



**Annual Report
2000**



Coeclerici S.p.A.

Head office:
Via di Francia, 28
16149 Genoa - Italy

Capital stock:
Lire 15,000,000,000
fully paid-up

Chamber of Commerce - Genoa
Companies' Register n. 7556
Genoa Court

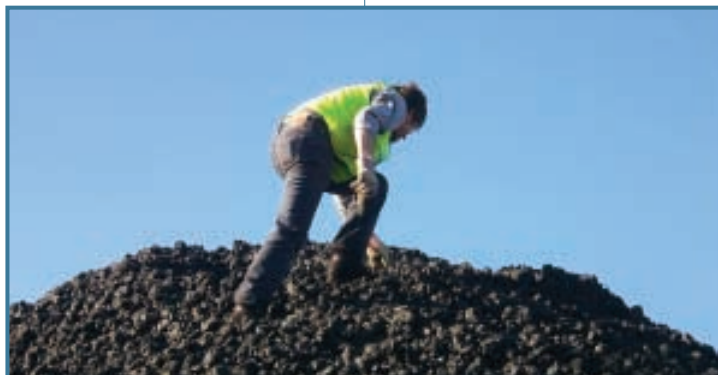
Tax Code n. 12307910153
VAT n. 03762760100

Index

Coeclerici Group Structure	5
----------------------------	---

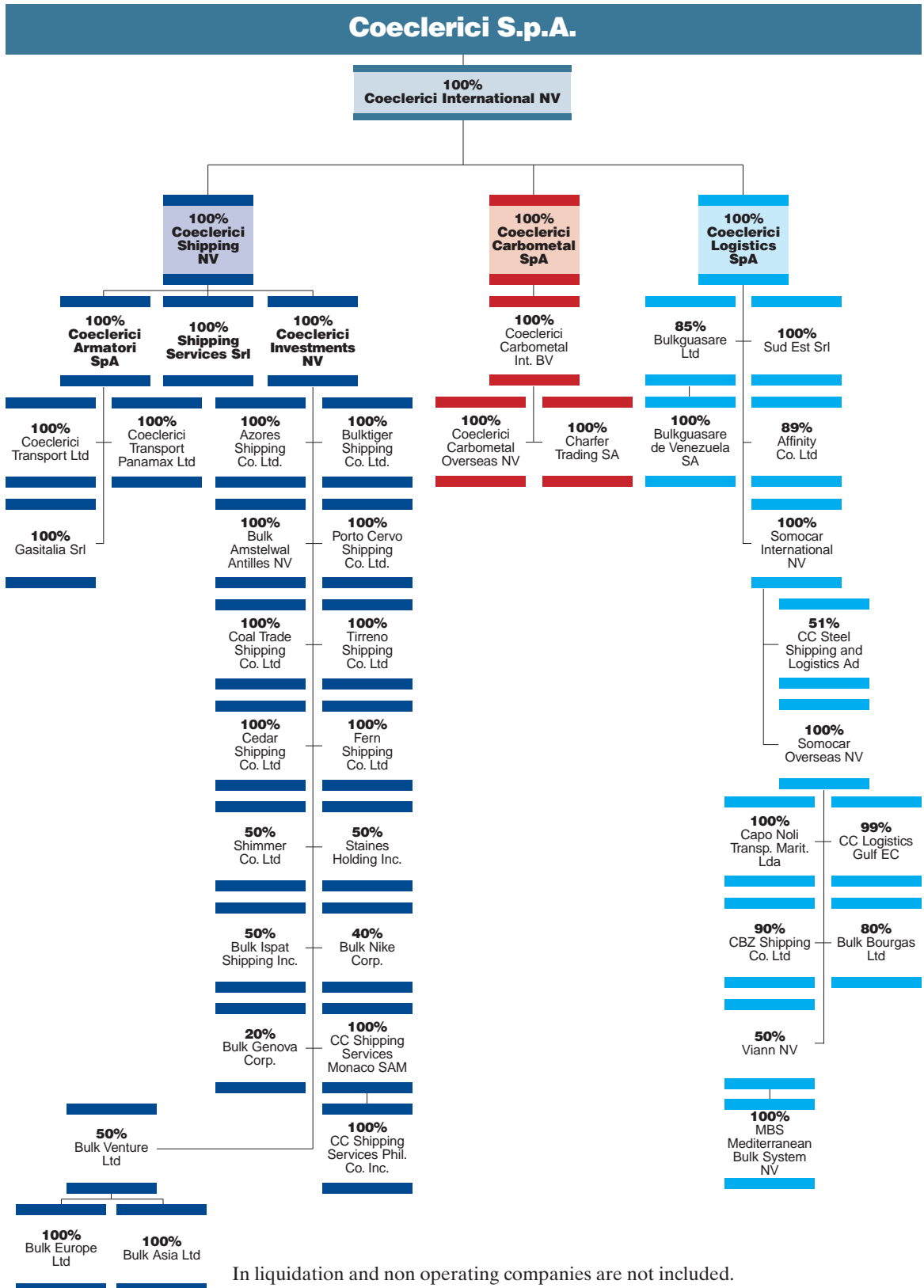
Annual Report 2000

Management report	9
Consolidated financial statements at December 31, 2000	23
Notes to the consolidated financial statements at December 31, 2000	27
Annexes	47
Statutory Auditors' report	51
Independent Auditors' report	53



Group Structure

at April 2, 2001



In liquidation and non operating companies are not included.

Coeclerici S.p.A.

Board of Directors

Members of the Executive Committee	Paolo Clerici	Chairman and C.E.O.
	Urbano Faina	Deputy Chairman
	Corrado Papone	Deputy Chairman
	Antonio Belloni	Director
	Giorgio Cefis	Director
	Giuseppe Valenzano Menada	Director
	Jody Vender	Director

Term of office expires upon the approval of the financial statements at December 31, 2000 by the stockholders

Statutory Audit Committee

Guglielmo Calderari di Palazzolo	Chairman
Ettore Cavo	Standing Member
Alfredo Durante	Standing Member
Giorgio Carbone	Alternate Member
Domenico Borghetti	Alternate Member

Term of office expires on October 9, 2003

Independent Auditors

Arthur Andersen S.p.A.



Management Report

(Translation from the original issued in Italian)

As we present the financial statements of another positive year on the financial front, we feel bound to recall the deep loss we have suffered, namely the passing away of Jack Clerici. He has been the heart, leader and driving force of this company for more than sixty years, a man of extraordinary intuition and endowed with the courage to implement his ideas. Jack has left behind a legacy of concrete values and straightforward manner which constitute the most solid roots of our operations. We shall miss his frankness, his extraordinary vision, and the charisma of his unique experience, but we shall not weep for him: this would do him a grave injustice. It is through action that a man of action should be honored, and Jack was certainly one amongst the very few. For this reason, we believe it is right to state here that we are proud to follow in his footsteps and that we intend to continue along the road indicated by him with the same determination and enthusiasm.

We now move on to commenting on the financial statements for the year. We can confirm that 2000 was a particularly important year for your Group; revenues of the Group exceeded Euros 620 million (more than Lire 1,200 billion), operating cash flow was approximately Euros 44 million (Lire 85 billion) and the net income was more than Euros 5.4 million (Lire 10.5 billion).

All three sectors of the Group, Shipping, Logistics and Carbometal contributed to the positive results. The Shipping sector still occupies the first place in the Group in terms of volumes and invested capital and succeeded in generating a significant result again after the serious crisis affecting the freight market had led to a more or less operational breakeven in 1999. But the brilliant result of the sector, both in the Capesize and Panamax segments, as will be described in greater detail below, cannot be ascribed to the rise of the market by itself. In fact, the Coeclerici Group is now one of the leading operators in the freight market and the results of this activity are not linked to the trend in the freight price alone; only the ability of knowing exactly how to position itself correctly with its commercial fleet portfolio in relation to market trends can allow the Group, in fact, to achieve positive results.

Furthermore, the strategy followed by the Group has also resulted in a considerable amount of activity being transferred to services rendered to third parties. These include the pool activities through which the various participating shipping operators have entrusted the commercial management of their vessels to Coeclerici. The two pools, one for Capesize vessels and one for Panamax vessels, launched at the beginning of 1999, constitute a tool

which allows better commercial flexibility as a result of the greater availability of the fleet under its control, and one which also makes an important contribution to overheads.

The Logistics sector continues to operate on the basis of medium-term contracts which guarantee steady profitability. Apart from optimizing the return of existing contracts, efforts are always geared to searching for new investment opportunities. In 2000, these efforts again produced the hoped-for results and, in fact, during the year, a contract was signed for the lightening of raw materials in Bulgaria and another for lightening operations in India. In greater detail:

- a five-year contract to unload coal and iron ore at the Bulgarian port of Bourgas. This involves an investment of approximately US \$6.5 million and the total revenues generated by the contract are approximately US \$20 million. Operations began successfully in November 2000;
- a ten-year contract to unload coal at the Indian port of Mumbai. It will involve an estimated investment of approximately US \$12 million and total revenues of US \$48 million. Operations are scheduled to start in the first months of 2002 and the investment will be made through a joint venture set up in India between Coeclerici Logistics (50%) and the Indian group Sical – South India Corporation Agencies Ltd., a leading operator in the sector of shipping and logistics.

Finally, we turn to the Carbometal sector, which, for the third consecutive year increased the traded volumes and produced a very positive economic result. Its policy of concentrating on its core product, coal, the consequent lowering of the breakeven point and integration upstream in the supply cycle, which has made it possible to acquire the product directly from

Russian mines since 1998, proved to be winning strategic factors.

It is common knowledge that all the sectors revolve around basic commodities, mainly coal, iron ore and grain. The market of these commodities is strictly linked to the trend in the world economy and industrial production. In 2000, world growth was high (+5%) and this had a positive influence on the Group's operations, particularly in the Shipping sector. Growth was particularly high in the countries of the Far East, with peaks of growth of 9% for South Korea, 8% for China and 6% for India and Taiwan; as for Japan, global economic growth was only 1.3%, although industrial production in Japan grew by +7%.

In greater detail, the steel industry grew by 8% in terms of production and coal trading for steam rose by 8%. In the year just ended, the economy of the United States grew at a fast pace, although, towards the end of the year, it began to slow down; finally, there was also positive growth in the European Union (+3.2%), although at a much slower pace than the Far East and the U.S.A.

These important macro-economic factors benefited the segment of the ocean transport of raw materials destined for industry, in which your Group operates. In fact, in 2000, the freight market experienced a very positive phase, particularly in the segment of Cape-size vessels; in fact, it is common knowledge that the freight market of vessels for the transportation of dry bulk cargo is influenced by the trend of the world economy and especially that of the Far East, which alone constitutes 50% of the demand for the ocean shipping of dry bulk cargo. Although the crisis in the Far East had led to the collapse of the freight market in 1998, the recovery begun in the second half of 1999 and which continued in 2000 led to marked growth.

Once again, the Coeclerici Group has proved that it is ready to seize all the opportunities offered by the market; in fact, as early as the end of 1999, the positioning of fleet portfolio proved to be the most correct with regard to the trend of shipping prices and the Group was thus able to benefit fully from the recovery of the market.

Consolidated results

The following is a detailed commentary on the results of operations and the financial position of the Group for 2000, with comparative figures for the prior year. It should be pointed out that all the amounts are expressed in thousands of Euros, as the financial statements in this report have been prepared for the first time in the new single European currency. The 1999 figures have been converted in Euros at the official rate Euro/Lire (1,936.27).

	2000	1999
Revenues	623,835	357,919
Contribution margin	38,616	15,898
Structure costs	(14,851)	(14,350)
Operating profit	23,765	1,548
Total operating profit	23,543	5,916
Net income - Coeclerici Group	5,402	(3,786)
Ebit	21,969	7,435
Ebitda	44,106	26,012
Number of employees (at year-end)	584	570

All of the above figures attest to the positive performance of the Coeclerici Group in 2000.

As far as revenues are concerned, the total has exceeded the Lire 1,200 billion mark, partly on account of the effect of the “strong US dollar”; in fact, almost all revenues of the Group are denominated in the American currency which, in 2000, recorded an average exchange rate of US \$0.93 = Euro 1 (Lire 2,080.89 = US \$1), whereas in 1999 the average exchange rate was US \$1.065 = Euro 1 (Lire 1,818 = US \$1).

However, the growth of revenues was also produced by the increase in volumes of all three sectors of activity. The Shipping sector transported more than 48 million tons, compared to 34 million tons in 1999; the Carbometal sector traded 7.8 million tons, compared to

7.2 million tons the prior year; finally, the Logistics sector handled and transported 13.7 million tons, compared to 9.7 million tons in 1999. The growth in volumes was accompanied by an important increase in profitability, as confirmed by the contribution margin, which more than doubled compared to 1999. The ever-greater level of production efficiency made it possible to augment volumes and profitability without any increase in structural costs, as borne out by a cost for overheads that are in line with the prior year and, we emphasize, approximately Euros 5 million less than in 1996. These factors have made it possible to record an operating profit of more than Euros 23 million, compared to a breakeven in the prior year and a net income of Euros 5 million.

As far as personnel is concerned, there are no significant variations compared to the prior year. The figure shown (584 units) includes clerical staff (140 persons) and seafaring personnel (444 persons). The notes provide a breakdown of personnel by category.

Following is a detailed comparison of revenues and operating profit by sector (in thousands of Euros) that also provides a more complete analysis of the performance of the Group.

	2000	1999
Revenues		
Shipping	449,568	225,139
Logistics	43,360	35,798
Carbometal	134,136	98,790
Intragroup	(3,229)	(1,808)
Total	623,835	357,919
Operating profit		
Shipping	17,159	645
Logistics	3,008	1,294
Carbometal	3,835	4,240
Intragroup	(459)	(263)
Total	23,543	5,916

The figures confirm the growth in volumes in all the activities of the Group, as well as the increase in the profitability of the Shipping and Logistics sectors, whereas the Carbometal sector narrowly misses equaling the performance of 1999, a year that is unlikely to be repeated in terms of coal trading. The qualitative data which emerges is that the operating result of the Group is increasingly accompanied by stabilizing factors of profitability, such as the result of the Logistics sector deriving from medium-term contracts and the result of the Carbometal sector, again partly the result of long-term agreements, such as the fuel management contract for the Moroccan power plant of Jorf Lasfar and agency contracts. But the operating result of the Shipping sector is also different in terms of quality from previous years; in fact, as mentioned earlier, the success of the two pools for the commercial management of Capesize and Panamax vessels led to an increase in the number of vessels participating and greater commercial flexibility and, in addition, led to an important result in terms of the contribution to overheads through the compensation received by the Group for managing the pools.

The two pools were launched at the beginning of 1999 with 7 Capesize vessels belonging to the Coeclerici Group and 3 vessels belonging to third-party shipping operators and with 9 Panamax vessels belonging to the Coeclerici Group and 3 belonging to third-party shipping operators. At the beginning of 2001, the number of Capesize vessels belonging to the Group increased to 8 and the number belonging to third-parties to 7 (considering the prorata share of investments made in joint venture); in the Panamax segment, there are still 9 vessels belonging to the Group while the number of vessels owned by third parties has risen to 6.

It should be remembered that the 13 vessels belonging to third parties have been contributed

to the pools by as many as 7 leading shipping companies and operators in the sector.

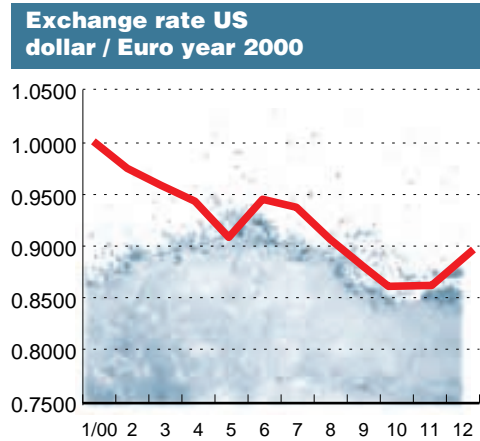
Finally, it should also be remembered that, in the light of the good performance achieved, the pool contracts, originally destined to expire at the end of 2001, have been extended to the end of 2003.

The balance sheet structure of the Group is summarized in the following table (in thousands of Euros):

	12/31/2000	12/31/1999
Net working capital	51,610	30,944
Employees' leaving indemnity	(2,607)	(2,636)
	49,003	28,308
Fixed assets		
- fleet	193,976	185,564
- government grants	(1,993)	(5,725)
- other tangible and intangible fixed assets	11,586	11,199
- investments	3,879	2,936
Invested capital	256,451	222,282
Net financial position	176,615	151,742
Deferred income taxes and other provisions	11,326	12,188
Stockholders' equity – Group and minority interests	68,510	58,352
Sources of financing	256,451	222,282

In analyzing the changes in the balance sheet compared to the prior year, the strength of the US dollar exchange rate against the Euro should also be taken into account. In fact, a part of the Group's operations are conducted abroad through companies which prepare their financial statements in the United States currency; these financial statements, for purposes of inclusion in consolidation, are translated into Euros using the year-end exchange rate for all assets and liabilities, with a consequent increase in the Euro amounts. As

you will recall, at the end of 1999, the US\$/Euro exchange rate was US \$1.0046 = Euro 1, compared to US \$0.93 at the end of 2000.



The increase in net working capital compared to the prior year (+67%) should not only be viewed in relation to a strong US dollar but also to the growth of revenues which, in fact, rose by over 74% compared to 1999.

During 2000 the composition of the fleet did not undergo any major changes. The Group sold the motor vessel Bulkgenova, which was 50%-owned at the end of 1999. Since the Group subscribed to 20% of the capital stock of the new shipping company owning the ship in question, the gain on the sale was reflected in the consolidated financial statements for 30% of the total (Euros 2.7 million). During the year, the carrying value of a vessel was adjusted to the realizable value as established by the Memorandum of Agreement for its sale that was signed at the end of the year; the transaction resulted in a charge to the income statement of Euros 4.4 million.

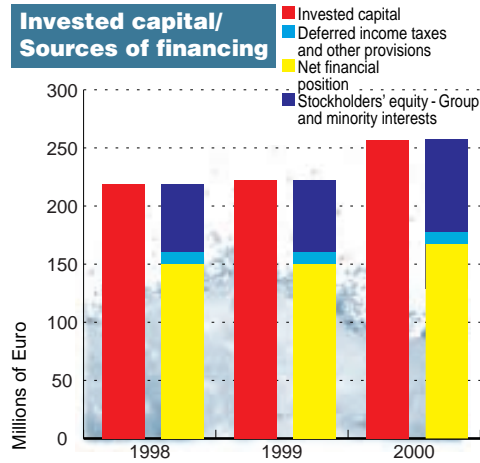
As far as investments are concerned, on the other hand, in November, the Group set up a 50-50 joint venture with a leading German shipping operator through which the motor vessel Cape Asia, renamed Bulkatalanta, was

acquired. The Capesize vessel, built in 1990, has a gross tonnage of approximately 150,000 tons; the Coeclerici Group sustained 50% of the total investment of US \$19.5 million.

Furthermore, again towards the end of the year, the Group bought a 40% stake in the shipping company which owns the motor vessel Nike, a Capesize built in 1995 with a gross tonnage of approximately 152,000 tons, again within the framework of the policy to invest in vessels of the latest generation. The investment of the Group was equal to approximately US \$11.1 million.

The increase in the financial position should essentially be viewed in relation to the US dollar/Euro exchange owing to the fact that during the year new financing was secured for about Euros 15 million, while all the loans were reduced as a result of the payments of the installments due (about Euros 20.4 million in principal). Stockholders' equity increased as well due to the net income for the year and also on account of the increase in cumulative translation adjustments (Euros 5.8 million).

The Debt to Equity ratio at the end of 2000 is 2.6, a figure in line with that of the prior year. In analyzing the financial position, it should be pointed out that a series of loans totaling Euros 17.5 million at the end of 2000 were secured to finance projects by the Logistics sector and will be repayable over the contract period from the financial returns on the projects themselves.



Further comments on the business sectors

Shipping Sector

The sector is engaged mainly in the transport of dry bulk cargoes (coal, iron ore, bauxite, etc.), primarily intended for the electrical energy producing industries and the steel & iron and metallurgy industries. In particular, the Shipping sector operates with bulk carriers having between a 60,000 and 80,000 gross ton capacity (Panamax vessels) and between a 120,000 and 170,000 gross ton capacity (Capesize vessels).

The market

As we have already mentioned, at the end of 1999, the shipping market was already showing signs of recovery mainly due to the rapid economic growth of the United States and the countries of the Far East. But the general improvement of the market during 2000 was characterized by several peaks in the freight market and not by a constant and continuous trend; the Group was able to take advantage of this, making various changes to its commercial portfolio of vessels and cargoes during the

year, so as to fully exploit the oscillations of the market already mentioned.

Demand for sea transport of dry bulk cargo				
(millions of tons)				
	2000	1999	1998	1997
Iron Ore	448	403	413	430
Met Coal	186	176	180	187
Steam Coal	327	303	284	271
Grain	253	242	225	228
Other	619	607	589	596
Total	1,833	1,731	1,691	1,712

The demand for transportation in 2000 increased by 5.9% compared to 1999, with a peak in the third quarter of the year and a slight fall-off towards the end of the year as a result of the slowdown of the world economies.

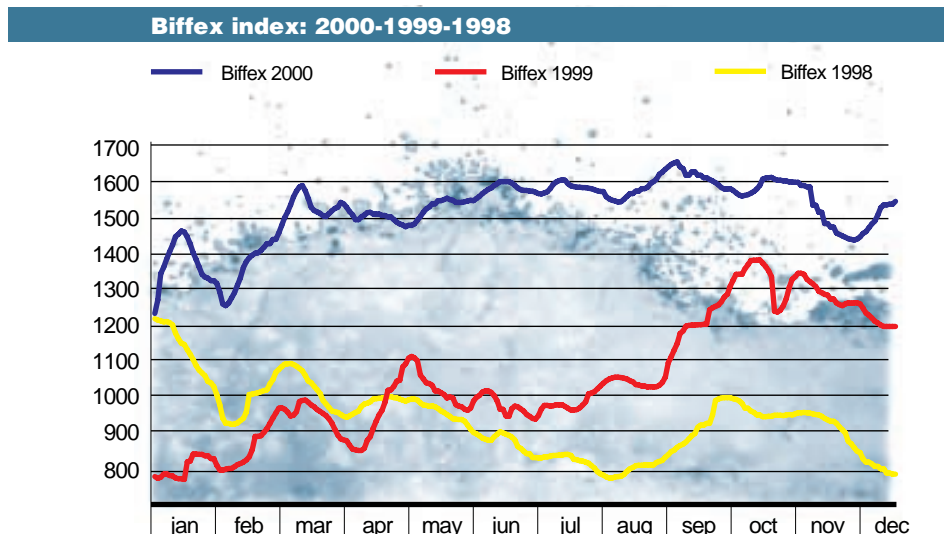
As far as the supply of tonnage is concerned, at the end of 2000, the world fleet of bulkcarriers was 2.6% greater than at the end of 1999, with figures of +6.1% for Panamax vessels and +5.8% for Capesize vessels and only +0.6% for smaller vessels (Handysize). As usual, the growth of the fleet coincided with periods of higher freight levels and thus contributes to a reduction of freight levels in the following

period. In fact, expectations for 2001, from the second half of the year, are that there will be a tendency for the freight level to fall, although there is unlikely to be a serious slump as in the two year-period 1998-1999 caused by the serious crisis affecting the economies of the Far East.

In addition, it is expected that the next cycle of lower freight levels will be short-lived and that the market will already begin to recover in the second half of 2002; in fact, there is expected to be no further increase in the supply of tonnage as a result of the saturation of shipbuilding yards in the medium-term for orders already placed for tankers and container vessels, ships operating in sectors which, as is common knowledge, are experiencing a period of great euphoria.

In this scenario, the Coeclerici Group made early moves to employ most of the fleet it controls at levels that would enable it to positively survive the next negative cycle of the market.

The variations of the market for 2000 are confirmed by the trend of the Biffex (Baltic Index Freight Forward Exchange), which rose from 1200 points at the end of 1999 to 1680 points, the peak reached in September.



The fleet

In 2000, the Shipping sector operated with 11 owned vessels, with 14 owned by third parties participating in the Coeclerici pools and with time-chartered vessels belonging to third parties (35 at the end of 2000). At the end of the year, the fleet was composed of the following vessels:

Vessel		DWT	Size
OWNED VESSELS			
Bulkispat Leher ^(*) built 1992		149,532	Cape
Bulkatalanta ^(*) built 1990		149,000	Cape
Bulkprosperous built 1990		149,000	Cape
Bulktirreno built 1992		145,856	Cape
Bulkignazio built 1990		134,978	Cape
Bulktiger built 1982		134,806	Cape
Amstelwal built 1981		134,800	Cape
Porto Cervo built 1983		81,574	Panamax
Red Cedar built 1998		73,300	Panamax
Red Fern built 1998		73,300	Panamax
Bulkazores built 1977		61,131	Panamax
Total DWT owned vessels		1,287,277	
THIRD-PARTY VESSELS IN THE POOLS			
Nike ^(***) built 1995		151,738	Cape
Amazon built 1981		148,629	Cape
Bulkalliance ^(****) built 1981		145,736	Cape
Giovanni Grimaldi built 1992		135,364	Cape
Amelia built 1989		135,070	Cape
Bulkgenova ^(**) built 1988		135,000	Cape
Brazilia ^(****) built 1977		81,776	Panamax
California ^(****) built 1979		75,720	Panamax
World Ribbon ^(****) built 1998		74,522	Panamax
Red Cherry ^(****) built 1999		73,762	Panamax
World Raven ^(****) built 1996		72,394	Panamax
Captain John built 1982		64,583	Panamax
Captain George built 1982		64,583	Panamax
Panagiotis built 1983		64,166	Panamax
Total DWT third-party vessels in the pools		1,423,043	
TIME-CHARTERED VESSELS			
Night Whisper		172,428	Cape
Christopher		164,891	Cape
Erradale		163,554	Cape

Vessel	DWT	Size
Sea Gloria	157,600	Cape
Gateway Bulker	151,439	Cape
Cape America	149,512	Cape
Wah Shan	149,507	Cape
Courageous	149,190	Cape
Irene Vision	145,177	Cape
Boss	139,809	Cape
Papa	139,779	Cape
Millenium Star	139,650	Cape
Able Director	140,086	Cape
Cpt Costas	128,360	Cape
Marine Courage	127,957	Cape
Golden Sea	89,127	Panamax
Lemnos	86,722	Panamax
Formosa Trident	81,776	Panamax
Kamari	75,686	Panamax
Pearl of Dubai	75,458	Panamax
National Prosperity	75,100	Panamax
Seamaid	74,461	Panamax
Gemstar	74,001	Panamax
Ever Excellent	73,965	Panamax
Atlantic	73,565	Panamax
Catalunia	72,900	Panamax
C Filyos	71,733	Panamax
Babitonga	70,529	Panamax
Jin Pu Hai	69,963	Panamax
Big Wave	69,348	Panamax
Ispat Umang	69,306	Panamax
Big Sky	69,189	Panamax
Ariana	69,041	Panamax
Wadi Al Karnak	64,214	Panamax
Ateni	63,770	Panamax
Total DWT time-chartered vessels	3,688,793	
Total DWT fleet	6,399,113	

^(*) Held 50% by the Coeclerici Group

^(**) Held 20% by the Coeclerici Group

^(***) Held 40% by the Coeclerici Group

^(****) Controlled on a time-charter basis by the Coeclerici Group

^(*****) Controlled on a time-charter basis at 50% by the Coeclerici Group

As we have already mentioned, the Group's fleet did not undergo any significant variation in 2000. The motor vessel Bulkgenova was sold to third parties, with the subscription of 20% of the capital stock of the new company owning the vessel and the Group bought a 50% stake in the motor vessel Bulkatalanta, a Capesize built in 1990 with a DWT of 149,000 tons.

Furthermore, in 2000, the Group finalized the setting-up of a joint venture owned 50% by the Coeclerici Group and 50% by other shipping operators already participating in the pool; this joint venture holds two contracts to build two Capesize vessels with a gross ton capacity of 170,000 tons for a total investment of approximately US \$70 million. The first vessel, named Bulkasia, was delivered at the end of January 2001 and the second, which will be named Bulkeurope, will be delivered during the second quarter; both vessels will be employed in the Coeclerici Capesize pool.

The current market value of the two vessels is much greater than the final purchase cost; the timing of the signing of the ship building contracts proved to be correct in the light of the subsequent trend in the market values of the vessels, which rose following the increase in the prices of new vessels.

Summary of economic and financial highlights

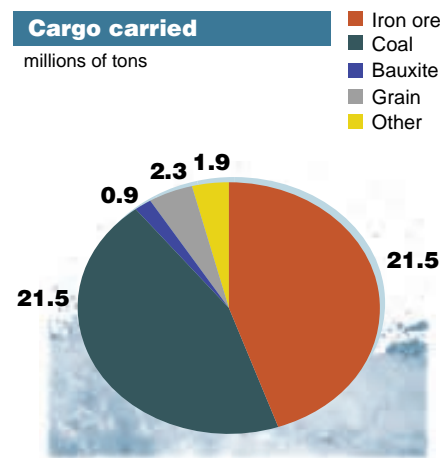
Highlights of the Shipping sector are as follows (thousands of Euros):

	2000	1999
Economic		
Revenues	449,568	225,139
Contribution margin	23,006	3,226
Total operating profit	17,159	635

	2000	1999
Financial		
Invested capital	183,305	153,388
Stockholders' equity – Group and minority interests	48,379	37,018
Net financial position	127,099	107,578
Other information		
Ebit	16,851	1,580
Ebitda	32,377	14,007
Debt/Equity ratio	2.6	2.9
Tons transported (in millions)	48.1	34.2

The results for the sector confirm what has already been stated. In 2000, the volumes of the Shipping sector increased significantly, and hence also the revenues, but, more particularly its profitability. The correct positioning of the commercial fleet portfolio made it possible to exploit fully the growth of the market, both in the Capesize and Panamax segments.

In 2000, the Coeclerici Shipping Group, with 48.1 million tons transported, was the leading Western operator in the segment of dry bulk cargo and ranked among the top operators in the world after the huge Chinese and Japanese companies.



Contributions to the total operating profit were made by the gain on the sale of the motor vessel Bulkgenova (Euros 2.7 million), the writedown of the motor vessel Bulkamstelwal (Euros 4.4 million) to adjust the carrying value to estimated realizable value, as well as the penalty of Euros 2.6 million paid in 2000 by a charter customer which in 1999 had rescinded from the transport contract without cause.

From the financial standpoint, the Shipping sector maintains a good equilibrium, considering the averages in the sector, displaying a debt/equity ratio equal to 2.6, a slight reduction from 1999; the higher financial position can be ascribed to a stronger US dollar against the Euro and not to an increase in debt.

Logistics Sector

The Sector is headed by the operating subholding company Coeclerici Logistics S.p.A. and operates in the market for the port logistics of raw materials. The strategy followed by the Group since 1995 has led the sector to become a leader in a market niche but with enormous potential for further development and growth. In fact, Coeclerici Logistics proposes itself as a problem solver in all areas where insufficient infrastructures impose high costs on operators deriving from inefficiency in the operations of loading and unloading raw materials.

As already mentioned, in 2000 the sector stipulated two more contracts for lightening operations in Bulgaria and India and, at the same time, successfully continued the unloading of raw materials in Bahrain and loading operations in Venezuela under contracts stipulated in 1998.

On the Italian front, the Logistics sector is proceeding with the loading and unloading of coal for Enel based on a five-year contract

also signed in 1998. Because of a different procurement policy adopted by the Italian national electricity company, the client is not guaranteeing the minimum quantities of raw materials for unloading agreed under the terms of the contract (1.5 million tons), although, in 2000, the quantities handled by Coeclerici were higher than in 1999 (1.3 million tons in 2000 compared to 1.1 million tons in the prior year). Finally, however, the contract states that all the quantities not handled during the duration of the contract should be recovered after the contract has expired.

As far as commercial policy is concerned, intensive efforts are still being made to increase operations, not only abroad, particularly in the Far East, but also in Italy, as important contracts currently being negotiated with potential national clients confirm. Still on the domestic front, the sector is also researching initiatives geared to extending its range of services by entering the sector of river transport of raw materials, partly through corporate alliances, in order to provide a broader range of more integrated services.

The fleet

At December 31, 2000, the Logistics sector operated with the following fleet:

	DWT	Year built
Barges		
Bulktrieste	122,417	1975
Bulkwayuù	64,400	1978
Socardue	11,757	1981
Socartre	11,759	1981
Socarquattro	11,757	1981
Socarcinque	5,500	1984
Socarsei	5,500	1984
Socarsette	11,757	1984
Bulk Kremi I	14,364	1973

	DWT	Year built
Vessels		
Bulkgulf	51,659	1982
Capo Noli	23,794	1981

Compared to 1999, the only change regards the barge Socar101 which has been converted for use in lightening operations in Bulgaria, where it operates under the new name of Bulk Kremi I.

Summary of economic and financial highlights

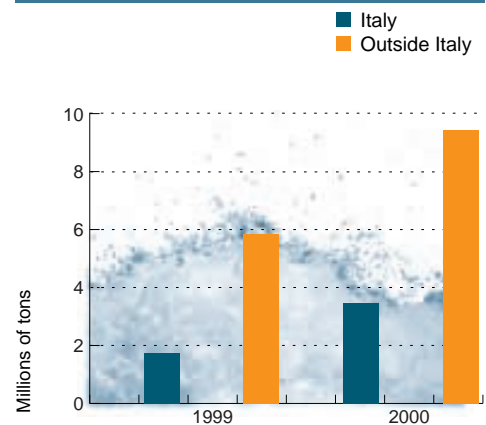
Highlights of the Logistics sector, determined on the basis of the accounting principles adopted in the preparation of these financial statements, are as follows (thousands of Euros):

	2000	1999
Economic		
Revenues	43,360	35,798
Contribution margin	7,162	4,899
Total operating profit	3,008	1,294
Financial		
Invested capital	48,745	55,019
Stockholders' equity – Group and minority interests	30,561	28,531
Net financial position	16,051	23,926
Other information		
Ebit	1,961	1,173
Ebitda	8,467	7,370
Debt/Equity ratio	0.5	0.8
Tons transported and transhipped (in millions)		
- Italy	4.6	3.3
- Outside Italy	9.1	6.4

In 2000, the Logistics sector also shows an improved performance compared to 1999, thanks to the higher volumes handled both in Italy and abroad, and also thanks to ever-

greater efficiency in the execution of contracts. As far as volumes are concerned, in Venezuela the vessel used by the Coeclerici Group, the floating depot Bulkwayuù, handled 6.8 million tons compared to 5.4 million tons in 1999 and 4 million guaranteed minimum tons under the terms of the contract.

Tons transported and transhipped



From the financial standpoint, the sector displays a strong balance between net equity and other sources; this fact demonstrates the sector's potential in terms of the possibility of investing in new contracts without unnecessarily burdening the financial equilibrium. Furthermore, between 1999 and 2000 invested capital decreased, not because of disinvestments but because of high depreciation charges (Euros 6.2 million during the year).

This same figure is reflected in financial terms in the reduction of debt which fell from Euros 23.9 million at the end of 1999 to Euros 15.7 million at the end of 2000.

In short, it can be said that the important investments which the sector must make towards the above-mentioned contracts will rapidly come back in terms of cash flows provided, thus confirming the expected stable and quick returns from an economic and financial standpoint.

Carbometal Sector

The Sector operates through the operating subholding company Coeclerici Carbometal S.p.A. in the international trading activities of coal. Coeclerici Carbometal is also the representative agent for Italy, and in some cases abroad, for certain of the major world producers of coal.

The market

The recovery of the world economy, and industrial production in particular, caused the prices of basic commodities, including coal, to rise continuously in 2000. In this scenario, Coeclerici Carbometal moved with balanced purpose and excellent commercial skills, once more exploiting the commercial opportunities offered by the market in the best possible way.

As far as the trading segment is concerned, the greatest efforts were concentrated on the strategy of making relations with Russian coal suppliers ever-more stable and, at the same time, more diversified. In fact, from 1998, the sector shifted its operations upstream of the cycle of supplying coal by acquiring the product directly from the mines.

The activity in Russia has become increasingly important and, thanks to the commercial relations that have been built up, today the sector can count on the product being more widely available than in the past, and also rely on a higher quality product.

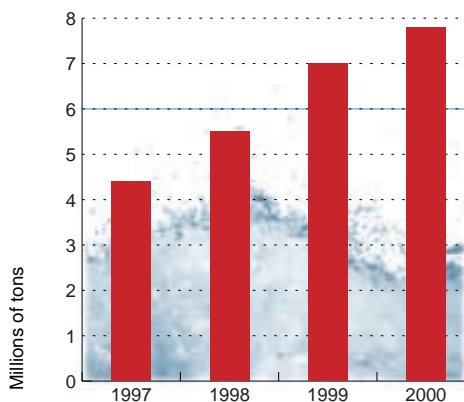
The Carbometal sector also has a contract for the exclusive use of a quay in the port of Murmansk which, in 1999, was the object of dredging work financed by Coeclerici. This work made it possible for Capesize vessels to use the Russian port and certainly constitutes an impor-

tant competitive advantage for Coeclerici Carbometal.

The factors mentioned were again fully exploited by the commercial segment of the sector in 2000, a year that closed with 3.4 million tons traded (2.9 million in 1999) and with revenues of more than Euros 136 million (Euros 98.8 million in 1999).

There was again an important contribution from agency activities, a traditional business of the Coeclerici Group, and from the fuel management contract concluded in 1998 with the Moroccan electrical power station in Jorf Lasfar, due to expire in 2003. These two activities have the advantage of being stable with the passing of time and thus guarantee added value which ensures the economic and financial equilibrium of the sector, and enables it to operate more serenely in the trading segment.

Raw materials traded



Summary of economic and financial highlights

Highlights of the Carbometal sector are as follows (thousands of Euros):

	2000	1999
Economic		
Revenues	134,136	98,790
Contribution margin	8,508	7,530
Total operating profit	3,835	4,240
Financial		
Invested capital	18,026	12,592
Stockholders' equity – Group and minority interests	6,460	8,555
Net financial position	10,108	3,756
Other information		
Ebit	4,007	4,115
Ebitda	4,109	4,194
Debt/Equity ratio	1.6	0.4
Tons traded (in millions)	7.8	7.0

The increase in volumes and revenues obviously led to an increase in working capital, which represents almost the total amount of invested capital in a trading company and, consequently, the financial position increased. Profitability is still high, with an Ebit of more than Euros 4 million, achieved with a net equity of less than Euros 6.5 million.

Research and development

During the year, the Group carried out no R&D activities of any consequence.

Treasury stock or stock of the parent company

The group holding company holds neither treasury stock nor stock in its parent companies, neither has it acquired or sold treasury stock or shares of the parent companies.

Related party transactions

The Group has no significant related party transactions with either the parent companies or related companies.

Future outlook

The prospects for the Coeclerici Group in 2001 are in line with those of 2000 and, in fact, it is possible to predict a further improvement in profitability.

The Shipping market should show signs of a slowdown from the middle of 2001, particularly in the Capesize sector, but this should also affect the Panamax segment. Despite the considerable growth of tonnage in 2000, the Panamax market may still be sustained by the strong demand for the transportation of grain, in the first part of the year, and then decline in the second part of the year. However, the Group will face the next year with a well-positioned portfolio – in terms of fleet and cargoes – or rather with a fleet that is already covered by levels of freight that will ensure a return that is at least in line with that of 2000.

Once again we can expect a positive performance from the Logistics sector, since its operations will still be based on contracts that

have already been concluded. In addition, in 2001, the contract signed in Bulgaria will make a positive contribution, whereas it only operated for approximately 45 days in 2000.

As far as the Carbometal sector is concerned, all the agency contracts have been renewed for the whole of 2001, the fuel management business is proceeding satisfactorily and the trading segment has already concluded purchase and sale contracts for at least the whole first half of 2001 with margins in line with those of the year just ended.

We should again like to emphasize how the evolution of the operations of the Group, and not only for 2001, will be increasingly characterized by stabilizing factors in terms of profitability, such as the activity of managing vessels in pools, the ever more significant influence of logistics contracts and a Carbometal sector capable of steady returns thanks to the agencies, the fuel management contract and, as far as the trading segment is concerned, the increasingly stable relations with its Russian suppliers.

In conclusion, the Group is increasingly presenting itself as an operator able to provide integrated services in the chain of the procurement of raw materials, and not only as a shipping operator working in the cyclical shipping market.

Significant subsequent events

As we have already mentioned, in January 2001 the new Capesize motor vessel Bulkasia (DWT 170,000 tons) entered service. The final cost of the investment was US \$34.5 million, borne by the Group through a 50% joint-venture with other pool partners.

In addition, in January, the barge Socar2 was sold to third parties at a price in line with its carrying value.

Otherwise, there were no significant events subsequent to the end of the year.

**Consolidated
Financial Statements
at December 31, 2000**



Consolidated balance sheet at December 31, 2000

(Translation from the original issued in Italian)

(Thousands of Euros)

Assets	Dec. 31, 2000	Dec. 31, 1999	Changes
A) Capital subscription rights receivable	0	0	0
B) Fixed assets			
I Intangible fixed assets			
Start-up and expansion costs	527	721	(194)
Concessions, patents, licenses, trademarks and similar rights	24	35	(11)
Consolidation difference	167	242	(75)
Other	1,269	1,084	185
Total intangible fixed assets	1,987	2,082	(95)
II Tangible fixed assets			
Land and buildings	6,758	6,131	627
Plant and machinery:			
- fleet	185,306	185,564	(258)
- other plant and machinery	340	744	(404)
Industrial and commercial equipment	35	287	(252)
Other	831	796	35
Assets under construction and advance payments	8,670	0	8,670
Total tangible fixed assets	201,940	193,522	8,418
III Financial fixed assets			
Equity investments in:			
- subsidiaries	222	180	42
- associated companies	3,144	2,494	650
- other companies	513	262	251
Financial receivables:			
- other	(1) 0	(1) 1,635	475
Total financial fixed assets	5,514	4,096	1,418
Total fixed assets	209,441	199,700	9,741
C) Current assets			
I Inventories			
Raw, ancillary and consumable materials	12,495	6,048	6,447
Charters in progress	35,454	17,688	17,766
Finished products and goods for resale	5,496	3,525	1,971
Advances	5,162	3,266	1,896
Total inventories	58,607	30,527	28,080
II Receivables	(2)	(2)	
Trade	0 56,476	0 29,402	27,074
Subsidiaries	0 107	0 0	107
Associated companies	0 140	0 140	0
Other	0 36,733	0 23,009	13,724
Total receivables	93,456	52,551	40,905
IV Cash and banks			
Bank and postal deposits	18,922	23,581	(4,659)
Cash on hand	116	224	(108)
Total cash and banks	19,038	23,805	(4,767)
Total current assets	171,101	106,883	64,218
D) Accrued income and prepaid expenses	13,630	7,208	6,422
Total assets	394,172	313,791	80,381

(1) Due within one year

(2) Due beyond one year

Liabilities and stockholders' equity	Dec. 31, 2000	Dec. 31, 1999	Changes
A) Stockholders' equity			
I Capital stock	7,747	7,747	0
IV Legal reserve	1,856	1,758	98
VII Other reserves:			
- cumulative translation adjustment	10,947	5,167	5,780
VIII Retained earnings	39,184	44,876	(5,692)
IX Net income/(loss) for the year	5,402	(3,786)	9,188
Stockholders' equity - Group	65,136	55,762	9,374
Minority interests	3,374	2,590	784
Total stockholders' equity - Group and minority interests	68,510	58,352	10,158
B) Provisions for liabilities and expenses			
Employees' pension and similar obligations	35	29	6
Income taxes	4,151	3,206	945
Other:			
- dry dock provision	2,774	3,827	(1,053)
- provision for losses of subsidiaries	224	224	0
- other provisions	4,142	4,902	(760)
Total provisions for liabilities and expenses	11,326	12,188	(862)
C) Provision for employees' leaving indemnity	2,607	2,637	(30)
D) Payables			
	(1)	(1)	
Bank borrowings	134,153 194,092	134,525 174,328	19,764
Payables to other financial companies	0 1,558	0 1,219	339
Advance payments	0 47,783	0 17,956	29,827
Trade	0 51,530	0 30,327	21,203
Parent companies	0 101	0 0	101
Taxes	0 2,579	0 1,493	1,086
Social security agencies	0 413	0 405	8
Other payables	0 2,147	0 1,932	215
Total payables	300,203	227,660	72,543
E) Accrued liabilities and deferred income			
Government grants	1,993	5,725	(3,732)
Other	9,533	7,229	2,304
Total accrued liabilities and deferred income	11,526	12,954	(1,428)
Total liabilities and stockholders' equity	394,172	313,791	80,381

(1) Due beyond one year

Memorandum accounts	Dec. 31, 2000	Dec. 31, 1999	Changes
Personal guarantees given			
Guarantees	1,312	1,312	0
Other memorandum accounts			
Receivables sold to factoring companies	11,647	12,203	(556)
Commitments	53,101	19,232	33,869
Total memorandum accounts	66,060	32,747	33,313

Consolidated income statement for the year ended December 31, 2000

(Translation from the original issued in Italian)

(Thousands of Euros)

	2000	1999	Changes
A) Production value			
Revenues from sales and services	606,069	346,471	259,598
Changes in services in progress	17,766	11,448	6,318
Other income and revenues:			
- operating grants	80	43	37
- sundry	24,823	16,428	8,395
Total production value	648,738	374,390	274,348
B) Production costs			
Raw, ancillary and consumable materials and goods for resale	(180,196)	(114,165)	(66,031)
Services	(402,530)	(214,191)	(188,339)
Leases and rentals	(2,106)	(960)	(1,146)
Personnel:			
wages and salaries	(16,840)	(16,353)	(487)
social security charges	(2,092)	(2,034)	(58)
employees' leaving indemnity	(1,073)	(876)	(197)
Amortization, depreciation and write-downs:			
amortization of intangible fixed assets	(1,622)	(1,900)	278
depreciation of tangible fixed assets	(16,157)	(16,888)	731
other write-downs of fixed assets	(4,358)	(4)	(4,354)
write-down of receivables included under current assets	(202)	(153)	(49)
Change in inventories of raw, ancillary and consumable materials and goods for resale	8,418	3,564	4,854
Other accruals	(2,664)	(2,204)	(460)
Other operating expenses	(5,873)	(3,433)	(2,440)
Total production costs	(627,295)	(369,597)	(257,698)
Difference between production value and costs	21,443	4,793	16,650
C) Financial income and expenses			
Investments income:			
- subsidiaries	0	17	(17)
- other companies	36	17	19
Other financial income:			
income other than the above:			
- other	14,957	8,775	6,182
Interests and other financial expenses:			
- parent companies	(102)	0	(102)
- other	(27,435)	(17,364)	(10,071)
Total financial income and expenses	(12,544)	(8,555)	(3,989)
D) Adjustments to financial assets			
Revaluations:			
equity investments	705	0	705
Write-downs:			
equity investments	(8)	(25)	17
Total adjustments to financial assets	697	(25)	722
E) Extraordinary income and expenses			
Extraordinary income:			
- other	0	1,818	(1,818)
Extraordinary expenses:			
- taxes relating to prior years	0	(28)	28
Total extraordinary income and expenses	0	1,790	(1,790)
Income/(loss) before income taxes	9,596	(1,997)	11,593
Income taxes	(3,976)	(1,681)	(2,295)
Net income/(loss) before minority interests	5,620	(3,678)	9,298
Minority interests	(218)	(108)	(110)
Net income/(loss) for the year - Group	5,402	(3,786)	9,188

Notes

to the consolidated financial statements at December 31, 2000

Structure and content of the balance sheet and income statement

The consolidated financial statements at December 31, 2000 consist of the balance sheet and the income statement and the notes to consolidated financial statement drawn up in accordance with provisions introduced by Legislative Decree No. 127 of April 9, 1991, and subsequent amendments.

This is the first time the financial statements are expressed in Euros and, for purposes of comparison, the financial statements for the year ended December 31, 1999 have been translated into Euros at the fixed parity rate of Euro 1 = Lire 1,936.27.

The consolidated financial statements of Coeclerici Group at December 31, 2000 have been prepared using the financial statements of Coeclerici S.p.A., the group holding company, and the financial statements of the Italian and foreign subsidiaries in which Coeclerici S.p.A. holds, directly or indirectly, more than 50% of capital stock.

The financial statements used in the preparation of the consolidated financial statements are those at December 31, 2000. These financial statements have been adjusted, where

necessary, to reverse any entries made for fiscal purposes in order to obtain tax benefits which otherwise could not be obtained, or to conform with the accounting principles of the Group, which are in accordance with those laid down by the provisions introduced by Legislative Decree No. 127 of April 9, 1991 and later amendments, and by Consob. The effect of these adjustments, which mainly relate to depreciation, government grants and the dry dock provision is described in the following notes.

Significant subsequent events are described in the management report.

Balance sheet and income statement captions with a zero balance are omitted; all amounts are expressed in thousands of Euros.

Principles of consolidation

The assets and liabilities of the consolidated companies are consolidated on the line-by-line method, eliminating the book value of the investments against the related net equities of the companies.

Where the subsidiaries are controlled jointly with a third party, the companies are consolidated proportionally, and the proportional

share of the investment, the individual assets, liabilities, costs and revenues are included in the consolidated financial statements.

The difference between the book value of the investments and the corresponding net assets has been allocated to the assets and liabilities based on the current values at the time of acquisition, or to the “consolidation difference”.

In particular:

- the differences between the price paid to acquire Fermar Group and Sidermar di Navigazione S.p.A. (merged by incorporation in Coeclerici Armatori S.p.A.) and Porto Cervo Shipping Co. Ltd and the related net assets at the date of acquisition have been allocated mainly to the fleet to adjust it to current values and to the valuation of future risks for litigation;
- the higher price paid for the purchase of the company owner of the m/v Bulktiger, in addition to 45% of the investment acquired in Coeclerici Logistics S.p.A., has been attributed to the current value of the fleet;
- the higher price paid for the purchase of 50% of Viann N.V. has been recorded in the consolidation difference.

Receivables and payables, revenues and costs and transactions involving significant amounts with companies included in consolidation are eliminated.

The minority interest in stockholders' equity and the results of consolidated subsidiaries is disclosed separately on the face of the balance sheet and income statement.

The translation of the foreign currency financial statements of the subsidiaries into Euro is based on the exchange rate ruling at year-end for the balance sheet items and at the

average annual exchange rate for income statement items. The differences deriving from the translation of the financial statements expressed in foreign currency are allocated directly to "cumulative translation adjustment" under stockholders' equity.

Accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial statements at December 31, 2000 are disclosed below.

Intangible fixed assets

Intangible fixed assets are stated at purchase cost, including incidental costs, and are amortized on the straight-line method over the estimated period of benefit.

Start-up and expansion costs are recorded under intangible fixed assets. Advertising costs, since they do not benefit more than one year, are entirely expensed in the year incurred.

In the event of a decline in the value of an asset, regardless of the amortization recorded to date, the assets will be written down accordingly.

In order to have the accounting policies uniform and comparable, in the preparation of the consolidated financial statements the revaluations made by a Group company as per Law n. 342/2000 have not been taken into account.

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition or construction. Acquisition cost includes incidental costs and direct and indirect costs for an amount that can be reasonably charged to the asset.

The building used by the Group under a financial leasing arrangement, which the Group

intends to purchase at the end of the leasing period, is accounted for in the financial statements in accordance with international accounting standard IAS No. 17. This standard states that the asset should be recorded at a value equal to the sum of the lease payments and the purchase option price covered in the leasing contract, net of interest, with a related entry under liabilities for a payable of the same amount.

Depreciation is calculated on the straight-line method at rates designed to write-off the assets over their estimated useful lives. The rates applied are disclosed in a subsequent note.

In the event of a decline in the value of an asset, regardless of the depreciation recorded to date, the asset is written down accordingly; if in future years, the reasons for the write-down no longer apply, the asset is reinstated at its original value.

Ordinary maintenance costs are charged to the income statement. Maintenance costs which increase the asset value are attributed to the assets to which they refer and depreciated over the remaining useful life of the assets.

Financial fixed assets (equity investments)

Investments in unconsolidated companies where the Group exercises a dominant influence (where ownership generally comprises between 20% and 50% of the voting stock and the investment is of a permanent nature) are accounted for on the equity method.

Other investments are stated at purchase or subscription cost, reduced for any permanent declines in value as a result of losses which are not expected to be covered in the foreseeable future by profits sufficient to absorb the previous negative results. If in future years the reasons for the write-down no longer apply, the asset is reinstated to its original value.

Financial fixed assets (receivables)

Financial receivables are stated at their estimated realizable value.

Inventories

Inventories of lubricants and fuel on board ships at December 31, 2000 are stated at cost determined using criteria which approximate the FIFO method.

Inventories of goods are stated at the lower of the purchase cost of the inventories on hand at December 31, 2000, determined using the weighted average cost, and estimated realizable value based on the market price; any write-downs are eliminated in subsequent years if the reasons for the write-downs no longer apply.

Charters in progress are stated on the basis of charters pro-rated, days out-of-port; in the event of a voyage in a loss position, it is entirely charged to the year in which the voyage commenced.

Receivables

Receivables are stated at their estimated realizable value.

Accruals prepayments and deferrals

Accruals, prepayments and deferrals include the portion of income and expenses common to two or more years calculated in the basis of the accrual principle.

Provisions for liabilities and expenses

The provisions for liabilities and expenses are accrued in respect of losses or payables, which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to the amount or as to the date on which they will arise. The accruals represent the best possible estimates based on available information.

Possible risks that may result in a liability are disclosed in the notes without any amounts being set aside in a provision for liabilities and expenses.

Dry dock provision

The "dry dock provision" is accrued in respect of costs for the performance of rotation maintenance on the fleet when it is periodically docked for refitting and also to renew its class registration.

The accruals are made in the years prior to the vessel being put into dry dock in proportion to the costs to be incurred, which are periodically reviewed.

Provision for employees' leaving indemnity

The provision for employees' leaving indemnity covers amounts accrued in favor of employees at the balance sheet date, in accordance with existing legislation, collective national labor contracts and company agreements. This liability is subject to revaluations based on indices.

Payables

Payables are stated at their nominal value.

Government grants

Government grants to the shipping industry are credited to the income statement on the straight-line method over the estimated life of the vessels to which they refer.

The portion of the grants received in advance of the start of a vessel's operations are accounted for under "deferred income" and credited to income on the accrual basis.

Operating grants are recorded in the year to which they refer under "other income and revenues".

Recognition of revenues and expenses

Revenues from the sale of products are recognized at the time of passage of title or, if stated in the contracts or formally requested by the customer, then at the date the goods are delivered to the consignment warehouse.

Revenues derived from chartering out the company's own vessels or from transport services are accounted for on the accrual basis.

Charter income relating to transports in progress at the balance sheet date is stated on a pro-rated days-out-of port basis.

Interest income and expenses and other income and expenses are recorded and shown in the financial statements on the accrual basis.

Dividend tax credits are recorded in the income statement in the year of receipt of the dividends to which they refer and are classified, where appropriate, as a reduction of the income tax charge for the year.

Income taxes

Income taxes are recorded on the basis of the estimated taxable income in conformity with existing laws, taking into account applicable exemptions and allowed tax credits. Deferred taxes are also recorded for timing differences between the accounting value of the assets and liabilities and the corresponding tax values. Deferred tax assets on any timing difference are recorded only if there is reasonable certainty of recovery and taking into account the probable tax charge applicable in the future. Tax benefits from tax loss carryforwards are only recorded if utilization is assured.

Translation of foreign currency balances

Receivables and payables expressed in foreign currency are translated into Euros at the historical exchange rate as of the transaction date.

Exchange differences arising upon the collection and payment of balances in foreign currency are recorded in the income statement.

As for currencies outside the Euro-zone:

- if, at year-end, outstanding receivables and payables in foreign currency due within the next fiscal year are translated at year-end exchange rates and a net unrealized loss results, the loss is recorded in the income statement of the period with a contra-account entry to a provision for exchange fluctuations; if, on the other hand, a net gain results from the translation, it is not recognized;
- if, at year-end, outstanding receivables and payables in foreign currency due after the next fiscal year are translated at year-end exchange rates and a net unrealized loss results, this amount is recorded in the income statement of the period with a contra-account entry to a provision for exchange fluctuations; if, on the other hand, a net gain results from the translation, it is deferred.

Currency hedging contracts are taken into account in the above valuations.

Derivative contracts

Derivative contracts to hedge exchange rate exposure or bunker purchases are shown in the memorandum accounts at their notional value and the related economic effects are reflected in the financial statements at the same time as the transactions, or the financial flows to which they relate. Derivative contracts for trading purposes mainly in reference to charters are shown in the memorandum accounts and reflected in the financial statements at the lower of purchase cost and market value.

Scope of consolidation

Pursuant to articles 38 and 39 of Legislative Decree No. 127/1991, the annexes to the notes to the financial statements provide a list of the companies consolidated using the line-by-line consolidation method and the investments in subsidiaries and associated companies valued using the equity method.

Investments in unconsolidated subsidiaries

Certain investments in subsidiaries have not been included in consolidation since they are more or less dormant and, consequently, their inclusion in the consolidated financial statements would not have been significant in terms of presenting a true and fair view of the financial position and results of operations of the Group.

These companies have been valued using the equity method.

All amounts in the notes are expressed in thousands of Euros. (The amounts in parentheses refer to the prior year).

Comments on the Balance Sheet

Assets

Fixed assets

Intangible fixed assets

Euros 1,987 thousand (Euros 2,082 thousand)

“Start-up and expansion costs” of Euros 527 thousand include the incorporation costs of the Italian and foreign companies included in the scope of consolidation as well as the costs relating to the anchorage of the barge Bulkwayuù in the waters of the Gulf of Maracaibo.

As explained in the principles of consolidation, the "consolidation difference" includes the higher price paid in 1997 for the purchase of 50% of Viann N.V. The amount of Euros 167 thousand is recorded in the financial statements net of amortization of Euros 210 thousand.

“Other” intangible fixed assets include:

	12/31/2000	12/31/1999
Software	67	166
Commissions on securing loans	995	628
Leasehold improvements	158	280
Other	49	10
Total	1,269	1,084

The consolidation difference is amortized over five years, leasehold improvements over the duration of the lease contract and commissions to secure loans over the period of the loans to which they refer; other intangible fixed assets are amortized over a period of five years, with the exception of software which is amortized over three years.

The amortization charge for the year was Euros 1,622 thousand.

Tangible fixed assets

Euros 201,940 thousand (Euros 193,522 thousand)

“Land and buildings” comprise the Group’s offices located in Genoa and purchased in leasing. Moreover, during the year a new financial lease contract was signed by the parent company Cocler S.p.A. for the purchase of the building containing the headquarters of the representative offices of the group holding company, located in Rome; the building is recorded in the financial statements for Euros 775 thousand.

Changes in 2000 to the Group's fleet, which shows a carrying value at year-end of Euros 185,306 thousand, are described below:

- purchase of the motor vessel Bulkatalanta in a 50-50 joint venture with the German group Gunther F. Neunhoper by setting up the shipping company Staines Holding Inc. The investment was consolidated using the proportional method with 50% of the value of vessel being recorded for Euros 10.5 million;
- sale of the motor vessel Bulkgenova, 50% owned by the Group, to the newly formed company Bulkgenova Corp., in which the Group has a 20% stake. The remaining 80% of capital stock is held by the Greek Ceres Group. The transaction led to a gain of Euros 2.7 million;
- as described in the management report, in 2000, the Group finalized a joint venture held 50% by Coeclerici and 50% by other shipping operators that are partners in the Capesize pool. The joint venture will purchase two Capesize vessels that are being built

for a total investment of about US \$70 million. The financial statements show, for the percentage owned by the Group, the stage of completion of the construction work equal to Euros 8,670 thousand, recorded in “assets under construction”.

“Other” tangible assets refer to furniture and fixtures for Euros 352 thousand, electronic office equipment for Euros 356 thousand, motor vehicles for Euros 82 thousand and sundry assets for Euros 41 thousand.

Depreciation totaling Euros 16,157 thousand has been calculated on the straight-line method at the following rates designed to write-off the assets over their estimated useful lives:

Buildings	3%
Other plant and machinery	10% - 20%
Other:	
- motor vehicles	25%
- office furniture and equipment	12% - 15% - 20%
- electronic office equipment	20%

The fleet is depreciated over the estimated useful lives of the vessels, normally 20 or 25 years from the year of construction; depreciation is calculated net of the scrap value. Ships employed on specific contracts are depreciated over the contract period.

Financial fixed assets

Euros 5,514 thousand (Euros 4,096 thousand)

Equity investments

Euros 3,879 thousand (Euros 2,936 thousand)

Equity investments refer to the companies that are not consolidated on a line-by-line basis.

At December 31, 2000, equity investments in unconsolidated subsidiaries and associated companies are composed of the following:

	12/31/2000		12/31/1999	
	%	Net book value	%	Net book value
Subsidiaries				
CC Shipping Services Phil.	100%	41	-	0
Bulk Terminal Torres SpA	90%	83	90%	90
Bulk Terminal Ancona Srl	80%	6	80%	8
Ferchim Srl (in liquidation)	75%	76	75%	76
Other minor companies	-	16	-	6
		222		180
Associated companies				
Bulkispat Shipping Inc.	50%	3,117	50%	2,489
Consorzio Italcost (in liquidation)	50%	5	50%	5
Freetravel Srl	22%	22	-	0
		3,144		2,494
Total		3,366		2,674

The company Bulkispat Shipping Inc., whose capital stock is held by Coeclerici Group for 50% and by the Indian group Ispat for 50%, is the owner of the motor vessel Bulkispat, a Capesize used commercially in the Coeclerici pool. The investment has been valued using the equity method as de facto control of the company is exercised by the partner.

As a result of using this method, the carrying value of the investment has been increased by Euros 433 thousand to account for the net income reported by the company.

The investment in Consorzio Italcost has been further written down, through the provision for losses of subsidiaries recorded under liabilities, to adjust the carrying value to the value arrived at by using the equity method and also to take into account the risk of not collecting the receivable shown under “receivables from associated companies”.

“Investments in other companies” consist principally of investments in Telemar S.p.A. (Euros 302 thousand), Shipvertical Internet Group Inc. (Euros 107 thousand) and Banca Popolare di Genova e San Giorgio (Euros 84 thousand).

Financial receivables

Euros 1,635 thousand (Euros 1,160 thousand)

The balance shown in the financial statements is composed of permanent guarantee deposits with third parties, in addition to the last installment on the building lease contract stipulated with Banca Carige S.p.A. paid in advance (Euros 230 thousand) and by the taxes paid in advance on the provision for employees' leaving indemnity (Euros 374 thousand).

Current assets

Inventories

Euros 58,607 thousand (Euros 30,527 thousand)

Goods for resale include inventories of anthracite for Euros 507 thousand and fossil coal for Euros 4,989 thousand. As of this date, the entire inventory has been sold and no loss was realized.

Charters in progress consist of charters accrued on a pro-rated, days out-of-port basis at the balance sheet date. The increase over the prior year should mainly be viewed in relation to the higher volumes transported by the Shipping sector and the greater number of vessels and voyages in progress at the end of the year.

Consumables are chiefly composed of lubricants and fuel oil on board the vessels owned by the Group or chartered.

Advances consist of payments made in advance to suppliers of goods coming from Russia.

Receivables

Euros 93,456 thousand (Euros 52,551 thousand)

Receivables may be analyzed as follows:

	12/31/ 2000	Maturity		
		Within 1 year	From 1 to 5 years	Beyond 5 years
Trade	56,476	56,476	0	0
Subsidiaries	107	107	0	0
Associated companies	140	140	0	0
Other receivables	36,733	36,733	0	0
Total	93,456	93,456	0	0

Trade

Euros 56,476 thousand (Euros 29,402 thousand)

Trade receivables from customers, shown net of the allowance for doubtful receivables of Euros 1,783 thousand, include trade receivables from third parties for normal trading transactions.

As of today's date, most of the receivables have been collected.

The significant increase in trade receivables is due to higher revenues, which are analyzed in depth in the management report.

Subsidiaries and associated companies

Euros 247 thousand (Euros 140 thousand)

Receivables from subsidiaries and associated companies at the end of the year are composed of the following:

	12/31/2000	12/31/1999
Subsidiaries		
CC Shipping Services Philippines Co. Inc.	107	0
	107	0
Associated companies		
Consorzio Italcoast (in liquidation)	140	140
	140	140
Total	247	140

The receivable of Euros 140 thousand due from Consorzio Italcoast in liquidation, has been fully written off, together with the carrying value of the investment, through an entry to a provision account carried under the liabilities.

Other receivables

Euros 36,733 thousand (Euros 23,009 thousand)

Other receivables refer to:

	12/31/2000	12/31/1999
Advances to suppliers	18,645	7,434
Tax authorities	8,228	10,050
Insurance companies	3,370	2,424
Factoring companies for receivables sold	2,107	2,095
Zarechnaya Mine loan account	1,829	0
Trade House Severniy Kuzbass loan account	1,394	0
Employees	607	35
Servizi Industriali for receivables in dispute	103	207
Social security agencies	228	104
Sundry receivables	222	660
Total	36,733	23,009

Advances to suppliers mainly refer to advances given to shipping agents and shipping companies for expenses incurred on the voyages

in progress and for payments of chartering costs relating to invoices which have been recorded in 2001; the increase is due to higher volumes.

Receivables from the tax authorities chiefly include receivables for Irpeg/Ilor taxes and withholding taxes.

Receivables from the insurance companies primarily consist of refunds for damages, equal to US \$2,200,000, suffered by the motor vessel Bulktiger when it ran aground in July 1998. The amount should be collected during 2001.

There are also refunds to be collected for a total of US \$837,000 for damages suffered by the motor vessels Porto Cervo and Bulkgenova during the year.

During the year, loans were made to the Kuzbassugol mines for an original amount of US \$1.5 million and to the Zarechnaya mines for an original amount of US \$1.6 million in order to consolidate relations with the main sources of supply in Russia. The loan made to Zarechnaya was entirely repaid in the first months of 2001, while the loan made to Kuzbassugol calls for repayment in six monthly installments of US \$250,000 each.

In 1997, the Group sold tax receivables with recourse to Mediofactoring S.p.A. (formerly Fiscambi Factoring) for a total of Lire 26,932 million. Interest due on the amount received from Mediofactoring S.p.A. is payable at a rate equal to the quarterly average of the daily three-month Ribor until such time as the factoring company collects the receivable from the tax authorities.

The receivable from Servizi Industriali S.p.A., referring to a trade dispute, was collected during the early months of 2001.

Cash and banks

Euros 19,038 thousand (Euros 23,805 thousand)

Bank and postal deposits

Euros 18,922 thousand (Euros 23,581 thousand)

“Bank and postal deposits” consist of temporary liquidity positions with banks generated in conjunction with treasury management. These deposits are composed entirely of current accounts in Euros and foreign currency.

The balance includes an amount equal to US \$1 million paid as a deposit by the potential buyer of a vessel; the sale was not completed and the sum in question will be decided upon the settlement of the dispute which arose.

Cash on hand

Euros 116 thousand (Euros 224 thousand)

Cash on hand consists of cash funds at the head office and on board vessels at December 31, 2000.

Accrued income and prepaid expenses

This caption consists entirely of prepaid expenses.

Prepaid expenses

Euros 13,630 thousand (Euros 7,208 thousand)

Prepaid expenses can be analyzed as follows:

	12/31/2000	12/31/1999
Charter costs and costs for voyages in progress	12,063	5,434
Insurance premiums	786	892
Price paid at time of acquiring Fermar Group to obtain low interest financing from the banking system	485	553
Expenses on forward freight agreements	145	196
Rent	67	105
Other	84	28
Total	13,630	7,208

The price paid to secure low-interest financing from the banking system by the Fermar Group is charged to the income statement in relation to the interest expense on these low-interest loans.

Comments on the balance sheet**Liabilities and stockholders' equity****Stockholders' equity**

The changes in stockholders' equity are shown in the attached statement. Part of the reserves are in abeyance of taxation; no taxation has been provided at this time in that no transactions are expected to be entered into which would warrant taxation.

Capital stock

Euros 7,747 thousand (Euros 7,747 thousand)

Capital stock, unchanged compared to the prior year, is entirely subscribed to and fully paid up and at December 31, 2000, totals Lire 15,000 million, consisting of 150,000 ordinary shares of par value Lire 100,000 each.

Legal reserve

Euros 1,856 thousand (Euros 1,758 thousand)

The legal reserve consists of the reserve of the group holding company and the Group's share of the legal reserves of consolidated companies formed subsequent to their acquisition.

Cumulative translation adjustments

Euros 10,947 thousand (Euros 5,167 thousand)

The translation of the financial statements of foreign subsidiaries into Euros gives rise

to a positive translation adjustment due to a US dollar that is stronger than the Euro compared to the end of the prior year.

Retained earnings

Euros 39,184 thousand (Euros 44,876 thousand)

Retained earnings are formed by the Group's share of the net results of the group holding company and the consolidated companies. The amount has decreased by virtue of the appropriation of the loss for the prior year and the dividends paid to the stockholders.

In execution of the resolution passed by the stockholders' meeting on October 9, 2000, the group holding company paid out dividends of Euros 1,808 thousand to stockholders during the year.

Minority interests

Euros 3,374 thousand (Euros 2,590 thousand)

At December 31, 2000, this amount included the minority interests in the capital and reserves relating to 15% of Bulkguasare Ltd, 20% of Bulk Bourgas Ltd, 10% of CBZ Ltd, 49% of CC Steel Shipping and Logistics and 11% of Affinity Co. Ltd.

As regards the stakes held by Simest S.p.A. in Bulkguasare Ltd (5%) and Affinity Co. Ltd (10%), amounting to Euros 2,885 thousand at December 31, 2000, the following is envisaged according to the agreements signed by the stockholders:

- results of the subsidiaries attributable to Simest S.p.A. will be fully attributed to Coeclerici Group;
- obligation to repurchase, on June 30, 2004 for the interest held in Affinity Co. Ltd and on June 30, 2002 for the interest held in Bulkguasare Ltd, at a prefixed amount of not less than the amount invested by Simest S.p.A.

This is the reason why Simest S.p.A.'s share of the earnings of Bulkguasare Ltd and Affinity Co. Ltd is included in the consolidated financial statements while the remuneration due to Simest is recorded under financial expenses.

Provisions for liabilities and expenses

Provision for income taxes

Euros 4,151 thousand (Euros 3,206 thousand)

The provision for income taxes includes net deferred taxes arising from accruals made against the elimination of items recorded for tax purposes in the consolidated financial statements and taxes accrued on gains realized in the year and on government grants. Such deferred taxes will be paid in future years as permitted by existing fiscal legislation.

Tax loss carryforwards and the effect of the tax relief deriving from the institution of the International Shipping Register are taken into account in calculating deferred taxes.

Moreover, deferred taxes on the depreciation recorded for tax purposes on the motor vessel Bulkignazio and reversed in the consolidated financial statements, are calculated by taking into account that the reversal of the depreciation will occur in relation to the utilization of the vessel, and therefore at lower rates as provided by the laws relating to the International Shipping Register, and not as a result of its sale.

During 1999 and in the first months of 2000, a general inspection was conducted by the Revenue Guard Corps of the consolidated companies Coeclerici Armatori S.p.A., Coeclerici Carbometal S.p.A. and Coeclerici Logistics

S.p.A. for the years 1997 and 1998. Moreover, following the issue of reports of partial inspections for the years 1993, 1994, 1995 and 1996, always prepared by the Revenue Guard Corps, partial assessments were notified by the Internal Revenue Service and the VAT Office for significant amounts. Protesting such assessments, appeals and defense cases were prepared with the assistance of Coeclerici Group's tax consultants. During 2000, certain assessments were discussed before the Provincial Tax Commission with rulings handed down in favor of the company. On the basis of the appeals filed and the opinions of the professionals advising the company, it is deemed that no tax liabilities should emerge from the pending litigation. It is also judged, always based on the opinions of the professionals assisting the company, that any litigation which may arise from the general inspection reports by the Revenue Guard Corps for 1997 and 1998, for which assessments have not yet been notified, will not result in any significant liabilities.

Dry dock provision

Euros 2,774 thousand (Euros 3,827 thousand)

The dry dock provision includes accruals for periodical maintenance carried out in order to maintain the fleet in the class assigned by the related Naval Registers.

Provision for losses of subsidiaries

Euros 224 thousand (Euros 224 thousand)

This provision includes the accrual for the losses estimated on the wind-up of the associated company Consorzio Italcoast.

Other provisions

Euros 4,142 thousand (Euros 4,902 thousand)

Other provisions at December 31, 2000 refer to the following:

	12/31/2000	12/31/1999
Contingencies	2,460	2,604
Litigation	1,097	1,228
Risks	309	258
Adjustments on sales of vessels	0	669
Other	276	143
Total	4,142	4,902

The provision for contingencies refers to the assessment of risks and expenses which could arise from settling pending or potential litigation at the time of the acquisition of the Fermar Group.

The provision for litigation includes accruals to cover the expenses which may arise on disputes with the Registration Office (Euros 476 thousand), besides controversies mainly of a trade nature pending at the end of the year.

As for the provision to adjust the sales of the motor vessels Perseus, realized in 1998, and Red Tulip, realized in 1999, it should be pointed out that, by virtue of the agreements between the parties, the vessels were time-chartered by Coeclerici Group for a charter rate that was higher than the going market rate at the time. Therefore, to neutralize such effect, a specific provision was set up which will be utilized over the period of the time-charter. The vessels were returned during the year, after the end of the time-charter contract, and the provision was thus entirely utilized.

Provision for employees' leaving indemnity

The provision for employees' leaving indemnity amounts to Euros 2,607 thousand and fully covers the amount due to employees upon termination of employment in accordance with existing legislation.

Payables

These refer to:

	Maturity			
	12/31/ 2000	Within 1 year	From 1 to 5 years	Beyond 5 years
Bank borrowings	194,092	59,939	79,831	54,322
Payables to other financial companies	1,558	1,558	0	0
Advance payments	47,783	47,783	0	0
Trade	51,530	51,530	0	0
Parent companies	101	101	0	0
Taxes	2,579	2,579	0	0
Social security agencies	413	413	0	0
Other payables	2,147	2,147	0	0
Total	300,203	166,050	79,831	54,322

Bank borrowings

Euros 194,092 thousand (Euros 174,328 thousand)

Bank borrowings are composed of loans of Euros 152,271 thousand and bank overdrafts and short-term advances of Euros 41,821 thousand. The current portion of loans due in 2001 amounts in total to Euros 18,118 thousand.

The following loans of the Group are outstanding at December 31, 2000:

	US\$/000	Euro/000	Maturity		
			Within 1 year	From 1 to 5 year	Beyond 5 year
Unsecured loans					
Banca Carige (leasing)		5,661	618	2,839	2,204
Sardaleasing		747	70	327	350
Frie		3,214	552	2,352	310
Mediocredito Centrale		281	187	94	0
Mediocredito Centrale		6,130	1,362	4,768	0
Mediocredito Centrale		3,777	756	3,021	0
Pool – lead bank Banca Carige		23,000	0	23,000	0
Secured loans					
Banca Nazionale Lavoro		12,334	1,762	7,048	3,524
Banca Nazionale Lavoro	15,185	16,319	2,510	10,043	3,766
B.N.L. – London	2,900	3,117	1,505	1,612	0
B.N.P.	15,979	17,172	1,085	4,346	11,741
B.N.P.	3,800	4,084	1,505	2,579	0
Banca Commerciale Italiana	18,000	19,344	1,075	4,299	13,970
Efibanca		2,970	848	2,122	0
Efibanca	2,150	2,311	860	1,451	0
Efibanca	3,500	3,761	1,505	2,256	0
Deutsche Schiffsbank	6,860	7,372	682	2,730	3,960
Deutsche Schiffsbank	12,700	13,649	1,236	4,944	7,469
Fortis Bank	1,768	1,900	0	0	1,900
Fortis Bank	4,772	5,128	0	0	5,128
Total		152,271	18,118	79,831	54,322

In the period under examination, the following changes took place as regards medium and long-term loans and borrowings:

- early repayment of the Indosuez loan, recorded in the financial statements at December 31, 1999 for Euros 13,637 thou-

sand. In renewing the mortgage on the motor vessel Bulkprosperous, a new loan was negotiated with Deutsche Schiffsbank at better terms for the Group. The loan amounts to US \$12.7 million and is repayable in 16 semiannual installments starting from next year and will be extinguished in 2008;

- early repayment of the Indosuez loan, recorded in the financial statements at December 31, 1999 for Euros 6,172 thousand. In this case, the loan was extinguished because of the sale of the motor vessel Bulkgenova, to which the loan was linked by a mortgage;
- loan received during the year from Deutsche Schiffsbank for the purchase of the motor vessel Bulkatalanta, which carries a mortgage as a guarantee. The loan of the Group amounts to US \$6,860,000, equal to one-half of the total loan, since the Group has a 50% stake in the shipping company Staines Holding Inc. which is consolidated proportionally;
- loan secured during the year from Sarda-leasing for Euros 775 thousand. It refers to the financial lease on the building in Rome which ends in 2008. At the balance sheet date, the first installment of Euros 28 thousand had been paid;
- pre-financing for a total of US \$6,540,000 received from Fortis Bank by virtue of the contracts stipulated for the two new Cape-size vessels that should be delivered by the shipyard in the first months of 2001. The entire operation calls for two loans of US \$29 million each, secured by mortgages on the vessels.

The loans are mainly secured by mortgages on approximately 57% of the Group's fleet and real estate properties.

Payables to other financial companies

Euros 1,558 thousand (Euros 1,219 thousand)

The balance, equal to US \$1,450 thousand, is connected to the loan to finance the investment in Bulkispat Shipping Inc., commented on under "investments in subsidiaries". In fact, part of this investment was financed by other third-party lenders and the loan in question bears interest in relation to the results of the subsidiary.

Advance payments

Euros 47,783 thousand (Euros 17,956 thousand)

These are advances received from customers in the normal course of business operations of the Group. The increase over the prior year is due to the sharp increase in the voyages in progress at the end of the year.

Trade

Euros 51,530 thousand (Euros 30,327 thousand)

Trade payables to suppliers represent the current amount due to suppliers in the normal course of business operations of the Group. The balance is entirely payable in the following year according to the normal payment terms of the Group.

Parent companies

Euros 101 thousand (Euros 0 thousand)

Payables to parent companies for Euros 101 thousand relate to trade transactions with the ultimate parent company Cocler N.V.

Taxes

Euros 2,579 thousand (Euros 1,493 thousand)

Taxes payables include:

	12/31/2000	12/31/1999
Income taxes	1,974	557
Withholding taxes for payrolls and self-employed persons (Irpef)	383	332
VAT	222	61
Substitute equalization tax	0	543
Total	2,579	1,493

Income taxes payable are calculated on the basis of existing legislation less on-account payments and withholding taxes sustained during the year.

Irpef withholding taxes payable at December 31, 2000 refer entirely to the month of December.

Social security agencies

Euros 413 thousand (Euros 405 thousand)

Payables to social security agencies of Euros 413 thousand primarily relate to social security contributions for the month of December 2000 paid in January 2001.

Other payables

Euros 2,147 thousand (Euros 1,932 thousand)

Other payables at the end of the year mainly consist of salaries and wages and overtime payable to employees for the month of December (Euros 490 thousand) and advances received from third parties in relation to operating activities (Euros 720 thousand).

Accrued liabilities and deferred income

Deferred income relates to the portion of capital grants received by the Group but referring to future years and is entirely in reference

to the fleet. These grants will be credited to the income statement in future years as described in the accounting policies.

The reduction of the balance compared to the prior year should be viewed in conjunction with the sale of 30% of the motor vessel Bulkgenova which led to the utilization of deferred income connected to the grants relating to the same ship.

Other accrued liabilities and deferred income refer to:

Accrued liabilities

Euros 7,090 thousand (Euros 4,474 thousand)

These refer to:

	12/31/2000	12/31/1999
Voyage-charter costs	3,988	1,765
Loan interest expense	1,081	1,216
Salaries and wages and deferred social security contributions	722	783
Insurance costs	1,150	483
Rent expenses	112	154
Other	37	73
Total	7,090	4,474

Deferred income

Euros 2,443 thousand (Euros 2,755 thousand)

Deferred income refers to the following:

	12/31/2000	12/31/1999
Time-charter revenues and other operating revenues	1,981	2,434
Income on forward freight agreements	427	243
Other	35	78
Total	2,443	2,755

Memorandum accounts

Memorandum accounts of the Group at December 31, 2000 refer to the following:

Personal guarantees given (guarantees)

Euros 1,312 thousand (Euros 1,312 thousand)

These refer to the guarantee of Euros 1,312 thousand given in favor of P&I Club on behalf of the subsidiary Cap D'Ail Shipping Co. in liquidation.

Receivables sold to factoring companies

Euros 11,647 thousand (Euros 12,203 thousand)

These consist of:

- Irpeg - Ilor tax refunds receivable, plus interest accrued thereon, sold with recourse to Mediofactoring S.p.A. (formerly Fiscambi Factoring) for a total amount of Euros 11,359 thousand;
- receivables for Euros 288 thousand from Astra sold with recourse to Comit Factoring.

The change of Euros 556 thousand compared to 1999 is due to collections during the year.

Commitments

Euros 53,101 thousand (Euros 19,232 thousand)

Commitments consist of:

- forward foreign currency sales and purchases to hedge currency positions of the Group. In detail, forward sales contracts total US \$23.4 million (Euros 24.9 million) and forward purchase contracts total Euros 5.5 million;

- forward freight sales and purchases agreements. In detail, sales contracts total Euros 8,024 thousand and purchase contracts total Euros 8,362 thousand;
- put & call options effected on the bunker market under the policy to hedge the risk of price fluctuations. In detail, put options total Euros 2,692 thousand and call options total Euros 3,672 thousand.

Comments on the income statement

Production value

Revenues from sales and services

Euros 606,069 thousand (Euros 346,471 thousand)

These are composed as follows:

	2000	1999
Revenues from the sale of products		
Coal	127,901	81,881
Fuel, lubricants and other supplies	19,450	6,049
	147,351	87,930
Revenues from the performance of services		
Charters and maritime freight	416,280	234,416
Transhipments	39,165	21,307
Commissions	1,970	1,682
Fuel advisory services	1,303	1,136
	458,718	258,541
Total	606,069	346,471

As fully described in the management report, the increase in revenues is due to the higher volumes handled by the Group, the increase in the exchange rate of the US dollar against the Euro and the increase in freight prices and the sales price of coal.

Other income and revenues - sundry

Euros 24,823 thousand (Euros 16,428 thousand)

“Other income and revenues - sundry” refer to the following:

	2000	1999
Recovered costs and expenses	6,015	4,361
Insurance refunds	6,298	1,341
Income on forward freight agreements	1,700	705
Release of the provision for liabilities and expenses	2,154	585
Income on bunker hedging	2,768	295
Irpef tax credits on ship crews ex Law on International Register	202	500
Sundry income and revenues	2,972	4,230
Gains on sale of fleet	2,714	4,411
Total	24,823	16,428

The recovery of costs refers principally to port charges and insurance expenses recharged to the shipowners of time-chartered vessels.

Irpef tax credits are accrued on the cost of the crew of ships registered in the International Shipping Register pursuant to ex Law No. 30 of February 27, 1998 (Second Shipping Register).

The income on forward freight agreements refers to the positive results on forward freight sales and purchases; the income on bunker hedging refers to contracts to hedge fluctuations in the fuel market.

Production costs

Raw, ancillary and consumable materials, and goods for resale

Euros 180,196 thousand (Euros 114,165 thousand)

These consist of the following:

	2000	1999
Trading activities		
Coal	66,536	42,804
Other commodities	309	239
Shipping activities		
Bunker / lubricants / other supplies	112,250	70,456
Other		
Consumables	1,101	666
Total	180,196	114,165

Services

Euros 402,530 thousand (Euros 214,191 thousand)

An analysis of services is provided as follows:

	2000	1999
Trading activities		
Freight services and charters	61,338	34,820
Brokerage costs	222	183
Commercial and marketing	228	179
Shipping activities		
Charter costs	250,298	116,393
Harbor dues and transshipment expenses	49,574	35,028
Maintenance and repairs	11,037	6,793
Insurance	6,106	5,728
Brokerage commissions	11,980	4,997
Seafaring personnel expenses (non-payroll)	2,507	1,656
Other specific services	870	839
Sundry Group services		
Miscellaneous general services	8,370	7,575
Total	402,530	214,191

The higher amount of service expenses, like the increase in revenues, is due to greater volumes handled by the Group and the increase in the value of the US dollar against the Euro.

“Miscellaneous general services” include travel and other service expenses relating to personnel of Euros 1,410 thousand, consulting fees from third parties of Euros 2,951 thousand, office utilities and mailing charges of Euros 1,181 thousand, building supervision and maintenance of Euros 1,449 thousand, as well as sundry association dues of Euros 150 thousand and bank charges and commissions of Euros 567 thousand.

“Sundry Group services for miscellaneous general services” also include the directors' and statutory auditors' fees of the group holding company at December 31, 2000, analyzed as follows:

	Number	Fees
Directors	5	629
Statutory auditors	3	33
Total		662

Leases and rentals

Euros 2,106 thousand (Euros 960 thousand)

Leases and rentals relate to building rents as well as motor vehicle, office equipment and software rentals.

Personnel

Euros 20,005 thousand (Euros 19,263 thousand)

Personnel expenses are analyzed on the face of the income statement.

The number of employees at the end of the year, by category, is provided as follows:

	2000	1999
Management	22	24
Clerical staff	118	98
Seafaring personnel	444	448
Total	584	570

Amortization, depreciation and write-downs

Euros 22,339 thousand (Euros 18,945 thousand)

An analysis of these items is provided on the face of the income statement; for additional information on amortization and depreciation, reference should be made to the comments under intangible and tangible fixed assets.

Other accruals

Euros 2,664 thousand (Euros 2,204 thousand)

Other accruals mainly include the accrual to the dry dock provision.

Other operating expenses

Euros 5,873 thousand (Euros 3,433 thousand)

Other operating expenses include a series of miscellaneous expenses not otherwise classifiable in the "B" category in the income statement.

Such expense regards expenses on forward freight agreements of Euros 2,134 thousand, bunker hedging of Euros 235 thousand, entertainment and donations of Euros 299 thousand, taxes of Euros 120 thousand, prior period expenses of Euros 2,565 thousand and other expenses of Euros 520 thousand.

Financial income and expenses

Investment income

Euros 36 thousand (Euros 34 thousand)

The caption refers to dividends collected during the year from minor investment holdings.

Other financial income

Euros 14,957 thousand (Euros 8,775 thousand)

This consists of the following:

	2000	1999
Exchange gains	12,676	7,285
Bank interest	725	892
Interest on tax credits	456	540
Interest on trade receivables and other financial income	1,100	58
Total	14,957	8,775

Interest and other financial expenses

Euros 27,537 thousand (Euros 17,364 thousand)

These consist of:

	2000	1999
Parent company		
Cocler NV – loan interest expense	102	0
	102	0
Other		
Medium/long-term loan interest	10,250	7,818
Financial expenses on factoring transactions	288	513
Exchange losses	14,035	7,642
Interest on bank overdrafts and short-term advances	2,862	1,391
	27,435	17,364
Total	27,537	17,364

Adjustments to financial assets

Revaluations of equity investments

Euros 705 thousand (Euros 0 thousand)

The revaluations of investments represent the Group's share of the earnings of the associated companies valued using the equity method. The amount recorded in the financial statements refers entirely to the associated company Bulk Ispat Shipping Inc.

Income taxes

The amount of Euros 3,976 thousand represents the tax charge for the current year, calculated according to existing laws and taking into account exemptions, tax loss carryforwards and other elements of deferred taxes.

The amount refers to Irpeg and other income taxes for Euros 2,609 thousand, Irpeg taxes for Euros 450 thousand and deferred taxes net of reversals for Euros 917 thousand.

Reconciliation of stockholders' equity and net income of Coeclerici S.p.A. and corresponding consolidated figures of Coeclerici Group

	Net income Increase / (Decrease)	Stockholders' equity
Coeclerici S.p.A.	2,544	58,072
Group share of stockholders' equity and results for the year of consolidated companies	23,181	8,656
Elimination of intragroup dividends	(13,757)	0
Elimination of entries in the financial statements of the group holding company and other consolidated companies recorded solely to obtain tax benefits	(5,358)	1,067
Adjustments to financial statements of some companies to conform to the accounting principles of the Group, net of the tax effect, where applicable	663	(176)
Adjustment to reflect intragroup gains in the consolidated financial statements only when realized with third parties, net of the related tax effect	(1,871)	(2,483)
Coeclerici Group	5,402	65,136

Annexes

Coeclerici Group Consolidated statement of cash flows

(Translation from the original issued in Italian)
(Thousands of Euros)

	2000	1999
A Cash and banks/(Net short-term borrowing), start of year	3,754	(12,017)
B Cash flows from operating activities		
Net income / (loss) for the year	5,402	(3,786)
Amortization and depreciation of tangible fixed assets	22,137	18,792
Utilization of provision for liabilities and expenses, net	(862)	(5,077)
Gains on disposals of fixed assets, net	(2,714)	(4,411)
(Revaluations)/Write-downs of financial fixed assets, net	(425)	25
Net change in employees' leaving indemnity	(30)	(191)
Cash flows from operating activities before changes in working capital	23,508	5,352
Increase in current receivables	(40,905)	(36)
Increase in inventories	(28,080)	(16,829)
Increase in trade and other payables	52,779	10,331
Other changes in working capital	(19,353)	(5,998)
Total cash flows from operating activities	(12,051)	(7,180)
C Cash flows from investing activities		
Investments in fixed assets:		
- intangible fixed assets	(1,021)	(867)
- tangible fixed assets	(19,521)	(269)
- financial fixed assets	(1,109)	(2,735)
Proceeds from disposal or reimbursement value of fixed assets	15,067	23,590
Total cash flows from investing activities	(6,584)	19,719
D Cash flows from financial activities		
New loans obtained	14,676	26,777
Repayment of loans	(21,554)	(21,759)
Distribution of income	(1,808)	(2,092)
Change in minority interest	784	306
Total cash flows from financial activities	(7,902)	3,232
E Cash flows for the year (B+C+D)	(26,537)	15,771
F Cash and banks/(Net short-term borrowing), end of year (A+E)	(22,783)	3,754

Coeclerici Group Statement of changes in consolidated stockholders' equity

(Translation from the original issued in Italian)
(Thousands of Euros)

	Capital stock	Legal reserve	Cumulative translation adjustment	Retained earnings	Net income (loss) for the period	Total
Balances at December 31, 1999	7,747	1,758	5,167	44,876	(3,786)	55,762
Appropriation of 1999 loss		98		(3,884)	3,786	0
Dividends as per resolution of stockholders' meeting of October 9, 2000				(1,808)		(1,808)
Translation adjustment			5,780			5,780
Net income for the year 2000					5,402	5,402
Balances at December 31, 2000	7,747	1,856	10,947	39,184	5,402	65,136

List of companies consolidated using the line-by-line method

Company	City/Country	Currency	Capital stock	% ownership
Affinity Company Ltd	Malta	USD	13,850,000	89.00%
Amstelwal Antilles N.V. (in liquidation)	Neth. Antilles	USD	6,668	100.00%
Azores Shipping Co. Ltd	Malta	USD	1,250	100.00%
Blue Rose Shipping Co. Ltd	Malta	USD	1,250	100.00%
Bulk Amstelwal Antilles N.V.	Neth. Antilles	USD	6,000	100.00%
Bulk Bourgas Ltd	Malta	USD	2,401,250	80.00%
Bulkguasare de Venezuela S.A.	Venezuela	BVS	2,408,007,000	85.00%
Bulkguasare Ltd	Malta	USD	7,250,000	85.00%
Bulktiger Shipping Co. Ltd	Malta	USD	1,250	100.00%
Capo Noli Transportes Maritimos Lda	Madeira	EURO	1,995	100.00%
CBZ Shipping Co. Ltd	Malta	USD	1,250	90.00%
CC Shipping Services S.a.m.	Monaco	EURO	152,000	100.00%
CC Steel Shipping & Logistics Ad	Bulgaria	BGL	50,000	51.00%
Cedar Shipping Co. Ltd	Malta	USD	1,250	100.00%
Charfer Trading S.A.	Switzerland	FFR	200,000	100.00%
Coal Trade Shipping Co. Ltd	Panama	USD	10,000	100.00%
Coeclerici Armatori S.p.A.	Milan	EURO	7,750,000	100.00%
Coeclerici Carbometal International B.V.	The Netherlands	EURO	1,329,341	100.00%
Coeclerici Carbometal Overseas N.V.	Neth. Antilles	NLG	651,795	100.00%
Coeclerici Carbometal S.p.A.	Milan	EURO	2,500,000	100.00%
Coeclerici International N.V.	The Netherlands	NLG	60,100,000	100.00%
Coeclerici Investments N.V.	Neth. Antilles	USD	45,000,000	100.00%
Coeclerici Logistics Gulf E.C.	Bahrain	USD	60,000	99.00%
Coeclerici Logistics S.p.A.	Milan	EURO	5,165,000	100.00%
Coeclerici Shipping N.V.	The Netherlands	EURO	20,000,000	100.00%
Coeclerici Transport Ltd	Isle of Man	GBP	2,000	100.00%
Coeclerici Transport Panamax Ltd	Isle of Man	GBP	2,000	100.00%
Fern Shipping Co. Ltd	Malta	USD	1,250	100.00%
Gasitalia Srl	Genoa	EURO	65,000	100.00%
Madeira Shipping Co. Ltd	Malta	USD	1,250	100.00%
Porto Cervo Shipping Co. Ltd	Malta	USD	1,250	100.00%
Red Ivy Shipping Co. Ltd	Malta	USD	1,250	100.00%
Shipping Services Srl	Milan	EURO	45,000	100.00%
Socar Shipping Co. Ltd	Malta	LMA	500	100.00%
Somocar International N.V.	The Netherlands	EURO	60,602	100.00%
Somocar Overseas N.V.	Neth. Antilles	USD	6,439,460	100.00%
Sud Est Srl	Brindisi	ITL	3,400,000,000	100.00%
Tirreno Shipping Co. Ltd	Malta	USD	1,250	100.00%

List of companies consolidated using the proportional method

Company	Location	Currency	Capital stock	% ownership
Genova Shipping Co. Ltd	Malta	USD	1,250	50.00%
Bulk Asia Ltd	Liberia	-	-	50.00%
Bulk Europe Ltd	Liberia	-	-	50.00%
Bulk Venture Ltd	Liberia	USD	10,239,900	50.00%
Mediterranean Bulk System N.V.	The Netherlands	NLG	100,000	50.00%
Shimmer Co. Ltd	Liberia	-	-	50.00%
Staines Holding Inc.	Liberia	-	-	50.00%
Viann N.V.	Neth. Antilles	NLG	12,000	50.00%

List of companies valued using the equity method

Company	Location	Currency	Capital stock	% ownership
Bulk Ispat Shipping Inc.	Liberia	-	-	50.00%
Bulk Terminal Ancona Srl	Ancona	EURO	10,329	80.00%
Bulk Terminal Torres S.p.A.	Sassari	EURO	113,621	90.00%
CC Shipping Services Philippines Inc.	Philippines	PHP	1,000,000	80.00%
Consorzio Italcost (in liquidation)	Ravenna	ITL	20,000,000	50.00%
Ferchim Srl (in liquidation)	Ravenna	ITL	186,000,000	75.00%
Freetravel Srl	Genoa	ITL	190,000,000	22.00%

Statutory Auditors' report

at December 31, 2000

To the stockholders,

The consolidated financial statements for the year ended December 31, 2000 of Coeclerici Group, prepared by the directors in accordance with Legislative Decree No. 127/1991, show an income for the year attributable to the Group of Euros 5,402 thousand as summarized below (in thousands of Euros):

Balance sheet

Assets

- Fixed assets	209,441
- Current assets	171,101
- Accruals and prepayments	13,630
	394,172

Liabilities and stockholders' equity

- Stockholders' equity - Group	65,136
- Minority interest	3,374
- Provisions for liabilities and expenses	11,326
- Employees' leaving indemnity	2,607
- Payables	300,203
- Accruals and deferrals	11,526
	394,172

Income Statement

- Production value	648,738
- Production costs	(627,295)
- Financial income (expenses)	(12,544)
- Adjustments to financial assets	697
Income before income taxes	9,596
- Income taxes	(3,976)
Net income before minority interest	5,620
- Minority interest	(218)
Net income for the year	5,402

The memorandum accounts amount to Euros 1,312 thousand for guarantees given and Euros 64,748 thousand for other memorandum accounts, as commented in the notes.

In conformity with the accounting principles, which encompass those established by law, the consolidated financial statements exclude the adjustments and accruals recorded solely for tax purposes and reflect the related deferred taxation.

We have checked the consolidated financial statements, ensuring the accuracy of the consolidation entries made on the basis of the financial statements of the group holding company and the subsidiaries included in consolidation, and the adjustments made in accordance with the principles of consolidation.

We have also checked the consistency of the consolidated financial statements with the report on operations, which covers the overall situation of the Group companies and performance as a whole and the individual sectors. To this end, we have examined the reports on operations, the reports of the Statutory Auditors of the companies included in the consolidation area, the statements reflecting the items eliminated on consolidation, the detail of the consolidation differences and the consolidation entries. No matters of significance have emerged from the tests carried out by us.

In particular, we confirm that:

- the line-by-line consolidation method has been applied to the subsidiaries included in the scope of consolidation and the equity method has been applied to those companies whose assets and liabilities would not have been significant for the purpose of presenting a true and fair view of the financial position and results of operations of the Group. The proportional consolidation

method was used for companies in which control is exercised together with a partner outside the Coeclerici Group;

- when the accounting policies adopted by the consolidated companies did not conform to those adopted by the holding company, the values has been adjusted in the consolidated financial statements showing the related fiscal effect;
- the financial statements of foreign subsidiaries have been translated into Euros by applying the year-end exchange rates to the balance sheet items and the average exchange rate for the year to the income statement items. Exchange differences deriving from the translation of foreign currency financial statements are allocated to “cumulative translation adjustment” under stockholders' equity.

The Group has voluntarily elected to have the consolidated financial statements audited by Arthur Andersen S.p.A., which issued an unqualified positive opinion.

The Board of Statutory Auditors
Guglielmo Calderari di Palazzolo
Ettore Cavo
Alfredo Durante

Independent Auditors' report



Report of the Independent Auditors
(Translation from the Original Issued in Italian)

Arthur Andersen SpA
Piazza della Vittoria 15/35
16121 Genova

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

We have audited the consolidated financial statements of Coeclerici S.p.A. and subsidiaries (Coeclerici Group) as of and for the year ended December 31, 2000. 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.

We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated April 26, 2000.

In our opinion, the consolidated financial statements of Coeclerici S.p.A. as of and for the year ended December 31, 2000, comply with the Italian statutory provisions related to consolidated financial statements; therefore they give a true and fair view of the consolidated financial position and results of operations of the Coeclerici Group.

Genoa, Italy
April 3, 2001

Arthur Andersen SpA

s/Fabrizio Fagnola - Partner

Corporate Directory

Genoa office

via di Francia, 28
16149 Genoa - Italy

tel. ++ 39 (010) 60.53.1
telefax ++ 39 (010) 60.53.525
telex 27.50.18 CCARMA I

Milan office

via Manin, 13
20121 Milan - Italy

tel. ++ 39 (02) 62.46.91
telefax ++ 39 (02) 62.46.97.03
telex 31.50.51 CLEMI I

Monaco office

7, rue du Gabian
MC 98000 Monaco - France

tel. ++ 377 (93) 100.400
telefax ++ 377 (93) 100.444

Amsterdam office

De Boelelaan 575 - A
1082 RM Amsterdam - The Netherlands

tel. ++ 31 (20) 301.29.21
telefax ++ 31 (20) 301.29.25

Curacao office

de Ruyterkade, 62
Curacao - Netherlands Antilles

tel. ++ 599 (9) 61.55.55 - 61.30.77
telefax ++ 599 (9) 61.26.64 - 61.43.75

Design: Barabino & Partners

Printed in Milan, Italy by Lucini

June 2001



Printed on recycled paper