnity reserve is regarded as a 'defined benefit plan' and is measured on the basis of actuarial calculations using the 'projected unit credit method'. The actuarial gains and losses generated by applying this method are recognized in the income statement.

Since all the Italian companies belonging to the Group have less than 50 employees, the amendments made by Italian law No. 296 of 27 December 2006 (the 2007 Finance Act) and subsequent decrees and regulations issued during the first few months of 2007 allow employees to keep their post-employment benefit within the company without being obliged to opt to hand it over to a supplementary pension fund or assign the post-employment benefit to the treasury fund at the Italian national social security institute (INPS).

The actuarial calculation made since 2007 excludes the component relating to future pay increases only for employees who voluntarily exercised the options laid down in the above mentioned law. The difference resulting from the new calculation is treated as a 'curtailment' according to paragraph 109 of IAS 19 and is consequently entered in the first six months of 2007.

Amounts of post-employment benefit falling due for employees from the moment they exercise the option are deemed a 'Defined Contribution Plan'.

Recognition of revenues and costs

Revenues are recorded to the extent that it is likely the Group will receive economic benefits and that their total value may be measured reliably. Revenues are shown net of discounts and allowances.

Revenues from sales are recognized at the end of the service performed or when property is transferred. Financial revenues and revenues from services are recognized on an accrual basis.

Revenues from time charters are recognised on a straight-line basis over the period of the contract in question.

Capital grants

Capital grants are recognized when they are definitively assigned to the Company and recorded in the income statement at the same time as the asset they refer to is depreciated.

Financial income and expenses

Financial income and expenses are recognized on an accrual basis, according to the amount of time that passes and using the actual effective rate.

Income taxes

Income taxes include all the taxes calculated on the Group taxable income. They are recognized in the income statement, with the exception of those concerning items directly charged or credited to equity, in which case the tax effect is recorded directly in equity. Other taxes not related to income, such as taxes on property and capital, are included among the operating expenses. The taxable income is different from the amount recorded in the income statement since it excludes positive and negative components that are taxable in other accounting periods

and also excludes items that will never be taxable or allowable. The liability for current taxes is calculated using the rates officially or actually in force at the year-end.
Deferred taxes are set aside according to the overall liability allocation method. They are calculated on all temporary differences which may emerge between the taxable base of an asset or liability and the book value in the consolidated financial statements. Deferred tax assets on tax losses and unused tax receivables that may be carried forward, as well as on temporary differences, are recognized to the extent that it is likely that future taxable income may emerge against which they can be recovered.

Use of estimates

In order to draw up the financial statements, the Directors produce estimates and assessments that affect the amounts recorded as assets, liabilities, costs and revenues, and potential future gains and losses. The Directors periodically check their estimates and assessments on the basis of past experience and other factors considered reasonable in the circumstances. The use of estimates and assessments is particularly important in determining the following balance sheet and income statement items:

a) Tangible and intangible assets – Useful life and recoverability estimates

The Company has significant quantities of tangible and intangible assets. Establishing the useful lives of assets and determining whether they are recoverable (in order to decide whether the company should write them down), involves assessments and estimates.
Assets are depreciated or amortized on the basis of their useful lives, which is estimated for each category (tangible and intangible). The recoverable value of tangible and intangible assets depends on the possibility the assets have of generating sufficient net cash flows to recover their book value over the course of their estimated useful life.

b) Additional estimates

Estimates are also used to enter the presumed values of certain receivables, the fair value of derivatives and financial assets available for sale, the funds set aside for employee benefits, taxes and other provisions. Further details about these kinds of estimates can be found in the specific notes on each item. Generally speaking, the final figures in the following accounting period may differ from the estimates originally entered.
Changes in estimates are recorded in the income statement for the accounting period during which they actually appear.
In the absence of an established principle or interpretation applicable to a specific operation, the Group's management decides which accounting methods to adopt, through its own well thought-out and subjective evaluations, in order to provide relevant and reliable information so that the financial statements:

- paint a true picture of the company's balance sheet and financial position, profit result and cash flows;
- reflect the economic substance of transactions;
- are objective;
- are prepared on a prudent basis;
- are complete in all relevant respects.

CONSOLIDATION AREA

Included in the notes to the financial statements are lists of companies included in the consolidation, holdings in joint ventures, and associated companies valued using the equity method.
Some transactions brought about variations in the consolidation when compared to the previous financial year:

- during the year, the sale of the Russian subsidiary LLC Coeclerici Logistics Russia by the Italian subsidiary Black Sea Bulk Srl was completed; following the closure of its operations, this subsidiary itself, together with its own subsidiaries Kyla Holding Ltd and Kyla Logistics Ltd was liquidated and removed from the companies' register. The companies were removed from the consolidation accordingly.
- during the year the Portuguese subsidiary Capo Noli Transportes Maritimos Lda purchased 90% of the share capital of the Venezuelan company Venezuelan Bulk Logistics SA.
- during the year, 20% of the subsidiary Terminal Offshore Piombino Srl was purchased. The company is now 100% owned and was incorporated into the holding Coeclerici Logistics SpA with a merger dated 16th December 2015, with juridical effect for third-party purposes dating from 31st December 2015; fiscal and accounting effects were back-dated to 1st January 2015.
- during the year 13.6% of the subsidiary CGU Logistic Ltd was purchased; at 31st December 2015, the company was wholly owned by the Coeclerici Group.

It should also be noted that, by means of a deed dated 17th June 2015, the Shipping and Logistics business of Coeclerici SpA was transferred to Coeclerici Partecipazioni Srl with effect from 1st July 2015. Also on 1st July 2015, as has already been mentioned, it was decided to turn Coeclerici Logistics Partecipazioni Srl into an SpA and change its name to Coeclerici Logistics SpA.

ACCOUNTING PRINCIPLES RECENTLY ISSUED

Accounting principles, amendments and interpretations applied starting on 1 January 2015

The following IFRS accounting principles, amendments and interpretations were applied for the first time by the Group starting on 1 January 2015:

- On 20 May 2013, an interpretation for 'IFRIC 21 - Levies' was published, providing explanations on when tax liabilities (other than income tax) imposed by government bodies need to be recognized. The standard takes into account tax liabilities that fall within the field of application of 'IAS 37 - Provisions, potential liabilities and assets', and tax liabilities whose timing and amount are certain. The standard is retroactive for the financial years starting from 17 June 2014 or later. The adoption of this amendment did not have any significant impact on the Group's consolidation financial statements.
- On 12 December 2013, IASB published "Annual Improvements to IFRSs: 2011-2013 Cycle", which partly complement the existing standards (e.g. : 'IFRS 3 - Business Combinations - Scope exception for joint ventures', 'IFRS 13 - Fair Value Measurement - Scope of portfolio exception', 'IAS 40 - Investment Properties - Interrelationship between IFRS 3 and IAS 40'). The amendments are effective for the financial years starting from 1 January 2015 or later. The adoption of these amendments did not have any significant impact on the Group's consolidation scope.

IFRS and IFRIC accounting principles, amendments and interpretations endorsed by the European Union but not yet applicable except through early adoption by the Group at 31 December 2015

The following new and amended standards, which have been issued but have not come into effect yet, have not been applied by the Group:

- Amendment to 'IAS 19 - Defined Benefit Plans: Employee Contributions' (published on 21 November 2013), referring to the accounting of contributions made by employees or third parties to defined benefit plans. The amendment applies from the financial years starting from 1 February 2015 or at any later date.
- Amendment to 'IFRS 11 - Joint Arrangements - Accounting for acquisitions of interests in joint operations' (published on 6 May 2014), referring to accounting for the acquisition of interests in a joint operation that is a business. The amendments are effective as of 1 January 2016 but the early adoption is allowed.
- Amendment to 'IAS 16 - Property, plant and equipment' and 'IAS 41 - Agriculture – Bearer Plants' (published on 30 June 2014): bearer plants should be accounted for IAS 16 requirements (instead of IAS 41). The amendments are effective as of 1 January 2016 but the early adoption is allowed.
- Amendments to 'IAS 16 - Property, Plant and Equipment' and 'IAS 38 - Intangible Assets - Clarification of acceptable methods of depreciation and amortization' (published on 12 May 2014), under which a revenue-based method of depreciation is not appropriate, because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset, a condition which is, instead, required for depreciation. The amendments are effective as of 1 January 2016 but the early adoption is allowed.
- Amendment to 'IAS 1 - Disclosure Initiative' (published on 18 December 2014), referring to disclosures that may be perceived as impediments to a clear and understandable preparation of financial statements. The amendments are effective as of 1 January 2016 but the early adoption is allowed.

The Directors do not expect any significant impact on the Group's consolidated financial statements resulting from the adoption of these amendments.

Furthermore, in the annual improvement process of the standards, on 12 December 2013 and 25 September 2014, IASB published the following documents: "Annual Improvements to IFRSs: 2010-2012 Cycle" ('IFRS 2 - Share Based Payments – Definition of vesting condition', 'IFRS 3 - Business Combination – Accounting for contingent consideration', 'IFRS 8 - Operating segments – Aggregation of operating segments and Reconciliation of total of the reportable segments' assets to the entity's assets', 'IFRS 13 - Fair Value Measurement – Short-term receivables and payables') and "Annual Improvements to IFRSs: 2012-2014 Cycle" ('IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations', 'IFRS 7 – Financial Instruments: Disclosure' and 'IAS 19 – Employee Benefits'), partially supplementing the already existing standards. The amendments are effective from the financial years starting from 1 February 2015 or at any later date, and for financial years beginning on or after 1 January 2016.

The Directors do not expect any significant impact on the Group's consolidated financial statements resulting from the adoption of these amendments.

IFRS accounting principles, amendments and interpretations issued by the IASB / IFRIC and not yet endorsed by the European Union

At the date of the Consolidated Financial Statements, the relevant bodies of the European Union had not yet finished the process of ratification necessary to adopt the amendments and principles described below.

- 'IFRS 15 – Revenue from Contracts with Customers' (published on 28 May 2014) is designed to replace 'IAS 18 – Revenue' and 'IAS 11 – Construction Contracts', as well as the interpretations 'IFRIC 13 – Customer Loyalty Programmes', 'IFRIC 15 – Agreements for the Construction of Real Estate', 'IFRIC 18 – Transfers of Assets from Customers' and 'SIC-31 – Revenues-Barter Transactions Involving Advertising Services'. The standard establishes a new model for the recognition of revenue, which will be applied to all contracts stipulated with customers except for those falling within the application of other IAS/IFRS standards as leasing, insurance contracts and financial instruments. The key steps for the accounting of revenue based on this new model are:
  - identification of the contract with the customer;
  - identification of the performance obligations included in the contract;
  - pricing;
  - price allocation based on the performance obligations included in the contract;
  - the criteria for the recognition of revenue when the entity meets each performance obligations.

  The standard is applicable as of 1 January 2018 and early adoption is also possible.

- 'IFRS 9 final version – Financial instruments' (published on 24 July 2014). This document represents the IASB purpose to replace IAS 39 and it includes the steps concerning classification and measurement, Impairment, and Hedge accounting:
  - new criteria for classification and measurement of financial assets and liabilities have been included;
  - in relation to the impairment model, it requires that the estimate of credit losses should be made based on the expected losses model (and not on the incurred losses model used by IAS 39), using supportable information, available without unreasonable expense or effort, that includes historic, current and future data;
  - a new hedge accounting model was introduced (increase of eligible transactions for hedge accounting, changes in the accounting method for forward contracts and options when they are included in the hedge accounting report, efficacy test was modified);

  The new standard, which replaces the IFRS 9 previous versions, must be applied as of 1 January 2018.
  The Directors expect potential impacts on the Group's consolidated financial statements resulting from the IFRS 9 adoption. Nevertheless, it's impossible to provide a reasonable estimate of the effect until the group has completed a detailed analysis.

- 'IFRS 16 – Leases' (published on 13 January 2016) is designed to replace 'IAS 17 – Leases', as well as the interpretations 'IFRIC 4 - Determining whether an Arrangement contains a Lease', 'SIC-15 Operating Leases—Incentives' and 'SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.
  The new standard provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish leases from service contracts, the differences lying in: the identification of the asset, the right to replace the asset, the right to essentially receive all the financial benefits arising from the use of the asset, and the right to control the use of the asset underlying the contract.
  The standard introduces a single lessee accounting model, by which an asset under a lease, including an operating lease, is recognized in assets with an offsetting financial liability. The model also provides the possibility of not recognizing as leases those contracts regarding low-value assets and leases with a term of 12 months or less. Conversely, the standard introduces no material changes for the lessor.
  The standard is applicable as of 1 January 2019; early adoption is allowed only for those companies that have applied 'IFRS 15 - Revenue from Contracts with Customers in advance'.

- Document "Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)" (published on 18 December 2014), containing modifications regarding matters which emerged following the application of consolidation exceptions conceded to investment entities. The modifications introduced by this document are applicable to financial periods beginning on 1 January 2016 or later, but may be adopted in advance. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

On 11 September 2014 the IASB published an amendment to IFRS 10 and 'IAS 28 - Sales or Contribution of Assets between an Investor and its Associate or Joint Venture'. The document was published in order to solve the current conflict between IAS 28 and IFRS 10 concerning the measure of profit or loss arising from the sale or transfer of a non-monetary assets to a joint venture or associate in exchange of a quota in its capital. At the moment, the IASB has suspended the application of this amendment.

The figures shown in these comments are expressed in thousands of EUR. Figures from the previous period or the exchange value of the amount in the currency of reference are shown in brackets.

Property, plant and equipment (Note 1)

The changes that occurred in property, plant and equipment over the course of 2015 are summarized in the following table:

	FLEET	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER ASSETS	COAL RESERVES	CLEAN-UP AND RESTORATION COSTS	FIXED ASSETS UNDER CON-STRUCTION	TOTAL
At 31 December 2013	**115,029**	**6,727**	**6,387**	**9,676**	**8,549**	**739**	**301**	**147,408**
Increases	-	5,160	1,430	3,563	-	-	491	10,644
Decreases	(1,517)	(332)	(3)	(198)	-	(624)	-	(2,674)
Depreciation and devaluation	(9,004)	(188)	(2,030)	(2,892)	(406)	(35)	-	(14,555)
Exchange rate differences	1,161	(834)	(2,176)	(1,944)	(3,071)	(80)	(136)	(7,080)
At 31 December 2014	**105,669**	**10,533**	**3,608**	**8,205**	**5,072**	**-**	**656**	**133,743**
Increases	789	51	5,353	362	-	578	-	7,133
Decreases	(5,502)	-	(14)	(406)	-	-	(561)	(6,483)
Depreciation and devaluation	(8,087)	(188)	(1,804)	(2,057)	(370)	-	-	(12,506)
Exchange rate differences	911	702	(894)	(79)	(466)	(91)	28	111
At 31 December 2015	**93,780**	**11,098**	**6,249**	**6,025**	**4,236**	**487**	**123**	**121,998**

The increase in the heading 'Fleet', amounting to Euro 789 thousand, may be attributed to the capitalisation of extraordinary costs incurred for the renewal of class of the Bulk Pioneer vessel belonging to the Indonesian associated company PLKI, as described in 'Note 16 – Operating Costs'.

The decrease in the heading 'Fleet' which amounted to Euro 5,502 thousand arose from two sources: Euro 4,360 thousand from the sale on 27th April 2015 of the subsidiary Terminal Offshore Piombino SpA's vessel Bulk Irony, producing a gain of Euro 1,829 thousand net of sales commission as indicated in 'Note 18 – Gain (Loss) on non-current assets'; and Euro 1,142 thousand on the value of the Bulk Kremi I vessel, used in the Black Sea following the sale of LLC Coeclerici Logistics Russia.

During the year, the book value of the speedboats of the Venezuelan subsidiary 'Bulkguasare de Venezuela SA' was brought in line with its market value and this generated a devaluation of Euro 1,198 thousand.

The increase of Euro 5,353 thousand in 'Plant and Machinery' refers mainly to the purchase of machinery by the Russian subsidiary SC Kisk.

Intangible assets (Note 2)

The changes in intangible assets which occurred during 2015 financial period are summarized in the table below:

	GOODWILL	OTHER FIXED ASSETS	TOTAL
At 31 December 2013	**2,265**	**3,036**	**5,301**
Increases	-	2,781	2,781
Decreases	-	(91)	(91)
Amortization and devaluation	-	(1,546)	(1,546)
Reclassifications	(2,074)	2,074	-
Exchange rate differences	-	(612)	(612)
At 31 December 2014	**191**	**5,642**	**5,833**
Increases	-	849	849
Decreases	-	-	-
Amortization and devaluation	(191)	(3,428)	(3,619)
Exchange rate differences	-	(88)	(88)
At 31 December 2015	**-**	**2,975**	**2,975**

Goodwill had a value of nil at 31 December 2015, following an impairment test regarding the value of Euro 191 thousand arising at the acquisition, in 2007, of the subsidiary Coeclerici Asia (Pte) Ltd.

'Increases', amounting to Euro 849 thousand, are mainly explained by an increase of Euro 610 thousand connected with the extension of the project of the mining licence by the Russian subsidiary SC Kisk.

'Amortisation and revaluation' amounted to Euro 3,428 thousand and included a devaluation of Euro 1,660 thousand of the book value of intangible assets identified after the acquisition of the company Dako Coal GmbH.
At 31 December 2015, the heading 'Other intangible fixed assets' primarily included the residual value of the mining licence held by the Russian subsidiary and the residual value of the customer relationships held by the American subsidiary.

Interests in jointly controlled entities, other investments and available-for-sale financial assets (Note 3)

This consists of the following:

	31-DEC-2015	31-DEC-2014
Interests in jointly controlled entities	23,663	18,732
Other investments	452	7,249
Available-for-sale financial assets	3,046	8,206
Total	**27,161**	**34,187**

'Interests in jointly controlled entities', measured using the equity method, changed in the following ways during 2015:

	31-DEC-2015	31-DEC-2014
Opening balance	**18,732**	**12,291**
Net profit	2,704	4,371
Foreign exchange effect	2,212	2,087
Change in consolidation area	15	(17)
Ending balance	**23,663**	**18,732**

The key financial information regarding jointly controlled entities, and a brief description of the activities conducted, is given below:

	31-DEC-2015	31-DEC-2014
Assets	167,062	113,606
Liabilities	118,770	75,376
Equity	48,292	38,230
Turnover	34,973	29,483
Operating Profit	11,638	13,353
Net Profit	5,518	8,921

The Coeclerici Group has a 49% stake in PT Asian Bulk Logistics through the subsidiary Coeclerici Logistics SpA. The company carries out transshipment activities in Indonesia.
The Coeclerici Group also has a 49% stake in dACC Maritime Ltd through the subsidiary Coeclerici Logistics SpA. In 2015 this company was involved in the shipping of dry bulk.

The company Kyla Holding Ltd, as mentioned in the 'Notes to the financial statements – area of consolidation' no longer satisfied the criteria for consolidation with effect from 1st January 2015.

The heading 'Investments in other companies' consisted of the following at 31st December 2015:

	31-DEC-2015	31-DEC-2014
Ambienta SGR SpA	9	9
Consorzio Armatori per la Ricerca (Cons.A.R.) Srl	9	5
Dharamtar Infrastructure Ltd	-	1,167
Telemar SpA	434	434
USL Coeclerici Logistics Private Ltd	-	581
United Shippers Ltd	-	5,053
Total other investments	**452**	**7,249**

During the year the shareholdings in Dharamtar Infrastructure Ltd, USL Coeclerici Logistics Private Ltd and United Shippers Ltd were sold, bringing about a gain of Euro 760 thousand overall, registered under 'Capital gains' and mentioned in 'Note 18 – Gains (Losses) on non-current assets'.
'Available-for-sale financial assets', which will remain as permanent items in the company's assets, consist of the following:

	31-DEC-2015	31-DEC-2014
Banca Carige SpA	3	6
Fondo Ambienta I	1,479	1,515
Hao Capital Fund II L.P.	481	471
Asia Resource Minerals PLC	-	94
Value Secondary Investments SICAR	136	250
Canara Robeco Treasury Advantage Fund	855	793
Insurance Fund	-	5,077
Banca Popolare di Sondrio	92	-
Total available-for-sale financial assets	**3,046**	**8,206**

During the course of 2015, this heading fell overall by Euro 5,160 thousand; the decrease resulted mainly from the classification as 'Cash and cash equivalents' of insurance funds (Euro 5,077 thousand at 31st December 2014), from the reduction of the fair value of the Fondo Ambienta, amounting to Euro 36 thousand, and from the value of shares held in Value Secondary Investments-SICAR, amounting to Euro 114 thousand, partially mitigated by an increase in the fair value of the Canara Robeco Treasury Advantage Fund amounting to Euro 62 thousand, and of the Hao Capital Fund II L.P. amounting to Euro 10 thousand.

With reference to the reduction in the value of Asia Resource Minerals PLC, Value Secondary Investments-SICAR and Banca Carige refer to the comments in the Directors' Report regarding non-recurring events in 2015.

During the year, the Group purchased bonds issued by the Banca Popolare di Sondrio amounting to Euro 92 thousand.

Further information regarding the closed investment funds Ambienta I and Hao Capital Fund II L.P. are given under 'Note 28 – Commitments and Guarantees'.

Other non-current assets (Note 4)

This consists of the following:

	31-DEC-2015	31-DEC-2014
Other receivables	25,664	17,966
Tax receivables	1,398	1,451
Guarantees and deposits	286	1,144
Provision for other bad debts	(1,561)	(1,113)
Total other non-current assets	**25,787**	**19,448**

'Other receivables' amounting to Euro 25,664 thousand refer mainly to the funding of Euro 17,712 thousand (Euro 10,730 thousand at 31st December 2014) of the subsidiary dACC Maritime Ltd, in order to finance the construction of four 60,000-ton Supramax vessels, and to an amount held in the 'Reserve Account' of the subsidiary Coeclerici Mozambico SpA of Euro 6,380 thousand (Euro 5,783 thousand at 31st December 2014).

'Tax receivables' equaled Euro 1,398 thousand and included fiscal and tax receivables related to previous financial years which have not yet been recovered. During the year, these receivables were written down by Euro 448 thousand.

Inventories (Note 5)

Stocks, equal to EUR 18,485 thousand (EUR 23,946 thousand at 31 December 2014), are made up as follows:

	31-DEC-2015	31-DEC-2014
Goods	17,913	23,372
Consumables	572	574
Total inventories	**18,485**	**23,946**

As shown in the details of the heading 'Goods' indicated below and referring entirely to various types of coal, the value held as stock decreased, despite an increase in quantity, owing to the strong reduction in the price of coal:

	31-DEC-2015		31-DEC-2014	
	TONNES	EUR/000	TONNES	EUR/000
Goods	421,221	17,913	363,450	23,372

Trade receivables (Note 6)

This heading amounts to Euro 67,659 thousand (Euro 49,489 thousand at 31 December 2014) and consists entirely of receivables resulting from normal commercial operations with clients. It is shown net of the provision for bad debts amounting to Euro 16,591 thousand (Euro 13,671 thousand at 31 December 2014).

Trade receivables at 31st December 2015 can be divided between the following expiry periods:

	31-DEC-2015	31-DEC-2014
Invoices to be issued	7,232	5,184
Receivables not yet due	32,248	30,046
Due < 60 days	18,550	5,720
Due < 180 days	4,251	4,634
Due < 365 days	4,468	625
Due > 1 year	17,501	16,951
Provision for bad debts	(16,591)	(13,671)
Total trade receivables	**67,659**	**49,489**

It should be noted that in the months subsequent to December 2015 a large proportion of the receivables shown in the table at 31st December 2015 with an expiry of less than 60 days and 180 days were actually received, as well as a smaller proportion of those falling due after one year. Negotiations remain in being to recover all debts receivable at 31st December 2015.

The movement in the provision for bad debts during 2015 was as follows:

Provision for bad debts at 31 December 2014	**(13,671)**
Allocations	(2,956)
Uses	1,510
Exchange rate differences	(1,474)
Provision for bad debts at 31 December 2015	**(16,591)**

The increase in the provision for bad debts during the financial year refers primarily to receivables from the Asian counterparty; the heading 'Uses' refers to a partial release of the provision accounted for in previous years regarding the Venezuelan counterparty.

Prepayments and other receivables and current assets (Note 7)

This category consists of:

	31-DEC-2015	31-DEC-2014
Payments on account to suppliers	2,886	11,220
Other receivables	1,786	1,515
Receivables relating to the fair value of financial instruments	81	903
Tax receivables	8,430	8,550
Receivables from joint ventures	5,741	5,148
Receivables from the holding company	3,070	2,309
Accrued income and prepaid expenses	1,327	2,995
Total prepayments and other receivables and current assets	**23,321**	**32,640**

'Payments on account to suppliers', amounting to Euro 2,886 thousand (Euro 11,220 thousand at 31st December 2014), refer mainly to advance payments made to Russian suppliers for the purchase of coal delivered in the months following 31st December 2015; the decrease was primarily due to the lower price of coal.

'Receivables relating to the fair value of financial instruments' refer mainly to currency sales made by the Group and considered in more detail in 'Note – Information regarding financial instruments'.

The heading 'Receivables from joint ventures' amounted to Euro 5,741 thousand (Euro 5,148 thousand at 31st December 2014) and refers entirely to funding provided to the joint venture company PT Asian Bulk Logistics.

'Receivables from the holding company' refer to receivables arising from the tax consolidation for IRES purposes. For further details regarding the composition of this amount, refer to 'Note 24 – Taxation'.

Cash and cash equivalents (Note 8)

This heading consists of the following:

	31-DEC-2015	31-DEC-2014
Bank and postal deposits	65,234	44,292
Cash in hand	88	79
Total cash and cash equivalents	**65,322**	**44,371**

Bank deposits held with mainstream banks are managed centrally by the Holding Company's Treasury department, or under its direct supervision if held separately. Refer to the Cash Flow Statement for an explanation of the variations in cash and cash equivalents.

Total Equity (Note 9)

The movements which occurred in the various elements of Group equity are indicated in the relevant notes.

The 'Share Capital', wholly subscribed to and paid up, amounted to Euro 10,000 thousand and consisted of 10,000,000 ordinary shares each of a nominal value of Euro 1.

The 'Legal Reserve' of Euro 2,000 thousand is the legal reserve held in the Holding Company.

The 'Translation Reserve' has a positive value of Euro 3,193 thousand and regards the conversion into Euros of the financial statements of foreign Group companies included in the consolidation but held in currencies other than the Euro, and increased in the financial period by Euro 7,539 thousand.

The 'Merger Surplus Reserve' had a positive value of Euro 27,921 thousand and remained unchanged compared to its value at 31 December 2014.

The 'Reserve for Fair Value of Financial Instruments' had a negative value of Euro 1,525 thousand and showed an increase of Euro 10,242 thousand regarding a variation in the fair value of the financial instruments (as is considered in more detail in 'Note 26 – Information regarding financial instruments'), and to reclassifications in the income statement under the heading 'Revaluations/ losses of financial assets available for sale' in 'Note 22 – Net financial income (expenditure)', of losses accumulated in previous financial years regarding the investment in Asia Resource Minerals PLC.

The heading 'Actuarial Gains (Losses)', with a negative balance of Euro 128 thousand, increased by Euro 236 thousand which arose from actuarial evaluation of post-employment benefits (TFR) at 31st December 2015 (as is considered in more detail in 'Note 12 – Post-employment benefits').

The heading 'Other reserves' had a positive balance of Euro 49,198 thousand and remained unchanged compared to its value at the end of the previous financial period.

The heading 'Retained earnings' showed a negative balance equal to Euro 15,900 thousand, after recording an increase as the result of variations in the perimeters of the consolidation of Euro 289 thousand, and after retaining the profit from the previous financial year of Euro 4,157 thousand.

With reference to the information anticipated in IAS 1 paragraph 124, it should be noted that the objectives identified by the Group in the management of its capital are the following: the creation of value for its shareholders, the safeguarding of the company's future and support for the development of the other Group companies. For this reason, the Group seeks to maintain an adequate level of capitalization enabling it to give its shareholders a satisfactory financial return and ensure it has access to external sources of financing, also by means of an adequate credit rating. This strategy has remained the same since the previous financial period.

The Group monitors its capital structure constantly, especially the level of net financial debt, calculated as the ratio between the net financial position and equity. This ratio, compared with that of the previous financial year, was as follows:

	31-DEC-2015	31-DEC-2014
Net financial position	148,271	173,070
Equity	58,610	69,466
NFP/EQUITY	**2.53**	**2.49**

Interest bearing liabilities and borrowings (Note 10)

This heading consists of the following:

	31-DEC-2015			31-DEC-2014		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Short term advances	50,481	-	**50,481**	82,731	-	**82,731**
Secured loans from financial institutions	5,447	39,850	**45,297**	7,140	43,289	**50,429**
Unsecured loans from financial institutions	7,498	110,317	**117,815**	4,415	79,866	**84,281**
Interest bearing liabilities and borrowings	**63,426**	**150,167**	**213,593**	**94,286**	**123,155**	**217,441**

In the course of the financial year, sources and uses were matched more consistently; this, together with the lower price of coal, produced the variations in the heading 'Bank loans and overdrafts'. Short-term advances, amounting to Euro 50,481 thousand (Euro 82,731 thousand at 31 December 2014) refer mainly to loans received to finance coal trading, especially that carried out by the subsidiaries Coeclerici Commodities SA, Coeclerici Coal Network Inc. and Dako Coal GmbH.

Secured loans amounted to Euro 45,297 thousand, a reduction compared to 2014 of Euro 5,132 thousand. These were loans given by leading banks to fund the construction of the Group's vessels, as well as the acquisition of the office in Riva Paradiso, Lugano, the Trading Division's new headquarters.

Unsecured loans amounted to Euro 117,815 thousand, an increase compared to 2014 of Euro 33,534 thousand, and refer to loans from banks to finance the Group's investment activities.

It should be noted that the financial covenants included in the financing contracts were always respected.

'Interest bearing liabilities and borrowings' at 31st December 2015 had the following expiry periods:

	Within 2016	2017-2018	2019-2020	After 2020	TOTAL
Short term advances	50,481	-	-	-	**50,481**
Secured loans from financial institutions	5,447	12,620	10,820	16,410	**45,297**
Unsecured loans from financial institutions	7,498	8,082	102,235	-	**117,815**
Interest bearing liabilities and borrowings	**63,426**	**20,702**	**113,055**	**16,410**	**213,593**

'Interest bearing liabilities and borrowings' at 31 December 2015 included the following:

	31-DEC-2015			31-DEC-2014		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Chf	37	2,656	**2,693**	3,867	1,616	**5,483**
Eur	9,904	75,868	**85,772**	12,693	65,000	**77,693**
Rub	883	1,381	**2,264**	1,915	2,525	**4,440**
Usd	52,602	70,262	**122,864**	75,811	54,014	**129,825**
Interest bearing liabilities and borrowings by currency	**63,426**	**150,167**	**213,593**	**94,286**	**123,155**	**217,441**

Provisions for liabilities and charges (Note 11)

This heading comprises all of the provisions made for possible liabilities arising from legal, fiscal and commercial disputes in being. It also includes the cost of dismantling and reclaiming the Russian mine; these provisions will be used when amounts are actually paid to carry out the work in question. Releases were made after previous provisions created against potential liabilities were considered no longer necessary.

At 31st December 2015, this heading consisted of the following:

	31-DEC-2015	31-DEC-2014
Current	25	2,429
Non-current	20,049	15,212
Total provisions for liabilities and charges	**20,074**	**17,641**

During the financial year the movements under this heading were as follows:

At 31 December 2014	**17,641**
Allocations	3,708
Actuarial variation in restoration costs	130
Restoration costs	578
Releases	(1,637)
Uses	(1,350)
Exchange rate difference	1,004
At 31 December 2015	**20,074**

During the financial year, Euro 3.7 million was set aside to meet possible liabilities which could reasonably result from commercial operations in being.

It should be noted that, in previous financial years, the Holding Company received verification notice from the Italian tax authority (Provincial Direction 1 – Milan) concerning the subsidiary Coeclerici Logistics SpA for the years 2007, 2008 and 2009. During the 2015 financial year it received further verification notice concerning Coeclerici Logistics SpA for 2010. The dispute concerns alleged undue VAT detraction and tax recoveries for IRES and IRAP purposes. The Company has appealed against the verification notice to the Milan taxation tribunal as it considers the issue to be illegitimate and unfounded.

In the 2013 financial year, the Company was the subject of a check regarding IRES and IRAP for 2010. In 2015, the Company received verification notice for this. The Company has appealed against the verification notice to the Milan taxation tribunal as it considers the issue to be illegitimate and unfounded. In 2014, the subsidiary Coeclerici Coal and Fuels SpA was the subject of a check by the Italian tax authority (Lombardy Regional Direction) regarding the financial years 2010 and 2011.

In 2015, the Company received verification notice for the year 2010. The dispute concerns undue detractions for VAT and tax recoveries for IRES and IRAP purposes. The Company has forwarded its disagreement to the Italian tax authority (Lombardy Regional Direction – Large Contributors' Office) for a definitive assessment application.

Post-employment benefits (Note 12)

The changes in post-employment benefit provision were as follows:

At 31 December 2013	**1,753**
Provisions for the period	317
Actuarial (gains) / losses	238
Uses	(188)
At 31 December 2014	**2,120**
Provisions for the period	682
Actuarial (gains) / losses	(325)
Uses	(980)
At 31 December 2015	**1,497**

The main assumptions behind the actuarial valuation of the post-employment benefit provisions are as follows:

	31-DEC-2015	31-DEC-2014
Updating coefficient	1.39%	1.49%
Inflation rate	Year 2016: 1.50%	Year 2015: 0.60%
	Year 2017: 1.80%	Year 2016: 1.20%
	Year 2018: 1.70%	Years 2017-2018: 1.50%
	Year 2019: 1.60%	After 2019: 2.00%
	After 2020: 2.00%	
Annual salary increase rate		
Executives	2.00%	2,00%
Management / white-collar	2.00%	2,00%
Annual post-employment benefit increase rate	Year 2016: 2.62%	Year 2015: 1.95%
	Year 2017: 2.85%	Year 2016: 2.40%
	Year 2018: 2.77%	Years 2017-2018: 2.63%
	Year 2019: 2.70%	After 2019: 3.00%
	After 2020: 3.00%	

The method of recalculating the TFR fund on an actuarial basis is set out in the accounting principles; in accordance with IAS 19, the method used is that of 'Unitary Credit Projection'. Actuarial gains and losses generated by applying this method are included in equity. As anticipated by IAS 19, actuarial gains and losses arising in the financial year, amounting to Euro 325 thousand, consisted of 'actuarial gains from experience' (Euro 218 thousand), and 'actuarial gains from change of demographic suppositions' (Euro 107 thousand).

There follows below an analysis of the sensitivity of each important actuarial hypothesis in order to show the effects (in absolute terms and in thousand of Euros) which would result following reasonably possible variations at that date in determining the liability at 31st December 2015:

	Changes	31-DEC-2015
Inflation rate	+0.25%	12
Inflation rate	-0.25%	(12)
Updating coefficient	+0.25%	(15)
Updating coefficient	-0.25%	15

Trade payables (Note 13)

The balance of Euro 48,046 thousand (Euro 23,595 thousand at 31st December 2014) includes current payables for supplies linked to the Group's normal operating activities.

The variation arising in the financial year is consistent with the increase in trade receivables and was generated by the Trading Division's normal activities.

Other payables and current liabilities (Note 14)

'Other payables and current liabilities' consist of the following:

	31-DEC-2015	31-DEC-2014
Other payables	4,316	1,721
Payables relating to the fair value of financial instruments	7,134	10,373
Tax payables	2,210	1,535
Payables to social security institutions	788	634
Accrued expenses and deferred income	4,291	3,669
Total other payables and current liabilities	**18,739**	**17,932**

The heading 'Other payables' amounted to Euro 4,316 thousand (Euro 1,721 thousand at 31st December 2014), and included payables of various types falling due in the subsequent financial year, and also advance payments received from clients.

'Payables relating to the fair value of financial instruments' amounted to Euro 7,134 thousand (Euro 10,373 thousand at 31st December 2014) and referred to currency purchases mentioned in 'Note 26 – Information regarding financial instruments', which gives further details.

'Accrued expenses and deferred income' amounted to Euro 4,291 thousand (Euro 3,669 thousand at 31st December 2014) and consisted mainly of accruals of various operating costs and deferred income regarding advance invoicing of hire charges regarding the Logistics Division's transshipment activities.

Revenues (Note 15)

This is comprised of the following:

	2015	2014
Raw material sales	642,991	551,178
Charters and shipping transport	8,588	9,387
Transshipment and other logistics services	30,123	26,703
Coal brokerage commission	718	-
Other services	1,561	1,360
Total revenues	**683,981**	**588,628**

'Raw material sales' amounted to Euro 642,991 thousand and referred to trading activities.

Although quantities handled were in line with the previous financial year, the increase in this heading, amounting to Euro 91,813 thousand, arose primarily because of the significant rise in the value of the American dollar compared to the Euro, which offset the effect of the reduction of average sales prices, as mentioned in the Directors' Report.

The increase in 'Transshipment and other logistics services' was the consequence both of the Indonesian subsidiary handling a higher tonnage and, to an important extent, of the conversion of income denominated in US dollars.

Information by division is shown in 'Note 25 – Information by division and geographical area'.

Cost of sales (Note 16)

This is comprised of the following:

	2015	2014
Purchase of raw materials	593,088	490,980
Mine operating costs	24,005	18,407
Cost of mining personnel	6,218	6,598
Cost of seafaring personnel	5,312	5,969
Technical costs for fleet and plants	3,861	4,742
Port expenses and other shipping costs	1,842	888
Lubricants / spare parts	1,211	1,428
Bunkers	212	241
Total cost of sales	**635,749**	**529,253**

The increase in 'Purchase of raw materials' amounted to Euro 102,108 thousand. It resulted from the increase in the value of the US dollar, as already indicated in the heading 'Sales of raw materials', but also from the extraordinary events linked to the geological structure of the mine in Russia which, as already mentioned in the Directors' report, reduced the quantities of coal extracted in the first half of the year, a consequent need to use external sources of coal and a significant increase in the heading 'Mine operating costs' (higher stripping activities).
The reduction in 'Cost of seafaring personnel' and in 'Technical costs for fleets and plants' may be attributed mainly to the reduction of activity of some of the vessels and the disposal of the Italian vessel Bulk Irony.
The increase in the heading 'Port expenses and other shipping costs', equal to Euro 954 thousand, mainly resulted from charter costs incurred by the Indonesian subsidiary PLKI amounting to Euro 791 thousand, and reflects the use of the Bulk Celebes vessel by the associated company PT Asian Bulk Logistics given that the Bulk Pioneer vessel was involved in extraordinary maintenance in order to renew its class.

Overhead and administrative expenses (Note 17)

This is comprised of:

	2015	2014
Personnel costs	17,962	16,586
Consultancy	4,773	5,466
Director and Statutory Auditors' fees	1,829	1,865
Rents, leases and similar	2,617	2,714
Other costs	3,231	2,869
Travel expenses	1,072	1,042
Entertainment expenses	550	643
Utilities Building administration – Representative offices	898	1,059
Consumables	158	172
Advertising	513	509
Total overhead and administrative expenses	**33,603**	**32,925**

The increase in 'Cost of Personnel' can be attributed mainly to the strengthening of the American currency against the Euro; for more details regarding the average composition of employees see 'Note 30 – Other Information'.
'Directors' and Statutory Auditors' fees', amounting to Euro 1,829 thousand, were mainly in line with 2014 values. The heading includes the fees of the Directors and Statutory Auditors of the Holding Company, as shown below:

	2015		2014	
	Number	Remuneration	Number	Remuneration
Directors	9	1,592	12	1,646
Statutory Auditors	3	54	3	95
Total Fees	**12**	**1,646**	**15**	**1,741**

The heading 'Rents, leases and similar' mainly concerned the rental paid to the holding company Fincler Srl for the Milan offices.

Capital gains / (losses) on non-current assets (Note 18)

This is comprised of:

	2015	2014
Capital gains	2,706	464
Capital losses	(653)	(35)
Total capital gains / (losses) on non-current assets	**2,053**	**429**

'Capital gains' includes a gain of 1,829 thousand arising from the sale of the vessel Bulk Irony.

This heading also includes proceeds amounting to Euro 760 thousand arising from the divestment of shareholdings in other companies. In detail, the gain consists of the following:

- Euro 381 thousand arising from the sale of the shareholding in Dharamtar Infrastructure Ltd;
- Euro 270 thousand arising from the sale of the shareholding in USL Coeclerici Logistics Private Ltd;
- Euro 109 thousand arising from the sale of the shareholding in United Shippers Ltd.

Profit / (loss) from jointly controlled entities measured using the equity method (Note 19)

This is comprised of:

	2015	2014
Profit / (loss) from jointly controlled entities measured using the equity method	2,704	4,371

For further information, see 'Note 3 – Interests in jointly controlled entities, other investments and available-for-sale financial assets'.

Other net income / (expenses) (Note 20)

This is comprised of:

	2015	2014
Other operating income		
Release of provisions and other liabilities	2,967	6,262
Insurance claims	207	1,977
Gains on derivatives	6,913	511
Total other operating income	**10,087**	**8,750**
Other operating costs		
Allocations to provisions for liabilities	(3,708)	(4,163)
Allocations to provisions for bad debts	(4,154)	(6,847)
Other net income / (costs)	(1,357)	1,441
Total other operating costs	**(9,219)**	**(9,569)**
Total other net income / (expenses)	**868**	**(819)**

This heading includes the impact of a number of extraordinary events mentioned in the Directors' Report, as well as movements in the headings 'Provision for risks and charges', 'Other non-current assets – provision for other bad debts' and 'Trade receivables – provision for bad debts', already mentioned in the relevant points regarding the balance sheet in the Notes to the financial statements.

Depreciation, amortization and devaluation (Note 21)

This is comprised of:

	2015	2014
Depreciation of property, plant and equipment and devaluation	12,506	14,555
Amortization of intangible assets and devaluation	3,619	1,546
Total depreciation, amortization and devaluation	**16,125**	**16,101**

Refer to 'Note 1 – Property, plant and equipment' and 'Note 2 – Intangible assets' for more detail regarding depreciation, amortization and devaluation.

Net financial income / (expenses) (Note 22)

This consists of the following financial income / (expenses):

	2015	2014
Total net financial income / (expenses)	**(10,769)**	**(5,537)**

The category includes the following financial income:

	2015	2014
Dividends from equity investments in other companies	50	693
Interest received	1,441	1,646
Other income	439	759
Total financial income	**1,930**	**3,098**

'Dividends from investments in other companies' amounted to Euro 50 thousand and refers entirely to the dividend received from the associated company Telemar SpA.
The heading 'Interest receivable' amounted to Euro 1,441 thousand and mainly concerns interest receivable from financial institutions on current and deposit accounts and on financing given to the companies involved in the PT Asian Bulk Logistics and dACC Maritime Ltd joint ventures, in order to finance the construction of new vessels, as mentioned in 'Note 4 – Other non-current assets' and 'Note 7 - Prepayments, other receivables and current assets'.

Financial expenditure included the following:

	2015	2014
Bank charges	(1,532)	(1,603)
Available-for-sale financial asset loss/devaluation	(3,594)	-
Interest paid	(7,573)	(7,032)
Total financial expenses	**(12,699)**	**(8,635)**

'Bank charges' refers mainly to use of the syndicated line and the stipulation of new specific funding contracts specific to investments in being.
The heading 'Available-for-sale financial asset loss/ devaluation' amounted to Euro 3,594 thousand, and included:

- A loss arising from the sale of the shareholding in Asia Resource Minerals PLC, amounting to Euro 3,336 thousand;
- Impairment of Value Secondary Investments SICAR amounting to Euro 114 thousand;
- Impairment of Banca Carige amounting to Euro 144 thousand.

Part of the negative impact indicated above had already been included in a fair value reserve included in equity on 31st December 2014.

For further information, see the heading 'Financial assets available for sale' in 'Note 3 – Interests in jointly controlled entities, other investments and available-for-sale financial assets'.

Exchange gains / (losses) (Note 23)

In addition to the exchange rate differences arising at the end of the financial period from the translation of assets and liabilities in other currencies, this heading also shows Exchange rate differences realised during the financial period. As has already been mentioned in the Directors' Report, the heading includes the negative effect of currency (rouble) hedging. Details of exchange rate differences, both realised and not realised in 2015, and their comparison to the previous financial period, are shown in the table below:

	2015			2014		
	REALIZED	NON-REALIZED	TOTAL	REALIZED	NON-REALIZED	TOTAL
Exchange gains	12,705	7,207	**19,912**	11,408	4,178	**15,586**
Exchange losses	(21,934)	(18,788)	**(40,722)**	(16,944)	(2,667)	**(19,611)**
Total exchange gains / (losses)	**(9,229)**	**(11,581)**	**(20,810)**	**(5,536)**	**1,511**	**(4,025)**

Income taxes (Note 24)

The amount of the tax burden regarding the period was equal to Euro 5,096 thousand. It was calculated in conformity with existing statutory regulations and includes expected exemptions, elements of deferred taxation and, as far as Italian companies in the Group are concerned, the effects of adhesion to the tax consolidation produced by the holding company Fincler Srl.

This heading includes a negative amount of Euro 691 thousand related to a deferred tax assets of the subsidiary Dako Coal GmbH, regarded as non-recoverable.

The amount of taxation consists of the following:

	2015	2014
Current taxes	(1,007)	(106)
Deferred taxes	6,103	718
Total income taxes	**5,096**	**612**

The amounts in the table below refer to deferred tax assets and liabilities held in the balance sheets of Group companies and to the effects of consolidation.

	31-DEC-2015	31-DEC-2014
Deferred tax assets	10,869	4,538
Deferred tax liabilities	(3,018)	-
Net balance of deferred taxes	**7,851**	**4,538**

'Deferred tax assets' can mainly be attributed to additions to a risk provision during the financial year and in previous financial years, which cannot be immediately deductible fiscally, and also to additions for fiscal losses which will be recovered in subsequent financial periods.

The balance under the heading 'Deferred tax liabilities' consists of the deferred taxation arising from the setting-aside of elements of income or expenditure subject to deferred taxation.

The tax assets and liabilities of Group companies included in the taxation consolidation at 31st December 2015 were as follows:

	RECEIVABLES	PAYABLES	TOTAL
Coeclerici Logistics SpA	28	-	28
Coeclerici SpA	3,042	-	3,042
Total receivables /(payables) owing to tax consolidation	**3,070**	**-**	**3,070**

Information by operating segment and geographical area (Note 25)

The information by operating segment for 2015 period is summarized in the following table:

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Revenues	638,826	31,820	39,792	(26,457)	**683,981**
Operating profit (EBIT)	717	(2,335)	14,551	(8,804)	**4,129**
Net financial income / (expenses)	(2,554)	(1,132)	(3,129)	(3,954)	**(10,769)**
Net profit	(7,086)	(11,783)	8,446	(11,931)	**(22,354)**

The following table shows details of Group revenues from sales and services broken down by region:

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Africa	22,112	-	30,114	-	**52,226**
Americas	165,621	-	-	-	**165,621**
Asia and Australia	201,863	1,137	8,597	-	**211,597**
Russia and Middle East	-	3,339	-	-	**3,339**
Europe	249,230	27,344	1,081	(26,457)	**251,198**
Total revenues	**638,826**	**31,820**	**39,792**	**(26,457)**	**683,981**

Information regarding financial instruments (Note 26)

Derivatives relating to currency exchange transactions

The Group has used hedging transactions (fair value hedge and cash flow hedge) to meet the risks of oscillation in the Eur/USD and Rub/USD exchange rates.

Fair value hedge

Transactions in existence at 31st December 2015 which amount to fair value hedges and whose variations in fair value can be included in the income statement under the heading 'Exchange gains / (losses)' are indicated below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2015 (EUR/000)
Q1 2016	598	USD	1.1135	537	(5)
Total sales				**537**	**(5)**

Cash flow hedge

At 31st December 2015 currency transactions were in being which had the characteristics of cash flow hedges, and the variations to their fair value have been included net of the fiscal effects in net assets under the heading 'Reserve related to the fair value of financial instruments', shown in detail below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2015 (EUR/000)
Q1 2016	442	USD	1.1353	389	2
Total purchases				**389**	**2**

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2015 (EUR/000)
Q1 2016	618	EUR	1.1099	618	(13)
Total sales				**618**	**(13)**

Finally, hedging transactions existed at 31st December 2015 relating to variations in the price of coal. Forward sales transactions at 31st December 2015 which displayed the characteristics of cash flow hedges, and the variations in their fair value, have been shown net of their fiscal effect in equity under the heading 'Reserve related to the fair value of financial instruments', and are shown below:

EXPIRY	AMOUNT (TONNES)	CONTRACT PRICE PER MT	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2015 (EUR/000)
Q1 2016	75,000	66.18	4,964	79
Q1 2016	60,000	44.53	(90)	(83)
Total	**135,000**		**4,874**	**(4)**

Cash flow trading

The following collar transactions were carried out to cover the effect of oscillations in the RUB/USD exchange rate on disbursements expressed in roubles of the subsidiaries which operate in that currency. Variations in their fair value have been included, net of their fiscal effect, in equity under the heading 'Reserve related to the fair value of financial instruments' and in the income statement under the heading 'Exchange gains / (losses)'; further details are shown below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	FAIR VALUE AT 31-DEC-2015 (EUR/000)
Q1 2016	124,950	RUB	51.00	(714)
Q1 2016	124,950	RUB	45.00	-
Q2 2016	124,950	RUB	51.00	(748)
Q2 2016	124,950	RUB	45.00	-
Q3 2016	124,950	RUB	51.00	(779)
Q3 2016	124,950	RUB	45.00	-
Q4 2016	124,950	RUB	51.00	(806)
Q4 2016	124,950	RUB	45.00	-
Q1 2016	173,250	RUB	52.00	(931)
Q1 2016	173,250	RUB	40.00	-
Q2 2016	173,250	RUB	52.00	(977)
Q2 2016	173,250	RUB	40.00	-
Q3 2016	173,250	RUB	52.00	(1,020)
Q3 2016	173,250	RUB	40.00	-
Q4 2016	173,250	RUB	52.00	(1,058)
Q4 2016	173,250	RUB	40.00	-
Total purchases				**(7,033)**

Summary of fair value derivatives

The values and variations in the fair value of derivative instruments in existence at 31st December 2015 are shown in the table below:

	31-DEC-2014	CHANGES IN EQUITY	CHANGES IN INCOME STATEMENT	31-DEC-2015
Receivables				
Foreign exchange market	52	(50)		2
Forward coal sales to be received	851	(772)		79
Total receivables	**903**	**(822)**		**81**
Payables				
IRS* and foreign exchange market	(10,373)	10,360	(7,038)	(7,051)
Forward coal sales to be received			(83)	(83)
Total payables	**(10,373)**	**10,360**	**(7,121)**	**(7,134)**
Net total	**(9,470)**	**9,538**	**(7,121)**	**(7,053)**

* The IRS stipulated by the Holding Company Coeclerici SpA, to hedge interest rate fluctuation risks on funding and amounting to a notional value of Euro 1,250 thousand at 31 December 2014, was concluded in the second half of 2015.

The fair value of all financial derivatives has been calculated on the basis of forward quotations of market indices at the reference date. The reserve in equity, which includes the fair value of financial instruments, is shown net of any taxation.

The table below shows an analysis of financial instruments at their fair value, grouped in levels from 1 to 3 based on the ability to calculate their fair value:

- level 1, the fair value is determined by prices quoted in active markets;
- level 2, the fair value is determined by valuing techniques based on variables which are, directly or indirectly, observable in the market;
- level 3, the fair value is determined by means of valuing techniques which are based on significant variables which cannot be observed in the market.

	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets			
Available-for-sale	950	-	2,096
Hedging derivatives	-	81	-
Total financial assets	**950**	**81**	**2,096**
Financial liabilities			
Hedging derivatives	-	(7,134)	-
Total financial liabilities	**-**	**(7,134)**	**-**

Financial instruments classified at level 1 are shares in quoted companies, whose value is listed daily, and also open investment funds.

Level 2 includes financial derivatives; in order to determine their market value, the Group used the following model for measuring and evaluating them:

TYPE	INSTRUMENT	PRICING MODEL	MARKET DATA USED	DATA PROVIDER	IFRS 7 HIERARCHY
Foreign exchange / coal derivatives	Forward	Discounted cash flow	- Spot rate - Zero coupon curve of reference currency	Bank of reference	Level 2

Instruments classified as 'Level 3' refer to shares held at 31 December 2015 in closed-end investment funds.

Other financial information

For completeness, some additional financial information is given below:

- 'Note 10 – Interest bearing liabilities and borrowings' summarizes the characteristics of the bank loans and gives their due dates and interest rates applied;
- 'Note 22 – Net financial income / (expenses)' gives information about interest receivables and payables relating to financial items.

Risks characterising the Group's business (Note 27)

The main risks connected with the Group's business, which are monitored and managed by Coeclerici SpA and its subsidiaries, are as follows.

Commodity risk

The company's profit is affected by changes in the prices of the commodities and services it sells through its Trading Division. Volatile coal prices and freight rates generally lead to volatile operating profits and sales margins. The risks connected with trading may be limited by:

- back-to-back transactions;
- undertaking time-limited commitments to purchase/sell coal and transport services (freight) at values mainly pegged to the API#2 and API#4 indices and partly to fixed values; prior inspection and approval of transactions according to the corporate policy.

Trading risks are assessed through:

- constant monitoring of all trading transactions, including the continuous monitoring of trading partners;
- periodic business projections and analysis of the effects of the main variables (freight rates and commodity indices).

As regards sources of coal supply, the Group has depended less on suppliers since the Group took over the Russian SC Kisk mine in 2008.

The demand for dry bulk transshipment services depends on the levels of freight rates. When freight rates are high, the development of efficient dock services, able to reduce loading and unloading times, becomes strategically important for traders and this favours the development of new opportunities for the Group.

Exchange rate risk

Most of the subsidiaries' revenues and operating costs are recorded in currencies other than EUR (mainly USD and RUB). The Group manages the exchange rate risk, where it deems necessary, through forward currency transactions and foreign currency loans. In addition, loans are stipulated by the operating companies in the same currency as the revenues, where possible, in order to attenuate exchange rate oscillations.

Interest rate risk

The Coeclerici Group is mainly funded at variable interest rates. The Group's policy is to monitor the trend in interest rates and the long-term forecasts in order to make sure that financial expenditure is always sustainable. In the current market situation, the company does not consider it wise to engage in hedging transactions with the aim of stabilizing interest rates over time with the exception of the Interest Rate Swap contract described in 'Note 26 – Information regarding financial instruments'. In a risk sensitivity assessment, it was estimated that a 10% increase in market interest rates compared to those actually applied during the period would have had a negative effect of about EUR 619 thousand on the 2015 income statement and of about EUR 614 on the equity.

Credit risk

Credit risk is the company's exposure to potential losses deriving from the failure of trading partners to comply with their commitments. Commercial credit management is entrusted to the business units, in agreement with the Group holding company, on the basis of formal risk assessment procedures, including debt collecting and any dispute proceedings. Furthermore, all outstanding receivables are monitored monthly by Division credit committees, including regular prospective analysis of credit limits.

The credit position of certain clients with a degree of financial risk identified by scores representing levels of risk is monitored with even daily frequency.

Credit risk hedging is mainly carried out through the following instruments:

- confirmed letters of credit (bank guarantees) in the Trading Division;
- performance bonds (guarantees of satisfactory completion of a contract) and advance payment bonds in the Logistics Division;
- commercial credit insurance by leading insurance agencies (SACE B.T. SpA, Garant and Coface) in both divisions.

Liquidity risk

Liquidity risk is the risk that financial resources may not be available or are only available at high cost. Thanks in part to use of the credit system, the structure of the Coeclerici Group's sources of finance is diversified and makes sufficient sources of finance available to satisfy foreseeable financial needs both in the medium and long term. Moreover, corporate liquidity risk management aims to ensure a suitable level of operational elasticity for the Group's development programmes.

The Trading Division needs to finance its current assets, especially the down payments made to Russian suppliers for the purchase of commodities. This need is mainly met by short-term borrowing through bank loans.

As regards the Logistics Division, the investments to build vessels are usually financed through specific medium and long-term loans whose characteristics are normally negotiated so that they are compatible with the cash flows forecast from sector operating activities. In addition, specific contract provisions such as advance payments in time charter contracts and guaranteed minimum tonnages in contracts based on quantities handled are exploited, among other things, to achieve optimal short-term financial management.

Political risk

The Group's business takes place through investments all over the world. In the case of investments made in a country considered to be politically 'at risk', the Group protects itself where possible with a specific investment insurance policy drawn up with a leading insurance company, SACE SpA. These investment insurance policies protect companies that set up or hold shares in foreign companies or that make indirect investments through foreign companies controlled by the Italian company. These policies cover the risk of losses in capital, revenues, interest and amounts owed to the Italian company or its subsidiaries in connection with the investment, caused by the following political events: expropriation and other acts of absolute power, currency restrictions and moratoriums, force majeure events and civil unrest.

Operational risk

For the Logistics Division in particular, there exists a general operational risk arising from the use of vessels as part of the contractual activities undertaken. Amongst the main categories of risk in this sense there are events resulting from the loss – either partial or total – of the Division's vessels, as well as those arising from responsibility for damage caused during the course of activities. Protection against such risks is made by means of insurance policies agreed with primary counterparts. The policies used are typical of those used by companies operating in shipping, and include Hull and Machinery policies for damages to the ships and the equipment installed on board, Protection and Indemnity third party liability policies, profit loss Trade Disruption policies and war risk policies.

In addition and wherever possible, Escalation clauses are included in transshipment contracts which recalculate tariffs to reflect any increase in a number of cost categories.

Operational risk of extraction

As far as the Mining Division is concerned, the operational risks arising from mining activities are mitigated by the usual civil liability insurance for any damages caused by the use of equipment to move the coal once extracted, as well as the compulsory protection regarding cover for professional accidents.

Obligations and guarantees (Note 28)

Obligations relating to derivatives

The existing derivatives are shown in 'Note 26 – Information regarding financial instruments' and concern forward transactions on the foreign exchange and interest rate markets.

Obligations relating to financial instruments

'Obligations relating to financial investments' are shown in the following table:

	YEAR OF SUBSCRIPTION	FUND DURATION	OVERALL COMMITMENT	SUBSCRIBED AMOUNT	RESIDUAL COMMITMENT
Ambienta I	2007	10 years	3,000	2,598	402
Hao Capital Fund II L.P.	2008	10 years	918	772	146
Total financial instruments			3,918	**3,370**	**548**

Ambienta I Fund

'Ambienta I' is a private equity set up in 2007, which invests in the environmental sector. It was set up and is managed by 'Ambienta Società di Gestione del Risparmio SpA', of whose share capital 0.6% was bought in 2007 for an amount of Euro 9 thousand, classified under fixed assets as 'Other investments'. During 2007 the Group committed itself to purchasing Euro 3,000 thousand of the fund's shares. In 2015, further sums amounting to Euro 48 thousand were paid to it. At 31st December 2015 the fair value of the shares was Euro 1,479 thousand.

Hao Capital Fund II L.P.

The 'Hao Capital Fund II L.P.' is a private equity fund investing in the Chinese market. During 2008, the Group took on the commitment to buy the shares, at a cost of USD 1 million equal to Euro 918 thousand at 31st December 2015. The financial investment was recorded to its market value of Euro 481 thousand, as indicated under the heading 'Available-for-sale financial assets'.

Guarantees issued

At 31 December 2015, the guarantees given to third parties stood at EUR 32,150 thousand, and are illustrated below:

	31-DEC-2015	31-DEC-2014
Bank guarantees	21,381	16,250
Insurance policies	-	15
Other	10,769	2,495
Total guarantees issued	**32,150**	**18,760**

Guarantees received

At 31 December 2015, the guarantees given to third parties stood at EUR 13,011 thousand, and are illustrated below:

	31-DEC-2015	31-DEC-2014
Bank guarantees	13,011	10,710
Total guarantees received	**13,011**	**10,710**

Related party transactions (Note 29)

During the financial period, a number of transactions were conducted with the holding company, Fincler Srl, in the tax consolidation of the Group whose holding company is also the consolidating company, as described in 'Note 7 – Prepayments, other receivables and current assets'. Furthermore, an office rental contract exists between the Company and its direct holding company, Fincler Srl, referring to the offices in Piazza Generale Armando Diaz, 7 – Milan.

The Chairman of the Board of Directors and the CEO of Coeclerici SpA is also the Group's majority shareholder.

Dr Andrea Clavarino, Director of the Holding Company, is also Chairman of the Board of Directors and CEO of Coeclerici Logistics SpA.

Other information (Note 30)

Personnel costs

Personnel costs for 2015 totalled Euro 29,492 thousand (Euro 29,153 thousand in 2014), of which Euro 5,312 thousand related to seafaring staff (Euro 5,969 thousand in 2014), Euro 6,218 thousand to personnel at the Russian mine (Euro 6,598 thousand in 2014) and Euro 17,962 thousand to staff personnel (Euro 16,586 thousand in 2014).

The average composition of employees was as follows:

	2015	2014
Executives	44	42
White-collar	257	269
Seafaring staff	98	119
Miners	547	520
Total employees	**946**	**950**

The decrease in seafaring staff and consequent fall in costs can be attributed to the reduction in the use of some vessels and the decommissioning of the Bulk Irony, as mentioned in the 'Directors' Report'.

Subsequent events (Note 31)

No important events occurred after 31 December 2015.


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APPENDIX 1
LIST OF COMPANIES CONSOLIDATED USING FULL CONSOLIDATION METHOD

NAME	REGISTERED OFFICES	CURRENCY	SHARE CAPITAL	EQUITY SHARE
Nuevaco Imobiliaria Srl	Dominican Republic	DOP	25,002,000	99.98%
Dako Coal GmbH	Germany	EUR	150,000	100.00%
CGU Logistic Ltd	India	INR	910,000,000	100.00%
PT Coeclerici Indonesia	Indonesia	IDR	2,265,000,000	100.00%
PT Pelayaran Logistik Konversi Indonesia ("PLKI")	Indonesia	IDR	17,000,000,000	49.00%
Coeclerici Logistics SpA	Italy	EUR	10,500,000	100.00%
Coeclerici Mozambico SpA	Italy	EUR	10,000,000	100.00%
Capo Noli Transportes Maritimos Lda	Portugal	EUR	5,000	100.00%
Logconversion Transportes Maritimos Lda	Portugal	EUR	2,300,000	70.00%
LLC Zapadny	Russia	RUB	20,000	100.00%
SC Kuznetskaya Investitsionno – Stroitelnaya Compania ("Kisk")	Russia	RUB	15,000,000	100.00%
LLC Coeclerici Russia	Russia	RUB	4,000,000	100.00%
LLC Obshestvos ogranichennojotvetsvennost'ju Delta Property	Russia	RUB	10,000	49.00%
LLC Razrez Korciakolskij	Russia	RUB	10,000	100.00%
LLC Scc-Rozko	Russia	RUB	13,381,000	100.00%
LLC Yuzhno – Kuzbasskoe promyshlenno –transportnoe upravlenie ("Ptu")	Russia	RUB	10,000	100.00%
Selskohozyaistvennoe predpriyatie Taylepskoe	Russia	RUB	125,600,000	100.00%
Coeclerici Asia (Pte) Ltd	Singapore	USD	1,995,000	100.00%
Coeclerici Far East (Pte) Ltd	Singapore	USD	100,000	100.00%
Coeclerici Americas Real Estate Inc.	United States	USD	9,300,000	100.00%
Coeclerici Coal Network Inc.	United States	USD	6,351,000	70.00%
Coeclerici Commodities SA	Switzerland	CHF	10,000,000	100.00%
Elvezia Immobiliare SA	Switzerland	CHF	1,300,000	100.00%
Bulkguasare de Venezuela SA	Venezuela	VEF	2,408,000	90.00%
Venezuelan Bulk Logistics SA	Venezuela	VEF	2,000,000	90.00%

LIST OF COMPANIES CONSOLIDATED USING EQUITY METHOD

NAME	REGISTERED OFFICES	CURRENCY	SHARE CAPITAL	EQUITY SHARE
PT Asian Bulk Logistics	Indonesia	USD	20,000,000	49.00%
dACC Maritime Ltd	Ireland	USD	100,000	49.00%

APPENDIX 2
COMPARISON OF EQUITY OF COECLERICI SPA AND THAT OF GROUP

	NET PROFIT	EQUITY
Coeclerici SpA at 31 December 2015	**2,254**	**98,892**
Equity and net profit for the period recorded by consolidated companies	10,325	304,244
Consolidation adjustments:		
- elimination of holdings in subsidiaries and transactions between consolidated companies with exception of intercompany dividends	(1,889)	(350,248)
- application of IAS/IFRS international accounting principles	(1,915)	(1,005)
- elimination of intercompany dividends	(31,651)	-
Coeclerici Group at 31 December 2015	**(22,876)**	**51,883**

TECHNICAL GLOSSARY

API#2 (cif ARA): Average Coal Price Index (cost insurance freight on the Amsterdam-Rotterdam-Antwerp route). Average weekly coal price index including cost of freight on Amsterdam-Rotterdam-Antwerp route.

API#4 (fob Richards Bay): Average Coal Price Index (free on board on the Richards Bay port). Average weekly coal price index without freight cost referring to port of Richards Bay (South Africa).

B/B – Bare Boat Charter: Contract putting a vessel at the disposal of a charterer, without crew, for a given period of time; apart from the costs of the voyage (fuel, port taxes, canal transit fees etc.), the charterer also pays all operational costs (crew, maintenance, repairs, lubricants, provisions, insurance).

Capesize: Ship for transportation of dry bulk commodities exceeding 90,000 dwt, not able owing to its size to navigate the Panama Canal.

Demurrage: Penalty charged for the time, exceeding that established by the contract with the owner, which the charterer uses to bring loading/unloading operations of a vessel to a conclusion.

Despatch: Premium acknowledged for the time, less than that established by the contract with the owner, which the charterer uses to bring loading/unloading operations of a vessel to a conclusion.

DWT - TPL - Dead Weight Tonnage: Transportation capacity of a ship, expressed in tonnes, including cargo, fuel, provisions and crew.

Floating Transfer Station (FTS): Vessel patented by Coeclerici possessing adequate equipment (crane, conveyor belt, loaders etc.) and able to conduct cargo transshipping activities from one vessel to another.

Floating Storage & Transfer Station (FSTS): Ship adequately converted and equipped to store cargo and perform cargo transshipping operations.

Floating cranes: floating cranes used in transshipping operations from barge to ship or vice versa.

IRS: Interest Rate Swap. A contract with which two parties agree to exchange payments, calculated on the basis of differing and pre-defined interest rates applied to a notional capital, for a period of time previously defined at the moment the contract is drawn up.

Panamax: Bulk-carrier vessel suitable for transiting the Panama Canal, with a width therefore not in excess of 32.24 metres. Normally these vessels are not greater than 80,000 dwt.

PCI: Pulverized Coal Injection. Coal used in steelworks, whose main characteristics are a low ashes content and a high heat-producing power.

Revamping: Extraordinary maintenance operations seeking to improve a vessel and increase its value.

Supramax: Bulk-carrier ship suitable for crossing the Panama Canal, having therefore a maximum width of 32.24 metres. Normally the ship does not exceed 64,000 dwt. It has a central crane enabling coal to be handled directly.

T/C - Time Charter: A contract whereby a ship is made available to a charterer who bears fuel costs, port fees, canal transit costs and other costs relating to the voyage. Normally expressed in USD per day of the ship's availability.

Transshipment vessel – Floating Terminal: Vessel able to transfer cargo from one vessel to another, positioned in the waters outside the port, with which loading or unloading operations of ocean-going vessels are conducted.


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AUDITORS' REPORT

Building a better working world

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Independent auditor's report
in accordance with article 14 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Coeclerici S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Coeclerici Group, which comprise the consolidated balance sheet as at December 31, 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of change in equity and the consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Directors of Coeclerici S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Coeclerici Group as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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The financial statements of Coeclerici Group for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on April 14, 2015.

Report on other legal and regulatory requirements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Directors' Report financial statements. The Directors of Coeclerici S.p.A. are responsible for the preparation of the Directors' Report in accordance with the applicable laws and regulations. In our opinion the Directors' Report is consistent with the consolidated financial statements of Coeclerici Group as at December 31, 2015.

Milan, April, 28 2016

Reconta Ernst & Young S.p.A.
Signed by: Renato Macchi, partner

This report has been translated into the English language solely for the convenience of international readers.

Report of the Board of Auditors
in compliance with article 2429, second sub-paragraph of the Civil Code

To the Shareholder of COECLERICI S.p.A.,

during the year ended 31.12.2015, in agreement with the auditing firm Reconta Ernst & Young S.p.A., we carried out the supervisory activity required by law, according to the principles of conduct recommended by the Board of Auditors National Advisory and Accounting Experts.

The main data

The financial statements consist of a balance sheet, income statement and the Notes, shall, in summary, the following data:

Balance Sheet

Assets	239.105.340
Liabilities and provision	140.213.695
Equity	96.637.907
Net Income	**2.253.738**

Income Statement

Production value	7.810.333
Production costs	(13.806.328)
Difference	**(5.995.995)**
Financial income and expenses	39.683.799
Value adjustments to financial assets	(31.757.348)
Extraordinary income and expenses	(483.074)
Income before income taxes	**1.447.382**
Income taxes	806.356
Net income at 31.12.2014	**2.253.738**

Compliance of financial statements and consolidated financial statements

As regards the financial statements as at and for the year ended 31st December 2015 and the consolidated financial statement of the Group as at and for the year ended 31st December 2015, we would like to point out the following.
There being no specific request to analytically examine balance sheet content, we have checked general layout and compliance of balance sheet with the provisions of the law as far as preparation and structure are concerned.
The Board of Auditors considers that the financial statements and consolidated financial statements and management report prepared by the Directors that are presented to the Shareholders' meeting for approval complies with the law.
The operations of major economic, financial and capital have been carried out in the 2015 brought to the attention of the Board of Auditors and are presented in a complete and comprehensive in the business report prepared by the Directors.

Compliance with the law and the social status

We have taken part in the meetings held by the Board of Directors and by executive committee. During said meetings we received useful informations on the general company management as well as on the major economic and financial transactions carried out by the company.
Relating to these activities, we believe that the actions approved and passed were in accordance with the Articles of Association and the provisions of the law and were not imprudent, reckless, a potential conflict of interest of the Company or contrary to the resolutions passed by meeting or which undermines the integrity of corporate assets.

Adequacy of organizational structure and internal control system

We have become acquainted with and checked the efficiency and adequacy of the organizational structure of the company with respect to the principles of good administration, by direct observation, by obtaining information from the heads of the organizational function and meetings with the auditing firm Reconta Ernst & Young S.p.A..
We evaluated and checked the adequacy of internal control and accounting system, as well as the reliability of the administrative accounting system to represent the company management, by obtaining information from the heads of functions by the person responsible the audit and examination of business documents.
No significant aspects emerged from the aforesaid supervisory activity so as to be included in the present report.

Exceptions art. 2423

As far as we are concerned, we would like to point out no exception has been made by Directors with respect to the provisions of the law pursuant to article 2423, fourth sub-section of the Civil Code.

Complaints received by the Board of Auditors

During the year there have been no complaints under Article 2408 of the Civil Code. No evidence was submitted to be paid by the directors.

Special Operations

During the year the Board of Auditors has issued no opinions regarding any special operation.

Consolidated financial statements

On the other hand, special attention should be paid to the consolidated financial statement presented to you for information purposes.
To that purpose, the Group decided to voluntarily apply international accounting standards (IAS/IFRS) for the preparation of the consolidated financial statement. During the meetings held with the auditing firm we have carefully examined the analytical list of companies included in the consolidation. We have also gathered information on the different auditing levels and examined the main consolidation principles adopted. The auditing firm did not point out any relevant aspect in relation to possible weak points in the instructions given to participated companies or differences with respect to the accounting principles of the parent company.

Final judgement

Taking into consideration the results shown in the report drawn up by the auditing firm on the financial statements and the consolidated financial statements, we hereby express our favourable opinion in respect of the approval of the balance sheet as at and for the year ended 31st December 2015, as prepared by Board of Directors, and of the resolution proposal regarding the allocation of net income of the year contained in the management report prepared by the Directors.

Milan, 28th April 2016

The Board of Auditors

Dott. Guglielmo Calderari di Palazzolo

Dott. ssa Isabella Resta

Dott. Maurizio Dragoni

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