COECLERICI GROUP

Annual Report 2001

Coeclerici S.p.A.

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

Capital Stock:
Eur 8,000,000.00
fully paid-up

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

Tax Code n. 12307910153
VAT n. 03762760100

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COECLERICI

Group Structure

at April 8, 2002

- **Coeclerici S.p.A.**
  - **100% Coeclerici International NV**
    - 100% Coeclerici Shipping NV
      - 100% Coeclerici Armatori SpA
        - 100% Coeclerici Transport Ltd
        - 100% Coeclerici Transport Panamax Ltd
        - 100% Gasitalia Srl
      - 66% Coeclerici Ceres Bulk Carriers NV
        - 100% Porto Cervo Shipping Co. Ltd.
        - 100% Coal Trade Ship. Co. Ltd
        - 100% Fern Shipping Co. Ltd
        - 100% Bulk Amstelwal Antilles NV
        - 100% Bulk Shipmanagement SA
        - 100% Shimmer Co. Ltd
        - 100% Bulk Hellas Corp.
        - 100% Bulk Nike Corp.
        - 100% Bulk Genova Corp.
        - 100% El Seguro Inc.
        - 100% El Motores Inc.
        - 100% Blue Panagiotis Shipping Co.
        - 100% Blue Cedar Shipping Co.
        - 87.50% Bulk Australia Ltd
        - 87.50% Bulk Africa Ltd.
        - 87.50% Bulk Venture Ltd
          - 100% Bulk Europe Ltd.
          - 100% Bulk Asia Ltd.
        - 50% Bulk Ispat Shipping Inc.
        - 50% Staines Holding Inc.
    - 100% Coeclerici Logistics SpA
      - 100% Shipping Services Srl
      - 100% Sud Est Srl
      - 100% Somocar International NV
        - 100% Somocar Overseas NV
          - 100% Capo Noli Trans.Mar.Co. Ltd
          - 100% CC Ship. Services Monaco Sam
            - 100% Ship Manning Services Phil. Inc.
          - 99% CC Logistics Gulf EC
          - 90% CBZ Shipping Co. Ltd
          - 80% Bulk Bourgas Ltd
          - 50% Viann NV
            - 100% MBS NV
        - 51% CC Steel Shipping & Logistics AD
        - 20% Bulk Terminal Ancona Srl
      - 89% Affinity Co. Ltd
      - 90% Bulkguasare Ltd
        - 100% Bulkguasare de Venezuela SA
      - 50% Sical CC Logistics Ltd
    - 100% Coeclerici Carbometal SpA
      - 100% Coeclerici Carbometal Int. BV
        - 100% Coeclerici Carbometal Overseas NV
          - 100% New Cedar Shipping Co. Ltd
          - 100% Bulkiger Shipping Co. Ltd
        - 100% Charfer Trading SA
          - 100% Charfer Co. Ltd

In liquidation and non operating companies are not included.

Coeclerici S.p.A.

Board of Directors

Members of the Executive Committee

Members of the Executive Committee	Paolo Clerici	Chairman and CEO
	Urbano Faina	Deputy Chairman
	Corrado Papone	Deputy Chairman
	Antonio Belloni	Director
	Giorgio Cefis	Director
	Giuseppe Valenzano Menada	Director
	Jody Vender	Director
	Sergio Ungaro	Director

The term of office expires upon the approval of the financial statements for the year ended December 31, 2003

Board of Statutory Auditors

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

The term of office expires on October 9, 2003

Independent Auditors

Arthur Andersen S.p.A.


COECLERICI

Management Report

(translation from the original issued in Italian)

Chairman's Letter

To the Stockholders,

For the Coeclerici Group, 2001 was a particularly satisfying year, despite a weak macroeconomic scenario, especially during the second half of the year; in addition, the well-known events of September 11 negatively influenced world trade figures even more towards the end of the year.

The Group closed 2001 with revenues of Eur 752 million (+20.5% compared to 2000), operational cash flows of Eur 45.9 million (+4.2% compared to 2000) and a net income of Eur 7.2 million (+32.7% compared to 2000). All three sectors of operations, Shipping, Logistics and Carbometal, closed the year with increased revenues and volumes, and with highly positive economic results.

The result of the Carbometal sector was particularly significant. It ended the year with revenues of Eur 216 million, compared to Eur 134 million in 2000 (+61%), and with an operating profit of Eur 8.6 million, compared to Eur 3.8 million in the prior year (+126%). These brilliant results were the outcome of the strategy adopted by the Group for some years now to concentrate business on the “core” raw material, namely coal, and to integrate upstream of the process of procuring coal from Russia; in fact, it should be remembered that, today, Coeclerici Carbometal mainly acquires coal directly from mines and not through intermediaries.

The Logistics sector continues its trend of growth connected with the stipulation of new long-term contracts. In 2001, an agreement was reached with the Lucchini Group for the lightening of raw materials destined for the iron and steel industry in the waters off the port of Piombino. The eight-year contract involves an investment of approximately US $11.5 million and revenues of approximately US $34 million.

The Logistics sector also closed 2001 with revenues and operating profit that were higher than the prior year; the sector reported revenues of more than Eur 41 million, while operating profit was Eur 3.6 million (+20% compared to 2000).

The Shipping sector continues to be the Group’s main sector of operations in terms of revenues and invested capital. In 2001, the performance of the Shipping sector was positive, both in the Capesize and Panamax segments, despite the fact that, in the second half of the year, the freight market reported a sharp decline; at the end of 2001, the freight market fell to values that were even lower than in the two-year period 1998-1999, years of profound crisis in the countries of the Far East.

The Shipping segment was also marked by an important strategic event. In fact, an agreement was sealed with the Greek shipping Group Ceres Hellenic to set up a joint venture in which Coeclerici Shipping NV has a 66% stake, the purpose being to unite the bulk carriers operated by the two groups. The vehicle company for this union, which was the subholding company of the Shipping Sector of the Coeclerici Group, has been renamed Coeclerici Ceres Bulk Carriers NV and is the owner of a fleet of 19 vessels with a total gross tonnage of more than 2.3 million tons. The aim of this alliance is to consolidate and strengthen the presence of the two groups in the shipping sector and to create a common corporate vehicle that, with a solid financial base as its starting point, can expand in the market and also make important investments.

With this in mind, the two groups have already begun to operate and a contract was signed for the construction of two Capesize vessels in Japan, each with a gross tonnage of 170,000 tons, the first being scheduled for delivery in mid-2002 and the second in early 2003; the total investment is about US $78 million of which 87.5% will be borne by Coeclerici Ceres Bulk Carriers NV, with the remaining 12.5% being invested by an important American group that is already a partner in the Coeclerici commercial shipping pool.

As already mentioned, the brilliant results reported in 2001 were achieved in a macroeconomic context which gradually deteriorated further as the year progressed, with a sudden further slowdown in the last quarter. The second half of the year constituted a period of recession for several important countries which reported negative growth rates (the United States, Canada, Germany, Japan, and some Latin American countries). World growth during the year was 1% compared to +4.7% in the prior year.

The general crisis was particularly acute in the iron and steel sector which, as you know, has a major influence on at least two sectors of operations of the Coeclerici Group, namely Shipping and Logistics.

In fact, as far as the Shipping sector is concerned, a large proportion of the demand for transport comes from the iron and steel sectors, while, with reference to the Logistics sector, lightening operations in Bulgaria, Bahrain and India were carried out for customers operating in the same sector.

In the light of the recessive macroeconomic scenario described above, the positive performance of the Coeclerici Group is even more significant; these figures are the result of the strategy that has been implemented by the Group for several years with the aim of reducing the breakeven point and taking action to stabilize economic returns even at times of a negative economic cycle, such as seeking medium and long-term contracts and performing services at a fixed fee (pool management for the Shipping Sector, fuel management and representative agencies for the Carbometal sector).

To the management, the employees and all those who have contributed to the operations of the Group, we would like to express our particular thanks.

Consolidated results

The consolidated highlights of the Coeclerici Group for 2001, compared to those of 2000, can be summarized as follows (in thousands of Eur):

	2001	2000
Revenues	752,387	623,835
Contribution margin	41,904	38,616
Total operating profit	24,032	23,543
Net income - Coeclerici Group	7,170	5,402
Ebit	20,304	21,969
Ebitda	45,956	44,106
Number of employees (at year-end)	590	584

In 2001, there was an increase in both the revenues and margins of the Group. Revenues increased in all three sectors of activity, mainly as a result of the higher quantities of volumes handled; the exchange rate of the US Dollar against the Euro in 2001, instead, on average, remained in line with levels in the prior year, without any particular effect on the nominal value of revenues (US $0.90 to Eur 1 in 2001, compared to US $0.93 to Eur 1 in 2000).

If we analyze the volumes handled, in 2001, the Shipping sector transported approximately 52 million tons of dry bulk goods compared to 48 million tons in 2000 (+8.3%), the Carbometal sector traded 8.2 million tons compared to 7.2 million in the prior year (+13.9%) and, finally, the Logistics sector handled and transported 14.6 million tons compared to 13.7 million tons in 2000 (+6.6%).

Apart from volumes, margins also increased, as seen by a contribution margin that rose from Eur 38.6 million to Eur 41.9 million and a consolidated net income of more than Eur 7 million.

It should be noted that the income statement includes the writedown of Eur 4.9 million to the carrying value of the motor vessel Amstelwal to bring it in line with the selling price stated in a Memorandum of Agreement sealed on February 20, 2002.

In order to more fully understand the performance of the Group, the highlights of the individual sectors of the Coeclerici Group are presented below (in thousands of Eur):

	2001	2000
Revenues		
- Shipping	499,294	449,568
- Logistics	41,102	43,360
- Carbometal	216,045	134,136
- Intragroup	(4,054)	(3,229)
Total	**752,387**	**623,835**

Contribution margin		
- Shipping	21,714	23,006
- Logistics	7,712	7,162
- Carbometal	13,614	9,252
- Intragroup	(1,136)	(804)
Total	**41,904**	**38,616**

Operating profit		
- Shipping	12,796	17,159
- Logistics	3,621	3,008
- Carbometal	8,574	3,835
Intragroup	(959)	(459)
Total	**24,032**	**23,543**

As mentioned earlier, in 2001, the economic performance of the Carbometal sector was really exceptional, with growth of revenues, margins and operating profit which will be hard to match in the future.

The Logistics sector confirmed its growth and, more particularly, confirmed the fact that it is the stabilizing component of the results of the Group with regular performance based on medium-term contracts.

Finally, as far as the Shipping sector is concerned, there was a positive result with a contribution margin of more than Eur 21 million despite the fact that, in the second half of the year, the market declined to levels below those of the two-year period 1998-1999. The positive result was achieved thanks to the correct positioning of the sales portfolio with regard to the movements of the market; the result could have been even higher, but some charterers did not fully respect the contractual agreements stipulated, postponing until 2002 some transport operations that were closed at freight levels that were much higher than those of the market at the time.

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

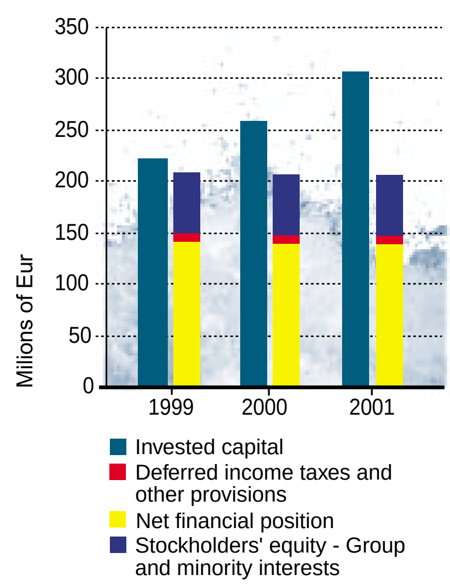
	12/31/2001	12/31/2000
Net working capital	57,359	51,610
Employees' leaving indemnity	(2,233)	(2,607)
	55,126	49,003
Fixed assets		
- fleet	229,359	193,976
- government grants	(1,677)	(1,993)
- other tangible and intangible fixed assets	11,111	11,586
- equity investments	8,112	3,879
Invested capital	**302,031**	**256,451**
Net financial position	214,861	176,615
Deferred income taxes and other reserves	11,109	11,326
Stockholders' equity Group and minority interests	76,061	68,510
Sources of financing	**302,031**	**256,451**

The balance sheet of the Group shows a positive equilibrium, especially considering the high level of investments necessary for operating both in the Shipping and Logistics segments. The working capital remained in line with that at the end of 2000, despite the increase in revenues, confirming the effective control exerted over the working capital by the Group.

During the year, the Group invested in new vessels which increased the total value of invested capital. In particular, in January and May, the two Capesize vessels were delivered, each weighing 170,000 DWT, for a total investment of approximately US $70 million, of which the Coeclerici Group paid 50%. Furthermore, in 2001, the Logistics sector made total investments of US $9 million for vessels which will enter service during 2002 in India and in Italy on behalf of the customer Lucchini.

The increase in investments was obviously accompanied by an increase in indebtedness for the specific loans that were arranged; overall, however, the debt/equity ratio, equal to 2.8, has remained virtually unchanged compared to 2000.

Net invested capital/
Sources of financing



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 dry bulk carriers having between a 60,000 and 80,000 gross ton capacity (Panamax vessels) and between a 120,000 and 180,000 ton capacity (Capesize vessels).

The market

As already mentioned, in 2001 whereas the market of sea transport of dry bulk cargoes was fairly steady in the first half of the year, it reported a sharp decline in the second half, which became even more accentuated after the tragic events of September 11.

The slump in the market was caused by a considerable slowdown in demand for transport, as a result of the crisis affecting world economies, which negatively influenced the steel & iron sector. It was accompanied by a considerable increase in the availability of the fleet.

Demand for sea transport of dry bulk cargo

(millions of tons)

	2001	2000	1999	1998
Iron Ore	459	448	403	413
Met Coal	189	186	176	180
Steam Coal	367	327	303	284
Grain	258	253	242	225
Other	614	619	607	589
Total	**1,887**	**1,833**	**1,731**	**1,691**

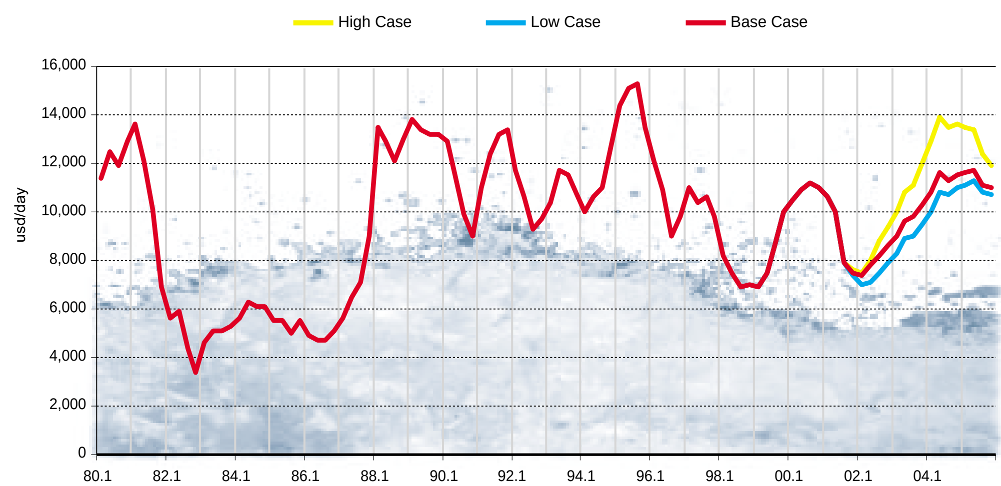
As can be seen in the above table, in 2001 the transport of dry bulk raw materials remained virtually unchanged compared to the prior year. But the disaggregated figures for each quarter show a fall in values in the last part of the year, compared to growth during the first part. In particular, demand for transport in the last quarter fell by approximately 1.5% compared to the prior quarter.

The supply of tonnage, on the other hand, increased by 3.2% during the first nine months of 2001, only to report a slowdown in the last quarter; growth was particularly high in the Panamax segment with an increase of +9% compared to the prior year.

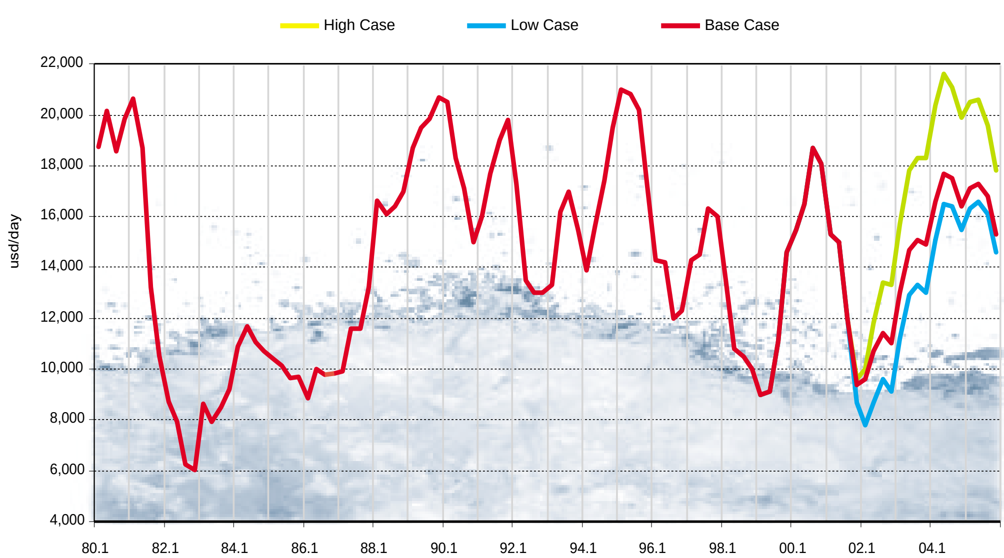
In the last quarter, the growth of the fleet slowed down with a considerable increase in the number of old vessels scrapped, especially in the Capesize segment; during the period, demolitions totaled 3.3 million tons of gross ton capacity, the highest figure since 1999.

Orders for new ships also declined sharply, sliding to the levels recorded at the beginning of 1999. It is therefore reasonable to expect a recovery of the market before long due to the forecast slowdown in the growth of the supply of tonnage. If we consider that the world economies should also improve shortly, it is reasonable to forecast that in the second half of the year, and particular next year, the market will rise sharply.

Panamax One-Year TC Rates



Capes One-Year TC Rates



The fleet

In 2001, the Shipping sector operated with 11 owned vessels, 14 owned by third parties participating in the Coeclerici pools and time-chartered vessels belonging to third parties (23 at the end of 2001). At the end of the year, the fleet was composed of the following vessels:

Vessel	DWT	Size
Owned vessels		
Bulk Asia (*) built 2001	170,578	Cape
Bulk Europe (*) built 2001	170,578	Cape
Bulk Hellas (*) built 1995	151,053	Cape
Bulkispat Leher (*) built 1992	149,532	Cape
Bulkatalanta (*) built 1990	149,495	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
Total DWT owned vessels	**1,718,850**	

Third-party vessels in the pools		
Nike (***) built 1995	151,738	Cape
Giovanni Grimaldi built 1992	135,364	Cape
Amelia built 1989	135,070	Cape
Bulkgenova (**) built 1988	135,000	Cape
Formosa Trident (****) built 1978	81,776	Panamax
George (****) built 1984	77,078	Panamax
Lake Sequoia (****) built 2001	75,955	Panamax
Lake Camellia built 2001	75,933	Panamax
Yomoshio (****) built 2001	75,921	Panamax
North Friendship built 1999	74,732	Panamax
World Ribbon (****) built 1998	74,522	Panamax
Red Cherry (****) built 1999	73,762	Panamax
Ever Blossom built 1997	72,517	Panamax
Babitonga built 1998	70,529	Panamax
Angele N. built 1990	69,315	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	**1,572,544**	

Time-chartered vessels		
Night Whisper	172,428	Cape
Channel Navigator	172,058	Cape
Alpha Century	170,451	Cape
Alpha Millenium	170,451	Cape
Cape Araxos	170,296	Cape
Erradale	163,554	Cape
Gateway Bulker	151,439	Cape
Bulk Hellas	151,053	Cape
Mercurian Virgo	150,149	Cape
Deep Blue	150,108	Cape
Anangel Dawn	149,321	Cape
Courageous	149,190	Cape
Boss	139,809	Cape
Lemnos	86,722	Panamax
Epson Trader	75,933	Panamax
Kamari	75,686	Panamax
Giovanni Bottiglieri	75,265	Panamax
United Sage	74,557	Panamax
World Rye	74,500	Panamax
B.S. Tiga	73,496	Panamax
World Raven	72,394	Panamax
Ispat Umang	69,306	Panamax
Francesco	66,042	Panamax
Total DWT time-chartered vessels	**2,804,208**	
Total DWT fleet controlled	**6,095,602**	

(*) 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

As already mentioned, in 2001 the Group took delivery of two newly built Capesize vessels, Bulk Asia and Bulk Africa; 50% of the investment, totaling US $70 million, was made by the Coeclerici Group and the other 50% by two other groups that are partners in the pool.

Furthermore, in 2001 two more Capesize vessels were ordered, twins of the two vessels mentioned above, scheduled for delivery in 2002 and 2003; 87.5% of the investment, estimated to be in the order of US $78 million, will be made by Coeclerici Ceres Bulk Carriers NV and, therefore, 57.75% by the Coeclerici Group. The remaining 12.5% will be supplied by ISC, an American partner in the Capesize pool, as well as already being a partner, with a 12.5% stake, in the two new vessels which entered service in 2001.

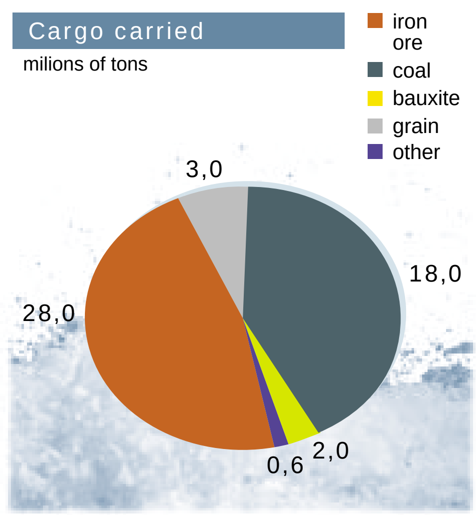
Summary of economic and financial highlights

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

	2001	2000
Economic highlights		
Revenues	499,294	449,568
Contribution margin	21,714	23,006
Total operating profit	12,796	17,159
Financial highlights		
Invested capital	201,598	183,305
Stockholders' equity Group and minority interests	44,506	48,379
Net financial position	150,838	127,099
Other information		
Ebit	13,443	16,851
Ebitda	28,446	32,377
Debt/Equity ratio	3.3	2.6
Tons transported (in millions)	52.0	48.1

The above figures show that 2001 was another positive year, although levels were slightly lower than the prior year. Furthermore, disaggregated figures for the six-month periods show that, in the first half of the year, the economic performance of the Shipping sector was in line with the prior year (the operating profit at June 30, 2001 was Eur 8.9 million), whereas, in the second half of the year, the slowdown of the economy, rendered even more serious by the events of September 11, caused the decline in the freight market already described and, hence the deterioration in the results.

From the financial standpoint, invested capital increased following the entry into service of the two new vessels and the consequent increase in the financial position.



Logistics Sector

The Logistics 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 2001 a new contract was signed for the lightening of raw materials in Italy for the customer Lucchini

S.p.A.; during the year, an investment was begun to build a barge for lightening and transport operations in India for Ispat Industries, based on a contract signed in 2000. The operations for both contracts are scheduled to commence in 2002. In that year, only four years after the stipulation of the first foreign operating contract, the Logistics sector finds itself operating in Italy with two different operations (Enel in Trieste and Lucchini at Piombino), in Bahrain, Venezuela, Bulgaria and India. Furthermore, advanced negotiations are in progress to conclude a further contract to operate in India with another key operator in the steel & iron sector.

As far as Italy is concerned, operations continued with Enel based on the contract signed in 1998; however, whereas the contract stipulated the handling of 1.5 million tons per year, in 2001, Enel only handled 1.1 millions tons, compared to 1.3 million in 2000.

You may recall that, back in 1999 Enel, the Italian national electricity company, had partly implemented a different procurement policy, importing coal on handy-size and Panamax vessels destined directly for the power plants located on the Adriatic coast; furthermore, in 2001, Enel made greater use in the upper reaches of the Adriatic of the terminals at Koper and Bakar and the second port was used more than the port of Fusina.

Coeclerici Logistics also serves Enel with a floating storage vessel in Trieste harbor equipped with a system of cranes and belts that can unload coal arriving on Capesize vessels and store it in the hold; the coal is then transported by a fleet of owned barges according to the needs of the Enel power plants.

Back in 1999, this change of strategy on the part of Enel had led to the handling of only 1.1 million tons through the Trieste depot; in 2000, thanks partly to the commercial negotiations agreed with the customer, the number of tons rose to 1.3 million, with a significant increase compared to the prior year, but still well below the amount established in the original contract. As already stated, in 2001, amounts handled returned to the same unsatisfactory levels as in 1999. Obviously meetings of a technical and operational nature are continuing with the persons responsible at Enel with the aim of improving the level of operations and obtaining full implementation of the terms agreed in the contract; the terms, moreover, clearly state that any quantities not handled below the minimum established in the contract during the five-year period are to be handled in any case after the expiry of the contract.

Finally, it should be remembered that Enel has sold some of its power plants and this means that the Group will have to deal with more than one counterpart.

The Group also operates in the port of Brindisi through the consolidated subsidiary Sud Est Srl. During the first part of the year, operations continued within the framework of the contract with Enel for unloading coal on hoppers and transferring it on belts and on trucks to the Brindisi Nord power plant.

In the second half of 2001 the Group participated in a bid held by Enel for awarding a contract lasting several years for unloading and transporting the coal destined for the Brindisi Nord power plant. In the opinion of the Group's management, and according to its legal counsel, the contract has been awarded to another operator who does not have the necessary qualifications to carry out the operations; for this reason, an appeal was presented to the Regional Administrative Court (TAR) which ruled in favor of the Company on January 11, 2002. The other party concerned presented an appeal with a request to suspend the ruling to the Council of State, which ruled in favor of a suspension, while the appeal will be examined in May 2002.

To date, and partly in the light of the dispute currently in progress, it is impossible to make precise forecasts about whether or not operations in Brindisi will continue.

As far as the contract for unloading operations in Bulgaria is concerned, as a result of the crisis in the steel & iron industry, the customer has reduced production and has therefore asked for a temporary reduction in the minimum number of tons guaranteed by the contract; here again, the quantities not handled in 2001 (150,000 tons) will be handled at the end of the period covered by the contract.

The fleet

At December 31, 2001, the Logistics sector operated with the following fleet:

	DWT	Year built
Bulktrieste	122,417	1975
Bulkwayuù	64,400	1978
Bulkgulf	51,659	1982
Capo Noli	23,794	1981
Bulk Kremi I	14,364	1973
Socartre	11,759	1981
Socarquattro	11,757	1981
Socarsette	11,757	1984
Socarcinque	5,500	1984
Socarsei	5,500	1984
Under construction		
To be named (Piombino)	14,000	2002
Bulk Challenger (India)	13,000	2002

In 2001, the barge Socardue was sold to third parties without any significant economic effects. On the other hand, investments were made for the vessels which will operate in India and at Piombino for a total of US $9 million.

Summary of economic and financial highlights

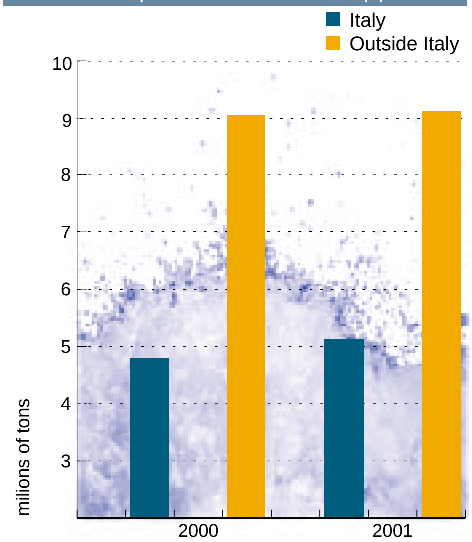
Highlights of the Logistics sector, determined on the basis of the accounting principles adopted in the preparation of these financial statements, are as follows (in thousands of Eur):

	2001	2000
Economic highlights		
Revenues	41,102	43,360
Contribution margin	7,712	7,162
Total operating profit	3,621	3,008
Financial highlights		
Invested capital	52,715	48,745
Stockholders' equity – Group and minority interests	33,667	30,561
Net financial position	16,362	16,051
Other information		
Ebit	3,787	1,961
Ebitda	11,001	8,467
Debt/Equity	0.5	0.5
Tons transshipped and transported (in millions):		
- Italy	5.2	4.6
- Outside Italy	9.3	9.1

The above figures show both the positive economic performance and a growth in all the indicators compared to 2000 and the solidity of the financial position of the sector; in fact, despite the considerable investments made, the debt/equity ratio is still 0.5; this result was achieved thanks to the high level of cash flows generated, as confirmed by the EBITDA equal to Eur 11.0 million with revenues of Eur 41.1 million.

These results were achieved despite the difficulties of the customer Kremikovtzki and the fact that Enel failed to fully respect the terms agreed in the contract.

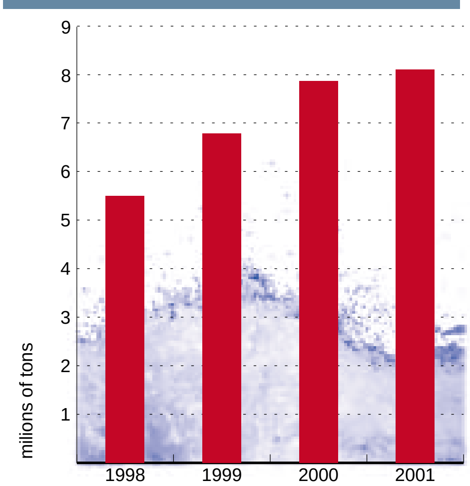
Tons transported an transshipped



Moreover, the strength of its sales efforts made it possible to set highly remunerative prices, resulting in an increase in the contribution margin of more than 7% compared to the prior year.

Alongside trading activities, in 2001, agency activities brokered 4.6 million tons, making a considerable contribution to the positive economic results. The coal procurement market continues to generate added value to the agency brokering activities which the Coeclerici Group has performed for more than 90 years, thanks to its in-depth knowledge of the market and its longstanding relations with producers and users.

Raw materials traded



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 for outside Italy, for certain of the major world producers of coal.

As stated at the beginning of this report, 2001 was a year of enormous satisfaction for the Carbometal sector, with a large increase in revenues and profitability compared to the prior two years, when the sector had already reported very positive results. The strategy of a better integration upstream in the process of procurement of the product led to ever more stable relations with Russian producers and, as a result, to a steadier availability of the product and greater control over its quality. On this basis, in 2001, the trading segment marketed more than 3.6 million tons of coal compared to approximately 3 million tons in the prior year.

The Group is now considering whether to integrate the process of the procurement of raw materials further upstream by investing directly in mines; the decision is one of a strategic nature, and constitutes another step in the direction of rendering the flow of products destined for trading ever more stable and available. At this time, some potential investments have already been identified in Russia and/or South Africa, both countries where Coeclerici has been operating for several decades.

Summary of economic and financial highlights

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

	2001	2000
Economic highlights		
Revenues	216,045	134,136
Contribution margin	13,614	8,508
Total operating profit	8,574	3,835
Financial highlights		
Invested capital	48,997	18,026
-of which fleet	21,773	—
Stockholders' equity – Group and minority interests	12,009	6,460
Net financial position	34,621	10,108
-of which ship finance	17,588	—
Other information		
Ebit	9,727	4,007
Ebitda	10,161	4,109
Debt/Equity ratio	2.9	1.6
Tons traded (in millions)	8.2	7.8

The figures show the extraordinary performance of the Carbometal sector in 2001, with almost double the operating profit compared to 2000 and an increase in revenues of almost 61%.

In 2001, the sector invested in a Panamax vessel, partly with the aim of partially covering the cost of chartering vessels for transporting coal sold systematically on a CIF (Cost, Insurance and Freight) basis. This obviously contributed to increasing the level of invested capital, which rose from Eur 18 million at the end of 2000 to Eur 49 million at the end of 2001. Consequently, the financial position increased as a result of the fact that part of the price of the vessel was financed through a bank loan. Overall, however, the debt/equity ratio remained at a very low level (2.9 at the end of 2001). If the figures relating to the investment in the vessel are not considered and only the data relating typically to the sector are taken into account, the debt/equity ratio falls to 1.4, an improvement compared to 1.6 recorded in the prior year. Finally, it should be emphasized that the invested capital without the value of the vessel, which would thus be made up of net working capital, is equal to Eur 27.2 million, with an increase of 51% compared to the prior year. This increase is less than proportional compared to the increase in revenues, confirming a careful policy of limiting inventories and a shrewd management of trade receivables from customers.

Research and development

The Group carries out mainly commercial research and development activities, particularly with reference to the Logistics and Carbometal sectors.

As far as the former is concerned, activities are concentrated on the research and study of new projects associated with the transport and transfer of raw materials. The Carbometal sector, on the other hand, concentrates on searching for opportunities to invest in mines, with the aim of having more direct, stable access to the sources of supply.

However, all the R&D costs are directly expensed to the income statement.

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.

Transactions with parent companies and related parties

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

Future outlook

The decline of the shipping market will presumably lead to a fall in the results of the sector in 2002, even though the first signs of a recovery perceived during the early months of the year suggest that there will be an improvement in the second half of the year.

The reduction in orders for new vessels, especially in the Capesize segment, suggests that there will be a sharp increase in the market in 2003 and 2004.

As far as the Coeclerici Group is concerned, the strategy adopted to reduce the breakeven point, the activities of the shipping pool, and the contribution to overheads from revenues deriving from the management of the pools leads us to conclude that the Shipping sector will also close 2002 with a satisfactory economic performance, bearing in mind the current market situation.

For the Logistics sector it is reasonable to assume that 2002 will be a positive year, with higher results than in 2001 thanks to the new projects that will commence during the current year. Commercial efforts must concentrate on not only the search for new business opportunities, but also on negotiations to renew the first contracts signed, which are approaching their expiry date (Bahrain in mid-2003, Venezuela in August 2004). Furthermore, it is the Group's intention to attempt to further diversify the contract portfolio in terms of sectorial activities, since it is highly concentrated in the steel & iron sector at present; the aim is to try to reduce the risk of volatility of returns even further, since the steel and iron sector is certainly highly sensitive to the cycles of the market.

As for the Carbometal sector, the forecast for 2002 is certainly positive, although not necessarily in line with 2001 in terms of profitability. This is because it will be hard to match the margins reported in 2001 in years to come.

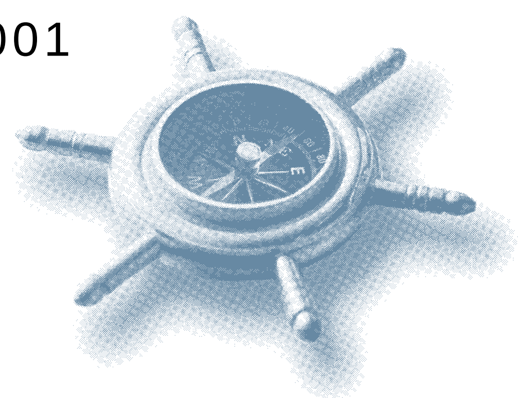
As already mentioned, it is also the sector's intention to search for investment opportunities in mines of a sufficient size to permit a gradual and prudent approach to the business of mining coal. This potential area of investment is in complete harmony with the strategy of totally integrating upstream the cycle of coal procurement and the search for steady flows of the product to be marketed.

Significant subsequent events

On February 20, 2002 a Memorandum of Agreement was signed for the sale to third parties of the motor vessel Bulkamstelwal; the selling price is in line with the carrying value recorded in the financial statements at December 31, 2001.

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

Consolidated Financial Statements at December 31, 2001



Consolidated balance sheet at December 31, 2001

(Translation from the original issued in Italian)

(Thousands of Eur)

Assets		Dec. 31, 2001		Dec. 31, 2000	Changes
A) Capital subscription rights receivable		**0**		**0**	**0**
B) Fixed assets					
I Intangible fixed assets:					
Start-up and expansion costs		179		527	(348)
Industrial patents and intellectual properties		18		0	18
Concessions, patents, licenses, trademarks and similar rights		43		24	19
Consolidation difference		76		167	(91)
Other		1,266		1,269	(3)
Total intangible fixed assets		1,582		1,987	(405)
II Tangible fixed assets:					
Land and buildings		6,534		6,758	(224)
Plant and machinery:					
- fleet		215,022		185,306	29,716
- other plant and machinery		240		340	(100)
Industrial and commercial equipment		18		35	(17)
Other		891		831	60
Assets under construction and advance payments		14,337		8,670	5,667
Total tangible fixed assets		237,042		201,940	35,102
III Financial fixed assets:					
Equity investments in:					
Subsidiaries		322		222	100
Associated companies		7,206		3,144	4,062
Other companies		584		513	71
Receivables:	(1)		(1)		
Other	0	1,846	0	1,635	211
Total financial fixed assets		9,958		5,514	4,444
Total fixed assets		**248,582**		**209,441**	**39,141**
C) Current assets:					
I Inventories:					
Raw, ancillary and consumable materials		9,931		12,495	(2,564)
Charters in progress		16,900		35,454	(18,554)
Finished products and goods for resale		7,579		5,496	2,083
Advances		4,347		5,162	(815)
Total inventories		38,757		58,607	(19,850)
II Receivables:	(2)		(2)		
Trade	0	68,962	0	56,476	12,486
Subsidiaries	0	113	0	107	6
Associated companies	0	140	0	140	0
Other	0	25,808	0	36,733	(10,925)
Total receivables		95,023		93,456	1,567
III Current financial assets:					
Investments in subsidiaries		2,247		0	2,247
Other investments		850		0	850
Total current financial assets		3,097		0	3,097
IV Cash and banks:					
Bank and postal deposits		24,750		18,922	5,828
Cash on hand		80		116	(36)
Total cash and banks		24,830		19,038	5,792
Total current assets		**161,707**		**171,101**	**(9,394)**
D) Accrued income and prepaid expenses		**10,602**		**13,630**	**(3,028)**
Total assets		**420,891**		**394,172**	**26,719**

(1) Due within one year
(2) Due beyond one year

Liabilities and stockholders' equity	Dec. 31, 2001		Dec. 31, 2000		Changes
A) Stockholders' equity					
I Capital stock		8,000		7,747	253
IV Legal reserve		2,849		1,856	993
VII Other reserves:					
Cumulative translation adjustments		14,709		10,947	3,762
VIIIRetained earnings		40,241		39,184	1,057
IX Net income for the year		7,170		5,402	1,768
Stockholders' equity - Group		**72,969**		**65,136**	**7,833**
Minority interests		3,092		3,374	(282)
Total stockholders' equity - Group and minority interests		**76,061**		**68,510**	**7,551**
B) Reserves for liabilities expenses					
Employees' pension and similar obligations		35		35	0
Income taxes		5,270		4,151	1,119
Other:					
- dry dock reserve		0		2,774	(2,774)
- reserve for losses of subsidiaries		224		224	0
- other reserves		5,580		4,142	1,438
Total reserves for liabilities and expenses		**11,109**		**11,326**	**(217)**
C) Reserve for employees' leaving indemnity		**2,233**		**2,607**	**(374)**
D) Payables:	(1)		(1)		
Bank borrowings	154,991	243,322	134,153	194,092	49,230
Payables to other financial companies	0	1,418	0	1,558	(140)
Advance payments	0	21,955	0	47,783	(25,828)
Trade	0	52,368	0	51,530	838
Parent companies	0	74	0	101	(27)
Taxes	0	1,851	0	2,579	(728)
Social security agencies	0	467	0	413	54
Other payables	0	1,934	0	2,147	(213)
Total payables		**323,389**		**300,203**	**23,186**
E) Accrued liabilities and deferend income:					
- government grants		1,677		1,993	(316)
- other		6,422		9,533	(3,111)
Total accrued liabilities and deferred income		**8,099**		**11,526**	**(3,427)**
Total liabilities and stockholders' equity		**420,891**		**394,172**	**26,719**

(1) Due beyond one year

Memorandum accounts	Dec, 31, 2001	Dec, 31, 2000	Changes
Unsecured guarantees granted			
Guarantees	1,266	1,312	(46)
Other memorandum accounts			
Receivables sold to factoring companies	8,787	11,647	(2,860)
Commitments	190,525	53,101	137,424
Total memorandum accounts	**200,578**	**66,060**	**134,518**

Consolidated income statement for the year ended December 31, 2001

(Translation from the original issued in Italian)

(Thousands of Eur)

	2001	2000	Changes
A) Production value:			
Revenues from sales and services	770,941	606,069	164,872
Changes in charters in progress	(18,554)	17,766	(36,320)
Other income and revenues:			
- operating grants	41	80	(39)
- sundry	29,625	24,823	4,802
Total production value	**782,053**	**648,738**	**133,315**
B) Production costs:			
Raw, ancillary and consumable materials and goods for resale	(251,059)	(180,196)	(70,863)
Services	(445,120)	(402,530)	(42,590)
Leases and rentals	(1,612)	(2,106)	494
Personnel:			
wages and salaries	(16,302)	(16,840)	538
social security charges	(2,063)	(2,092)	29
employees' leaving indemnity	(726)	(1,073)	347
Amortization, depreciation and write-downs:			
amortization of intangible fixed assets	(799)	(1,622)	823
depreciation of tangible fixed assets	(19,926)	(16,157)	(3,769)
other write-downs of fixed assets	(4,927)	(4,358)	(569)
write-down of receivables included under current assets	(147)	(202)	55
Change in inventories of raw, ancillary and consumable materials and goods for resale	(481)	8,418	(8,899)
Provisions for liabilities and expenses	(977)	0	(977)
Other provisions	(1,128)	(2,664)	1,536
Other operating expenses	(19,988)	(5,873)	(14,115)
Total production costs	**(765,255)**	**(627,295)**	**(137,960)**
Difference between production value and costs	**16,798**	**21,443**	**(4,645)**
C) Financial income and expenses			
Investment income:			
- subsidiaries	703	0	703
- other companies	49	36	13
Other financial income:			
income other than the above:			
- subsidiaries	643	0	643
- other	13,598	14,957	(1,359)
Interest and other financial expenses:			
- parent companies	0	(102)	102
- other	(24,359)	(27,435)	3,076
Total financial income and expenses	**(9,366)**	**(12,544)**	**3,178**
D) Adiustments to financial assets			
Revaluations:			
- equity investments	1,564	705	859
Write-downs:			
- equity investments	(9)	(8)	(1)
Total adjustments to financial assets	**1,555**	**697**	**858**
E) Extraordinary income and expenses			
Extraordinary income:			
- other	1,199	0	1,199
Total extraordinary income and expenses	**1,199**	**0**	**1,199**
Income before income taxes	**10,186**	**9,596**	**590**
Income taxes	(3,307)	(3,976)	669
Net income before minority interests	**6,879**	**5,620**	**1,259**
Minority interests	291	(218)	509
Net income for the year - Group	**7,170**	**5,402**	**1,768**

Notes
to the consolidated financial statements at December 31, 2001

Structure and content of the financial statements

The consolidated financial statements at December 31, 2001 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.

The consolidated financial statements of Coeclerici Group at December 31, 2001 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, 2001. 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 reserve 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 Eur.

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 absorption 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 shipping company which owns the motor vessel 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 Eur 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 adjustments" in stockholders' equity.

Accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial statements at December 31, 2001 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 an impairment in the value of an asset, regardless of the amortization recorded to date, the assets will be written down accordingly.

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 buildings used by the Group under two financial leasing contracts (offices in Genoa and Rome), which the Group intends to purchase at the end of the leasing period, are accounted for in the financial statements in accordance with international accounting standard IAS 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 an impairment 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 to 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.

Investments in other companies are stated at purchase or subscription cost, reduced for any permanent impairment 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)

Receivables are stated at their estimated realizable value.

Inventories

Inventories of lubricants and fuel on board ships at December 31, 2001 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, 2001, 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, the loss is entirely charged to the year in which the voyage commenced.

Receivables

Receivables are stated at their estimated realizable value.

Current financial assets (investments in subsidiaries)

These are recorded at the cost of acquisition (including incidental costs) or at 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.

Reserves for liabilities and expenses

The reserves for liabilities and expenses are accrued in respect of losses or liabilities, which, at the date of the balance sheet are either likely or certain to be incurred but uncertain as to the amount or as to the date on which they will arise. The provisions to the reserves 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 reserve for liabilities and expenses.

Dry dock reserve

Beginning in 2001 and in order to better conform to international accounting principles, the Company changed the method for recording dry dock costs. As generally applied in international practice, the costs relating to cyclical maintenance incurred for purposes of renewing a ship's class are recorded in the income statement in the year incurred. Accordingly, annual provisions to the dry dock reserve will no longer be made for future periodical maintenance.

Reserve for employees' leaving indemnity

The reserve for employees' leaving indemnity covers the entire liability provided 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 amounts for tax purposes. 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 Eur 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 reserve 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 reserve for exchange fluctuations; if, on the other hand, a net gain results from the translation, it is deferred.

The above valuations take into account any existing currency hedging agreements.

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 Eur. The amounts in parentheses refer to the prior year.

Comments on the consolidated balance sheet

Assets

Fixed assets

Intangible fixed assets

Eur 1,582 thousand (Eur 1,987 thousand)

"Start-up and expansion costs" of Eur 179 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 Eur 76 thousand is recorded in the financial statements net of amortization of Eur 301 thousand.

"Other" intangible fixed assets include:

	12/31/2001	12/31/2000
Commissions on securing loans	898	995
Leasehold improvements	262	158
Software and other	106	116
Total	**1,266**	**1,269**

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 Eur 799 thousand.

Tangible fixed assets

Eur 237,042 thousand (Eur 201,940 thousand)

"Land and buildings" comprise the offices of the Group located in Genoa and purchased under a lease contract for Eur 5,769 thousand. Moreover, during the prior year a new financial lease contract was signed for the purchase of the building of the headquarters of the representative offices of the group holding company, located in Rome; the building is recorded in the financial statements for Eur 765 thousand.

Changes in 2001 to the Group's fleet, which shows a carrying value at year-end of Eur 215,022 thousand, are described below:

- delivery of two newly built Capesize vessels, the Bulk Asia and the Bulk Europe from the Japanese shipyards Sasebo. The total cost of the investments was US $70 million, 50% of the cost of which was sustained by the Coeclerici Group and the remaining 50% by two other groups that are partners in the pool;

- purchase of the motor vessel Bulk Hellas in a 50-50 joint venture with the Ceres Hellenic Shipping Enterprises Group by setting up a shipping company named Bulk Hellas Corporation. The company has thus been consolidated proportionally and the carrying value of the ship has been recorded for 50% of its value, equal to Eur 13.3 million.

- sale of the motor vessel Bulkazores, a Panamax built in 1977. The carrying value of the ship recorded in the 2000 financial statements was Eur 3.2 million and the sale did not generate any significant economic results;

- as described in the management report, in 2001 two more Capesize vessels were ordered, twins of the Bulk Asia and Bulk Europe, scheduled for delivery in 2002 and 2003. An advance payment of Eur 4 million has already been paid to the shipyards at December 31, 2001 against a total investment of US $78 million. The advance is recorded in "assets under construction and advance payments".

- as far as the Logistics sector is concerned, "assets under construction and advance payments" include Eur 10.3 million for advances paid to the shipyards which are building the vessels that will enter service in India and Piombino.

"Other" tangible assets refer to furniture and fixtures for Eur 406 thousand, electronic office equipment for Eur 375 thousand, motor vehicles for Eur 90 thousand and sundry assets for Eur 20 thousand.

Depreciation totaling Eur 19,926 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%
Plant and machinery	10% - 20%
Other:	
- motor vehicles	25%
- office furniture and fixtures	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

Eur 9,958 thousand (Eur 5,514 thousand)

Equity investments

Eur 8,112 thousand (Eur 3,879 thousand)

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

At December 31, 2001, equity investments in unconsolidated subsidiaries and associated companies are composed of the following:

	12/31/2001		12/31/2000	
	%	Net carrying value	%	Net carrying value
Subsidiaries				
Bulk Terminal Torres S.p.A.	90%	77	90%	83
Bulk Terminal Ancona S.r.l.	80%	10	80%	6
Ferchim S.r.l. (in liquidation)	75%	77	75%	76
CC Shipping Services Sam	100%	154	—	0
CC Shipping Services Phil.	100%	0	100%	41
Other minor companies	—	4	—	16
		322		**222**
Associated companies				
Bulkispat Shipping Inc.	50%	2,837	50%	3,117
Consorzio Italcoast (in liquid.)	50%	5	50%	5
Freetravel S.r.l.	22%	22	22%	22
Bulk Nike Corp.	40%	2,859	—	0
Bulk Genova Corp.	20%	1,021	—	0
Sical CC Logistics Ltd	50%	462	—	0
		7,206		**3,144**
Total		**7,528**		**3,366**

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 other partner.

Bulk Nike Corp. and Bulk Genova Corp. are investments held, respectively, for a 40% stake and a 20% stake, and are thus accounted for using the equity method.

The associated company Sical Coeclerici Logistics Ltd is the joint venture set up in India during the year and which should begin operations starting in 2002 under the contract with Ispat Industries. The balance of Eur 462 thousand at the end of the year represents the capital contributions made up to December 31.

The investment in Consorzio Italcoast has been further written down by a reserve for losses of subsidiaries recorded under liabilities to bring the carrying value in line with 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. (Eur 302 thousand), Shipvertical Internet Group Inc. (Eur 113 thousand), Levelseas Holdings Ltd (Eur 59 thousand) and Banca Carige S.p.A. (Eur 84 thousand).

Receivables

Eur 1,846 thousand (Eur 1,635 thousand)

The balance shown in the financial statements is composed of permanent security deposits with third parties, in addition to the last installment on the building lease contract stipulated with Banca Carige S.p.A. and paid in advance (Eur 230 thousand) and by the taxes paid in advance on the reserve for employees' leaving indemnity (Eur 292 thousand).

Current assets

Inventories

Eur 38,757 thousand (Eur 58,607 thousand)

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

Charters in progress consist of charters accrued on a pro-rated, days out-of-port basis at the balance sheet date. The decrease from the prior year should be viewed in relation to a different composition of the voyages in progress at the end of the year.

Goods for resale include inventories of anthracite for Eur 558 thousand and fossil coal for Eur 7,021 thousand. As of this date, the entire inventory has been sold and no loss was realized.

Advances consist of payments to suppliers for the commodities of Russian origin.

Receivables

Eur 95,023 thousand (Eur 93,456 thousand)

Receivables may be analyzed as follows:

		Due date		
	12/31/2001	Within 1 year	From 1 to 5 years	Beyond 5 years
Trade	68,962	68,962	0	0
Subsidiaries	113	113	0	0
Associated companies	140	140	0	0
Other receivables	25,808	25,808	0	0
Total	**95,023**	**95,023**	**0**	**0**

Trade

Eur 68,962 thousand (Eur 56,476 thousand)

Trade receivables from customers, shown net of the allowance for doubtful receivables of Eur 1,704 thousand, include trade receivables from third parties for normal trading transactions. As of today's date, most of the receivables have been collected.

The increase in trade receivables compared to the prior year should be viewed in relation to the increase in revenues, which are analyzed in depth in the management report.

Subsidiaries and associated companies

Eur 253 thousand (Eur 247 thousand)

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

	12/31/2001	12/31/2000
Subsidiaries		
CC Shipping Services Philippines Co. Inc.	113	107
	113	**107**
Associated companies		
Consorzio Italcoast (in liquidation)	140	140
	140	**140**
Total	**253**	**247**

The receivable of Eur 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 reserve account carried in the liabilities.

Other receivables

Eur 25,808 thousand (Eur 36,733 thousand)

Other receivables refer to:

	12/31/2001	12/31/2000
Advances to suppliers	11,268	18,645
Tax authorities	4,417	8,228
Factoring companies for receivables sold	4,207	2,107
Insurance companies	2,746	3,370
Ooo "Transsibugol" Dalnyie Gorjy Mine loan account	1,571	0
Twinson loan account	1,299	0
Employees	55	607
Social security agencies	38	228
Zarechnaya Mine loan account	0	1,829
Trade House Severniy Kuzbass loan account	0	1,394
Servizi Industriali for receivables in dispute	0	103
Sundry receivables	207	222
Total	**25,808**	**36,733**

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 2002.

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

In 1997, the Group sold tax receivables with recourse to Fiscambi Factoring (now Mediofactoring S.p.A.) for a total of Eur 13,909 thousand. Interest due on the amount received from Fiscambi Factoring 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.

Since the sale of the receivables referred to the principal and interest at December 31, 1996, the financial statements include interest receivable from Fiscambi Factoring for an amount equal to the interest on the receivables sold and which Fiscambi Factoring, once the receivables are collected from the tax authorities, must pay to Coeclerici.

In 2001, the caption thus increased for the amount of interest earned during the period but also for the partial repayments that were made.

Receivables from the insurance companies primarily consist of refunds for damages, equal to US $1,686,000, suffered by the motor vessel Bulktiger when it ran aground in July 1998. The amount should be collected during 2002.

There is also an amount of US $750,000 to be collected for damages suffered by the motor vessel Porto Cervo in 2000.

During the year, loans were made to the mine Dalnye Gorjy in order to consolidate relations with the main sources of procurement in Russia. The amount of Eur 1,571 thousand, the equivalent amount of the original loan amount of US $1.4 million, will be repaid in periodical installments with the extinguishment of the loan scheduled for the early months of 2003.

Current financial assets

Eur 3,097 thousand (Eur 0 thousand)

Investments in subsidiaries

Eur 2,247 thousand (Eur 0 thousand)

The balance is represented by the carrying value of some investments in liquidation and, principally, by Cedar Shipping Co. Ltd, Genova Shipping Co. Ltd and Amstelwal Antilles NV. Based on the financial statements of the subsidiaries and the status of the wind-ups, the amount recorded in the financial statements can principally be seen to be made up of the liquidity of the subsidiaries.

Other investments

Eur 850 thousand (Eur 0 thousand)

The caption is made up of quoted bonds bought during the year on Milan Stock Exchange.

Cash and banks

Eur 24,830 thousand (Eur 19,038 thousand)

Bank and postal deposits

Eur 24,750 thousand (Eur 18,922 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 Eur 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 disposition of the sum in question will be decided when the dispute surrounding this matter is settled.

Cash on hand

Eur 80 thousand (Eur 116 thousand)

Cash on hand consists of cash funds at the head office and on board vessels at December 31, 2001.

Accrued income and prepaid expenses

This caption consists entirely of prepaid expenses.

Prepaid expenses

Eur 10,602 thousand (Eur 13,630 thousand)

Prepaid expenses are as follows:

	12/31/2001	12/31/2000
Charter costs and costs for voyages in progress	9,553	12,063
Insurance premiums	539	786
Price paid at time of acquiring Fermar Group to obtain low interest financing from the banking system	418	485
Expenses on forward freight agreements	0	145
Rent	38	67
Other	54	84
Total	**10,602**	**13,630**

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.

Liabilities and stockholders' equity

Stockholders' equity

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

Capital stock

Eur 8,000 thousand (Eur 7,747 thousand)

Capital stock is entirely subscribed to and fully paid up and at December 31, 2001, totals Eur 8,000 thousand, consisting of 8,000,000 ordinary shares of par value Eur 1 each.

The Shareholders' Meeting on May 4, 2001 voted to re-denominate the capital stock from lire to Eur. As a result, a decision was made to withdraw an amount of Eur 253 thousand from "retained earnings" to bring the amount of capital stock to the current Eur 8,000 thousand.

Legal reserve

Eur 2,849 thousand (Eur 1,856 thousand)

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

Cumulative translation adjustments

Eur 14,709 thousand (Eur 10,947 thousand)

The translation of the financial statements of foreign subsidiaries into Eur 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

Eur 40,241 thousand (Eur 39,184 thousand)

Retained earnings are formed by the Group's share of the net results of the group holding company and the consolidated companies. The increase is due to the appropriation of the net income of the prior year.

Minority interests

Eur 3,092 thousand (Eur 3,374 thousand)

At December 31, 2001, this amount includes 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 a total of Eur 3,067 thousand at December 31, 2001, 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 Simest is recorded under financial expenses.

Reserves for liabilities and expenses

Reserve for income taxes

Eur 5,270 thousand (Eur 4,151 thousand)

The reserve for income taxes includes net deferred taxes arising from provisions made against the elimination in the consolidated financial statements of items recorded solely for tax purposes and taxes accrued on gains realized in the year and on government grants, the payment of which will be made 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.

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 and 2001, certain assessments were discussed before the Provincial Tax Commission with rulings handed down in favor of the company and, in one case, the favorable ruling was also confirmed by the Regional Tax Commission. On the basis of the appeals filed and the opinions of the consultants advising the company, it is deemed that no tax liabilities should emerge from the pending litigation.

Dry dock reserve

Eur 0 thousand (Eur 2,774 thousand)

In preparing these consolidated financial statements, a change was made to the accounting principle for the treatment of maintenance work sustained over the life of the fleet in order to keep the fleet in the assigned class.

Beginning from these financial statements, such costs are charged to the income statement on the accrual basis in the year in which the costs are incurred. Up to December 31, 2000, these costs were set aside at an annual amount to the dry dock reserve in the years prior to refitting work and on the basis of the estimated costs to be incurred.

Such change in accounting principle, carried out to align the accounting principles of the Group to the more widely adopted international accounting practice led to the recording in the income statement of the year, between “extraordinary income”, of the net dry dock reserve equal to Eur 1,018 thousand. If the same accounting principle had been used in the preparation of the 2000 financial statements, the income of last year would have been Eur 3,866 thousand higher.

Reserve for losses of subsidiaries

Eur 224 thousand (Eur 224 thousand)

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

Other reserves

Eur 5,580 thousand (Eur 4,142 thousand)

Other reserves refer to accruals made to face risks arising from mainly commercial litigation pending at the end of the year.

They include, among others, the provision of Eur 750 thousand made during the year to reflect the potential risk that the minority stockholder of the Bulgarian subsidiary CC Steel Shipping & Logistics AD will not cover its share of any accumulated deficit that may be in excess of the capital stock paid in.

Reserve for employees’ leaving indemnity

The reserve for employees’ leaving indemnity amounts to Eur 2,233 thousand and fully covers the amount due employees upon termination of employment in accordance with existing legislation.

Payables

These refer to:

		Due date		
	12/31/2001	**Within 1 year**	**From 1 to 5 years**	**Beyond 5 years**
Bank borrowings	243,322	88,331	91,217	63,774
Payables to other financial companies	1,418	1,418	0	0
Advance payments	21,955	21,955	0	0
Trade	52,368	52,368	0	0
Parent companies	74	74	0	0
Taxes	1,851	1,851	0	0
Social security agencies	467	467	0	0
Other payables	1,934	1,934	0	0
Total	**323,389**	**168,398**	**91,217**	**63,774**

Bank borrowings

Eur 243,322 thousand (Eur 194,092 thousand)

Bank borrowings are composed of loans of Eur 179,015 thousand and bank overdrafts and short-term advances of Eur 64,307 thousand. The current portion of loans due in 2002 amounts in total to Eur 24,024 thousand.

The following loans of the Group are outstanding at December 31, 2001:

	US$/000	Eur/000	Due date Within 1 year	From 1 to 5 years	Beyond 5 years
Unsecured loans					
Frie		2,662	552	2,110	0
Mediocredito Centrale		94	94	0	0
Mediocredito Centrale		4,768	1,362	3,406	0
Mediocredito Centrale		3,022	756	2,266	0
Banca Nazionale del Lavoro	1,350	1,532	1,532	0	0
Pool – lead bank Banca Carige		27,500	0	27,500	0
Secured loans					
Banca Carige (leasing)		5,308	618	3,300	1,390
Sardaleasing		699	74	447	178
Banca Nazionale Lavoro	9,030	10,246	1,708	6,830	1,708
Banca Nazionale Lavoro	12,849	14,862	2,702	12,160	0
Banca Nazionale Lavoro	1,500	1,702	1,702	0	0
B.N.P.	13,968	15,849	1,147	4,585	10,117
B.N.P.	2,400	2,723	2,723	0	0
Banca Commerciale Italiana	15,500	17,588	1,135	4,539	11,914
Efibanca		2,121	848	1,273	0
Banca Nazionale del Lavoro	2,100	2,383	1,589	794	0
Deutsche Schiffsbank	6,225	7,063	721	2,881	3,461
Deutsche Schiffsbank	11,550	13,106	1,305	5,220	6,581
Fortis Bank	14,100	15,999	908	3,914	11,177
Fortis Bank	14,100	15,999	908	3,914	11,177
Efibanca	3,802	4,314	959	3,355	0
Deutsche Schiffsbank	8,350	9,475	681	2,723	6,071
Total		**179,015**	**24,024**	**91,217**	**63,774**

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

- loan made by Fortis Bank for a total of US $56.4 million for the purchase of the Capesize motor vessels Bulk Asia and Bulk Europe. Since the shipping companies which own the ships are held 50% by the Coeclerici Group, they are included in the scope of consolidation using the proportional consolidation method and, therefore, the loan is also recorded in the financial statements for 50% of the amount;
- loan of US $4.2 million made by Efibanca S.p.A. against the barge Bulk Kremi I which is used in the lightening operations in Bulgaria;
- loan of US $16.7 million made by Deutsche Schiffsbank secured by a mortgage on the motor vessel Bulk Hellas. In this case, too, the shipping company is consolidated at 50% by applying the proportional method and thus the loan is also recorded for half the amount.

The loans are mainly secured by mortgages on approximately 60% of the Group's fleet and real estate properties.

Payables to other financial companies

Eur 1,418 thousand (Eur 1,558 thousand)

The balance, equal to US $1,250 thousand, is connected to the loan to finance the investment in Bulkispat Shipping Inc., commented 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

Eur 21,955 thousand (Eur 47,783 thousand)

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

Trade

Eur 52,368 thousand (Eur 51,530 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

Eur 74 thousand (Eur 101 thousand)

Payables to parent companies for Eur 74 thousand relate to trade transactions with the ultimate parent company Cocler N.V..

Taxes

Eur 1,851 thousand (Eur 2,579 thousand)

Taxes payables include:

	12/31/2001	12/31/2000
Income taxes	1,179	1,974
Withholding taxes for payrolls and self-employed persons (Irpef)	669	383
VAT	3	222
Total	**1,851**	**2,579**

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, 2001 refer entirely to the month of December.

Social security agencies

Eur 467 thousand (Eur 413 thousand)

Payables to social security agencies of Eur 467 thousand primarily relate to social security contributions for the month of December 2001 paid in January 2002.

Other payables

Eur 1,934 thousand (Eur 2,147 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 (Eur 371 thousand) and advances received from third parties for operating activities (Eur 796 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.

Other accrued liabilities and deferred income refer to:

Accrued liabilities

Eur 4,343 thousand (Eur 7,090 thousand)

These refer to:

	12/31/2001	12/31/2000
Voyage-charter costs	2,342	3,988
Loan interest expense	1,074	1,081
Salaries and wages and social security contributions	580	722
Insurance costs	268	1,150
Rent expenses	54	112
Other	25	37
Total	**4,343**	**7,090**

Deferred income

Eur 2,079 thousand (Eur 2,443 thousand)

Deferred income refers to the following:

	12/31/2001	12/31/2000
Time-charter revenues and other operating revenues	1,813	1,981
Income on forward freight agreements	219	427
Other	47	35
Total	**2,079**	**2,443**

Memorandum accounts

Memorandum accounts of the Group at December 31, 2001 refer to the following:

Unsecured guarantees granted (guarantees)

Eur 1,266 thousand (Eur 1,312 thousand)

These refer to the guarantee of Eur 1,266 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

Eur 8,787 thousand (Eur 11,647 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 Eur 8.499 thousand;
- receivables for Eur 288 thousand from Astra sold with recourse to Comit Factoring.

The change of Eur 2,860 thousand compared to 2000 is due to collections during the year.

Commitments

Eur 190,525 thousand (Eur 53,101 thousand)

Commitments consist of:

- forward foreign currency sales and purchases under the Group's policy to hedge currency positions. Forward sales contracts total US $13.3 million (Eur 14.5 million) and forward purchase contracts total Eur 6.9 million and US $3.2 million (Eur 3.5 million);
- forward freight sales and purchases agreements. Sales contracts total US $69.8 million (Eur 79.2 million) and purchase contracts total US $61.1 million (Eur 69.4 million);
- bunker hedging transactions effected on the bunker market under the policy to hedge the risk of price fluctuations. At December 31, 2001, contracts total US $14.9 million (Eur 17 million).

Comments on the consolidated income statement

Production value

Revenues from sales and services

Eur 770,941 thousand (Eur 606,069 thousand)

These are composed as follows:

	2001	2000
Revenues from the sale of products		
- Coal	212,386	127,901
- Fuel, lubricants and other supplies	43,719	19,450
	256,105	**147,351**
Revenues from the performance of services		
- Charters and maritime freight	474,310	416,280
- Transshipments	37,183	39,165
- Commissions	1,999	1,970
- Fuel advisory services	1,344	1,303
	514,836	**458,718**
Total	**770,941**	**606,069**

As fully described in the management report, the increase in revenues is due to the higher volumes handled by the Group.

Other income and revenues - sundry

Eur 29,625 thousand (Eur 24,823 thousand)

"Other income and revenues - sundry" refer to the following:

	2001	2000
Income on forward freight agreements	17,717	1,700
Recovered costs and expenses	6,529	6,015
Insurance refunds	1,393	6,298
Income on bunker hedging	974	2,768
Irpef tax credits on ship crews ex Law on International Register	257	202
Gains on sale of fleet	218	2,714
Release of the reserve for liabilities and expenses	181	2,154
Sundry income and revenues	2,356	2,972
Total	**29,625**	**24,823**

Recovered costs refer 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 refer to forward sales and purchase agreements on the charter market; the income on bunker hedging refers to contracts to hedge the fluctuations in the price of bunker on the market.

There was a considerable increase in hedging transactions during the year, as can be seen from the above table.

Production costs

Raw, ancillary and consumable materials, and goods for resale

Eur 251,059 thousand (Eur 180,196 thousand)

These consist of the following:

	2001	2000
Trading activities		
- Coal	125,032	66,536
- Other commodities	317	309
Shipping activities		
- Bunker / lubricants / parts	124,360	112,250
Other		
- Consumables	1,350	1,101
Total	**251,059**	**180,196**

Services

Eur 445,120 thousand (Eur 402,530 thousand)

An analysis of services is provided as follows:

	2001	2000
Trading activities		
- Freight services and charters	76,952	61,338
- Brokerage costs	365	222
- Commercial and marketing services	545	228
Shipping activities		
- Charter costs	265,599	250,298
- Harbor dues and transshipment expenses	66,453	50,444
- Maintenance and repairs	6,351	11,037
- Insurance	6,158	6,106
- Brokerage commissions	13,726	11,980
- Seafaring personnel expenses (non-payroll)	1,345	2,507
Sundry Group services		
- Miscellaneous general services	7,626	8,370
Total	**445,120**	**402,530**

The higher amount of service expenses, like the increase in revenues, is due to greater volumes handled by the Group.

“Miscellaneous general services” include travel and other service expenses relating to personnel of Eur 1,938 thousand, consulting fees from third parties of Eur 3,096 thousand, office utilities and mailing charges of Eur 823 thousand, building supervision and maintenance of Eur 187 thousand, as well as sundry association dues of Eur 246 thousand and bank charges and commissions of Eur 460 thousand.

“Sundry Group services for miscellaneous general services” also include the directors’ and statutory auditors’ fees of the group holding company at December 31, 2001, analyzed as follows:

	Number	Fees
Directors	5	694
Statutory auditors	3	36
Total		**730**

Leases and rentals

Eur 1,612 thousand (Eur 2,106 thousand)

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

Personnel

Eur 19,091 thousand (Eur 20,005 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:

	2001	2000
Management	21	22
Clerical staff	133	118
Seafaring personnel	436	444
Total	**590**	**584**

Amortization, depreciation and write-downs

Eur 25,799 thousand (Eur 22,339 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 write-downs of fixed assets” refer to the write-down of the carrying value of the motor vessel Amstelwal in order to bring it in line with the sales price shown in the Memorandum of Agreement signed on February 20, 2002.

Provisions for liabilities and expenses

Eur 977 thousand (Eur 0 thousand)

As explained in the note on the reserves for liabilities and expenses, a provision of Eur 750 thousand was made for the potential risk that the minority stockholder of the Bulgarian subsidiary CC Steel Shipping & Logistics AD will not cover its share of any accumulated deficit that may be in excess of the capital stock paid in.

An amount of Eur 227 thousand has also been set aside for a possible trading dispute.

Other provisions

Eur 1,128 thousand (Eur 2,664 thousand)

Other provisions refer to amounts set aside in the income statement at the end of the year to reflect the extraordinary maintenance that will be needed for the motor vessel Bulktiger.

This provision is recorded directly as a decrease in the fleet value.

Other operating expenses

Eur 19.988 thousand (Eur 5.873 thousand)

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

Such expenses regard costs on forward freight agreements of Eur 15,614 thousand, bunker hedging transactions of Eur 1,191 thousand, entertainment and donations of Eur 297 thousand, indirect taxes of Eur 251 thousand, prior period expenses of Eur 2,066 thousand and other expenses of Eur 569 thousand.

Financial income and expenses

Investment income

Eur 752 thousand (Eur 36 thousand)

Investment income includes dividends received during the year from minor holdings. The most significant amount refers to dividends (Eur 620 thousand), as well as the related tax credit on dividends (Eur 83 thousand), distributed by the subsidiary Ferchim S.r.l. in liquidation.

Other financial income

Eur 14,241 thousand (Eur 14,957 thousand)

Other financial income from subsidiaries of Eur 643 thousand consists of interest on loans due from Azores Shipping Co. Ltd and Cedar Shipping Co. Ltd; the first company was sold to third parties and the second is in a wind-up and, therefore, is not included in the scope of consolidation.

Other financial income consists of the following:

	2001	2000
Exchange gains	12,179	12,676
Bank interest	1,108	725
Interest on tax credits	266	456
Interest on trade receivables and other financmial income	45	1,100
Total	**13,598**	**14,957**

Interest and other financial expenses

Eur 24,359 thousand (Eur 27,537 thousand)

These refer to:

	2001	2000
Parent companies		
Cocler NV – loan interest expense	0	102
	0	**102**
Other		
Medium/long-term loan interest	10,046	10,250
Financial expenses on factoring transactions	198	288
Exchange losses	11,774	14,035
Interest on bank overdrafts and short-term advances	2,341	2,862
	24,359	**27,435**
Total	**24,359**	**27,537**

Adjustments to financial assets

Revaluations of equity investments

Eur 1,564 thousand (Eur 705 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 to the associated company Bulk Ispat Shipping Inc for Eur 1,118 thousand and the associated companies Bulk Nike Corp. and Bulk Genova Corp. for Eur 223 thousand each.

Extraordinary income and expenses

Other extraordinary income

Eur 1,199 thousand (Eur 0 thousand)

As stated previously, extraordinary income includes the release of the dry dock reserve in the amount of Eur 1,018 thousand. This caption also includes the release, for Eur 181 thousand, of the allowance for doubtful receivables made by a consolidated company since it was in excess of requirements with regard to the actual risk of insolvency on the part of the customers.

Income taxes

The amount of Eur 3,307 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 Eur 1,535 thousand, Irap taxes for Eur 488 thousand and deferred taxes net of reversals for Eur 1,284 thousand.

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

	Net income	Stockholders'equity
	Increase / (Decrease)	
Coeclerici S.p.A.	**4,416**	**59,389**
Group share of stockholders' equity and results for the year of consolidated companies	28,128	30,121
Elimination of intragroup dividends	(10,425)	0
Elimination of entries in the financial statements of the group holding company and other consolidated companies recorded solely to obtain tax benefits	2,725	3,792
Adjustments to financial statements of some companies to conform to the accounting principles of the Group, net of the tax effect, where applicable	444	268
Adjustment to eliminate intragroup gains in the consolidated financial statements that have not been realized with third parties, net of the related tax effect	(18,118)	(20,601)
Coeclerici Group	**7,170**	**72,969**

Translation into English

The financial statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to financial statements, interpreted and integrated by the accounting principles established by the Italian Accounting Profession. Certain accounting practices applied by the company that conform with the generally accepted accounting principles in Italy may not conform with the generally accepted accounting principles in other countries.

Annexes

Coeclerici Group
Consolidated statment of cash flows

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

		2001	2000
Cash and banks/(net short-term borrowing), start of year	**(A)**	**(22,783)**	**3,754**
Cash flows provided by operating activities			
Net income for the year		7,170	5,402
Amortization and depreciation of intangible and tangible fixed assets		25,652	22,137
Utilization of provision for liabilities and expenses, net		(217)	(862)
Gains on disposals of fixed assets, net		(218)	(2,714)
Revaluations of financial fixed assets, net		(437)	(425)
Change in employees' leaving indemnity, net		(374)	(30)
Cash flows from operating activities before changes in working capital	**(B)**	**31,576**	**23,508**
Increase in current receivables		(268)	(40,905)
Decrease/(Increase) in inventories		19,850	(28,080)
(Decrease)/Increase in trade and other payables		(26,044)	52,779
Other changes in working capital		1,900	(19,353)
Changes in working capital	**(C)**	(4,562)	(35,559)
	(D=B+C)	**27,014**	**(12,051)**
Cash flows used for investing activities			
Investments in fixed assets:			
- intangible fixed assets		(315)	(1,021)
- tangible fixed assets		(60,026)	(19,521)
- financial fixed assets		(4,139)	(1,109)
Proceeds from disposal or reimbursement value of fixed assets		4,423	15,067
	(E)	**(60,057)**	**(6,584)**
Cash flows provided by (used for) financial activities			
New loans obtained		46,267	14,676
Repayment of loans		(22,141)	(21,554)
Distribution of income		(3,099)	(1,808)
Change in minority interests		(282)	784
	(F)	**20,745**	**(7,902)**
Cash flows for the year	**(G=D+E+F)**	**(12,298)**	**(26,537)**
Cash and banks (net short-term borrowing), end of year	**(A+G)**	**(35,081)**	**(22,783)**

Coeclerici Group
Statement of changes in consolidated stockholders' equity

(Translation from the original issued in Italian)

(Thousands of Eur)

	Capital stock	Legal reserve	Cumulative translation adjustments	Retained earnings for the year	Net income	Total
Balances at December 31, 2000	**7,747**	**1,856**	**10,947**	**39,184**	**5,402**	**65,136**
Appropriation of 2000 net income		993		1,992	(2,985)	0
Conversion of capital stock in Eur	253			(253)		0
Distribution of dividends to stockholders				(682)	(2,417)	(3,099)
Translation adjustments			3,762			3,762
Net income for the year 2001					7,170	7,170
Balances at December 31, 2001	**8,000**	**2,849**	**14,709**	**40,241**	**7,170**	**72,969**

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

Company	Registered office	Currency	Capital stock	% ownership
Affinity Company Ltd	Malta	USD	13,850,000	89.00%
Bulk Amstelwal Antilles N.V.	Neth. Antilles	USD	6,000	100.00%
Bulk Bourgas Ltd	Malta	USD	2,401,250	80.00%
Bulk Conversions and Constructions Ltd	Malta	USD	-	100.00%
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	EUR	1,995	100.00%
CBZ Shipping Co. Ltd	Malta	USD	1,250	90.00%
CC Steel Shipping & Logistics Ad	Bulgaria	BUL	50,000	51.00%
Charfer Corp.	Panama	USD	1,500,000	100.00%
Charfer Trading S.A.	Switzerland	FRS	200,000	100.00%
Coal Trade Shipping Corp.	Panama	USD	10,000	100.00%
Coeclerici Armatori S.p.A.	Milan	EUR	7,750,000	100.00%
Coeclerici Carbometal International B.V.	The Netherlands	EUR	1,329,341	100.00%
Coeclerici Carbometal Overseas N.V.	Neth. Antilles	NLG	651,795	100.00%
Coeclerici Carbometal S.p.A.	Milan	EUR	2,500,000	100.00%
Coeclerici International N.V.	The Netherlands	EUR	49,911,339	100.00%
Coeclerici Investments N.V.	Neth. Antilles	USD	33,000,000	100.00%
Coeclerici Logistics Gulf E.C.	Bahrain	USD	60,000	99.00%
Coeclerici Logistics S.p.A.	Milan	EUR	5,165,000	100.00%
Coeclerici Shipping N.V.	The Netherlands	EUR	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 S.r.l.	Genoa	EUR	65,000	100.00%
Ignazio Shipping Corp.	Panama	USD	10,000	100.00%
New Cedar Shipping Co. Ltd	Malta	USD	3,500,000	100.00%
Porto Cervo Shipping Co. Ltd	Malta	USD	1,250	100.00%
Red Tirreno Shipping Co. Ltd	Malta	USD	1,250	100.00%
Shipping Services S.r.l.	Milan	EUR	45,000	100.00%
Socar Shipping Co. Ltd	Malta	MAL	500	100.00%
Somocar International N.V.	The Netherlands	EUR	60,602	100.00%
Somocar Overseas N.V.	Neth. Antilles	USD	6,439,460	100.00%
Sud Est S.r.l.	Brindisi	EUR	1,750,000	100.00%

List of companies consolidated using the proportional method

Company	Registered office	Currency	Capital stock	% ownership
Bulk Asia Ltd	Liberia		-	50.00%
Bulk Europe Ltd	Liberia		-	50.00%
Bulk Hellas Corp.	Panama	USD	10,000	50.00%
Bulk Venture Ltd	Liberia	USD	13,245,000	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	Registered office	Currency	Capital stock	% ownership
Amstelwal Antilles N.V. - in liquidation	Neth Antilles	USD	6,668	100.00%
Blue Rose Shipping Co. Ltd	Malta	USD	1,250	100.00%
Bulk Genova Corp.	Panama	USD	4,100,000	20.00%
Bulk Ispat Shipping Inc.	Liberia		-	50.00%
Bulk Nike Corp.	Panama	USD	5,500,000	40.00%
Bulk Terminal Ancona S.r.l.	Ancona	EUR	10,000	20.00%
Bulk Terminal Torres S.p.A.	Sassari	EUR	113,630	90.00%
CC Shipping Services Philippines Inc.	The Phillipines	PHP	1,000,000	80.00%
CC Shipping Services S.a.m	Monaco	EUR	152,000	100.00%
Cedar Shipping Co. Ltd	Malta	USD	1,250	100.00%
Consorzio Italcoast - in liquidation	Ravenna	ITL	20,000,000	50.00%
Ferchim S.r.l. - in liquidation	Ravenna	ITL	186,000,000	75.00%
Freetravel S.r.l.	Genoa	ITL	190,000,000	22.00%
Genova Shipping Co. Ltd	Malta	USD	1,250	50.00%
Madeira Shipping Co. Ltd	Malta	USD	1,250	100.00%
Red Ivy Shipping Co. Ltd	Malta	USD	1,250	100.00%
Sical Coeclerici Logistics Ltd	India		-	50.00%
Tirreno Shipping Co. Ltd	Malta	USD	1,250	100.00%

Statutory Auditors' Report

To the Stockholders,

The consolidated financial statements for the year ended December 31, 2001 of Coeclerici Group, prepared by the directors in accordance with Legislative Decree No. 127/1991, show a net income for the year attributable to the Group of Eur 7,170 thousand as summarized below (in thousand of Eur):

Balance Sheet

Assets	
Fixed assets	248,582
Current assets	161,707
Accruals and prepayments	10,602
	420,891
Liabilities and stockholders' equity	
Stockholders' equity - Group	72,969
Stockholders' equity - Minority interest	3,092
Reserves for liabilities and expenses	11,109
Employees' leaving indemnity	2,233
Liabilities	323,389
Accruals and deferrals	8,099
	420,891

Income Statement

Production value	782,053
Production costs	(765,255)
Financial income (expenses)	(9,366)
Adjustments to financial assets	1,555
Extraordinary income (expenses)	1,199
Income before income taxes	10,186
Income taxes	(3,307)
Net income before minority interest	6,879
Minority interest	291
Net income for the year - Group	**7,170**

The memorandum accounts amount to Eur 1,266 thousand for guarantees granted and Eur 199,312 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 provisions 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 schedules 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 only 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;
- whenever the accounting principles of the consolidated companies do not conform to those of the Group companies, they have been adjusted in the consolidated financial statements with the related tax effect;
- the financial statements of foreign subsidiaries have been translated into Eur 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 adjustments" in stockholders' equity.

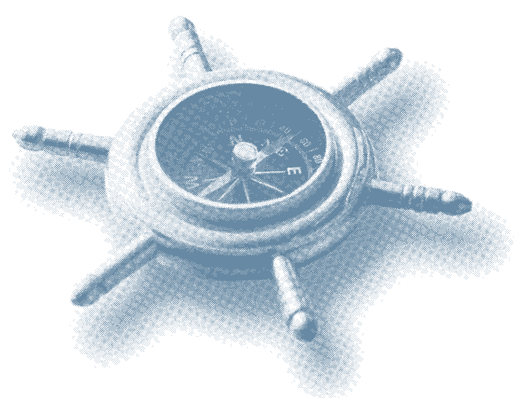
Your attention is drawn to the comments in the notes with respect to:

- the change in accounting principle for the treatment of cyclical maintenance of the owned fleet, the economic effects of which are also reported therein;
- the provision of Eur 750 thousand made to reflect the risk that a minority shareholder of the Bulgarian subsidiary will not cover its share of the accumulated deficit in excess of the capital paid-in.

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

The board of Statutory auditors
Guglielmo Calderari di Palazzolo
Ettore Cavo
Alfredo Durante

Independent Auditors' report



Arthur Andersen

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