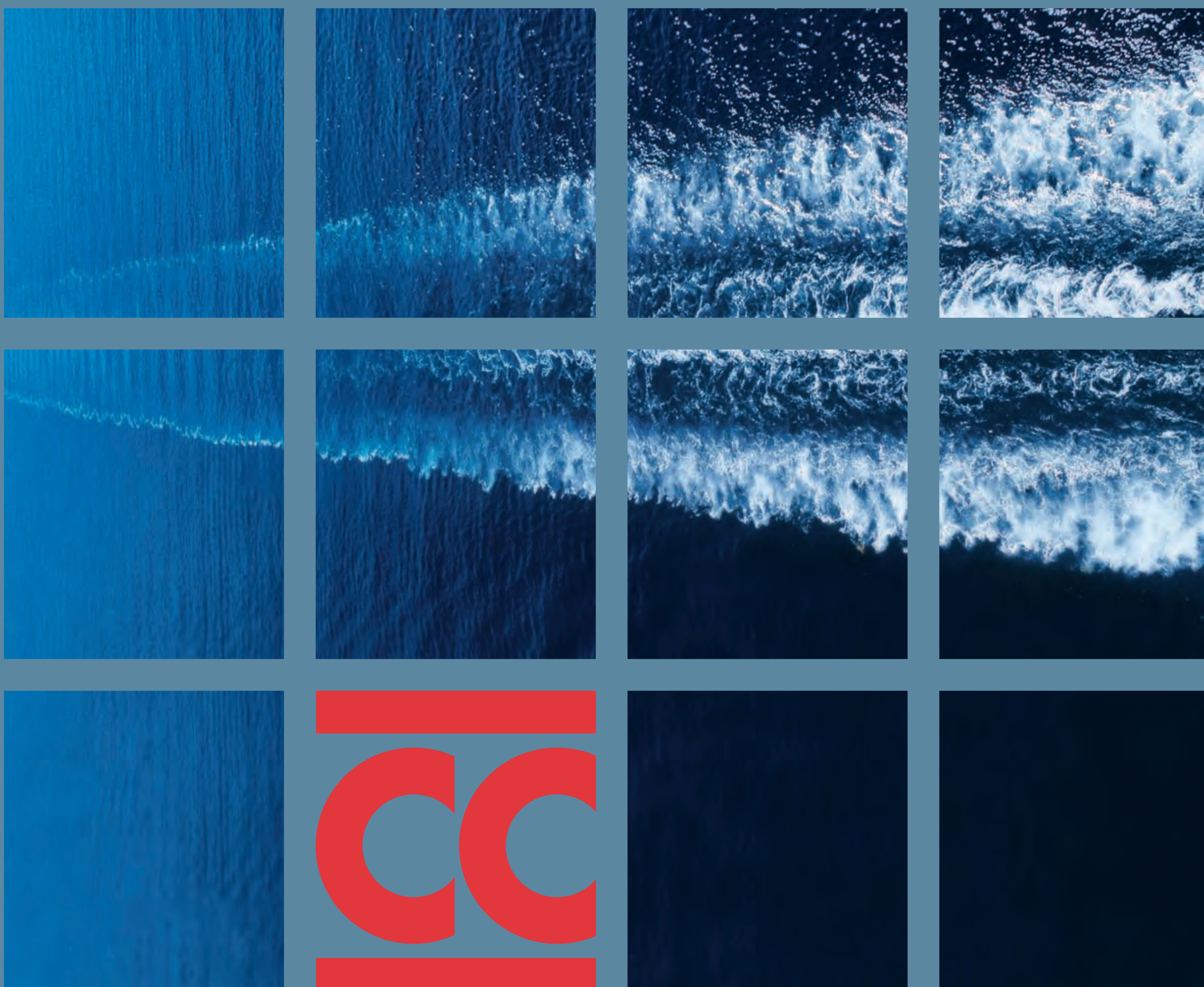

COECLERICI FINANCIAL STATEMENTS **2007**

COECLERICI FINANCIAL STATEMENTS 2007

Annual Report 2007

Coeclerici S.p.A.

Company limited by shares with sole shareholder

Head office:
Via Della Chiusa, 2
20123 Milan, Italy

Tax Code Number and Companies' Registry Number:
12307890157

Chamber of Commerce Number:
1545587
Direction and coordination:
Cocler S.p.A.

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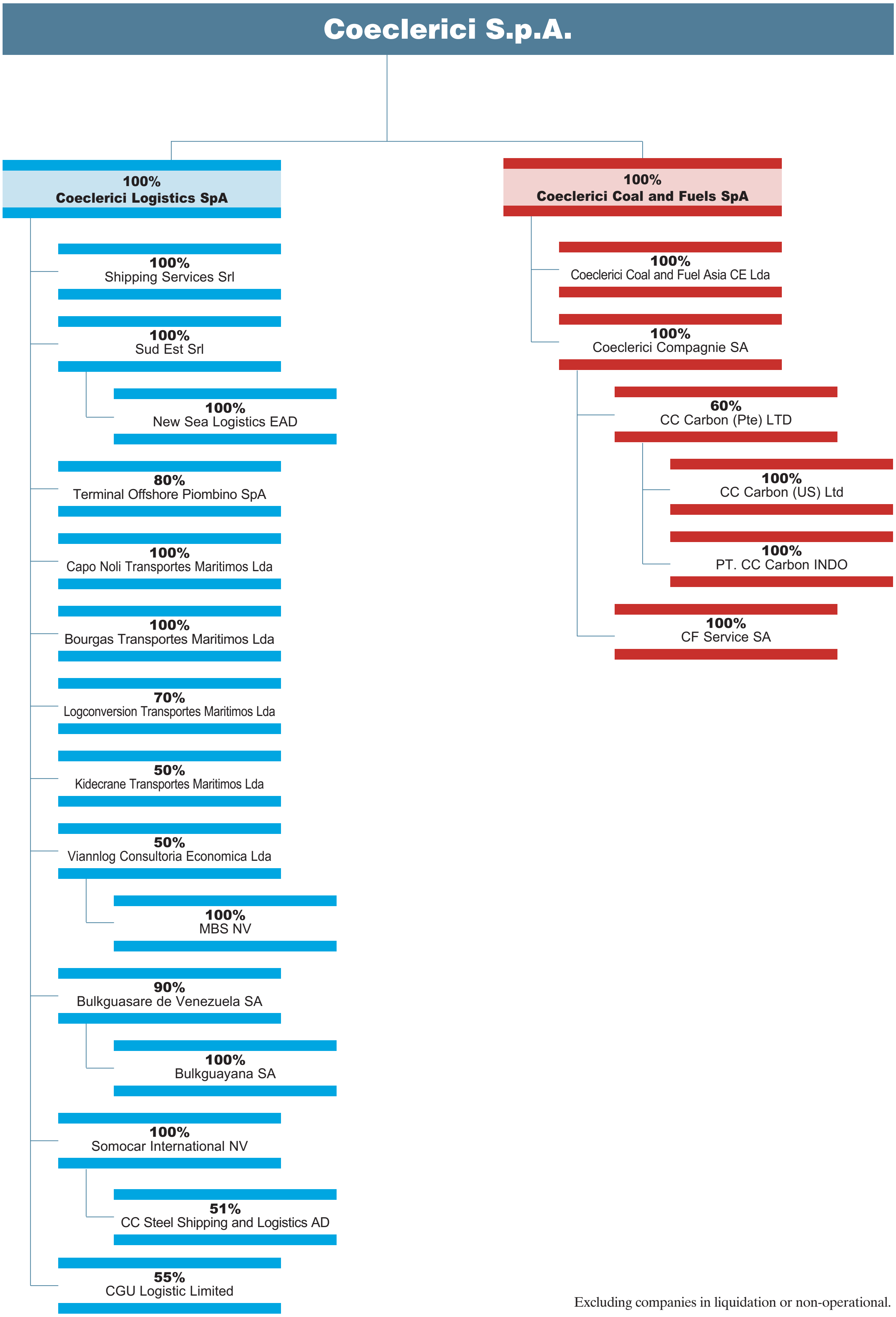
Member of CISQ Federation
RINA
ISO 9001:2000
Certified Quality System

Member of CISQ Federation
RINA
ISO 14001
Certified Environmental System

UKAS
QUALITY MANAGEMENT
001

Group Structure
at December 31, 2007



Excluding companies in liquidation or non-operational.

Coeclerici S.p.A.
Company Officials

Board of Directors

Members of the Executive Committee		
	Paolo Clerici	Chairman and Managing Director
	Aldo Carmignani	Deputy Chairman
	Urbano Faina	Deputy Chairman
	Corrado Papone	Deputy Chairman
	Antonio Belloni	Director
	Sergio Ungaro	Director
	Giorgio Cefis	Director
	Giovanni Jody Vender	Director

The term of office of the Board of Directors expires with the approval of the financial statements at December 31, 2007 (*).

Board of Statutory Auditors

Guglielmo Calderari di Palazzolo	Chairman
Giorgio Carbone	Statutory Auditor
Ettore Cavo	Statutory Auditor
Alfredo Durante	Substitute Auditor
Domenico Borghetti	Substitute Auditor

The term of office of the Board of Statutory Auditors expires with the approval of the financial statements at December 31, 2009.

Independent Auditing Firm

Deloitte & Touche S.p.A.

The independent auditing firm has been given a three-year mandate for 2007/2009.

(*) The new Board of Directors - appointed for the financial years 2008-2009-2010 and whose term of office will expire with the approval of the financial statements at December 31, 2010 - will be composed as follows: Paolo Clerici - Chairman and Managing Director (**), Aldo Carmignani - Deputy Chairman (**), Corrado Papone - Deputy Chairman (**), Urbano Faina - Director (**), Antonio Belloni - Director (**), Pasquale Cardarelli - Director (**), Giorgio Cefis - Director, Giovanni Jody Vender - Director, Rosario Alessandrello - Director and Riccardo Perissich - Director.

(**) Members of the Executive Committee

Glossary of selected shipping terms

Bulk Carrier
Ship specifically designed to transport vast amounts of dry bulk cargoes, mainly minerals, coal, grain and bauxite.

B/B - Bare Boat Charter
A charter in which the bare ship is chartered without crew for a stated period of time; besides the voyage costs (bunkers, port charges, canal tolls, etc.), the charterer also pays the running expenses (crew, maintenance, repairs, lubricants, supplies and insurance).

Capesize
A ship designed to transport dry bulk cargoes in excess of DWT 90,000 which, because of its size, cannot transit the Panama Canal.

Panamax
A bulk carrier designed to be just small enough to transit the Panama Canal, thus with a maximum length of 32.24 meters, normally not more than DWT 80,000.

Crew management
Services rendered for the selection, rotation and management of crew aboard ships.

DWT - Dead Weight Tonnage
A common measure of ship carrying capacity measured in tons, including the cargo, bunkers, stores and crew.

Revamping
Extraordinary maintenance work for making improvements to a ship and increasing its value.

Spot market
A market for the charter of a vessel to move a single cargo based on the current charter market rate.

T/C - Time Charter
The rate applied for chartering a ship. The charterer pays for the bunkers, port charges, canal tolls and any other expenses related to the voyage. The charter rate is normally expressed in U.S. dollars per day of hire.

Transhipment vessel - Floating Terminal Station
Vessel able to transfer cargo from one floating vessel to another, offshore, near ports where lighterage or transoceanic vessel loading operations are carried out.

Floating Transfer Station
A (patented) device consisting of cranes and material handling equipment used for direct transshipment of cargo from one vessel to another.

Floating Storage & Transfer Station
A large vessel converted into a floating storage and equipped with four cranes and ship loaders used for storage and transshipment.

Shuttle Floating Transfer Station
A FTS also used for transportation of the lightened cargo for delivery at the designated location.

Floating cranes
Floating cranes are used in cargo transshipment from barges to ships or vice versa.


BULK PROSPERITY
MUMBAI

Management report

on the consolidated financial statements December 31, 2007

Letter from the Chairman

Dear Shareholders,

In 2007 the world economy moved forward thanks to strong growth in Asia, despite instability on the markets due to the weakening of the American dollar, the subprime mortgage crisis and evident tension in final prices due to the rise in oil prices.

At the end of the year your Group had completed its strategic project for full concentration of all its efforts and investments on raw materials trading and port logistics.

In this context, your Group registered a net result of 23.2 million Euro in the year, up from 16.7 million Euro in the previous year. This result was achieved in a highly volatile market in which the Group left the Shipping market with the proportional break-away of Coeclerici S.p.A. as of May 1. The goals achieved are the fruit of a positive trend in all sectors of activity, achieved with the American dollar significantly depreciated in relation to the single European currency.

The Trading Division achieved highly positive results thanks to coal sales and ship charters under particularly favourable conditions, benefiting from the significant increase in raw materials prices in the second half of the year. These market conditions, which saw an increase in the average coal indexes in relation to the previous year equal to 39% of API#2 (CIF ARA) and 24% of API#4 (FOB Richard Bay), required careful risk management, which, combined with optimal charter management, permitted a significant increase in the Division's profitability. In 2007 commercial policy privileged consolidation of work in Russia, growth on the Asian market through acquisition of a trading company with registered offices in Singapore, RAG Trading Asia Pacific Ltd, renamed CC Carbon (Pte) Ltd, and development of new products such as petcoke, coke and iron ore. The strategic plan for aggregation and expansion of the Trading Division in the Far East and Russia in the future will definitely lead to growth, both commercially and in terms of sources of supply.

In the past year the Logistics Division continued and consolidated its activities in Venezuela, Indonesia, Italy, Slovenia and Croatia, moving product volumes largely in line with expectations and with improved margins both at the operative level and after financial and extraordinary management. The year also saw execution of lightening contracts in Bulgaria and time charters with the motor vessel Capo Noli, the first of which ended at the end of December, after the conclusion of dredging in the port of Burgas, the second since the sale of the ship in July 2007. New projects include bare boat charter of the first of the three speed boats built in Venezuela (the other two began commercial activity in early 2008) and completion of construction of the Bulk Prosperity unit by a Chinese shipyard. This vessel, currently undergoing final preparations in the waters off the port of Mumbai, is to travel up and down the West coast of India. In addition, 2007 saw five-year renewal of the lighterage contract for the Bulk Pioneer in Indonesian waters, under satisfactory economic conditions, and renewal of a year of services provided in the upper Adriatic ports of Koper and Bakar.

The Shipping sector registered positive results due to trends on the charter market in the months the Coeclerici Group operated in this sector. The first half of the year saw partial division of your company, with allocation of the shipping activities of Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda to the beneficiary Uno Shipping S.r.l.

In addition, in an ordinary shareholders' meeting held on September 25, 2007 Coeclerici S.p.A. resolved to purchase 1,000,000 of its own ordinary shares with a face value of 1 Euro each from the company Cocler S.p.A., representing 10% of the company's share capital, at a price of 6.5 million Euro.

In financial terms, your Group has lengthened the expiry of its medium to long term debt, paid off a standby line of credit for 75 million Euro falling due in 2009 in 2007 and at the same time obtained a new syndicated line of credit worth 150 million Euro falling due in 2014. The contract was signed in London at the beginning of November, a few months before the start of the Credit Crunch.

Lastly, note that the Group has decided to voluntarily adopt International Accounting Standards (IAS/IFRS) starting this year, also in view of the Group's international scope today and to simplify the consolidation process with the Group's expansion into new countries.

In conclusion, in the year 2007 we are once again happy to state that your Group has achieved outstanding results pursuing its strategy of growth in its areas of interest, in both economic and equity terms, consolidating the positions it had previously acquired and looking forward to the results of future years with confidence.

We would like to take this opportunity to thank the management and all Group workers for their efforts and the results achieved.

The Chairman and Managing Director

Signed by
Paolo Clerici

Milan, May 9, 2008

Consolidated results

Below are some of the key economic indicators for comparison with the 2006 consolidated financial statements on the basis of the IAS/IFRS International Accounting Standards (figures in thousands of Euro):

	2007	**2006**
Revenues	338,784	228,260
Operating Result	20,086	5,511
Net Result from Continuing Operations	15,019	6,240
Net Result	31,175	24,944
Net Result of the Group	23,153	16,748
Fixed Assets	*40,586*	*30,810*
Net Working Capital	*50,005*	*25,969*
Capital Employed	90,591	56,779
Shareholders' Equity	*65,904*	*77,160*
Minority Interests	7,156	10,954
Net Financial Position / (Liquidity)	*17,531*	*(31,335)*
Sources of Finance	90,591	56,779

On the economic results listed above, note that the Shipping sector was deconsolidated in the years 2006 and 2007 and included in a single row as an asset being sold off to simplify analysis and comparison of the figures appearing in the financial statements.

The consolidated profit and loss account presents a significant increase in revenues (+48% over the previous year), which approach the threshold of 350 million Euro, and tripling of the operating result (+265%) which exceeds 20 million Euro thanks to excellent trends in the core businesses of raw materials trading (15.0 million Euro) and port logistics (7.9 million Euro).

In greater detail, the net result of activities in operation is 15.0 million Euro, up over 6.2 million Euro the previous year. This result is due to turnover produced by the Trading sector totalling 315 million Euro and the Logistics sector totalling 23 million Euro, bringing the respective net results up to 7.8 million Euro and 8.3 million Euro. The results achieved are the result of a positive trend in all sectors of business, achieved with an American dollar - the principal currency used for international transactions - significantly depreciated in relation to the single European currency, confirming the correctness of the strategy undertaken in early 2003 with progressive abandonment of the Shipping sector to concentrate on the two core businesses mentioned above.

The Group's equity situation reveals an increase in fixed assets due to construction of the new FTS Bulk Prosperity. To finance the Indian company set up as a joint venture with two primary shipping operators, an agreement was signed with a prominent Italian bank for 13.5 million Usd. The significant increase in Net Working Capital at the end of the year was caused by short-term exposure of the Trading sector, which returned to normal in the first few days of the year. It is important to note that acquisition of a new trading company, with the resulting increase in the product portfolio, and the increased prices of raw materials and oceanic charters required greater commitments by banks to finance activities underway.

The table below shows details of the 2007 Net Financial Position of various divisions of the Coeclerici Group (figures in thousands of Euros):

	Trading	Logistics	Holding/Adj	Consolidated
Cash and cash equivalents	*(15,663)*	*(7,591)*	*(12,505)*	*(35,759)*
Short term financial debts	*36,818*	*6,031*	*1,514*	*44,363*
Medium to long term financial debts	*0*	*4,172*	*4,755*	*8,927*
Intercompany financial debts	*2,717*	*2,088*	*(4,805)*	*0*
Net Financial Position / (Liquidity)	23,872	4,700	(11,041)	17,531

Further information by sector

Coal and Fuels Sector

	2007	2006
Tonnage	5,674,192	4,660,507
Revenues	315,400	203,407
Operating Result	14,969	4,914
Net Result	7,777	2,989
Capital Employed	43,211	12,633
Total Equity	19,339	15,375
Net Financial Position/(Liquidity)	23,872	(2,742)

The Division achieved highly positive results in the year 2007 thanks to coal sales and ship charters under particularly profitable conditions, benefitting from significantly higher coal prices in the second half of the year. In 2007 coal prices increased an average of 39% over the previous year on API2 (+24.6 $/tm), an average of 24% on API4 (+12.0 $/tm). The market conditions that arose permitted optimal management of traditional activity pertaining to Russian coal, which, combined with optimal charter management, produced an exceptional increase in business margins.

Growth in commercial margins combined with careful financial management and ongoing monitoring of counterparties permitted the Trading Division to achieve a consolidated net result of 7.8 million Euro after setting aside 6.6 million Euro in taxes.

In 2007 business policy gave priority to consolidation of Coeclerici Coal and Fuels S.p.A.'s work in Russia, transferring development on other markets to other Group companies through purchase of a trading company in Singapore, CC Carbon (Pte) Ltd, during the year by the subsidiary Coeclerici Compagnie S.A., and growth on other markets both by product (Coking Coal, Coke, Petcoke, Iron Ore) and by geographic area (Asia, South America).

Logistics Sector

	2007	2006
Tonnage	11,587,554	12,366,667
Revenues	23,451	24,996
Operating Result	7,891	4,644
Net Result	8,260	6,636
Capital Employed	37,586	30,307
Total Equity	32,886	29,191
Net Financial Position / (Liquidity)	4,700	1,116

Further consolidating its function as a primary operator in port logistics, Coeclerici Logistics S.p.A. continued to work on key markets through its investments in operating companies. The division's profit and loss account is primarily built around transhipment activities in Indonesia, Venezuela, Bulgaria and Italy. Its work in Burgas (Bulgaria) was completed after seven years of work following dredging of the port. The results of time chartering of the Capo Noli, which has now been sold, were also registered in the year 2007. The total value of turnover is largely in line with that of the previous year, apart from the impact of devaluation of the US dollar, the currency of the contracts in Indonesia and Venezuela and the contract for use of the Capo Noli. A significant improvement was registered in operating result thanks to rationalisation of cost structures, permitting absorption of the impact of the US dollar trend identified above, and proceeds from the sale of the MV Capo Noli.

The Logistics Division reveals an increase in the value of invested capital, consisting of tangible fixed assets, in particular thanks to the new ships, and financial fixed assets, the increase in which refers above all to investment of the minority share in the Indian company United Shippers Limited. The result, in terms of liabilities, is greater recourse to external resources, primarily the loan obtained for construction of the FTS Bulk Prosperity, and a partial increase in own funds represented by the increase in net equity.

The Division's key projects have already been described, and we may sum them up here as a commitment to reinforcement on markets where the company's presence is consolidated and penetration in new geographic areas where interesting prospects are opening up for growth. In the first group, renewal of the Indonesian contract, the contract for operations in the North Adriatic and new investment in speed boats for operation in Venezuela offer a clear example of the strategies pursued. In particular, the effect of the Indonesian renewal has been extension of the time range of the existing portfolio. With reference to the new opportunities, business actions were undertaken during the year with the aim of identifying a new use for Bulk Kremi I for participation in tenders with prominent operators in the mining sector, while at the same time commercial aims were pursued in relation to important users of raw materials, primarily coal and iron ore.

The Logistics fleet, including the Bulk Prosperity, which is not yet in operation but has been completed, now consists of:

	TPL	Year of construction
Bulkwayuù	64,400	1978
Bulk Kremi I	14,364	1973
Bulk Irony	13,658	2002
Bulk Prosperity	11,470	2007
Bulk Pioneer	5,974	2005
Venezuelan Speed Boats (3 units)	N/A	2007

The parent company

	2007	2006
Revenues	3,767	3,857
Operating Result	(3,409)	(4,697)
Net Result	7,246	6,818
Capital Employed	42,208	34,569
Total Equity	53,249	57,752
Net Financial Position/(Liquidity)	(11,041)	(23,183)

In 2007 Coeclerici S.p.A. continued to act as leader of the Coeclerici Group, leaving operations in port logistics and trading to the two 100% owned sub-holding companies, Coeclerici Logistics S.p.A. and Coeclerici Coal and Fuels S.p.A.

The first half of the year saw a partial split in your company with allocation of the shipping activities of Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda (previously 65% owned) to Uno Shipping S.r.l..

Also note that in its September 25, 2007 ordinary shareholders' meeting Coeclerici S.p.A. resolved to purchase 1,000,000 of its own ordinary shares with a face value of 1 Euro each from Cocler S.p.A., representing 10% of the company's share capital, for 6.5 million Euro.

As head of the Group, in the current year the company played an important role in the coordination of its subsidiaries' management and of Group finances, the organisation and development of human resources, administrative direction and legal and corporate affairs.

As data holder under legislative decree no. 196 dated June 30, 2003, the Italian privacy code, Coeclerici S.p.A. declares that by March 31, 2008 it had updated its programmatic security document as required by rule no. 19 of the technical regulations (annex B to legislative decree 196/2003). Coeclerici S.p.A. will update its programmatic security document by March 31 of each year.

The figures used in the comments below have been extrapolated from Coeclerici S.p.A.'s civil financial statements, corrected to reflect International Accounting Standards ("IFRS").

Research and development activity

The Group performs primarily commercial development, with particular reference to the Logistics and Coal and Fuels Sectors. Work in the Logistics Sector is concentrated on research and study of new projects linked with raw materials shipping and trans-shipping. All research and development costs are allocated directly to the profit and loss account.

Treasury shares and shares of the parent company

The Parent Company does not hold any shares in its holding companies, and has not bought or sold treasury stock or shares in the holding companies during the year.

On September 25, 2007 the parent company's ordinary shareholders' meeting approved the purchase of 1,000,000 of its own ordinary shares with a face value of 1 Euro each from the company Cocler S.p.A., representing 10% of the company's share capital, for 6.5 million Euro, pursuant to section 2357 of the Civil Code and for the purposes thereof.

Transactions with holding and related companies

The Group has transactions with its indirect holding company Finanziaria Cocler S.A.p.A. pertaining to the tax consolidation procedure your company participates in, in which Finanziaria Cocler S.A.p.A. plays the role of consolidator.

The payables to Finanziaria Cocler S.A.p.A. concerning this at December 31, 2007 are described in the Notes to the Financial Statements.

Under the fifth paragraph of section 2497 bis of the Civil Code, note that relations with Cocler S.p.A., which exercises direction and coordination of your company, pertained exclusively to transactions involving the supply of services and loans, regulated under standard market conditions, as described above in the section on Coeclerici S.p.A.'s activities, which it provides to its subsidiaries and affiliates, and which are provided and regulated under regular market conditions.

Outlook

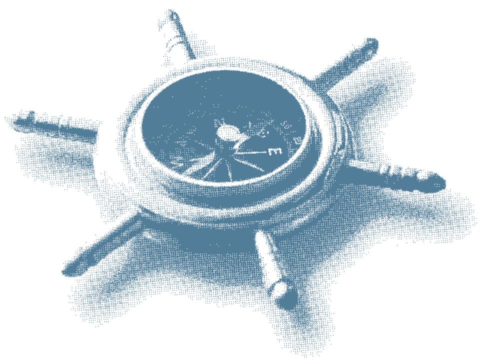
In fulfilling its functions as head of the Group in 2008, Coeclerici S.p.A. will continue its managerial coordination to permit its subsidiaries to seek out and take advantage of new business opportunities in Italy and abroad. This will allow the Group to preserve its ability to respond successfully to the demands of an increasingly competitive market.

Regarding the Trading sector, in the first two months of 2008, coal prices increased further, and prices are expected to stay at these levels throughout the current year, though with considerable volatility.

The month of March 2008 saw the conclusion of CF Service S.A.'s purchase of a Russian mining company involved in production and sale of coal in the region of Kemerovo, financed by a syndicated line of credit granted in the month of November 2007.

In the months to come the port Logistics sector will see final preparation and commercial use of the new units described above, with the corresponding contribution to the profit and loss account resulting from the start of operations. Further investment is planned in Venezuela for three additional speed boats to be built in the shipyard already used, an operation requiring an increase in the share capital of the subsidiary in charge of this project. In commercial terms, in addition to actions aimed at obtaining renewal of expiring contracts, the proposal stage is due to be completed for tenders already made, and possible new long-term projects will be considered. Strategic components essential for any new projects will be purchased, in view of the delivery times on today's market.

Consolidated Financial Statement of the Coeclerici Group at December 31, 2007



Coeclerici Group Consolidated Balance Sheet at December 31, 2007

(Thousands of Euro)

Assets	(NOTES)	31.12.2007	31.12.2006	variations
NON-CURRENT ASSETS				
Intangible assets	1	712	678	34
Tangible assets	2	32,147	27,463	4,684
Interests in joint ventures	3	1,702	1,819	(117)
Interests in other enterprises	3	6,025	850	5,175
Other non-current assets	4	5,966	6,500	(534)
TOTAL NON-CURRENT ASSETS		**46,552**	**37,310**	**9,242**
CURRENT ASSETS				
Inventories	5	9,616	11,663	(2,047)
Trade receivables	6	59,435	19,814	39,621
Other receivables and current assets	7	45,733	33,749	11,984
Cash and cash equivalents	8	35,759	42,333	(6,574)
TOTAL CURRENT ASSETS		**150,543**	**107,559**	**42,984**
TOTAL ASSETS		**197,095**	**144,869**	**52,226**

Equity and liabilities				
EQUITY				
Shareholders' equity	9	65,904	77,160	(11,256)
Minority interests	9	7,156	10,954	(3,798)
TOTAL EQUITY		**73,060**	**88,114**	**(15,054)**
NON-CURRENT LIABILITIES				
Medium/long term bank	10	8,927	7,270	1,657
Provisions for risks and charges	11	11,958	12,012	(54)
Employee severance indemnity	12	1,136	1,103	33
Other non-current liabilities	13	352	332	20
TOTAL NON-CURRENT LIABILITIES		**22,373**	**20,717**	**1,656**
CURRENT LIABILITIES				
Overdrafts and bank borrowings	10	44,363	4,783	39,580
Provisions for risks and charges	11	1,960	1,776	184
Trade payables	14	28,880	17,537	11,343
Other payables and current liabilities	15	26,459	11,942	14,517
TOTAL CURRENT LIABILITIES		**101,662**	**36,038**	**65,624**
TOTAL EQUITY AND LIABILITIES		**197,095**	**144,869**	**52,226**

Coeclerici Group Consolidated Income Statement at December 31, 2007

(Thousands of Euro)

	(NOTES)	2007	2006	variations
Revenues from sales and services	**16**	338,784	228,260	110,524
Operating costs	**17**	(293,943)	(202,929)	(91,014)
GROSS MARGIN		**44,841**	**25,331**	**19,510**
Selling and administrative expenses	**18**	(22,339)	(16,108)	(6,231)
Gains/losses on non-current assets	**19**	3,345	627	2,718
Income/losses from companies consolidated by Net Equity method	**20**	1,233	1,277	(44)
Other revenues and net operating costs	**21**	70	(2,269)	2,339
Depreciation and amortization	**22**	(7,064)	(3,348)	(3,716)
OPERATING RESULTS		**20,086**	**5,511**	**14,575**
Net financial income and charges	**23**	(335)	(428)	93
Profits and losses on exchanges	**24**	430	3,468	(3,038)
PRE-TAX RESULT		**20,181**	**8,550**	**11,631**
Taxes	**25**	(5,162)	(2,310)	(2,852)
RESULT AFTER TAXES from continuing operations		**15,019**	**6,240**	**8,779**
Result from discontinued operations	**26**	16,156	18,704	(2,548)
NET RESULT		**31,175**	**24,944**	**6,231**
Minority result		(8,022)	(8,196)	174
NET RESULT OF THE GROUP		**23,153**	**16,748**	**6,405**

Coeclerici Group Consolidated Statement of Cash Flows at December 31, 2007

(Thousands of Euro)

	2007	2006
A NET MONEY BALANCES, START OF YEAR	**39,967**	**21,662**
B CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating activities	20,086	5,511
Depreciation	7,064	3,348
(Gains) / losses on non-current assets	(3,345)	(627)
(Profits) / losses from companies consolidated by the Net Equity method	(1,233)	(1,277)
Profits / (losses) due to operative exchange rate differences	430	3,468
Result from assets destined for sale	0	18,704
Net variation in provisions for risks and charges	147	(292)
Net variation in employee termination indemnity	33	(20)
Cash flow from operations prior to variations in working capital	**23,182**	**28,814**
Decrease / (increase) in inventories	2,047	(4,221)
(Increase) / decrease in trade receivables	(40,850)	9,015
Increase / (decrease) in trade payables	11,774	5,367
Other changes in working capital	(9,627)	(280)
Changes in translation provision for working capital items	72	(1,955)
Taxes paid	(1,176)	(1,479)
	(14,578)	**35,260**
C CASH FLOW FROM INVESTMENT		
Investiment in non-current assets	(14,365)	(7,751)
Cash expenditures for purchase of consolidated investments	(2,840)	0
Dividend received from affiliated companies	1,350	1,800
Interest collected	2,536	1,575
Payments from sale of non-current assets	4,531	2,670
	(8,788)	**(1,706)**
D CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of new financing	5,964	5,194
Refunds of financing	(2,939)	(4,392)
Dividends distributed	(10,000)	(10,000)
Dividends distributed to third parties	(947)	(6,181)
Interest / commissions paid	(2,015)	(1,913)
Purchase of own shares	(6,500)	0
Effect of division of the holding company	(6,013)	0
Net decrease of receivables in financial fixed assets	409	2,043
	(22,041)	**(15,249)**
E CASH FLOW DURING THE YEAR (B + C + D)	**(45,407)**	**18,304**
F NET MONEY BALANCES, END OF THE YEAR (A + E)	**(5,440)**	**39,967**
Cash and cash equivalents	35,759	42,333
Current payables to banks (short term advances)	(40,504)	(2,366)
Current payables to banks (bank overdrafts)	(695)	0
Cash and cash equivalents at end of year	**(5,440)**	**39,967**

Coeclerici Group Statement of Changes in Consolidated Net Equity at December 31, 2007

(Thousands of Euro)

	Capital stock	Treasury shares	Legal reserve	Translation reserve	Reserve under art. 2426 n. 8-bis C.C.	Merger surplus reserve	Reserve for fair value of financial instruments	Retained earnings	Net income	**Total Coeclerici Group Net Equity**	Total minority Net Equity	**Total Net Equity**
Balance at December 31, 2005	**9,565**	**0**	**2,293**	**(663)**	**2,829**	**0**	**84**	**43,476**	**14,458**	**72,042**	**8,102**	**80,144**
Appropriation of 2005 net income					(2,829)			17,287	(14,458)	0	0	0
Capital stock increase	435							(435)		0	0	0
Distribution of dividends to shareholders								(10,000)		(10,000)	(6,181)	(16,181)
Effect of the translation of foreign currency financial statements				(1,593)						(1,593)	(884)	(2,477)
Change in consolidation area *										0	1,737	1,737
Change in reserve for fair value of financial instruments							(53)	16		(37)	(16)	(53)
Net income at December 31, 2006									16,748	16,748	8,196	24,944
Balance at December 31, 2006	**10,000**	**0**	**2,293**	**(2,256)**	**0**	**0**	**31**	**50,344**	**16,748**	**77,160**	**10,954**	**88,114**
Appropriation of 2006 net income								16,748	(16,748)	0	0	0
Distribution of dividends to shareholders								(10,000)		(10,000)	(947)	(10,947)
Effect of the translation of foreign currency financial statements				4						4	(52)	(48)
Change in consolidation area **										0	1,422	1,422
Purchase of its own ordinary shares		(6,500)								(6,500)	0	(6,500)
Change in reserve for fair value of financial instruments							104			104	0	104
Effect of the division of the holding company				31		4,735		(22,783)		(18,017)	(12,243)	(30,260)
Net income at December 31, 2007									23,153	23,153	8,022	31,175
Balance at December 31, 2007	**10,000**	**(6,500)**	**2,293**	**(2,221)**	**0**	**4,735**	**135**	**34,309**	**23,153**	**65,904**	**7,156**	**73,060**

(*) 45% minority share of Net Equity of the Indian company CGU Logistic Limited, established in 2006.
(**) 40% minority share in Net Equity of the Singapore company CC Carbon (Pte) Ltd purchased in 2007.

Notes
to the consolidated financial statements of the Coeclerici Group at December 31, 2007

Principles for drawing up the financial statements

The 2007 consolidated financial statements were drawn up for the first time in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. The term IFRS is also understood to mean all the reviewed international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formally known as the Standing Interpretations Committee ("SIC").

The company adopted the IFRS as from 1 January 2007 on account of European regulation No. 1606 of 19 July 2002 coming into force. In this connection, it should be specified that the accounting principles applied comply with those adopted to draw up the opening balance sheet at 1 January 2006 according to the IFRS, as well as the 2006 income statement and balance sheet at 31 December 2006 as reworked according to the IFRS shown in the tables attached to these notes (see attached tables).

This appendix shows the correspondence between the result for the year and net equity according to the previous principles (Italian accounting principles) and the result for the year and net equity according to the IFRS for the previous years presented for comparison, as required by IFRS 1 - First-time adoption of IFRS, as well as the relevant explanatory notes.

The financial statements have been prepared under the historical cost convention, modified as required by the revaluation of some financial instruments.

The financial statements are presented in euros, which is the currency in circulation in the countries where the main companies in the Group operate. Furthermore the amounts are expressed in thousands of euros unless otherwise stated.

The consolidated financial statements at 31 December 2007 consist of a balance sheet, an income statement, a cash flow statement, a table showing the change in net equity and notes. They were drawn up on the basis of the financial statements of the parent company and Italian and foreign subsidiaries in which Coeclerici S.p.A. either directly or indirectly holds majority voting rights, owns a controlling interest or from which it may receive benefits by virtue of its power to control financial and operating policies.

The financial statements at 31 December 2007 were used to draw up the consolidated financial statements. These financial statements have been adjusted, where necessary, by reversing entries made in order to comply with the consolidation standards and bring them into line with international accounting standards (“IFRS”).

Events which occurred after the end of the accounting period are commented on in the annual report.

Financial statement models

The Coeclerici Group presents its income statement by nature of expense, which is considered more representative than classification by function.

The balance sheet is presented in a form which distinguishes between current and non-current assets/liabilities.

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

Principles of consolidation

Subsidiaries

These are firms which the Group controls, as defined by IAS 27 - Consolidated and separate financial statements. Control exists when the Group has the power, directly or indirectly, 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 the control ceases to exist. The net equity shares and result 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 align their accounting policies with those adopted by the Group.

Jointly controlled firms

These are firms, over whose business the Group has joint control as defined in IAS 31 - Interests in joint ventures. The consolidated financial statements include the share of the results of jointly controlled firms attributable to the Group, calculated using the net 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 holding in the financial statements, the value of the holding is zeroed and the share of further losses is not stated, unless and to the extent to which the Group is obliged to answer for it. Where necessary, adjustments have been made to the financial statements of jointly controlled companies to align their accounting policies 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 results of associated firms attributable to the Group, calculated using the net 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 holding in the financial statements, the value of the holding is zeroed and the share of further losses is not stated, unless and to the extent to which the Group is obliged to answer for it. Where necessary, adjustments have been made to the financial statements of associated companies to align their accounting policies with those adopted by the Group.

Equity investments in other companies

Minor equity investments in other companies are entered at cost price and - if necessary - written down owing to loss in value. The dividends received from these firms are included in the income statement.

Transactions eliminated during consolidation

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

Foreign currency transactions

Items originally expressed in foreign currency are converted into euros at the historical exchange rates on the date of the transaction. Exchange differences which occur when foreign currency receivables are collected and payables are paid are entered 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 entered 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 to euros is based on the year-end exchange rate for balance sheet items and the average annual exchange rate for income statement items. The exchange differences stemming from conversion of the financial statements expressed in foreign currencies are allocated directly to the "cumulative translation adjustments" item under shareholders' equity.

Accounting principles

The most significant accounting principles adopted in the preparation of the consolidated financial statements at 31 December 2007 are illustrated below.

Tangible fixed assets

Tangible fixed assets are entered at cost or production price and are not written up.

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 entered in the income statement when incurred.

Assets possessed with finance leasing 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 the current value of the payments due for leasing, whichever the lower. The corresponding liability for the lessor is shown in a specific liability item.

Assets are depreciated on a straight-line basis at rates reflecting their estimated useful lives, as follows:

	Rates of depreciation
Buildings	3%
Plant and machinery	10% - 20%
Other tangible assets	12% - 25%

Land is not depreciated.

Fleet depreciation is determined on the basis of the cost of each unit, decreased by the amount it is estimated could be gained from ship-breaking, 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 renewal or replacement during dry-dock maintenance.

The "assets under construction and advances" item includes all investments which have not yet become part of the production process.

Intangible fixed assets

Initial capital

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

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 initial capital and are entered in the financial statements as intangible assets. If the difference is negative ("negative initial capital") it is entered in the income statement at the time of takeover.

Initial capital is not depreciated, but inspected to see if its value has fallen every year, or more frequently if specific events or changes in circumstances suggest it may have lost value. After initial determination, the initial capital is calculated as the net cost of any cumulative losses in value.

If a previously taken over firm whose takeover gave rise to an initial capital is partly or entirely transferred, the remaining initial capital will be taken into account in the capital gain or capital loss calculation.

During the first-time application of the IFRS, the Group chose not to apply IFRS 3 - Business Combinations retroactively to company takeovers which occurred before 1 January 2006. Consequently, the allocations made on the purchase date have not been reviewed.

Other intangible assets

Other intangible assets purchased or produced internally are entered as assets, according to the provisions in IAS 38 - Intangible assets, when it is likely that use of the asset will generate future economic benefits and when the cost of the asset may be determined reliably.

These assets are assessed at purchase or production price and depreciated on a straight-line basis at rates reflecting their estimated useful lives if they have a finite useful life. Intangible assets with indefinite useful lives are not depreciated, but are inspected to see if their value has fallen every year or more frequently if events suggest they may have lost value.

Other intangible assets acquired after taking over a company are entered separately from the initial capital if their fair value can be determined reliably.

Loss of value of assets

The Group regularly inspects the recoverableness of the book value of intangible and tangible assets in order to determine whether there is some indication that they may have lost value. If there is such an indication, the book values of the assets concerned are reduced to the relevant recoverable values. The recoverable value of an asset is either its fair value net of the costs of sale or its use value, whichever the greater. To determine the use value of an asset, the Group calculates the current value of the estimated future financial flows (gross of taxation) by applying the before-tax discount rate, which reflects the current market assessment of the time value of money and the risks specific to the business.

A loss in value is entered if the recoverable value is lower than the book value. If a loss in the value of an asset, apart from the initial capital, is subsequently regained or decreased, the book value of that asset or the unit generating financial flows is increased to the new estimated recoverable value which cannot exceed the value which would have been calculated if no loss owing to reduction in value had ever been calculated. The recovery of a loss in value is immediately entered in the income statement.

Leasing contract

Assets possessed through finance leasing contracts, which essentially transfer all the risks and benefits linked to ownership of the assets to the Group, are recognized as Group assets. The corresponding liability towards the lessor is classified among the financial payables. The classification of the contract as finance leasing takes place when the contract is stipulated by examining the contract requirements and/or asset concerned in the lease. The payments made owing to operating lease contracts are entered in the income statement on a straight-line basis for the entire duration of the contract.

Inventories

Inventories of lubricants and fuels on board ships are registered at their cost calculated using an approximate FIFO method.

Inventories of goods are entered either at the cost price of the inventories on hand determined according to the FIFO method or their estimated realizable value based on market price, whichever the lower.

Financial instruments

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

Derived financial instruments

Derived financial instruments are normally used for hedging purposes. In keeping with IAS 39, the derived financial instruments may be entered according to the methods laid down for hedge accounting only if the formal designation and hedging relationship itself existed when the hedging began, it is presumed that the hedging is highly effective, the effectiveness may be reliably measured, and the hedging itself is highly effective during the various accounting periods for which it is designated.

All derived financial instruments are measured at their fair value, as established by IAS 39.

When financial instruments have the appropriate characteristics to be entered according to hedge accounting, the following accounting principles are applied:

• *Fair value hedge* - If a derived financial instrument is designated to hedge the fair value of an asset or liability shown on the financial statements attributable to a particular risk which may have effects on the income statement, the profit or loss which stems from later assessments of the fair value of the hedging instrument are entered on the income statement. The profit or loss of a hedged item, attributable to the hedged risk, change the book value of that item and are entered in the income statement.

• *Cash flow hedge* - If a derived financial instrument is designated to hedge future changes in the cash flows of an asset or liability entered in the financial statements or of a highly likely future transaction which may affect the income statement, the effective portion of the gains or losses on the derived financial instrument is entered in the net equity. Accrued net equity gains or losses are reversed and entered in the income statement in the same period in which the hedged transaction is entered. Gains or losses associated with hedging (or partial hedging) which becomes ineffective are entered in the income statement immediately. If a hedging instrument or hedging relationship is closed and before the hedged transaction is realized, the accrued gains and losses entered up to that time in the net equity are entered in the income statement when the relevant transaction is realized. If the hedged transaction is no longer considered likely, the gains or losses which have not yet been realized and are suspended on the net equity are immediately entered in the income statement.

If hedge accounting cannot be applied, the gains or losses which stem from a fair value assessment of the derived financial instrument are immediately entered in the income statement.

Trade credits

These are entered at their presumed realizable value.

Cash at banks and in hand

This includes the cash funds, the surplus balance of the current accounts, the total of bank deposits and all investments with a high degree of liquid assets and due date within the next three months.

Treasury shares

Treasury stock is entered as a reduction in consolidated net equity.

Provisions for liabilities and charges

The Group enters provisions for liabilities and charges when: it has a legal or implicit obligation towards third parties, it is likely that Group resources will be necessary 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 reference date of the financial statements.

Changes in the estimates are reflected in the income statement of the period in which they occur.

Employee benefits - Severance indemnity reserve

Severance indemnity is calculated according to the provisions in IAS 19.

The severance indemnity reserve is considered a “defined benefit plan” and is determined on the basis of actuarial calculations, using the “projected unit credit method”. The actuarial gains and losses generated by applying this method are entered 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 (“2007 Finance Act”) and subsequent decrees and regulations issued during the first few months of 2007, allow employees to keep their severance indemnity in the firm without being obliged to opt for additional social security or assign the severance indemnity to the treasury fund at the Italian national social security institute (INPS). The actuarial calculation made as from 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 the provisions in paragraph 109 of IAS 19 and are consequently entered in the first six months of 2007.

Amounts of severance indemnity falling due from employees from the moment they exercise the option are considered a “defined contribution plan”.

Recognition of revenue and costs

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

The revenues for sales are entered at the end of the service performed or when property is transferred; financial revenues and revenues from services are entered on an accrual basis.

Contributions

Contributions obtained in accordance with Italian law are recorded when they are definitively assigned to the company and charged to the income statement at the same time as the asset is amortized.

Income taxes

Income taxes include all the taxes calculated on the Group taxable income. Income taxes are entered in the income statement, with the exception of those concerning items directly charged or credited to the net equity, in which cases the tax effect is entered directly in the net equity. Other taxes not related to income, such as taxes on immovable property and on capital, are included among the operating expenses. The taxable income is different from the result shown in the income statement since it excludes positive and negative components which will be taxable in other accounting periods and also excludes items which will never be taxable or allowable. The liability for current taxes is calculated using the rates in force or *de facto* rates at the year ending date.

Deferred taxes are set aside according to the overall liability allocation method. They are calculated on all the temporary differences which 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 which cannot be carried forward, as well as on temporary differences, are recognized to the extent that it is likely that a future taxable income may emerge against which they may be recovered.

Use of estimates

Drawing up the financial statements and relevant notes in pursuance of the IFRS requires the management to make estimates and assumptions which affect the values of assets and liabilities on the financial statements and the information concerning potential assets and liabilities on the date of the financial statements. Final results may be different from these estimates. Estimates are used to enter provision for risks, amortization, depreciation of assets, employee benefits, fair value assessments of assets and liabilities and taxes. Estimates and assumptions are regularly reviewed and the effects of any changes are immediately reflected in the income statement.

Consolidation area

Attached to the notes to the financial statements are lists regarding the companies included in the consolidation area, and equity investments in jointly controlled and associated companies calculated using the equity method.

The following transactions led to changes in the company consolidation area compared to the previous year.

On 4 May 2007, the proportional partial demerger of Coeclerici S.p.A. into Uno Shipping S.r.l., controlled entirely by Cocler S.p.A., sole shareholder of Coeclerici S.p.A., was implemented according to the deed dated 19 April 2007, drawn up by the notary public Ugo Friedmann, upon its entry into the competent business and trade register.

This extraordinary transaction entailed transferring the shipping branch belonging to the former subsidiary

Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda (whose holding was entered at € 19 thousand at 31 December 2006) and its consequent takeover of € 4.8 million in payables to the transferor. The decrease in consolidated "shareholders' equity" was € 7.5 million, net of the € 10.5 million result of the reference period and takeover of the above mentioned payables.

On 25 May 2007 the indirect Swiss subsidiary, Coeclerici Compagnie S.A., signed a purchase agreement for a 60% stake in the share capital of CC Carbon (Pte) Ltd (formerly Rag Trading Asia-Pacific Pte Ltd) with the multinational Rag Beteiligungs-AG (now called Evonik Industries AG).

This takeover will allow the Group to develop and consolidate business in Asia further by continuing its long-term strategy which aims to diversify its reference markets.

Other information

New accounting principles

The IASB issued IFRS 8 - Operating Segments on 30 November 2006, which will be applicable as from 1 January 2009 in the place of IAS 14 - Segment reporting. The new accounting principle requires the company to base segment reporting on the elements the management uses to take its own operating decisions. It therefore requires operating segments to be defined on the basis of the internal reporting, which is regularly reviewed by the management in order to allocate resources to various segments and for performance analysis. At the date of issue of these financial statements, the competent European Union bodies have not concluded the approval process and the Group considers that the effects which may stem from the application of this principle are not significant.

The IASB issued a revised version of IAS 23 - Borrowing costs on 29 March 2007, which will be applicable as from 1 January 2009. The new version of the principle no longer includes the option by which the company can immediately enter borrowing costs incurred for business for which a certain period of time passes to make the business ready for use or for sale in the income statement. At the date of issue of these financial statements, the competent European Union bodies have not concluded the approval process and the Group considers that the effects which may stem from the application of this principle are not significant.

Lastly it should be mentioned that the following interpretations which regulate cases which do not occur in our Group were issued during 2007:

- IFRIC 12 - Service Concession Arrangements (applicable from 1 January 2008).
- IFRIC 13 - Customer Loyalty Programmes (applicable from 1 January 2009).
- IFRIC 14 - The limit on a defined benefit asset. Minimum funding requirements (applicable from 1 January 2008).

The amounts specified in these comments are expressed in thousands of Euro. Figures for the previous year are given between parentheses.

Notes on items in the balance sheet

Intangible assets (Note 1)

€ 712 thousand (€ 678 thousand)

Movements in intangible assets in the year 2007 are summed up in the table below:

	Goodwill	Contract portfolio	Other fixed assets	Total
Balance at December 31, 2006	**0**	**0**	**678**	**678**
Increases	191	3,829	69	4,089
Decreases	0	0	0	0
Depreciation in 2007	0	(3,647)	(408)	(4,055)
Balance at December 31, 2007	**191**	**182**	**339**	**712**

The “Goodwill” item amounted to € 191 thousand on December 31, 2007, entirely representing the capital gains from the purchase of a 60% share in the indirectly owned subsidiary CC Carbon (Pte) Ltd, already commented on in the management report. Analysis at the time of preparation of the 2007 consolidated financial statement did not reveal any need to reduce the value of the original amount of goodwill which emerged at the time of purchase.

The item “Contract portfolio”, registered at € 182 thousand, refers exclusively to CC Carbon (Pte) Ltd’s order portfolio, assigned a value of € 3,829 thousand at the time of purchase on the basis of existing contracts for the purchase and sale of coal and depreciated by € 3,647 thousand on December 31, 2007 on the basis of contracts already closed.

The residual order portfolio at the end of 2007 is depreciated on the basis of its expiration by the end of 2008.

The item “Other fixed assets” represents improvements on leasehold property worth € 321 thousand and capitalised software license costs totalling € 18 thousand.

Improvements to leasehold property are depreciated on the basis of the duration of the corresponding lease agreements; other fixed assets are depreciated over five years.

This item also included coal sales rights worth € 240 thousand as of December 31, 2006, depreciated in the year 2007.

Depreciation of intangible assets during the year amounted to € 4,055 thousand.

Tangible assets (Note 2)

€ 32,147 thousand (€ 27,463 thousand)

Movements in tangible fixed assets in the year 2007 are summed up in the table below:

	Fleet	Buildings	Plant and machinery	Other assets	Assets under constr. & advances	Total
Balance at December 31, 2006	**20,395**	**868**	**324**	**1,276**	**4,600**	**27,463**
Increases	1,197	0	314	805	6,707	9,023
Decreases	(1,280)	0	0	0	0	(1,280)
Depreciation in 2007	(2,481)	(28)	(136)	(364)	0	(3,009)
Reclassification	486	0	0	0	(486)	0
Exchange rate differences	0	0	(3)	0	(47)	(50)
Balance at December 31, 2007	**18,317**	**840**	**499**	**1,717**	**10,774**	**32,147**

The “Fleet” item, worth € 18,317 thousand (€ 20,395 thousand on December 31, 2006), is shown net of contributions for laws 488/1992 and 341/1995 totalling € 1,186 thousand on December 31, 2007 (€ 1,265 thousand on December 31, 2006). These contributions, obtained for construction of the Bulk Irony unit owned by the subsidiary Terminal Offshore Piombino S.p.A., were released to the income statement throughout the barge’s useful lifespan. Depreciation in 2007 is therefore shown net of the share of contributions released to the income statement, totalling € 79 thousand.

In the month of July 2007 the MV Capo Noli was sold for € 4,531 thousand, resulting capital gains of € 3,374 thousand, registered under the item “Gains / (losses) on non-current assets” in the income statement.

The € 486 thousand reclassification refers to a speed boat owned by the indirectly owned Venezuelan subsidiary Bulkguayana S.A., completed in 2007.

The item “Buildings”, registered with a value of € 840 thousand on December 31, 2007, exclusively represents the value of the Group’s building in Rome purchased by Sardaleasing through a financial leasing contract (residual debt € 155 thousand on December 31, 2007). This contract expires in the month of November 2008.

The item “Plant and machinery”, recorded at a value of € 499 thousand on December 31, 2007, prevalently represents € 65 thousand in stands (€ 77 thousand on December 31, 2006) and about € 377 thousand in generic plants (€ 166 thousand on December 31, 2006).

The item “Other assets”, entered at a value of € 1,717 thousand on December 31, 2007, primarily includes furniture and fittings worth € 1,179 thousand, vehicles worth € 236 thousand and electronic office machinery worth € 191 thousand.

The item “Assets under construction”, worth € 10,774 thousand (€ 4,600 thousand on December 31, 2006) includes € 10,041 thousand (€ 3,986 thousand on December 31, 2006) referring to construction of the Floating Transfer Station known as Bulk Prosperity, owned by the indirectly owned subsidiary CGU Logistic Limited. The Bulk Prosperity naval unit will begin operation in the first half of 2008.

Also note that the amount of € 733 thousand (€ 320 thousand on December 31, 2006) refers to construction of two speed boats ordered by the indirectly owned Venezuelan subsidiary Bulkguayana S.A. and that they will become operative in the early months of 2008, alongside the third speed boat, already in operation.

Annual depreciation amounted to € 3,009 thousand.

Investments in jointly controlled enterprises, affiliates and other enterprises (Note 3)

€ 7,727 thousand (€ 2,669 thousand)

This item may be broken down as follows:

	31/12/2007	31/12/2006
Jointly controlled enterprises	1,702	1,819
Other enterprises	6,025	850
Total	**7,727**	**2,669**

Jointly controlled enterprises, assessed by the shareholders' equity method, saw the following movements in 2006 and 2007:

	Viannlog	Kidecrane	Total
Balance on December 31, 2005	**836**	**1,441**	**2,277**
2006 result	1,057	285	1,342
Dividends paid/capital refunded	(1,140)	(660)	(1,800)
Balance on December 31, 2006	**753**	**1,066**	**1,819**
2007 result	826	407	1,233
Dividends paid	(1,000)	(350)	(1,350)
Balance on December 31, 2007	**579**	**1,123**	**1,702**

Indirectly owned subsidiary Viannlog Consultoria Economica Lda, which owns 100% of the share capital of Mediterranean Bulk System N.V., is concerned with port logistics for raw materials, especially coal. Through the subsidiary identified above it works in the port of Koper (Slovenia) and in Bakar-Rjeka (Croatia) unloading panamax ships and storing cargo for loading onto shuttle-vessels destined for Italian ports.

The indirectly owned subsidiary Kidecrane Transportes Maritimos Lda is concerned with execution of coal transhipment contracts for the customer "P.T. Cotrans" in Balikpapan (Indonesia) with two floating cranes.

Both the indirectly owned subsidiaries described above are 50% owned by the Coeclerici Group.

On December 31, 2007 the item "Other enterprises", worth € 6,025 thousand, therefore consisted of investments in United Shippers Limited (€ 4,617 thousand), Value Secondary Investments SICAR (€ 655 thousand), Telemar S.p.A. (€ 434 thousand), Mepeg S.p.A. (€ 259 thousand), Coeclerici Logistics (India) undergoing liquidation (€ 56 thousand), Consar S.r.l. (€ 3 thousand) and other minor enterprises (€ 1 thousand).

In the year 2007 investments in other enterprises increased by € 5,175 thousand, after subtraction of investments sold, primarily after the operations commented on in the management report for the purchase of a 7.5% share in the Indian port logistics company United Shippers Limited for € 4,617 thousand and subscription of 5.42% of the shares in the Luxembourg company Value Secondary Investments SICAR for a price of € 655 thousand, as described in detail in "Note 30 - Commitments and guarantees".

Other non-current assets (Note 4)

€ 5,966 thousand (€ 6,500 thousand)

This item may be broken down as follows:

	31/12/2007	31/12/2006
Tax receivables	696	696
Adance tax receivable	3,055	3,181
Factoring company for credit transferred	2,492	2,470
Security deposits	62	99
Various credits	11	98
Credits for advances on employee severance indemnity	54	50
EPG Rusinkor loan	0	190
Energougol loan	0	177
Other credit write-down fund	(404)	(461)
Total	**5,966**	**6,500**

"Tax receivables", worth € 696 thousand, include IRPEG and ILOR tax credits requested for refund in previous years.

The "Advance tax receivable" is principally due to allocations to risk funds during the year and in previous years which are not immediately tax deductible. Recovery times for the temporary differences that gave rise to the advance tax receivable are estimated at beyond the next year. For more information on this item, the reader is referred to "Note 25 - Taxes".

In 1997 the Group transferred tax refunds receivable to Fiscambi Factoring (now Mediofactoring S.p.A.) without recourse. Interest is payable on the amount paid by Fiscambi Factoring at the quarterly average of the Euribor daily three-month rate up to the date on which the factoring company collects the credits from Internal Revenue.

As the credits were transferred with reference to capital and interest as of December 31, 1996, the financial statements include receivables for interest from Fiscambi Factoring for the amount of the interest on transferred tax receivables, which Fiscambi Factoring must pay back to the Coeclerici Group when collected from Internal Revenue.

The balance in the December 31, 2007 financial statements, € 2,492 thousand, consists of a residual receivable of € 2,137 thousand and € 355 thousand in interest payable, including € 22 thousand in 2007. No amounts were collected during the year.

The balance of this item as of December 31, 2006 also included a € 190 thousand residual credit for a loan to the Russian partner EPG Rusinkor totalling Usd 18 million between June 2002 and October 2003. This loan, which involved a refund at constant monthly instalments, was collected in full and extinguished in 2007.

The loan to the Russian partner Energougol, originally Usd 800 thousand, with a balance of € 177 thousand on December 31, 2006, was written off in full in 2007.

Movements in the "Other credit write-down fund" in 2007 were as follows:

Other credit write-down fund as of December 31, 2006	**461**
Allocations	0
Uses	(57)
Releases	0
Other credit write-down fund as of December 31, 2007	**404**

Inventories (Note 5)

€ 9,616 thousand (€ 11,663 thousand)

Inventories on December 31, 2007 consisted of € 100 thousand in consumables, primarily lubricants and fuels onboard ships owned, and € 9,516 thousand in goods for sale (€ 8,805 thousand in fossil coal and € 711 thousand in anthracite coal inventories).

Trade receivables (Note 6)

€ 59,435 thousand (€ 19,814 thousand)

This item, representing items receivable from customers as a result of regular trading transactions, is shown net of the provision for doubtful debts, equal to € 995 thousand as of December 31, 2007 (€ 835 thousand on December 31, 2006).

The consistent increase in trade receivables over the 2006 figure is primarily attributable to sales in the last month of the year, reflecting the significant increase in the price of coal and the increase in charter prices, noted in the management report.

Trade receivables as of December 31, 2007 are broken up by due date below:

	31/12/2007
Invoices to be issued	1,397
Credits not yet payable	53,866
Overdue < 60 days	3,477
Overdue < 180 days	1,525
Overdue < 365 days	7
Overdue > 1 year	158
Credit write-down fund	(995)
Total trade receivables	**59,435**

Movements in the credit write-down fund in 2007 were as follows:

Credit write-down fund at December 31, 2006	**835**
Provisions	716
Uses	(493)
Releases	(63)
Credit write-down fund at December 31, 2007	**995**

Other receivables and current assets (Note 7)

€ 45,733 thousand (€ 33,749 thousand)

This item may be broken down as follows:

	31/12/2007	31/12/2006
Advances to suppliers	14,786	5,119
Receivables from parent company	9,806	1,435
Tax receivables	2,629	2,320
Deferred tax assets	3,606	759
Accruals and deferrals	1,619	2,688
Financial investments	0	519
Receivables for the fair value of financial instruments	11,754	119
Advance payments to minority shareholders	0	7,787
Other receivables	1,533	13,003
Total	**45,733**	**33,749**

"Advances to suppliers" totalling € 14,786 thousand on December 31, 2007 (€ 5,119 thousand on December 31, 2006), shown net of a € 383 thousand provision for doubtful debts (same amount as the provision for doubtful debts on December 31, 2006), primarily represent advances paid to Russian and Indonesian suppliers for purchases of coal delivered in the early months of 2008.

Receivables from the direct parent company Cocler S.p.A., worth € 9,806 thousand on December 31, 2007, include a € 9,805 thousand loan to the affiliated company Coeclerici Holding S.p.A., later merged by incorporation into Cocler S.p.A. in 2007.

This loan, which bears interest at the market rate, includes € 9,500 thousand in capital and € 305 thousand in interest, with a balance of € 11,770 thousand on December 31, 2006, when it was shown under the item "Other receivables".

A € 1 thousand receivable is entered for administrative services provided to Cocler S.p.A.

"Tax receivables", worth € 2,629 thousand, refer primarily to VAT receivable amounting to € 1,681 thousand, including € 451 thousand pertaining to the activities of the indirect subsidiary Bulkguasare de Venezuela S.A., € 364 in withholding tax pertaining to the business of the indirect subsidiary Bulkguasare de Venezuela S.A., and to IRAP (regional production tax) advances paid in 2007 totalling € 158 thousand.

"Deferred tax assets" primarily represents provisions to the risk fund in the current and past years which are not immediately tax deductible. The time required for recovery of temporary differences which gave rise to the deferred tax asset is estimated to be within the next year. For more information on this item, refer to "Note 25 - Taxes".

The "Accruals and deferrals" item, worth € 1,619 thousand on December 31, 2007, is primarily composed of various accrued income totalling € 148 thousand, deferred charges totalling € 1,471 thousand including € 440 thousand in banking fees, € 125 thousand in insurance premiums, € 188 thousand in rental contracts, € 37 thousand in subscription fees and € 681 thousand in various deferred charges.

The "Financial investments", item, worth € 519 thousand on December 31, 2006, was entirely represented by an investment in 685,333 Pirelli S.p.A. shares in previous years on the Milan Stock Exchange. In 2007 the shares were sold, producing € 44 thousand in gains entered under the item "Gains from sales of shares", as illustrated in Note 19, "Gains / (losses) on non-current assets".

"Receivables representing the fair value of financial instruments", totalling € 11,754 thousand, including € 11,569 thousand representing transactions on the charter market and € 185 thousand representing sales of foreign currency, refer to the transactions described in "Note 28 - Information on financial instruments", to which the reader is referred for more details.

"Advance payments to minority shareholders" amounting to € 7,787 thousand at the end of the previous year refer to non-interest-bearing loans granted by the subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda to Drylog Investment Ltd (which owns a 35% share in this subsidiary). As a result of the separation of the Parent Company commented on in the previous notes and the resulting removal of this subsidiary from the consolidation area, this item is no longer present on December 31, 2007.

"Other receivables", with a balance of € 1,533 thousand on December 31, 2007, refer to € 543 thousand (Usd 800 thousand) in a loan paid at the end of 2007 to a trading partner of the Coeclerici Group, USL Shipping, for treasury reasons. The loan bears interest at the Libor rate plus a spread and was paid back in full in the first few months of 2008.

€ 317 thousand in dividends pertaining to previous years distributed by the associated company Telemar S.p.A. are entered.

This item also includes € 105 thousand representing receivables for contribution relief granted for performing coastal shipping.

Lastly, receivables from suppliers are entered for advances on supplies to be provided during the next year, as well as receivables from social security institutions, employees and insurance firms.

Note that as of December 31, 2006 the item "Other receivables" included a balance of € 11,770 thousand representing a loan to the affiliated company Coeclerici Holding S.p.A., later merged by incorporation into Cocler S.p.A. in 2007, as noted in the item "Receivables from parent company" above.

Cash on hand and equivalents (Note 8)

€ 35,759 thousand (€ 42,333 thousand)

This item may be broken down as follows:

	31/12/2007	31/12/2006
Bank and postal deposits	35,480	42,062
Cash and cash equivalents	279	271
Total	**35,759**	**42,333**

The item "Bank and postal deposits" consists of funds temporarily available in banks generated as a result of treasury management. These funds consist exclusively of ordinary current accounts in Euros and in foreign currencies.

The item "Cash and cash equivalents" represents cash funds on hand in various company offices and the Group's representative offices as of the close of the year.

Cash may be broken down by currency as follows:

	Currency/000	€/000
Euro - €	24,881	24,881
US Dollar - USD	10,983	7,461
Swiss Franc - CHF	1,359	821
Indonesian Rupee - IDR	253,216	18
Bulgarian Lev - BGN	506	259
Indian Rupee - INR	10,225	176
Venezuelan Bolivares - VEB	5,429,128	2,020
Russian Ruble - RUB	3,432	95
Chinese Renminbi - CNY	299	28
Total		**35,759**

Bank and postal deposits as of December 31, 2007 include € 3,477 thousand representing the balance of a current account containing Usd 5 million held with Banca Carige to guarantee security bonds issued by the bank for the subsidiary CGU Logistic Limited with reference to the construction of the naval unit Bulk Prosperity. These surety bonds were revoked on February 29, 2008 when the unit was delivered, releasing the amount deposited to the current account.

Total Equity(Note 9)

€ 73,060 thousand (€ 88,114 thousand)

Movements in the classes making up Group net equity are listed in the table appearing in the financial statements. A part of the reserves qualify for holdover tax relief; no taxes have been set aside as no transactions that might result in taxation are planned.

The company's "Share capital", entirely subscribed and paid-in, totals € 10,000 thousand, consisting of 10,000,000 ordinary shares with a face value of € 1 each following the December 29, 2005 shareholders' resolution to increase it by € 435 thousand free of charge by using part of the "Retained earnings", entered in the business and trade register on January 12, 2006.

The "Legal reserve", entered at a value of € 2,293 thousand, consists of the parent company's legal reserve and has not changed since the previous year.

Coeclerici S.p.A.'s September 25, 2007 ordinary shareholders' meeting resolved to purchase 1,000,000 ordinary treasury shares with a face value of € 1 each from Cocler S.p.A., representing 10% of the company's share capital, for a price of € 6.5 million; this transaction resulted in reduction of consolidated net equity by the same amount, entered under the "Treasury shares reserve".

This partial division of the parent company resulted in removal from the scope of consolidation of the former direct subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda on May 4, 2007, resulting in a € 18,017 thousand decrease in Group net equity (including a € 22,783 thousand reduction in "Retained earnings", a € 4,735 increase in "Merger surplus" and a € 31 thousand increase in the "Translation reserve") and a € 12,243 thousand decrease in minority net equity.

The "Translation reserve" for translation of the financial statements of foreign subsidiaries which prepare financial statements in a currency other than the Euro presents a € 35 thousand increase (including € 31 thousand pertaining to the partial division of the parent company).

The "Reserve for fair value of financial instruments" reveals a € 104 thousand increase pertaining to the change in the fair value of these financial instruments (analysed in greater detail in "Note 28 - Information on financial instruments").

"Retained earnings" amount to € 34,309 thousand after distribution of a dividend of € 10 million to the sole shareholder Cocler S.p.A. and a Group result of € 23,153 thousand in 2007.

Movements in minority interests are illustrated in the table appearing in the financial statements.

On December 31, 2007 minority net equity, worth € 7,156 thousand, included the value of minority interest in capital and reserves representing 10% of Bulkguasare de Venezuela S.A., 49% of CC Steel Shipping and Logistics AD, 20% of Terminal Offshore Piombino S.p.A., 30% of Logconversion Transportes Maritimos Lda, 45% of CGU Logistic Limited and 40% of CC Carbon (Pte) Ltd.

Reconciliation of the net equity and economic result of Coeclerici S.p.A. with those of the Group is shown in "Annex 2 - Comparison between Coeclerici S.p.A. and Group net equity ", to which the reader is referred.

With reference to the information required under IAS 1 par. 124, note that the goals identified by the Group for capital management are creation of value for shareholders, safeguarding the continuity of the company and support for growth of various different companies. The Group therefore attempts to maintain an adequate level of capitalisation, permitting it to obtain satisfactory economic returns for shareholders while guaranteeing economic access to external sources of financing, also through achievement of an adequate rating. This strategy has not changed since the previous year.

The structure of the Group's capital consists of a debt (including overdrafts and borrowings as shown in "Note 10 - Overdrafts and bank borrowings"), cash and cash equivalents (as shown in "Note 8 - Cash and cash equivalents") and net equity, consisting of share capital, reserves and retained earnings.

The Group constantly monitors the structure of capital, and particularly the level of net financial indebtedness, calculated as the ratio between net financial position and net equity. At the end of the current year and the previous year this ratio was as follows:

	31/12/2007	31/12/2006
Overdrafts and bank borrowings	53,290	12,053
Cash and cash equivalents	(35,759)	(42,333)
Net financial position/(Liquidity)	17,531	(31,335)
Total equity	73,060	88,114
Net financial indebtedness	24%	N.A. (*)

(*) As of December 31, 2006 the Group had a liquidity of € 31,335 thousand.

Overdrafts and bank borrowings (Note 10)

€ 53,290 thousand (€ 12,053 thousand)

This item may be broken down as follows:

	31/12/2007			31/12/2006		
	Total	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
Payables to banks without secured guarantees	**5,886**	4,913	973	**757**	757	0
Payables to banks with secured guarantees	**6,050**	4,014	2,036	**8,675**	6,358	2,317
Leasing	**155**	0	155	**255**	155	100
Short term advances	**40,504**	0	40,504	**2,366**	0	2,366
Overdrafts	**695**	0	695	**0**	0	0
Total	**53,290**	**8,927**	**44,363**	**12,053**	**7,270**	**4,783**

"Short term advances", equal to € 40,504 thousand, refer to loans provided by financial institutions primarily to Coeclerici Coal and Fuels S.p.A., CC Carbon (Pte) Ltd and Coeclerici Logistics S.p.A. for financing coal trading and port logistics.

At December 31, 2007 bank overdrafts represented advances in Chf totalling Chf 1,150 thousand.

At December 31, 2006 the Group had the following loans and financing, shown net of commissions and accrued expenses:

	Including Usd/000	Total €/000	Due dates Within 1 year	1 to 5 years
Unsecured guarantees				
Banca Carige	1,000	757	0	757
Secured guarantees				
Banca Carige	6,952	5,279	1,549	3,730
Monte Paschi per l'impresa	0	3,396	768	2,628
Sardaleasing	0	255	100	155
Balance at December 31, 2006	**7,952**	**9,687**	**2,417**	**7,270**

These values may be broken down by currency as follows:

	31/12/2006		
	Total	**Current**	**Non-current**
Euro/000	3,651	868	2,783
Usd/000	6,036	1,549	4,487
Total	**9,687**	**2,417**	**7,270**

In 2007 the balance of loans and financing saw the following movements:

	€/000
Balance at December 31, 2006	**9,687**
New financing	5,964
Repayments	(2,939)
Variations in the cost depreciated	(27)
Exchange rate differences	(594)
Balance at December 31, 2007	**12,091**

Following the movements shown in the table above, at December 31, 2007 the Group had the following loans and financing, shown net of commissions and accrued expenses:

	Including Veb/000	Including Usd/000	Total €/000	Due dates Within 1 year	1 to 5 years
Unsecured guarantees					
Banca Carige (1)	0	7,000	**4,755**	0	4,755
Banco Mercantil	3,579,032	0	**1,131**	973	158
Secured guarantees					
Banca Carige (2)	0	5,015	**3,407**	1,271	2,136
Monte Paschi per l'impresa	0	0	**2,643**	765	1,878
Sardaleasing	0	0	**155**	155	0
Balance at December 31, 2007	**3,579,032**	**12,015**	**12,091**	**3,164**	**8,927**

(1) Syndicated line of credit in favour of Coeclerici S.p.A. by the banking pool led by Banca Carige.
(2) Financing to the subsidiary Logconversion Transportes Maritimos Lda.

These amounts may be broken down by currency as follows:

	31/12/2007 Total	Current	Non-current
Euro	2,798	920	1,878
Usd	8,162	1,271	6,891
Veb	1,131	973	158
Total	**12,091**	**3,164**	**8,927**

Financing with unsecured guarantees, presenting a balance of € 757 thousand at December 31, 2006, refers to use of the € 75 million syndicated line of credit provided by a pool of banks led by Banca Carige. This syndicated line of credit was closed in 2007 with repayment of the balance outstanding as of the end of 2006 in full.

In 2007 the Group negotiated a new syndicated line of credit worth € 150 million with a pool of banks, again led by Banca Carige, and at December 31, 2007 € 4,755 thousand (Usd 7,000 thousand) had been used.

The agreements have the following features: possibility of use in either Euro or Usd, with three day's advance notice before the loan is provided by the agent bank, an interest rate which depends on the currency used (if in Euro, the rate applied will be the Euribor 1, 2 or 3 month rate, depending on the duration of the loan, plus a spread, where if it is in Usd the rate applied will be the Libor 1, 2 or 3 month rate, depending on the duration of the loan, plus a spread). There are also financial covenants based on the ratio between net financial position and net equity and the ratio between Ebitda and net financial charges. The syndicated line of credit falls due in 2014.

As of December 31, 2007 the terms of the financial covenants had been met.

Lastly, in 2007 loans were provided by Banco Mercantil Caracas to the subsidiary Bulkguasare de Venezuela S.A. totalling € 1,131 thousand (Veb 3,579 million) to provide greater elasticity for operations. The long term portion will fall due in the first half of 2009.

The loan with a secured guarantee provided by Banca Carige to the subsidiary Logconversion Transportes Maritimos Lda for the Bulk Pioneer Floating Transfer Station is guaranteed by a mortgage on the operating unit. The initial amount of the loan was Usd 7,600 thousand. The interest rate applied is the Libor 6 month rate plus a spread; repayment will be in six-monthly instalments of about Usd 635 thousand (except for the instalment for the first half of 2008, which will be Usd 1,140 thousand), with final extinction in the first half of 2011. The typical covenants on naval financing apply. As of December 31, 2007 the terms of the covenants had been met.

The loan with a secured guarantee provided by Monte Paschi for the company to its subsidiary Terminal Offshore Piombino S.p.A. for construction of the Bulk Irony unit is guaranteed by a mortgage on the unit itself. In 2006 the loan, originally in the amount of Usd 8,000 thousand, was converted into Euros. The interest rate applied is the Euribor 6 month rate plus a spread; it will be repaid in instalments of about € 380 thousand every six months and finally extinguished in May 2011.

As already noted in "Note 2 - Tangible fixed assets", the Sardaleasing loan refers to a leasing agreement for the office building in Rome.

In December 2007 the Group, through its subsidiary CGU Logistic Limited, signed a new mortgage agreement with Unicredit Banca d'Impresa S.p.A. for financing the new operating unit Bulk Prosperity. This loan, totalling Usd 13,500 thousand, will be provided in the first few months of 2008; the interest rate applied will be the Libor 6 month rate plus a spread; it will be paid back in instalments of about Usd 675 thousand every six months starting in June 2009 and finally extinguished in 2018.

The typical naval financing covenants apply.

Provisions for risks and charges (Note 11)

€ 13,788 thousand (€ 13,918 thousand)

This item includes provisions for potential liabilities that may result from pending legal, fiscal and commercial disputes. Provisions reflect the most accurate estimate possible on the basis of the information available and the considerations expressed by the Group's legal advisors.

In 1999 and early 2000 the Guardia di Finanza (Tax Police) conducted a general audit of the consolidated companies Coeclerici Armatori S.p.A., Coeclerici Coal and Fuels S.p.A. and Coeclerici Logistics S.p.A., now Coeclerici S.p.A. (directly or through their incorporating companies) pertaining to the years 1997 and 1998. As a result of partial audits for the years 1993, 1994, 1995 and 1996, also by the Guardia di Finanza, partial audit notices were received from the Direct Tax Office and the VAT Office for significant amounts. Appeals were promptly filed against these audits and defensive statements were prepared with the aid of the Coeclerici Group's tax advisors. The outcome of the disputes has always been favourable to the company, in that the appeals were accepted at both the first and the second levels. On the basis of the appeals presented, the positive decisions and the opinions of the professionals who advise the company, it is believed that no significant charges will be payable as a result of the pending disputes.

Movements in this item in the year 2007 were as follows:

	31/12/2006		Provisions in the year	Uses	Releases	Variation in scope of consolidation	Exchange rate differences	31/12/2007	
	Current	Non-current						Current	Non-current
Provisions for risks and charges	**1,776**	**12,012**	1,730	(1,050)	(712)	183	(21)	**1,960**	**11,958**

€ 1,730 thousand in provisions in the year are entered under the item "Provisions for risks" in the income statement, as described in "Note 21 - Other revenues and net operating costs".

In 2007 € 1,050 in provisions for risks were used in response to the actual emergence of the liabilities for which they were allocated.

The item “Releases”, worth € 712 thousand, was entered in the income statement under the item “Release from fund”, as stated in “Note 21 - Other revenues and net operating costs”.

Employee severance indemnity (Note 12)

€ 1,136 thousand (€ 1,103 thousand)

Movements in employee severance indemnity were as follows:

	€/000
Balance at December 31, 2006	**1,103**
Provisions during the year	253
Uses	(220)
Balance at December 31, 2007	**1,136**

The principal hypotheses regarding the updating assessment of the employee severance indemnity fund are as follows:

	31/12/2007	31/12/2006
Updating rate	5%	4,5%
Inflation rate	2%	2%
Annual salary increase		
Executives	4%	4%
Middle management/Clerks	4%	4%
Annual increase in employee severance indemnity	3%	3%

The methods used for recalculation to update the employee severance pay fund are stated in the accounting principles; note that in accordance with IAS 19 the method employed is “Unitary credit projection”. Updated profits and losses generated by application of this method are entered in the income statement.

Other non-current liabilities (Note 13)

€ 352 thousand (€ 332 thousand)

This item primarily represents liabilities consisting of deferred taxes amounting to € 348 thousand. The time periods for recovery of the temporary differences that gave rise to these liabilities are estimated to be beyond the next year. For more information on this item, the reader is referred to “Note 25 - Taxes”.

The residual value of € 4 thousand pertains to various payables.

Trade payables (Note 14)

€ 28,880 thousand (€ 17,537 thousand)

The balance represents current payables for supplies linked with the Group's regular operations. The balance is payable in full within the next year on the basis of regular payment conditions granted to the Group.

The increase in payables to suppliers during the year, equal to € 11,343 thousand, is primarily due to increased coal prices.

On December 31, 2006 this item included € 3,683 thousand in payables to suppliers of the pool companies C Transport Cape Size Ltd and C Transport Panamax Ltd on behalf of whom and in whose interests the Group performs invoicing and collection procedures. This activity concluded in 2007.

Other current payables and liabilities (Note 15)

€ 26,459 thousand (€ 11,942 thousand)

This item may be broken down as follows:

	31/12/2007	31/12/2006
Advances from customers	283	630
Tax payables	3,301	2,674
Payables to social security institutions	674	357
Accrued expenses and deferred income	2,125	2,414
Payables to subsidiaries	0	55
Payables to holding companies	2,494	2,340
Deferred tax payables	5,253	2,967
Payables for the fair value of financial instruments	11,274	72
Other payables	1,055	433
Total	**26,459**	**11,942**

The amount of the item "Advances from customers", equal to € 283 thousand, refers essentially to payables to customers for balances and advances received.

"Tax payables" include:

	31/12/2007	31/12/2006
Income tax payables	2,110	1,034
Employee and freelance income tax payables	1,191	1,640
Total	**3,301**	**2,674**

Income tax payables include € 582 thousand in IRAP (regional production tax), after subtraction of advances already paid in 2007, € 27 thousand in VAT payments, substitute tax on surpluses deducted under art. 109, 4th paragraph, letter b) totalling € 103 thousand and provisions for current taxes totalling € 1,398 thousand.

"Payables to social security institutions" amount to € 674 thousand at December 31, 2007 (€ 357 thousand at December 31, 2006), and refer primarily to contributions for the month of December, duly paid in the month of January of the next year.

"Accrued expenses and deferred income", totalling € 2,125 thousand (€ 2,414 thousand at December 31, 2006), includes accrued expenses ascertained in view of deferred pay to employees worth € 1,972 thousand as of the date of these financial statements, including € 68 thousand in deferred pay due to personnel hired abroad and € 153 thousand in various other accrued expenses.

"Payables to subsidiaries" as of December 31, 2006 totalling € 55 thousand were paid off in full in 2007. This item represented exposure to the indirect subsidiary Coeclerici Coal and Fuels International B.V., liquidated in 2007, for its residual payables.

"Payables to holding companies", entered at € 2,494 thousand at December 31, 2007 (€ 2,340 thousand at December 31, 2006) entirely represent IRES (corporate income tax) payables in the year transferred to the indirect holding company Finanziaria Cocler S.A.p.A. under the fiscal consolidation procedure. For more information, readers are referred to "Note 25 - Taxes".

The item "Deferred tax payables" equal to € 5,253 thousand at December 31, 2007 (€ 2,967 thousand at December 31, 2006) is commented on in "Note 25 - Taxes", to which the reader is referred.

"Payables for the fair value of financial instruments", entered at € 11,274 thousand, refer to derivative transactions open at the end of the year, commented on in "Note 28 - Information on financial instruments", to which the reader is referred for more information.

The item "Other payables", entered at € 1,055 thousand (€ 433 thousand at December 31, 2006), includes payables of various kinds falling due within the next year.

Revenues from sales and services (Note 16)

€ 338,784 thousand (€ 228,260 thousand)

This item may be broken down as follows:

	2007	2006
Coal	313,271	202,917
Coal brokerage commission	676	427
Charter and shipping transport	2,590	2,144
Transshipment and other logistics services	22,103	22,601
Other services	144	171
Total	**338,784**	**228,260**

"Revenues from coal sales and marketing", equal to € 313,271 thousand and € 676 thousand respectively, refer to trading.

The increase in coal sales is largely attributable to the increase in the price of coal and an increase in the quantity sold by about 0.9 million tonnes over the previous year, as well as the contribution made by the new company CC Carbon (Pte) Ltd, which began operations in the first half of 2007.

"Revenues from charters and shipping", entered at € 2,590 thousand, are aligned with the figure for 2006, which was € 2,144 thousand.

The item "Revenues from transshipment and other logistics services", with a balance of € 22,103 thousand, is similar in value to the previous year.

The amount of € 144 thousand refers to administrative services provided by Coeclerici S.p.A. for its direct holding company Cocler S.p.A. worth € 8 thousand, and provided by the indirect subsidiary Coeclerici Compagnie S.A. to the companies consolidated using the net equity method totalling € 135 thousand.

Information broken down by business sector is provided in "Note 27 - Information by sector and geographic area".

Operating costs (Note 17)

€ 293,943 thousand (€ 202,929 thousand)

This item may be broken down as follows:

	2007	2006
Coal	281,231	190,987
Charters and shipping transport	1,131	319
Bunkers	434	387
Lubricants/spare parts	1,542	2,246
Technical cost of operating fleet and plants	3,872	3,533
Ports costs and other sailing costs	703	616
Crew costs	5,030	4,841
Total	**293,943**	**202,929**

The increase in the cost of "Coal", worth € 90,244 thousand, is a result of growth of the coal market and the cost of consolidation of the new company CC Carbon (Pte) Ltd, commented on above.

A € 812 thousand increase registered in the item "Cost of charters and shipping transport" is due to the increase in charter costs, which were up considerably over the previous year, primarily due to Trading activity.

The other items were similar in value to the 2006 figures.

"Crew costs" increased by € 189 thousand, for operating personnel in the subsidiaries Terminal Offshore Piombino S.p.A., Capo Noli Transportes Maritimos Lda, Bulkguasare de Venezuela S.A., New Sea Logistics EAD and Logconversion Transportes Maritimos Lda.

Selling and administrative expenses (Note 18)

€ 22,339 thousand (€ 16,108 thousand)

This item may be broken down as follows:

	2007	2006
Leases	1,369	1,222
Administrative personnel	9,538	6,917
Other personnel costs	170	143
Travelling expenses	1,425	1,016
Fees	2,717	1,210
Consultants' fees	3,741	2,821
Advertising	305	314
Utilities - Building administration - Agencies	729	710
Other services	1,147	548
Consumables	232	206
Agency costs	553	580
Other costs	413	421
Total	**22,339**	**16,108**

The € 2,621 thousand increase in the cost of "Administrative personnel" is linked with consolidation of staff costs for the new company in Singapore, CC Carbon (Pte) Ltd.

The item "Consulting services" also increased, by € 920 thousand, as a result of support preparatory to opening new businesses.

The item "Other services", worth € 1,147 thousand, essentially includes software maintenance and repair costs totalling € 148 thousand, payments for project contracts totalling € 149 thousand, membership fees totalling € 107 thousand and various other services totalling € 146 thousand.

The "Fees" item also includes fees payable to the Holding Company's Directors and Auditors, broken down below:

In the year 2006:

	Number	Fee
Directors	8	991
Auditors	3	30
Total	**11**	**1,021**

In the year 2007:

	Number	Fee
Directors	8	991
Auditors	3	32
Total	**11**	**1,023**

Gains / (losses) on non-current assets (Note 19)

€ 3,345 thousand (€ 627 thousand)

Gains earned in 2006 totalling € 627 thousand primarily refer to € 762 thousand in gains from sale of the remaining floors in the Genoa building, after subtraction of a loss of € 185 thousand on sale of assets.

In the month of July 2007 the MV Capo Noli was sold for € 4,531 thousand, representing gains of € 3,374 thousand, commented on in “Note 2 - Tangible fixed assets”.

In 2007 this item included € 44 thousand in gains on a financial investment worth € 519 thousand on December 31, 2006, corresponding to 685,333 Pirelli S.p.A. shares, as stated in “Note 7 - Other receivables and current assets”.

Also in 2007, losses on sales of capital goods totalled € 219 thousand.

Income/losses from companies consolidated by the Net Equity method (Note 20)

€ 1,233 thousand (€ 1,277 thousand)

The balance of € 1,233 thousand includes the Group’s share in companies assessed by the net equity method; specifically, it derives from Viannlog Consultoria Economica Lda’s result of € 826 thousand and Kidecrane Transportes Maritimos Lda’s result of € 407 thousand. For more information on the nature of these companies’ business refer to “Note 3 - Investments in jointly controlled enterprises, affiliates and other enterprises”.

Other revenues and net operating costs (Note 21)

€ 70 thousand (€ (2,269) thousand)

	2007	**2006**
Other operating revenues		
Profit sharing revenues	550	515
Insurance compensation	210	434
Other revenues	2,755	826
Positive variation in fair value of derivative instruments	295	40
Release of provisions and other liabilities	1,420	0
Total other operating revenues	**5,230**	**1,815**
Other operating costs		
Write-down of current assets	1,067	471
Allocation to provision for risks	1,730	3,534
Negative result of derivative instruments	2,363	79
Total other operating costs	**5,160**	**4,084**
Net total	**70**	**(2,269)**

“Profit sharing revenues”, equal to € 550 thousand in 2007, earned by the former indirect subsidiary Coeclerici Carbometal S.r.l. (merged by incorporation in the direct subsidiary Coeclerici Coal and Fuels S.p.A. in 2007), refer to proceeds from joint participation with the Norwegian shipowner J.B. Ugland Dry Bulk A.S. in chartering of the MV IVS Merlot.

"Other revenues ", totalling € 2,755 thousand, include € 1,280 thousand due to partial refund of the crew costs of the indirect subsidiary Bulkguasare de Venezuela S.A., agreed on by the customer on the basis of work on projects, € 648 thousand for technical assistance provided to third parties and the remainder from other accessory operating revenues.

The item "Positive variation in the fair value of derivative instruments" includes € 295 thousand in revenues from the net variation in fair value of contracts open on December 31, 2007, which do not have the features required under International Accounting Standards (IFRS) for inclusion in hedge accounting, described in greater detail in "Note 28 - Information on financial instruments".

The balance of € 1,420 thousand pertaining to the "Release of provisions and other liabilities" includes € 712 thousand for release of provisions as described in "Note 11 - Provisions for risks and charges", € 63 thousand from release of the credit write-down fund and € 645 thousand representing payables entered in previous years and no longer collectible following prescription and/or final court sentences favourable to the Group.

The item "Write-down of current assets", corresponding to € 1,067 thousand, up € 596 thousand over the 2006 figure, includes allocation of € 716 thousand to the provision for write-down of receivables and write-down of a number of Trading receivables totalling € 351 thousand.

The balance of the item "Provisions to the risk fund" totalling € 1,730 thousand (€ 3,534 thousand at December 31, 2006) refers to allocation in the financial statements to cover losses linked with existing contracts and the risks linked with a number of legal and commercial disputes, commented on in "Note 11 - Provision for risks and charges", to which the reader is referred.

The item "Negative result of derivative instruments", worth € 2,363 thousand, pertains to losses resulting from hedging transactions on the charter market (FFA contracts), closed in 2007, by the direct subsidiary Coeclerici Coal and Fuels S.p.A.

Depreciation and amortization (Note 22)

€ 7,064 thousand (€ 3,348 thousand)

This item may be broken down as follows:

	2007	2006
Depreciation of tangible fixed assets	3,009	2,983
Amortization of intangible fixed assets	4,055	365
Total	**7,064**	**3,348**

Readers are referred to "Note 1 - Intangible fixed assets" and "Note 2 - Tangible fixed assets" for more details on amortization and depreciation.

Financial income and charges, net (Note 23)

€ (335) thousand (€ (428) thousand)

This item includes the following financial income:

	2007	2006
Interest receivable	1,750	1,572
Dividends from investments in "other companies"	356	14
Total	**2,106**	**1,586**

The item "Interest receivable", entered at € 1,750 thousand, includes interest receivable from credit institutions in current accounts and term deposits worth € 1,165 thousand (€ 1,133 thousand at December 31, 2006) and interest receivable from holding companies totalling € 585 thousand (€ 439 thousand at December 31, 2006) entirely representing interest on a € 9,500 thousand loan to the affiliated company Coeclerici Holding S.p.A., subsequently merged by incorporation into Cocler S.p.A. in 2007, commented on in "Note 7 - Other receivables and current assets", to which the reader is referred for more information.

"Dividends on investments in other companies", with a balance of € 356 thousand, represent dividends set aside in previous years distributed by the associated company Telemar S.p.A., in which the Group holds shares, totalling € 317 thousand, € 24 thousand in income from liquidation of the associated company Ferchim S.r.l. and € 15 thousand in dividends distributed by United Shippers Limited.

Financial charges may be broken down as follows:

	2007	2006
Banking fees	786	705
Interest payable	1,655	1,309
Total	**2,441**	**2,014**

"Interest payable" totalling € 1,655 thousand (€ 1,309 thousand at December 31, 2006) refers to € 926 thousand in interest payable to banks, € 672 thousand in interest payable on loans and other charges totalling € 51 thousand as well as interest payable to other companies totalling € 6 thousand.

Profits and losses on exchanges (Note 24)

€ 430 thousand (€ 3,468 thousand)

This item includes not only exchange rate differences due to year end alignment of payables and receivables in foreign currency in existence as of the close of the year, but exchange rate differences during the year. Details of exchange rate differences realized and not realized as of December 31, 2006 and 2007 are supplied in the table below (amounts in thousands of Euros):

	31/12/2007			31/12/2006		
	Total	**Realized**	**Not Realized**	**Total**	**Realized**	**Not Realized**
Profits on exchange	**12,794**	10,855	1,939	**13,087**	10,069	3,018
Losses on exchange	**(12,364)**	(9,595)	(2,769)	**(9,619)**	(7,540)	(2,079)
Total	**430**	**1,260**	**(830)**	**3,468**	**2,529**	**939**

Taxes (Note 25)

€ 5,162 thousand (€ 2,310 thousand)

The tax burden for the year ending on December 31, 2007 is € 5,162 thousand. It has been calculated in accordance with current tax legislation, taking into account exemptions, components subject to deferred taxation and the effects of the indirect holding company Finanziaria Cocler S.A.p.A. joining the Group consolidation for tax purposes.

The tax figure consists of:

	2007
Current taxes	(5,592)
Deferred taxes	(2,390)
Advance taxes	2,820
Total taxes	**(5,162)**

The tax fund includes deferred taxes resulting from allocation for elimination of merely fiscal items from the consolidated financial statements and other income components, both positive and negative, subject to taxation with deferred deductibility.

Company*	31/12/2006		Allocations	Uses	Adaptation of rate	Other	31/12/2007	
Deferred tax fund								
	Current	Non-current					Current	Non-current
Coeclerici S.p.A.	**1,314**	**277**	78	(678)	(161)	0	**651**	**179**
Coeclerici Coal and Fuels S.p.A.	**1,436**	**0**	3,489	(1,360)	(210)	0	**3,355**	**0**
Coeclerici Compagnie S.A.	**0**	**0**	1,208	0	(5)	0	**1,203**	**0**
Coeclerici Logistics S.p.A.	**39**	**0**	18	0	(3)	0	**54**	**0**
Terminal Offshore Piombino S.p.A.	**0**	**55**	27	(63)	(1)	0	**(10)**	**28**
Bulkguasare de Venezuela S.A.	**178**	**0**	152	(90)	0	(99)	**0**	**141**
Total	**2,967**	**332**	**4,972**	**(2,191)**	**(380)**	**(99)**	**5,253**	**348**

(*) The amounts shown in the table represent deferred taxes present in civil financial statements of Group companies and for the effects of consolidation entries.

Allocation to the deferred tax fund, equal to € 4,972 thousand, is registered in the income statement for a figure of € 4,922 thousand for allocation, in the "Reserve for the fair value of financial instruments" ("Note 9 - Total Net equity") at € 50 thousand following cash flow hedge operations in view of Euro/Usd exchange rate risk ("Note 28 - Information on financial instruments").

Use of the deferred tax fund, equal to € 2,191 thousand, was registered in the income statement as € 2,152 thousand, in the "Reserve for fair value of financial instruments" ("Note 9 - Total Net equity") amounting to € 39 thousand following cash flow hedge operations to cover Euro/Usd exchange rate risk ("Note 28 - Information on financial instruments").

The deferred tax fund as of December 31, 2007 includes € 3,437 thousand (set aside during the year) representing the fiscal effect of € 11,754 thousand in receivables appearing in the financial statement with reference to the fair value of derivative contracts open at the end of the year, described in more detail in "Note 28 - Information on financial instruments".

The advance tax receivable is primarily due to allocations to the provision for risks during the year and in past years, which is not immediately tax deductible. Advance tax credit as of December 31, 2007 includes € 3,286 thousand (entered as an increase in the year) pertaining to € 11,274 thousand in receivables entered in the financial statements with reference to the fair value of derivatives contracts open at the end of the year, described in greater detail in "Note 28 - Information on financial instruments".

Movements in the item during the year are listed below:

Company*	31/12/2006		Increases	Releases	Adaptation of rate	Other	31/12/2007	
Advance tax receivable								
	Current	**Non-current**					**Current**	**Non-current**
Coeclerici S.p.A.	**13**	**2,296**	206	(171)	(318)	0	**0**	**2,026**
Coeclerici Coal and Fuels S.p.A.	**477**	**830**	2,340	(401)	(134)	(76)	**2,238**	**798**
Coeclerici Compagnie S.A.	**0**	**0**	1,221	0	0	0	**1,221**	**0**
Coeclerici Logistics S.p.A.	**260**	**55**	257	(264)	(8)	0	**144**	**156**
Shipping Services S.r.l.	**9**	**0**	0	(5)	0	(1)	**3**	**0**
Bulkguasare de Venezuela S.A.	**0**	**0**	72	0	0	4	**0**	**75**
Total	**759**	**3,181**	**4,096**	**(841)**	**(460)**	**(74)**	**3,606**	**3,055**

(*) The amounts appearing in the table refer to deferred taxes present in Group companies' civil financial statements and to the effects of consolidation entries.

Release of the receivable for advance taxes, equal to € 841 thousand, was registered in the income statement at € 816 thousand, in the "Reserve for fair value of financial instruments" ("Note 9 - Total Net equity") for the amount of € 25 thousand following cash flow hedge operations for Euro/Usd exchange rate risk ("Note 28 - Information on financial instruments").

The payables and receivables of Group companies that participate in the fiscal consolidation procedure as of December 31, 2007 are listed below:

Company	**Receivables**	**Payables**	**Total**
Coeclerici Logistics S.p.A.	1,118	0	1,118
Coeclerici S.p.A.	614	0	614
Sud Est S.r.l.	44	0	44
Coeclerici Coal and Fuels S.p.A.	0	(4,227)	(4,227)
Terminal Offshore Piombino S.p.A.	0	(23)	(23)
Shipping Services S.r.l.	0	(20)	(20)
Total receivables / payables to Finanziaria Cocler S.A.p.A.	**1,776**	**(4,270)**	**(2,494)**

Result from discontinued operations (Note 26)

€ 16,156 thousand (€ 18,704 thousand)

As we have already seen, on May 4, 2007 the partial separation of the Shipping branch of the holding company was completed with allocation to the beneficiary of the 65% share in the subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda.

The effects of this operation are shown in the table of movements in consolidated net equity and the financial report and illustrated in the notes commenting on them.

The result of Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda amounts to € 16,156 thousand for the first four months of 2007 and € 18,704 thousand for the year 2006, and the Group's share of these figures is € 10,501 thousand and € 12,158 thousand, respectively.

Information by business sector and geographic area (Note 27)

As we have already mentioned, the Group's sectors of business are coal trading and port logistics.

Information on the year ending on December 31, 2007 is shown broken down by sector in the table below:

	Trading	Logistics	Holding/ Adjustment	Total
Income statement				
Revenues from sales and services	315,400	23,451	(67)	**338,784**
Operating result	14,969	7,891	(2,774)	**20,086**
Financial income and charges, net	(948)	(636)	1,249	**(335)**
Net result of assets in operation	7,777	8,260	(1,018)	**15,019**
Balance sheet				
Total assets	112,998	51,628	32,469	**197,095**
Total net equity	19,339	32,886	20,835	**73,060**
Total liabilities	93,659	18,742	11,634	**124,035**

The Group operates internationally in both trading and port logistics. Information is provided broken down by geographic area below, with reference to revenues from sales and services and assets.

	Trading	Logistics	Holding/ Adjustments	Total
Revenues from sales and services				
Americas	15,926	6,612	0	22,538
European Union	233,153	10,957	(67)	244,043
Middle East and Africa	9,440	0	0	9,440
Asia and Australia	56,881	5,882	0	62,763
Total revenues from sales and services	**315,400**	**23,451**	**(67)**	**338,784**
Assets				
Americas	4,433	7,086	0	11,519
European Union	87,040	24,425	32,469	143,934
Middle East and Africa	3,780	0	0	3,780
Asia and Australia	17,745	20,117	0	37,862
Total assets	**112,998**	**51,628**	**32,469**	**197,095**

Information on financial instruments (Note 28)

Balance sheet and income statement

Information on financial assets and liabilities is provided in the notes above, and specifically:

- "Note 2 - Tangible assets" specifies the value of the frozen assets on which the company has mortgages with banks guaranteeing loans to the Group, as described in "Note 10 - Overdrawing and bank borrowings";
- "Note 8 - Cash and cash equivalents" provides information on liquid funds and their characteristics;
- "Note 10 - Overdrafts and bank borrowings" lists the characteristics of bank borrowings, specifying the due dates and interest rates applied;
- "Note 23 - Net financial income and charges" provides information on interest payable and receivable in relation to financial items;
- "Note 6 - Trade receivables" provides information on the due dates and amounts of trade receivables and movements in the credit write-down fund.

Information on the derivative instruments used by the Group is provided below.

Derivative instruments pertaining to currency transactions

The Group has cash flow hedge transactions to cover Euro/Usd exchange rate risk. At the end of 2007 forward sales of Usd 12,150 thousand (Usd 18,183 thousand at the end of 2006) were in effect, corresponding to a notional value of € 8,442 thousand (€ 13,828 thousand at the end of 2006). At December 31, 2006 forward purchases equalled Usd 1,000 thousand, corresponding to a notional value of € 757 thousand. The features of the transactions in existence as of December 31, 2007 and 2006 are summed up in the tables below:

Transactions in existence at December 31, 2006:

Due date	Quantity (Usd/thousand)	Forward exchange rate in contract for 1 Usd	Notional value (Euro/thousand)	Market value at 31/12/2006 (Euro/thousand)
Sales				
Q1 2007	16,384	0.756	12,390	(39)
Q2 2007	832	0.810	674	45
Q3 2007	517	0.781	404	15
Q2 2008	450	0.801	360	24
Total sales	**18,183**	**0.760**	**13,828**	**45**
Purchases				
Q1 2007	1,000	0.757	757	2
Total purchases	**1,000**	**0.757**	**757**	**2**

Transactions in existence at December 31, 2007:

Due date	Quantity (Usd/thousand)	Forward exchange rate in contract for 1 Usd	Notional value (Euro/thousand)	Market value at 31/12/2007 (Euro/thousand)
Sales				
Q1 2008	4,650	0.685	3,186	28
Q2 2008	2,100	0.717	1,505	80
Q3 2008	2,700	0.694	1,874	39
Q4 2008	2,700	0.695	1,877	38
Total sales	**12,150**	**0.695**	**8,442**	**185**

Future purchases and sales of Usd against Euros settled in the year generated a net result of € 304 thousand in 2007 (€ 1,405 thousand in 2006), entered in the income statement under the item "Profits and losses on exchanges".

Derivative instruments in the charter market

In 2007 the Group conducted future purchases and sales on the charter market using the Forward Freight Agreement (FFA) tool. These transactions, conducted with the aim of reducing the cost of purchasing charters in 2008, did not have the features identified in the International Accounting Standards ("IFRS") for identification as hedge accounting. Variations in the fair value of these contracts are therefore entered in the income statement under the item "Other revenues and net operating costs".

The features of transactions in existence as of December 31 2007 are listed in the table below:

Due date	Quantity Days	Forward price per day Usd	Notional value (Euro/thousand)	Market value at 31/12/2007 (Euro/thousand)
Sales				
Q1 2008	273	56,167	10,416	(2,168)
Q2 2008	273	56,167	10,416	(1,579)
Q3 2008	276	56,167	10,531	31
Q4 2008	276	56,167	10,531	701
Total sales	**1,098**		**41,894**	**(3,015)**
Purchases				
Q1 2008	273	52,583	(9,752)	2,833
Q2 2008	273	52,583	(9,752)	2,243
Q3 2008	276	48,750	(9,140)	1,359
Q4 2008	276	48,750	(9,140)	690
Total purchases	**1,098**		**(37,784)**	**7,125**
Net total				**4,110**

Derivative instruments pertaining to the coal market

In 2007 the Group conducted forward purchases on the coal market. These transactions, conducted with the goal of reducing the cost of purchasing coal in 2008, did not have the features identified in the International Accounting Standards ("IFRS") for identification as hedge accounting. Variations in the fair value of these contracts are therefore entered in the income statement under the item "Other revenues and net operating costs".

On December 31, 2007 there was only one contract in existence, the features of which are summed up in the table below:

Due date	Quantity T	Forward price per Thousand T Usd	Notional value (Euro/thousand)	Market value at 31/12/2007 (Euro/thousand)
Purchases				
Q1 2008	720,000	92.15	(45,070)	2,372
Q2 2008	720,000	92.15	(45,070)	(758)
Q3 2008	720,000	92.15	(45,070)	(2,543)
Q4 2008	720,000	92.15	(45,070)	(2,886)
Total purchases	**2,880,000**		**(180,280)**	**(3,815)**

Summary of the fair value of derivative instruments

The values and variations in fair value of derivative instruments are listed in the table below:

	31/12/2006	Variations in net equity	Variations in income statement	31/12/2007
Receivables for transactions on the currency market	119	66	0	185
Receivables for transactions on the charter market	0	0	11,569	11,569
Receivables for transactions on the coal market	0	0	0	0
Total receivables	**119**	**66**	**11,569**	**11,754**
Payable for transactions on the currency market	(72)	72	0	0
Payable for transactions on the charter market	0	0	(7,459)	(7,459)
Payables for transactions on the coal market	0	0	(3,815)	(3,815)
Total payables	**(72)**	**72**	**(11,274)**	**(11,274)**
Net total	**47**	**138**	**295**	**480**

The fair value of all derivative instruments is determined on the basis of forward quotations of market indicators on the reference date.

The net equity reserve reflecting the fair value of these instruments had a positive balance of € 135 thousand as of December 31, 2007 (positive by € 31 thousand as of December 31, 2006) and is shown net of fiscal effects.

Information on financial risks (Note 29)

The principal financial risks identified, monitored and managed by the Coeclerici Group among its business risks are as follows:
- market risk deriving from exposure to volatility in commodity prices;
- market risk deriving from exposure to fluctuations in the Euro/US dollar exchange rate;
- market risk deriving from exposure to fluctuations in interest rates;
- credit risk deriving from the possibility of a counterpart defaulting;
- liquidity risk deriving from lack of financial resources for meeting commitments.

Commodity risk

The company's results are affected by variations in the prices of the products and services sold by the Trading sector. Volatility of coal and charter prices generally results in volatility in operating results and business margins.

The risks linked with trading are limited by:
- Back to Back transactions;
- taking on commitments to purchase/sell coal and shipping services (charters) at fixed economic values, within a limited time period (generally within 12 months); verification and approval of these operations at the planning stage.

Risk involved in trading is limited through:
- constant monitoring of all trading operations, including ongoing monitoring of business counterparts;
- periodic projection of the business and analysis of the effects of the principal variables (charters, commercial indexes);

Exchange risk

Part of the Group's operating costs and revenues is in US dollar. The Group manages exchange risk with the aid of futures transactions and loans in currency. The Logistics division stipulates clauses in long term contracts safeguarding a portion of revenues from fluctuation in the Euro/Usd exchange rate where accepted by the customer.

The Group's policy is to cover a significant part of the net flows expected in currency in a time range which is not normally more than 12 months with forward currency transactions. Forward currency transactions in existence as of December 31, 2007 are described in “Note 28 - Information on financial instruments”.

The average exchange rate in 2007 was Usd 1.37074 for 1 Euro.

For the purposes of analysis of sensitivity, the effects on the 2007 income statement of a 10% depreciation or appreciation of the US dollar with respect to the Euro would be negative by about € 291 thousand and positive by about € 328 thousand, respectively. The effects on consolidated net equity would be negative by about € 302 thousand and positive by about € 339 thousand, respectively.

Interest rate risk

The Coeclerici Group’s borrowing takes place prevalently at variable rates.

The Group’s policy is to monitor trends in interest rates and long term forecasts in order to ensure that financial charges are always sustainable. On today’s market, it has not been considered necessary to conduct hedge transactions to stabilise rates over time.

The average market interest rates used by the Group in 2007 were: Libor 6 month rate of 4.34% and Euribor 6 month rate of 4.41%.

For the purposes of analysis of sensitivity, the effects on the 2007 income statement and on net equity of a 10% increase or decrease in market interest rates would be more negative by about € 117 thousand or less negative by about € 117 thousand, respectively.

Credit risk

Credit risk represents a company’s exposure to potential losses as a result of counterparts’ failure to meet their obligations.

Trade receivables are managed by the business units in agreement with the Group’s Holding Company on the basis of official risk assessment procedures, including credit collection and management of any disputes that may arise.

The Division’s Credit Committee monitors all pending receivables every month, including periodic prospective analysis of credit limits.

Lastly, the company monitors the credit position of particular customers with a degree of financial risk identified by scores representing the risk level as frequently as every day.

Credit risk is covered by adoption of the following instruments:

- confirmed letters of credit (bank guarantees) in the Trading sector;
- guarantees of proper execution by the customer in the Logistics sector;
- insurance of amounts invoiced by a primary insurance institution (SACE S.p.A.) in both sectors.

The Coeclerici Group has not registered any significant cases of losses on counterpart credit.

There is a high concentration of credit risk in relation to counterparts in FFA derivative contracts. The positive fair value of these contracts on December 31, 2007, as stated in “Note 28 - Information on financial instruments”, amounts to € 11,569 thousand and refers to only four counterparts. The counterparts in these contracts are, however, primary companies in the field of finance and/or shipping.

Liquidity risk

Liquidity risk represents the risk that financial resources might not be available or might be available only at a high cost.

The Coeclerici Group’s access to sources of financing is diversified, thanks in part to resort to the credit system, permitting sufficient availability of financial resources to meet foreseeable short term and medium to long term financial requirements. Moreover, the goal of liquidity risk management is ensuring sufficient elasticity in operations for the Group's development programmes.

Note that in 2007 an agreement was renewed involving granting of a syndicated "standby" line of credit totalling € 150 million, up over the previous amount, € 75 million, with a pool of banks for seven years, which will be sufficient to meet the Coeclerici Group's cash requirements.

Commitments and guarantees (Note 30)

On December 31, 2007 the Group had the following commitments and guarantees:

Commitments to derivative contracts

The Group has the derivative contracts identified in "Note 28 - Information on financial instruments" for future transactions on the currency and charter markets.

Commitments to mortgages and loans

In December 2007 the indirect subsidiary CGU Logistic Limited stipulated a financing agreement with Unicredit Banca d'Impresa S.p.A. totalling Usd 13.5 million. This loan was provided by the bank in the first few months of 2008. The features of this loan are described in "Note 10 - Overdrafts and bank borrowings".

The residual amount of leasing fees payable after December 31, 2007 on the building in Rome totals € 155 thousand, to be paid in full in 2008.

Commitments for new investment

In 2007 the Group took on a commitment to purchase shares in the mutual investment fund referred to as Ambienta totalling € 3 million.

The Ambienta fund, established and managed by the asset management company "Ambienta Società di Gestione del Risparmio S.p.A.", in which the company has purchased a 0.6% share of share capital for a total of € 9 thousand, classified as frozen assets under the item "Investments in other companies", is a private equity fund established in 2007 for investment in the environmental sector.

In 2007 the Group also took on a commitment to subscribe increases in share capital in the Luxembourg company Value Secondary Investments S.I.C.A.R. totalling € 1,750 thousand. Value Secondary Investments S.I.C.A.R. is a fund established in 2007 to invest in the private equity sector; the fund's duration was originally set at 5 years, with possible extension for another year.

As of December 31, 2007 this investment, classified among frozen assets under the item "Investments in other companies", is assessed at cost, totalling € 655 thousand and corresponding to a share of 5.42%.

Guarantees in favour of consolidated subsidiaries

Guarantees provided to consolidated subsidiaries totalled € 4,354 thousand.

The figure of € 4,354 thousand includes a € 210 thousand surety bond issued by Citibank in favour of the Court of Preveza - Greece in the interests of the indirect subsidiary Capo Noli Transportes Maritimos Lda for the MV Capo Noli, sold in July 2007, a bank guarantee in the amount of € 42 thousand issued by Monte dei Paschi di Siena to the Harbour Authority of Genoa (Capitaneria di Porto di Genova) in the interests of the indirect subsidiary Capo Noli Transportes Maritimos Lda, four guarantees in favour of the Indian indirect subsidiary CGU Logistic Limited totalling € 3,222 thousand (corresponding to two guarantees in the amount of Usd 1,482 thousand each, one guarantee worth Usd 1,186 thousand and one guarantee worth Usd 593 thousand) for fulfilment of obligations under the contract for construction of the Bulk Prosperity unit (these guarantees were extinguished in the first quarter of 2008 following delivery of the unit) issued by Banca Carige for the balance of the current account in US dollars, Usd 5 million, as indicated in "Note 8 - Cash and cash equivalents", a € 679 thousand surety bond issued by Banca Carige (equal to Usd 1,000 thousand) in favour of the Indonesian customer Kaltim Prima Coal in the interests of the indirect subsidiary Logconversion Transportes Maritimos Lda for Coeclerici Logistics S.p.A. to guarantee proper execution of the contract, for which a surety bond has been received, a surety bond in favour of Enel Trade S.p.A. issued by Atradius N.V. on behalf of the indirect subsidiary Mediterranean Bulk System N.V. worth € 129 thousand, a € 72 thousand (Inr 4,221 thousand) guarantee issued by Unicredit Banca d'Impresa in the interests of the subsidiary CGU Logistic Limited in favour of the supplier Eurasia International India (Bernhard Schulte Shipmanagement (India) Private Limited since January 1, 2008) and a guarantee with the symbolic value of € 1 issued by the direct subsidiary Coeclerici Coal and Fuels S.p.A. to the Norwegian shipowner J.B. Ugland Dry Bulk A.S. in the context of the profit sharing agreement for the MV IVS Merlot.

Guarantees in favour of third parties

Guarantees provided in favour of third parties total € 603 thousand.

This amount includes a surety bond issued by Citibank in the amount of € 408 thousand (Usd 600 thousand) to Carbones del Guasare - Maracaibo, Venezuela, a customer of the indirect subsidiary Bulkguasare de Venezuela S.A., a surety bond issued by Banca Carige in the amount of € 153 thousand issued in favour of SEB Immobilien Investment GmbH for the building in Via Della Chiusa 2 where the company's offices are located, guarantees issued to the owners of buildings leased totalling € 13 thousand by Banca Popolare di Bergamo, a € 10 thousand surety bond granted in favour of the Harbour Authority of Piombino in the interests of the subsidiary company Terminal Offshore Piombino S.p.A., a € 19 thousand surety bond issued by Atradius - Società Italiana Cauzioni in favour of the Ministry of Production in the interests of the curers consortium on behalf of Coeclerici Coal and Fuels S.p.A.

Lastly, there are guarantees issued to the owners of eleven ships (Red Lily, Red Iris, Bulk India, Bulk China, Red Gardenia, Bulk Singapore, Bulk Hong Kong, Red Jasmine, Red Lotus, Bulk Japan and Red Queen) acquired under long term time charter agreements (with a purchase option which may be exercised 3 years after the delivery of the ships and an original contractual term of 7 to 10 years) from the subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda, a member of the Group until early May 2007.

Following the split mentioned above, in view of exposure to shipowners for obligations under the time charter contracts, the Group received a guarantee in the form of a € 13,586 thousand (Usd 20 million) surety bond receivable from Unicredit Banca d'Impresa on behalf of Uno Shipping S.r.l., as it is no longer the beneficiary of the time charter contracts under consideration.

Guarantees received

This item is worth € 20,299 thousand.

The balance of this item includes a € 13,586 thousand (Usd 20 million) surety bond receivable from Unicredit Banca d'Impresa on behalf of Uno Shipping S.r.l in favour of Coeclerici S.p.A., mentioned above, in the context of the extraordinary division of shipping activities; a guarantee of € 1,715 thousand (Usd 2,525 thousand) issued by ABN AMRO in favour of Coeclerici Logistics S.p.A. on behalf of Great Eastern Shipping Company Ltd, a € 1,715 thousand (Usd 2,525 thousand) guarantee issued by ICICI Bank on behalf of United Shippers Ltd both guaranteeing € 6,499 thousand (Usd 9,567 thousand) receivable by Coeclerici Logistics S.p.A. from the 55% owned subsidiary CGU Logistic Limited, a € 55 thousand (Usd 80 thousand) guarantee issued by Intesa Sanpaolo on behalf of Cummins Italia S.p.A. and a € 25 thousand (Usd 37 thousand) guarantee issued by KBC Bank Deutschland on behalf of Smag GMBH; a guarantee for a credit facility received from the multinational Rag Beteiligungs-AG (now Evonik Industries AG) in favour of the Swiss direct subsidiary Coeclerici Compagnie S.A. in the amount of € 1,998 thousand falling due on March 31, 2008.

There is also a guarantee receivable by the indirect subsidiary Bulkguasare de Venezuela S.A. in the amount of € 34 thousand (Usd 50 thousand) issued by Seguros Catacumbo in the interests of Zulia Towing And Barge CO C.A. primarily for tugboat and personnel transport services, a guarantee received by the indirect subsidiary Bulkguayana S.A. issued by Seguros Caracas de Liberty Mutual C.A. in the amount of € 416 thousand (Usd 614 thousand), three guarantees received by the indirect subsidiary Bulkguayana S.A. issued by Seguros Caracas de Liberty Mutual C.A., including two for € 174 thousand (Usd 256 thousand) each and one for € 139 thousand (Usd 205 thousand) in the interests of Grupo Alza, Anasa y Conaval C.A. Venezuela in relation to construction of the Venezuelan speed boats, a € 268 thousand (Usd 395 thousand) mortgage payable to the indirect subsidiary Bulkguayana S.A. issued by Notaria Publica de Maracaibo in the interests of Zulia Towing And Barge CO C.A. to guarantee proper execution of the bare boat contract for use of the first speed boat.

Finally, a pledge has been entered on shares with reference to a loan granted to the Russian partner Energougol.

Transactions with related parties (Note 31)

Transactions with related parties are, as described in the notes above, with:

- Cocler S.p.A., the reference shareholder for the € 9,500 thousand loan as of December 31, 2007 as stated in "Note 7 - Other receivables and current assets";

- Finanziaria Cocler S.A.p.A., the indirect holding company, in relation to debt items, in the amount of € 2,494 thousand, as the consolidating company in the Group's fiscal consolidation procedure, as described in "Note 15 - Other current payables and receivables".

Payments to Directors are shown in "Note 18 - Overheads and structural costs".

The Chairman of the Board of Directors and Managing Director of Coeclerici S.p.A. is also the Group's majority shareholder.

Other information (Note 32)

Personnel costs

Personnel costs in 2007 totalled € 14,568 thousand (€ 11,758 thousand in 2006), including € 5,030 thousand for seagoing personnel (€ 4,841 thousand in 2006) and € 9,538 thousand for administrative personnel (€ 6,917 thousand in 2006).

The average employee breakdown is as shown below:

	2007	2006
Executives	12	12
Clerks	90	72
Sailors	146	152
TOTAL	**248**	**236**

The increase in personnel is primarily due to acquisition of the Singapore coal trading company (CC Carbon (Pte) Ltd) during the year.

For more information the reader is referred to “Note 18 - Overheads and structural costs”.

Events following the end of the year (Note 33)

In 2007 the holding company Coeclerici S.p.A. took on a commitment to purchase shares in the Ambienta mutual investment fund totalling Euro 3 million.

The Ambienta fund, established and operated by the asset management company mentioned above, is a private equity fund established in 2007 to invest in the environmental sector. In January 2008 90 shares worth € 100 each were purchased for a total of € 9 thousand, corresponding to 0.6% of the share capital in “Ambienta Società di Gestione del Risparmio S.p.A.”.

In the Trading sector, note that March 2008 saw the completion of the Swiss indirect subsidiary CF Service S.A.’s purchase of a Russian mining company which produces and sells coal in the region of Kemerovo.

In the Logistics Division, 2007 saw supervision of the construction of the new Bulk Prosperity ship for the Indian subsidiary CGU Logistic Limited. This activity, which involved purchasing all the equipment and installing it on a hull built in a Chinese shipyard, was completed in the first few months of 2008 and the ship arrived in Indian waters in the first quarter of 2008. It is to be used in port services in Indian territory and in the Persian Gulf.

After the end of the lightening contract in Bulgaria and execution of upgrading work in the shipyard in Varna (Bulgaria), the vessel Bulk Kremi I is now used in time charter contracts for operations in the Black Sea and the Azov Sea.

Annexes

The annexes below contain information supplementing that provided in the management report and the notes, of which they form an integral part:

Annex 1 - List of companies included in the consolidation area;

Annex 2 - Comparison of Coeclerici S.p.A. and Group net equity;

Annex 3 - Transition to International Accounting Standards (IFRS).

Annex n. 1
List of companies consolidated using the line-by-line method

Name	Location	Currency	Share Capital	Share owned
CC Steel Shipping and Logistics AD	Bulgaria	Bgl	50,000	51.00%
New Sea Logistics EAD	Bulgaria	Bgl	50,000	100.00%
Swansea Marine Limited	England	Gbp	1	100.00%
CGU Logistic Limited	India	Inr	225,500,000	55.00%
Coeclerici Logistics (India) Ltd undergoing liquidation	India	Inr	500,700	100.00%
PT. CC Carbon INDO	Indonesia	Usd	250,000	60.00%
Coeclerici Coal and Fuels S.p.A.	Italy	Euro	5,000,000	100.00%
Coeclerici Logistics S.p.A.	Italy	Euro	10,000,000	100.00%
Shipping Services S.r.l.	Italy	Euro	45,000	100.00%
Sud Est S.r.l.	Italy	Euro	100,000	100.00%
Terminal Offshore Piombino S.p.A.	Italy	Euro	4,500,000	80.00%
Bourgas Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Capo Noli Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
CC Coal and Fuel Asia Consultoria Economica Lda	Portugal	Euro	5,000	100.00%
Kyla Charter Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Log Service - Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Logconversion Transportes Maritimos Lda	Portugal	Euro	2,300,000	70,00%
CC Carbon (Pte) Ltd	Singapore	Sgd	500,000	60.00%
CF Service S.A.	Switzerland	Chf	1,000,000	100.00%
Coeclerici Compagnie S.A.	Switzerland	Chf	12,000,000	100.00%
Somocar International N.V.	The Netherlands	Euro	60,602	100.00%
CC Carbon (US) Ltd	U.S.A.	Usd	100	60.00%
Newport Trading & Services LLC	U.S.A.	Usd	10,000	100.00%
Bulkguasare de Venezuela S.A.	Venezuela	Bsv	2,408,000,000	90.00%
Bulkguayana S.A.	Venezuela	Bsv	10,071,025,000	100.00%

List of companies consolidated using the equity method

Name	Location	Currency	Share Capital	Share owned
Viannlog Consultoria Economica Lda	Portugal	Euro	5,000	50.00%
Mediterranean Bulk System N.V. (*)	The Nederlands	Euro	45,378	50.00%
Kidecrane Transportes Maritimos Lda	Portugal	Euro	5,000	50.00%
Adang Bay Transportes Maritimos S.A. (**)	Portugal	Euro	50,000	50.00%

(*) Mediterranean Bulk System N.V. is 100% owned by Viannlog Consultoria Economica Lda.

(**) Adang Bay Transportes Maritimos S.A. is 100% owned by Kidecrane Transportes Maritimos Lda.

Annex n. 2
Reconciliation of Coeclerici S.p.A. and Group Net Equity

(Thousands of Euro)

	Net income Increase/(Decrease)	Net equity
Coeclerici S.p.A. at December 31, 2007	**7,246**	**53,249**
Group's share of consolidated companies' net equity and result for the year	37,306	5,850
Net equity and annual result for investments assessed by the net equity method	(117)	1,701
Effects of application of IAS/IFRS International Accounting Standards to the parent company and consolidated companies	(2,838)	5,104
Elimination of inter-company dividends	(18,444)	0
Coeclerici Group at December 31, 2007	**23,153**	**65,904**

Annex n. 3

TRANSITION TO INTERNATIONAL ACCOUNTING STANDARDS (IFRS)

Following the entry into force of European Regulation no. 1606 in July 2002, starting on January 1, 2006 the company adopted the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This annex reconciles balances of equity as of January 1 and December 31, 2006 and balances of the income statements for the year 2006 with the IFRS, as required by IFRS 1 - First-time adoption of IFRS, with the corresponding explanatory notes.

This information has been prepared in the context of the process of transition to IFRS and preparation of the December 31, 2007 consolidated financial statements on the basis of IFRS as approved by the European Community.

Reconciliation as required by IFRS 1

As required by IFRS 1, this note describes the standards applied to preparation of the January 1, 2006 opening balance sheet on the basis of IFRS, the principal differences from the Italian accounting standards used to report on the situation until December 31, 2006, and the resulting reconciliation of the values published at the time, prepared on the basis of Italian accounting standards, with the corresponding values recalculated on the basis of IFRS.

The 2006 balance sheet and income statement were prepared using the methods identified in IFRS 1 - First-time adoption of IFRS. The IFRS standards already applicable as of January 1, 2006 were used in the form published by December 31, 2006.

First-time application of IFRS

General principle

The company retrospectively applied the accounting standards in effect as of December 31, 2006 to all accounting periods included in the first IFRS financial statements and to the opening balance sheet, with the exception of a number of exemptions adopted by the company in compliance with IFRS 1, described in the paragraph below.

The balance sheet opening the year on January 1, 2007 reflects the following differences in treatment with respect to the December 31, 2006 financial statements, prepared according to Italian accounting standards:

• all assets and liabilities which must be entered under IFRS, including those not required by Italian accounting standards, are measured and assessed on the basis of IFRS;

• all assets and liabilities which must be entered under Italian accounting standards but are not permitted under IFRS have been eliminated;

• a number of items in the financial statements have been reclassified on the basis of IFRS.

The effects of these corrections were acknowledged directly in the net equity opening the year on the date of first application of IFRS (January 1, 2006).

Optional exemptions adopted by the company

Aggregation of companies: the company has chosen not to retrospectively apply IFRS 3 - Business combinations to transactions conducted prior to the date of transition to IFRS.

Coeclerici Group - Effects of transition to IFRS on the Consolidated Balance Sheet at January 1, 2006

(Thousands of Euro)

	Italian accounting standards	Reclassification	Effects of IFRS	IFRS financial statement	
Intangible assets	1,107	(63)	(173)	871	Intangible assets
Tangible assets	28,437	(1,955)	(161)	26,321	Tangible assets
Investments	992	614	670	2,276	Interests in joint ventures
		992	0	992	Interests in other companies
Receivables	2,453	(2,453)	0	0	
		4,858	0	4,858	Other non-current assets
Total non-current assets	**32,989**	**1,993**	**336**	**35,318**	**Total non-current assets**
Total inventories	13,155	(6,741)	1,027	7,441	Inventories
Receivables from customers	29,587	(756)	0	28,831	Trade receivables
Receivables from subsidiaries	84	(84)	0	0	
Receivables from holding companies	12,977	(12,977)	0	0	
Tax receivables	2,410	(2,410)	0	0	
Receivables from others	15,299	21,543	230	37,072	Other receivables and current assets
Cash on hand	39,823	(1,031)	0	38,792	Cash and cash equivalents
Total current assets	**113,335**	**(2,456)**	**1,257**	**112,136**	**Total current assets**
Accruals and deferrals	2,946	(2,946)	0	0	
TOTAL ASSETS	**149,270**	**(3,409)**	**1,593**	**147,454**	**TOTAL ASSETS**
Net equity	**79,154**	**0**	**990**	**80,144**	**Total equity**
- Total Group net equity	70,984	0	1,058	72,042	*Shareholders' equity*
- Minority net equity	8,170	0	(68)	8,102	*Minority interests*
Long-term payables to banks	7,890	(43)	0	7,847	Medium/long term bank borrowings
Provisions for risks and charges	16,003	(2,899)	0	13,104	Provisions for risks and charges
Employee severance indemnity	1,096	0	28	1,124	Employee severance indemnity
		1,955	62	2,017	Other non-current liabilities
Total non-current liabilities	**24,989**	**(987)**	**90**	**24,092**	**Total non-current liabilities**
Payables to banks	18,080	15	0	18,095	Overdrafts and bank borrowings
Advances	4,430	(4,430)	0	0	
Payables to suppliers	13,888	(1,718)	0	12,170	Trade payables
Payables to subsidiaries	19	(19)	0	0	
Payables to holding companies	579	(579)	0	0	
Tax payables	2,455	(2,455)	0	0	
Payables to social security institutions	286	(286)	0	0	
Other payables	1,606	(1,606)	0	0	
		12,440	513	12,953	Other payables and current liabilities
Total current liabilities	**41,343**	**1,362**	**513**	**43,218**	**Total current liabilities**
Accruals and deferrals	3,784	(3,784)	0	0	
TOTAL LIABILITIES	**149,270**	**(3,409)**	**1,593**	**147,454**	**TOTAL EQUITY AND LIABILITIES**

Coeclerici Group - Effects of transition to IFRS on the Consolidated Balance Sheet at December 31, 2006

(Thousands of Euro)

	Italian accounting standards	Reclassification	Effects of IFRS	IFRS financial statement	
Intangible assets	798	(67)	(53)	678	Intangible assets
Tangible assets	28,497	(1,659)	625	27,463	Tangible assets
Investments	857	495	467	1,819	Interests in joint ventures
		850	0	850	Interests in other companies
Receivables	410	(410)	0	0	
		6,500	0	6,500	Other non-current assets
Total non-current assets	**30,562**	**5,709**	**1,039**	**37,310**	**Total non-current assets**
Total inventories	15,433	(5,119)	1,349	11,663	Inventories
Receivables from customers	20,730	(916)	0	19,814	Trade receivables
Receivables from subsidiaries	46	(46)	0	0	
Receivables from holding companies	1,436	(1,436)	0	0	
Tax receivables	2,968	(2,968)	0	0	
Receivables from others	28,339	5,258	152	33,749	Other receivables and current assets
Cash on hand	43,330	(997)	0	42,333	Cash and cash equivalents
Total current assets	**112,282**	**(6,224)**	**1,501**	**107,559**	**Total current assets**
Accruals and deferrals	2,691	(2,691)	0	0	
TOTAL ASSETS	**145,535**	**(3,206)**	**2,540**	**144,869**	**TOTAL ASSETS**
Net equity	**86,280**	**0**	**1,834**	**88,114**	**Total equity**
- Total Group net equity	75,315	0	1,845	77,160	*Shareholders' equity*
- Minority net equity	10,965	0	(11)	10,954	*Minority interests*
Long-term payables to banks	7,325	(55)	0	7,270	Medium/long term bank borrowings
Provisions for risks and charges	16,491	(4,479)	0	12,012	Provisions for risks and charges
Employee severance indemnity	1,066	0	37	1,103	Employee severance indemnity
		277	55	332	Other non-current liabilities
Total non-current liabilities	**24,882**	**(4,257)**	**92**	**20,717**	**Total non-current liabilities**
Payables to banks	4,670	113	0	4,783	Overdrafts and bank borrowings
		1,776	0	1,776	Provisions for risks and charges
Advances	629	(629)	0	0	
Payables to suppliers	19,148	(1,611)	0	17,537	Trade payables
Payables to subsidiaries	55	(55)	0	0	
Payables to holding companies	2,359	(2,359)	0	0	
Tax payables	2,679	(2,679)	0	0	
Payables to social security institutions	362	(362)	0	0	
Other payables	454	(454)	0	0	
		11,328	614	11,942	Other payables and current liabilities
Total current liabilities	**30,356**	**5,068**	**614**	**36,038**	**Total current liabilities**
Accruals and deferrals	4,017	(4,017)	0	0	
TOTAL LIABILITIES	**145,535**	**(3,206)**	**2,540**	**144,869**	**TOTAL EQUITY AND LIABILITIES**

Coeclerici Group - Reconciliation of consolidated Equity

(Thousands of Euro)

	(Notes)	January 1 2006	December 31 2006
Equity on the basis of Italian accounting standards		**79,154**	**86,280**
Adjustment of tangible fixed assets	C1	(161)	625
Adjustment of intangible fixed assets	C2	(173)	(53)
Interests in joint ventures and other companies	C3	670	467
Adjustment of inventories	C4	1,027	1,349
Assessment of derivative contracts at fair value	C5	126	47
Employee benefits	C6	(28)	(37)
Entry of the effect of taxes on IAS / IFRS adjustments	C7	(471)	(564)
Equity on the basis of IAS / IFRS		**80,144**	**88,114**
Attributable to:			
Shareholder's equity		72,042	77,160
Minority interests		8,102	10,954

Coeclerici Group - Effects of transition to IFRS on the Consolidated Income Statement at December 31, 2006

(Thousands of Euro)

	Italian accounting standards	Reclassification	Effects of IFRS	IFRS financial statement	
Revenues from sales and services	293,928	(65,668)	0	228,260	Revenues from sales and services
Other revenues and income	11,027	(11,027)	0	0	
Raw and subsidiary materials, consumables and goods	(113,608)	113,608	0	0	
Services	(147,976)	147,976	0	0	
Leases	(1,231)	1,231	0	0	
Personnel	(10,381)	10,381	0	0	
		(204,204)	1,275	(202,929)	Operating costs
		(16,099)	(9)	(16,108)	Selling and administrative expenses
		627	0	627	Gains / (losses) on non-current assets
Writedowns	(444)	444	0	0	
Allocations	(3,403)	3,403	0	0	
Various operating costs	(2,902)	2,902	0	0	
		1,481	(203)	1,277	Income/losses from companies consolidated by the Net Equity method
		(2,269)	0	(2,269)	Other net revenues and operating costs
Depreciation and amortization	(3,515)	213	(47)	(3,348)	Depreciation and amortization
Difference between value and cost of product	**21,495**	**(17,000)**	**1,016**	**5,511**	**Operating result**
Income other than the above and other items	2,047	(2,047)	0	0	
		1,587	0	1,587	Financial income
		(2,015)	0	(2,015)	Financial charges
Interest and other financial charges	(1,305)	1,305	0	0	
Adjustment of the value of financial assets	(255)	255	0	0	
Extraordinary income and charges	803	(803)	0	0	
Profits and losses on exchanges	3,456	12	0	3,468	Profits and losses on exchanges
Pre-tax result	**26,240**	**(18,706)**	**1,016**	**8,550**	**Pre-tax result**
Taxes	(2,193)	2	(119)	(2,310)	Taxes
Net result after taxation	**24,047**	**(18,704)**	**897**	**6,240**	**Result after taxes from continuing operations**
		18,704	0	18,704	Result from discontinued operations
	24,047	**0**	**897**	**24,944**	**Net result**
Minority share of net income	(8,123)	0	(73)	(8,196)	Minority result
Group share of net income	**15,924**	**0**	**824**	**16,748**	**Net result of the Group**

Coeclerici Group - Reconciliation of Consolidated Annual Income

(Thousands of Euro)

	(Note)	2006
Annual income on the basis of Italian accounting standards		**15,924**
Depreciation of fixed assets	C1 / C2	(47)
Income/losses from companies consolidated by the Net Equity method	C3	(203)
Operating costs	C4	1,275
Employee benefits	C6	(9)
Entry of fiscal effect on IAS/IFRS adjustments	C7	(119)
Minority share of net income	C8	(73)
Annual income on the basis of IAS / IFRS		**16,748**

Notes commenting on the principal IAS / IFRS reclassifications and corrections

Comments are provided below on the principal reclassifications and corrections applied to individual items in the balance sheets as of 01.01.2006 and 31.12.2006 and the 2006 income statement.

A. Reclassification

With adoption of the IFRS, the company has opted to change the structure of its balance sheet and income statement, considered more significant than the EEC structure adopted in financial statements prepared on the basis of Italian accounting standards. Various items in the assets and liabilities and the income statement have therefore been reclassified to adapt them to the new structure and apply the IFRS.

B. Effects of IFRS

The effects of application of the IFRS to the company's financial statements were positive for net equity as of January 1, 2006 by € 990 thousand and positive as of December 31, 2006 by € 1,834 thousand. Below is a description of the adjustments made to individual items in the financial statements.

C1. Tangible fixed assets

Adjustments, negative by € 161 thousand on 01.01.2006 and positive by € 625 thousand on 31.12.2006, regard recalculation of the value of the fleet following application of IAS 16 - Buildings, plants and machinery. The adjustments mentioned above had an effect on the 2006 income statement which was positive by € 786 thousand, before the effect of taxes, including a € 167 thousand negative impact due to greater depreciation and a € 953 thousand positive impact due to reversal of the cost of dry dock work performed in 2006, which had been entered under "Operating costs" in the income statement. The minority share was € 36 thousand.

C2. Intangible fixed assets

Negative adjustments, totalling € 173 thousand as of 01.01.2006 and € 53 thousand as of 31.12.2006, regard accounting for plant and expansion costs in the income statement, which can no longer be capitalised under IAS 38 - Intangible assets.

In the IFRS income statement for 2006, the adjustments to depreciation identified above produced an effect which was positive by € 120 thousand before the effect of taxes. The minority share of this is € 37 thousand.

C3. Interests in joint ventures and other companies

Positive adjustments amounting to € 670 thousand on 01.01.2006 and € 467 thousand on 31.12.2006 represent adaptation of the financial statements of jointly controlled companies for the purpose of recalculating the value of the fleet following application of IAS 31 - Interests in joint ventures. In the IFRS income statement for 2006 these adjustments produced an effect which was negative by € 203 thousand, entered under the item "Income / losses from companies entered in the accounts by the net equity method".

C4. Inventories

Inventories were also recalculated applying IAS 2 - Inventories, using the FIFO criterion.

The adjustments generated an increase worth € 1,027 thousand on 01.01.2006 and € 1,349 thousand on 31.12.2006 with a positive impact on the 2006 IFRS income statement amounting to € 322 thousand prior to the effects of taxation, entered under the item "Operating costs".

C5. Assessment of derivative contracts at fair value

The positive adjustment, amounting to € 126 thousand on 01.01.2006 and € 47 thousand on 31.12.2006, refers to entry in the accounts, prior to the effect of taxation, of the fair value of "cash flow hedge" derivatives contracts.

This required entry of receivables for financial instruments under the item "Other receivables and current assets" amounting to € 193 thousand on 01.01.2006 and € 119 thousand on 31.12.2006, and payables for financial instruments under the item "Other current payables and liabilities" amounting to € 67 thousand on 01.01.2006 and € 72 thousand on 31.12.2006.

The fiscal effect of these adjustments is entered under the item in the net equity, reducing the "Reserve for fair value of financial instruments", by € 42 thousand as of 01.01.2006 and € 16 thousand as of 31.12.2006, a variation of € 26 thousand.

C6. Employee benefits

This item includes employee severance indemnity, which is considered a definite benefit obligation to be entered in the accounts on the basis of IAS 19 - Employee benefits and therefore must be recalculated applying the "unitary credit projection" method.

The effect on the opening balance sheet as of 01.01.2006 is negative by € 28 thousand. The effect on the 2006 IFRS income statement is negative by € 9 thousand, and so the cumulative effect as of December 31, 2006 is negative by € 37 thousand.

C7. Entry of the fiscal effect on IAS / IFRS adjustments

This item refers to the fiscal effect calculated on the adjustments described in the previous points. These entries required registration on 01.01.2006 of receivables worth € 37 thousand under the item "Other receivables and current assets" and of payables totalling € 508 thousand (including € 62 thousand under the item "Other non-current liabilities" following adjustment of the fleet and € 446 thousand under the item "Other payables and current liabilities").

On 31.12.2006 these entries resulted in registration of € 32 thousand in receivables under the item "Other receivables and current assets", € 596 thousand in payables (including € 55 thousand under the item "Other non-current liabilities" following adjustment of the fleet and € 541 thousand in payables under the item "Other payables and current liabilities").

In the 2006 IFRS income statement these fiscal adjustments had a negative impact of € 119 thousand, in addition to a variation of € 26 thousand entered under net equity as stated in the previous point.

C8. Minority result

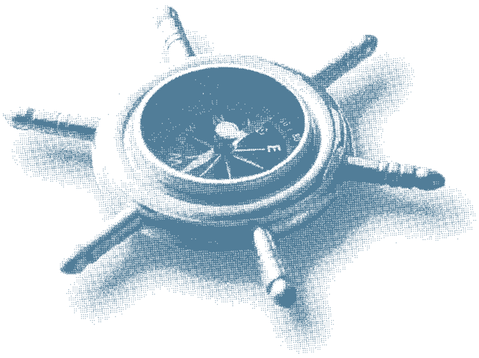
This item refers to the share resulting from the adjustments identified in the previous points belonging to minority shareholders.

These entries referred to:

a) adjustment of the fleet and of plant and expansion costs for the company Terminal Offshore Piombino S.p.A. and Logconversion Transportes Maritimos Lda, in which the Coeclerici Group owns 80% and 70% of share capital, respectively;

b) adjustment of the fleet of the company Bulkguasare de Venezuela S.A., in which the Coeclerici Group owns 90% of the share capital.

Independent Auditors' Report



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AUDITORS' REPORT PURSUANT TO
ART. 2409-TER OF ITALIAN CIVIL CODE

To the Shareholders of
COECLERICI S.p.A.

We have audited the consolidated financial statements of Coeclerici S.p.A. and subsidiaries (the "Coeclerici Group"), which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. These consolidated financial statements represent Coeclerici S.p.A.'s first annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

We conducted our audit in accordance with auditing standards generally accepted in Italy. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of some subsidiaries, which statements reflect total assets representing 16,2% of consolidated total assets and revenues representing 18,4% of consolidated revenues, is the responsibility of other auditors.

The consolidated financial statements present for comparative purposes the corresponding data for the year 2006 prepared in accordance with IFRS. In addition, the Appendix to the consolidated financial statements explains the effects of transition to IFRS as adopted by the European Union and includes the reconciliation statements required by IFRS 1. The information presented in such Appendix have been examined by us for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2007.

In our opinion, the consolidated financial statements present fairly the financial position of the Coeclerici Group as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in accordance with IFRS as adopted by the European Union.

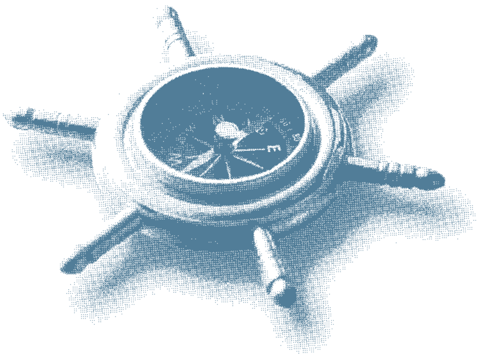
DELOITTE & TOUCHE S.p.A.

Signed by
Fabrizio Fagnola
Partner

Genoa, Italy,
May 12, 2008

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

Board of Statutory Auditors' Report



Report of the Board of Statutory Auditors

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

To the Meeting of Shareholders of Coeclerici S.p.A.

Dear Shareholder,

With regard to the supervisory activity requested ex article 2403 et. seq. of the Civil Code, we would like to point out the following:

-We have taken part in the meetings held by the Board of Directors and the Executive Board. In our opinion, the resolutions passed were in accordance with the Articles of Association and the provisions of the law and always in compliance with the principles of Good Administration. During said meetings we received useful information on the general company management and relative expected trend as well as on the major transactions performed by the company from the point of view of the dimension or nature of the transaction itself.

-We have become acquainted with and checked the efficiency and correct operation of the organizational, administrative and accounting structure of the company with respect to the characteristics and size of the Company.

-We held a meeting with the auditing firm Deloitte & Touche S.p.A. in order to exchange data and information. On the basis of the auditing carried out by said company we could evaluate the reliability of the administrative accounting system to represent the company management.

No significant aspects emerged from the aforesaid supervisory activity so as to be included in the present report.

As regards the financial statement as at and for the year ended 31st December 2007 and the consolidated financial statement of the Group as at and for the year ended 31st December 2007, 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. No particular information need to be highlighted in this respect.

We have also checked compliance of management report with the provisions of the law in force and no special remark need to be made in this respect.

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.

On the other hand, special attention should be paid to the consolidated financial statement presented to you for information purposes.

To that end, the Group decided to voluntarily apply international accounting standards (IAS/IFRS) for the preparation of the consolidated financial statement for the first time. Attached to the notes to the financial statement there is the reconciliation between the results for the year and net assets in accordance with the IAS/IFRS standards for previous periods, included for comparative purposes (see adoption of IFRS with explanatory notes first).

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.

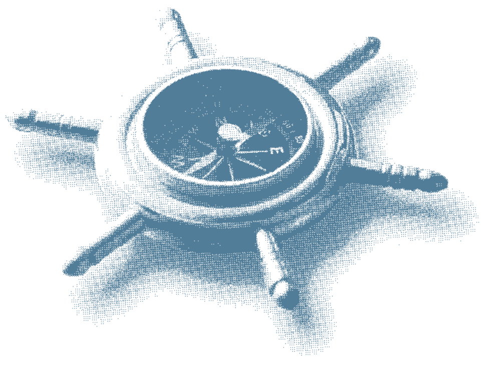
Taking into consideration the results shown in the report drawn up by the auditing company on the financial statement and the consolidated financial statement, we hereby express our favourable opinion in respect of the approval of the balance sheet as at and for the year ended 31st December 2007, as prepared by Directors.

In the city of Milan, this twelfth day of the month of May of the year two thousand and eight.

The Board of Statutory Auditors

Signed by
Mr. Guglielmo Calderari
Mr. Ettore Cavo
Mr. Giorgio Carbone

Coeclerici Offices
at December 31, 2007



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