ANNUAL REPORT 2014

COECLERICI

120TH anniversary
1895 2015

COECLERICI

Coeclerici SpA

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

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

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

INDEX

COECLERICI GROUP AT A GLANCE

589m

Turnover

291m

Investments over last 5 years*

13

Countries

933

Employees**

* Includes entities accounted for using the equity method
Investments adjusted to the 2014 year-end exchange rates

** Employees as of December, 31 2014

DEAR SHAREHOLDERS,

Everybody's expectations for 2014 have been largely disappointed, even though global recovery has continued on same tracks from 2010 at the limited rate of around 3%. The United States continued to strengthen allowing it to be seen once again as the possible powerhouse of the world economy, whereas Europe has struggled under the spectre of deflation and a recovery that has failed to happen, wrapped up in its internal contrasts and problems. Only in recent months it has found the basis for agreement and direction under the strong leadership of the ECB. The situation became more serious as a result of the crisis in Ukraine, which has damaged the economies of several countries, Italy included. The wholly unexpected collapse of the price of oil at the end of 2014 has provided reason for hope for the year to come.
The growth rates of emerging countries were lower than they had been in the earlier years of this millennium, with a slowdown in imports in the first half and a recovery in demand, especially in Asia, in the second. The weakness in global trading levels has been a significant element of the world economy in 2014 and recent years in general. The last quarter of the year was characterized by important changes in monetary balances: the expected fall in the EUR/USD exchange rate resulted in a value of 1.21 at the year-end. The rouble underwent a rapid and unexpected decline when measured against the US dollar, passing from an average in the first 9 months of the year of 35.46 to touch a bottom of over 70.00, and then recover to 59.58 at the year-end. Other currencies were also devalued against the US dollar and also, in part, against the EUR, as part of a complex swing which will surely reach a new equilibrium in 2015.

The supply of coal remained high with a significant gap compared to demand, even though the latter continued to grow. If everyone's expectations at the beginning of the year were for a contained increase in the industry indices during the first half, the quotations at the maritime terminals of Amsterdam-Rotterdam-Antwerp (API#2), as at the port of Richards Bay (API#4), did not confirm the trend towards recovery in 2013, and fell to around 75 USD per tonne (referring to API#2), before remaining more or less stable as time passed. The unexpected collapse in the price of oil in the final quarter upset all commodities markets, and therefore that of coal as well: the API#2 index fell to a minimum of 69.11 USD per tonne (in 2013, the minimum reached had been 73.61 USD per tonne); in addition, the early months of 2015 did not show any substantial increase. The Richards Bay index (API#4) and that of Asia, the NEWC Index, both fell sharply. This mix of change in prices and exchange rates is creating new conditions for a future equilibrium.

Despite these difficult market conditions your Group registered a turnover of EUR 588.6 million (-10% compared to 2013) and an overall net profit amounting to EUR 5.4 million, although this was lower than the previous year.

The Logistics Division has not remained immune to the repercussions of this macroeconomic context, having failed to obtain renewal of its contract of transshipment with the Venezuelan customer Carbones del Guasare after a period of 17 years; the latter has largely suspended its operations on account of the long-standing scarcity of foreign currency and the low profitability of the mine itself. The vessel Bulk Wayuù, already closed to the end of its working life, was scrapped in August as a result.
The Lucchini steelworks in Piombino, which have now been in temporary receivership for 2 years, closed the blast furnace and as a result the lighterage contract with our subsidiary Terminal Offshore Piombino SpA during the summer.
Finally, the recent political tensions in Ukraine have adversely affected the activities of the vessel Bulk Kremi I, employed in the Black Sea. Taking into account its age (more than 40 years) it was decided to dismiss this vessel, and this was done in February 2015.
Transshipment activities in Indonesia and Mozambique continued successfully.
All vessels recorded excellent operational performances, thereby maintaining the Division's key financial indicators.

Quantities handled by the Logistics Division amounted to about 21.2 million tonnes, less than the previous financial year by about 8%, mainly due to the closing of the Carbones del Guasare and Lucchini contracts, mentioned above.

The Trading Division sold 8.6 million tonnes of coal, in line with the previous year, although the market was in a state of considerable tension.
During the year, the Division underwent a profound reorganisation which sought to create the structures and conditions necessary for its own future development. Starting from January 2014, the entire activity of European trading was undertaken from the Lugano offices and, from the beginning of July, American trading operations were passed to the company Coeclerici Compagnie SA; from the same date, more intensive supplying operations in Colombia were initiated, with immediate results. Finally, from January 2015, Asian-based activities have been passed over from the associated company Coeclerici Asia (Pte) Ltd to Coeclerici Compagnie SA. Following these changes, Coeclerici Compagnie SA has become the single company responsible for all international trading activities, with significant synergies in commercial terms and structural costs resulting from this aggregation. The company has also become a sub-holding company for all Trading and Mining investments. During 2014, as part of the above reorganisation, the shareholding in Coeclerici Coal Network LLC progressively increased from 51% to 70% and later Coeclerici Coal Network LLC was incorporated into the newly established subsidiary Coeclerici Coal Network Inc at the end of December. Following the reorganisation, the subsidiary Coeclerici Coal and Fuels SpA was incorporated into the Group holding company, Coeclerici SpA, at the end of November.

The Mining Division extracted an amount of 1.1 million tonnes of coal, less than that in 2013 by 0.1 million tonne. Results from the mine remained negative in 2014, although matters are expected to improve significantly in 2015, as a result of the strong devaluation of the rouble and the continued improvement of operational efficiency.

As far as the Shipping Sector was concerned, the joint venture called dACC Maritime Ltd, operating in the field of dry bulk shipping, is continuing with its investment in four Supramax vessels, of 60,000 tonnes each, ordered from the Oshima shipyard in Japan, and these will enable your Group to reposition itself in the dry bulk shipping business after more than ten years. At the end of March 2015, the first of the four ships was delivered by the constructors.

Bearing witness to the Group's efforts in the field of health and safety at work, and with the aim of raising its already high standards, the Logistics Division of the holding company Coeclerici SpA undertook certification and reorganisation measures in 2014 which led to the creation of a department dedicated to health and safety and to internal management systems for the above, and to the obtaining of the BS OHSAS 18001:2007 standard certification in the early months of 2015, a standard recognized globally.

At a corporate level it is worth mentioning the agreement reached in the last months of the year to modify some of the conditions of the existing syndicated bank facility, to the satisfaction of all parties involved: the loan was reduced to the maximum amount of EUR 150 million, but its availability was extended from April 2018 to December 2020.

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

Milan, 30 March 2015

Chairman and CEO
Paolo Clerici

PClerici

COMPANY OFFICERS

Board of Directors

Members of Executive Committee	Paolo Clerici	Chairman and CEO
	Andrea Clavarino	Vice Chairman and Responsible for Risk Avoidance
	Corrado Papone	Vice Chairman
	Teresio Gigi Gaudio	Executive Director
	Antonio Belloni	Director
	Giovanni Jody Vender	Director
	Annibale Brivio Sforza	Director
	Giorgio Cefis	Director
	Giacomo Clerici	Director
	Urbano Clerici	Director
	Nicolò Dubini	Director
	Lupo Rattazzi	Director

The term of office of the Board of Directors expired with the approval of the financial statements on 31 December 2014.

Board of Statutory Auditors

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

The term of office of the Board of Statutory Auditors will expire with the approval of the financial statements on 31 December 2014.

Independent Auditors

Deloitte & Touche SpA

The independent auditing firm has been appointed for the three-year period 2012/2014. The term of office of the independent auditing firm will expire with the approval of the financial statements on 31 December 2014.

GROUP STRUCTURE AT DECEMBER, 31 2014

COECLERICI SPA

LOGISTICS DIVISION

- **100%** Coeclerici Logistics Partecipazioni Srl — **49%** dACC Maritime Ltd
  - **100%** Coeclerici Mozambico SpA
  - **80%** Terminal Offshore Piombino SpA
  - **100%** Capo Noli Transportes Maritimos Lda
    - **90%** Bulkguasare de Venezuela SA
  - **70%** Logconversion Transportes Maritimos Lda
  - **49%** PT Pelayaran Logistik Konversi Indonesia
  - **49%** PT Asian Bulk Logistics
  - **86.4%** CGU Logistic Ltd
  - **80%** CC Black Sea Bulk Srl
    - **100%** LLC Coeclerici Logistics Russia
    - **50%** Kyla Holding Ltd
      - **100%** Kyla Logistics Ltd

SHIPPING DIVISION

- **49%** dACC Maritime Ltd

TRADING DIVISION

- **100%** Coeclerici Compagnie SA — **100%** OJSC Kisk
  - **100%** Dako Coal GmbH
  - **100%** LLC Scc-Rozco
  - **99%** LLC Coeclerici Russia*
  - **49%** LLC Delta Property
    - **100%** Sel Pre Taylepskoe
  - **70%** Coeclerici Coal Network Inc.
- **100%** Coeclerici Asia (Pte) Ltd

MINING DIVISION

- **100%** OJSC Kisk
  - **100%** LLC Razrez Korciakolskij
  - **100%** LLC UK PTU
  - **100%** LLC Zapadny

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

Non operational companies and those in liquidation are excluded

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


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LT WT 56300
KENWORTH

DIRECTORS' REPORT

CONSOLIDATED RESULTS

Here below are shown some of the main financial indicators and a comparison with the consolidated financial statements of 2013 and 2012 drawn up in accordance with International Financial Reporting Standards – IFRS (figures in thousands of EUR):

	2014	2013*	2012*
Turnover	588,628	651,803	589,168
Ebitda	30,431	30,111	39,861
Ebit	14,330	13,713	23,917
Net profit	5,380	9,081	15,176
Group net profit	4,157	7,391	13,994
Fixed Assets	173,763	186,263	189,118
Working Capital	68,773	59,006	78,290
Net Capital Employed	242,536	245,269	267,408
Group Net Equity	60,453	72,392	77,384
Minority Interests	9,013	8,026	8,516
Net Financial Position	173,070	164,851	181,508
Sources of Finance	242,536	245,269	267,408
Cash flow from operating activities	16,683	29,290	27,963
Cash flow from investing activities	(16,780)	(8,252)	(14,567)
Cash flow from financing activities	(4,976)	(16,599)	(11,171)
ROE	7%	11%	18%
ROI	6%	5%	9%
NFP/Equity Index	2.49	2.05	2.11

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

Compared to the previous financial year, the consolidated income statement shows a reduction in turnover of EUR 63.2 million (-10%), and a slight increase in both Ebitda of EUR 0.3 million and in Ebit of EUR 0.6 million to EUR 14.3 million.

+ 4%

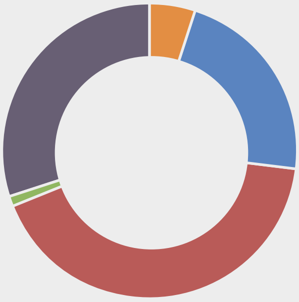
Group Ebit 2014 compared to the previous year

In particular, the Group's net profit, equals to EUR 4.2 million, is EUR 3.2 million lower than in the previous year. This decrease mainly results from the reduction in consolidated amounts of coal handled by the Logistics Division, from the poorer results obtained by the Mining Division, which were affected by the lowering of the price of coal over the year by 9% on the API#2 (average weekly coal price index including shipping costs on the Amsterdam-Rotterdam-Antwerp route) and by 10% on the API#4 (average weekly coal price index without shipping costs referring to the port of Richards Bay, South Africa).

The Group's capital structure shows a reduction in its fixed assets of EUR 12.5 million compared to the previous year, and a worsening of its net liquidity by EUR 8.2 million, resulting from financing activities: these include the purchase of new offices for the Trading Division in Riva Paradiso, Lugano, for an amount of EUR 5 million, the mining licence for the extraction of a further 51.2 million tonnes of coal, for EUR 2.8 million, an increase in investment of mining activity amounting to EUR 2.8 million and in the joint venture dACC Maritime Ltd for EUR 6.7 million. The NFP/Equity ratio increases from 2.05 to 2.49 at 31December 2014, and is wholly below the financial covenant defined by the syndicated bank facility.

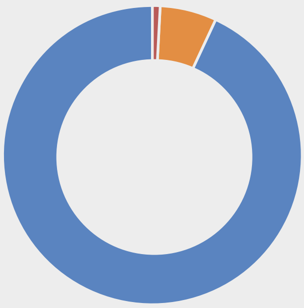
Here below a number of graphs illustrating the main financial, economic and managerial information of the Coeclerici Group.

FY 2014 TURNOVER BY GEOGRAPHICAL AREA



Africa	5%
The Americas	22%
Asia & Australia	42%
Russia & Middle East	1%
Europe	30%

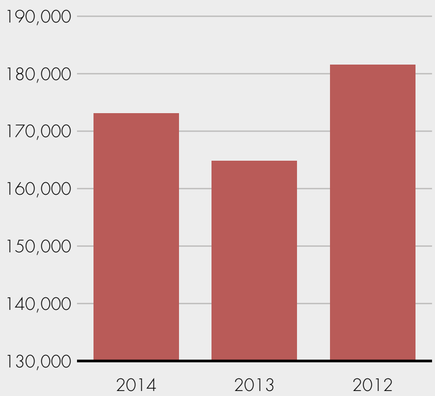
FY 2014 TURNOVER BY DIVISION



Trading	93%
Mining*	1%
Logistics	6%

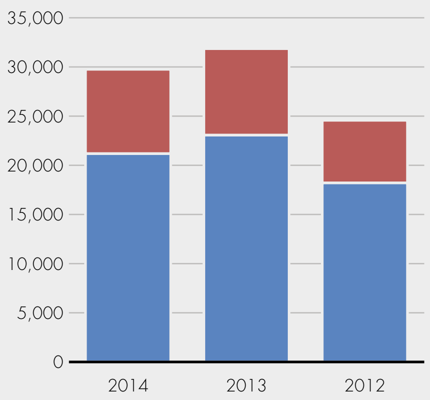
(*) Offset by intercompany transactions

NET FINANCIAL POSITION (figures in thousands of EUR)



2014	173,070
2013	164,851
2012	181,508

METRIC TONNESS HANDLED (figures in thousands of metric tonnes)

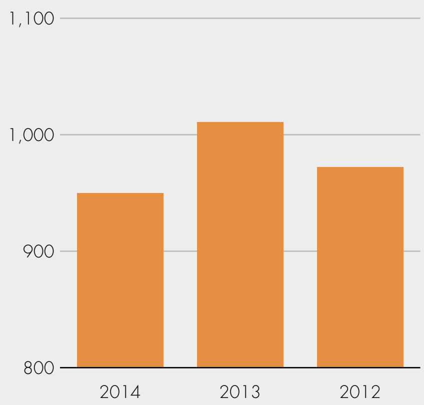


2014	21,182	8,577
2013	23,065	8,795
2012	18,207	6,367

- Logistics
- Trading & Mining*

(*) Offset by intercompany transactions

EMPLOYEES (average number)



2014	950
2013	1,011
2012	972

TRADING DIVISION

	2014	2013	2012
Metric tonnes handled	8,564,340	8,662,893	6,194,275
Turnover	549,249	589,581	529,644
Ebitda	8,511	8,099	5,876
Ebit	6,937	7,078	5,672
Net profit	2,952	2,830	2,002

+5%

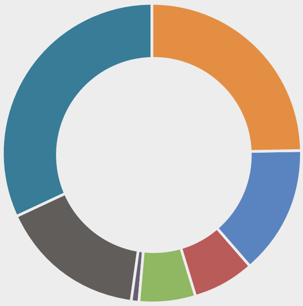
Ebitda 2014 compared to the previous year

Despite falling prices, the Trading Division reports volumes similar to the previous year, an Ebitda higher by 5% and an operating result (Ebit) in line as well. These results are the consequence of an innovative policy in the lines of tradition and the great attention paid to developing the coal business in all of its forms.

The mix of sales, shown in the graph below, involves a reduction in steam coal, both in percentage and in absolute terms, the development of American coal (distribution) and an increase in other products, especially coke, demonstrating a process of ongoing diversification into products with a higher added value.

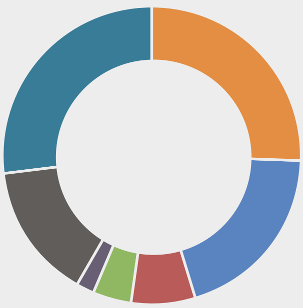
Here below a comparison of the metrics tonnes handled, by product type, for the two financial periods under consideration:

YEAR 2014



Russian Steam Coal	25%
Others Steam Coal	14%
Coking Coal	7%
Coke	6%
Petcoke	1%
PCI	16%
Distribution and Others	31%

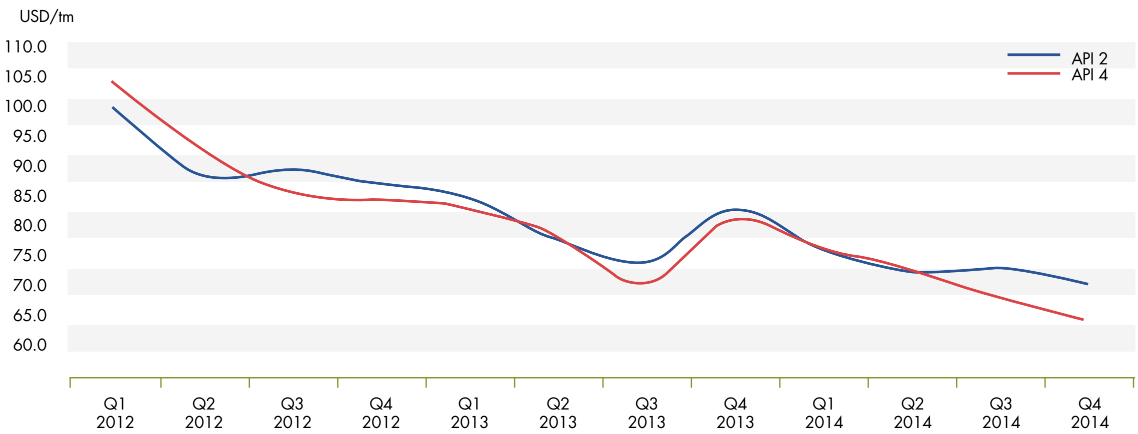
YEAR 2013



Russian Steam Coal	26%
Others Steam Coal	20%
Coking Coal	7%
Coke	4%
Petcoke	2%
PCI	15%
Distribution and Others	26%

The average decrease in the price of coal compared to the previous year is 9 percent for API#2 and 10 percent for API#4.

Here below the development of the main coal market indeces in the last three accounting periods:



API2 = CIF coal price (including freight cost) - unloading ARA (Amsterdam-Rotterdam-Antwerp)
API4 = FOB coal price (without freight cost) – port of Richards Bay (South Africa)

	2014	2013	2012
API#2 INDEX – average	75	82	93
API#4 INDEX – average	72	80	93

The reduction in the indeces above results from the contraction of the international economy and then an excess of supply over demand, which has characterised the world economy over recent years.

MINING DIVISION

	2014	2013	2012
Metric tonnes handled	1,226,662	1,263,956	1,042,970
Turnover	33,402	36,209	38,008
Ebitda	3,549	4,652	13,727
Ebit	(1,365)	(2,061)	6,472
Net profit	(5,695)	(2,552)	3,901

1,227

Thousands of tonnes of coal sold

For the Mining Division, 2014 was characterised by complete success in extracting and handling the quantity of rock originally planned. More specifically, 1,102,323 tonnes of coal were extracted (1,233,597 tonnes in 2013) and 1,226,662 tonnes sold (1,263,956 tonnes in 2013).

Despite the continuing fall in the price of coal, the operating result improved, partly as a result of a reduction of costs arising through increased efficiency and the reduction of the rouble. Net earnings were affected by exchange cover and the exchange differences at the end of 2014, following the strong devaluation of the Russian currency.

LOGISTICS DIVISION

	2014	2013	2012
Metric tonnes handled:	21,182,296	23,065,224	18,206,609
- from subsidiaries – tariff per tonne	5,612,298	7,121,657	9,068,553
- from subsidiaries – time charter	3,495,186	2,845,159	1,547,656
- from joint ventures – tariff per tonne	12,074,812	13,098,408	7,590,400
Turnover	36,916	53,943	49,645
Ebitda	15,220	18,553	22,443
Ebit	6,184	10,452	14,773
Net profit	6,428	9,556	11,105

+7%

Ebitda Margin of Logistics Division compared to previous year

The decline in the tonnage of coal handled which belonged to Group companies with a 'tariff per tonne' contracts (-21%) is related primarily to the drastic reduction in the amounts handled in Venezuela in the last year of the contract and to the reduction in activities carried out for the Lucchini steelworks.
Similarly it can be seen how the companies with 'time charter' contracts recorded good performances (+23%), owing to improvements in efficiency of activities carried out by the client operating in Mozambique in transporting between the mine itself and the port of Beira.
Joint venture companies were responsible for handling 12.1 tonnes overall (-8%), a reduction due to the cessation of Black Sea activities.

Turnover therefore underwent a significant reduction compared to 2013, above all owing to the ending of business in Venezuela.
The Division's Ebitda, equals to EUR 15.2 million, is still positive but was reduced by 18% compared to 2013 primarily because of the accrual of a provision regarding the Venezuelan activities and the credit still held with the client Carbones del Guasare. It should be stressed that, although the macroeconomic climate leads clients to reduce their costs, the Logistics Division still obtained an Ebitda margin (Ebitda/Turnover) of 41%, 7% higher than in 2013.

The Logistics Division's fleet of vessels, at 31 December 2014, consisted of the following:

	COMPANY	DWT	YEAR OF CONSTRUCTION
Bulk Kremi I	LLC Coeclerici Logistics Russia*	14,364	1973
Bulk Irony	Terminal Offshore Piombino SpA	13,658	2002
Bulk Pioneer	PT Pelayaran Logistik Konversi Indonesia	5,974	2005
Bulk Zambesi	Coeclerici Mozambico SpA	54,400	2011
Bulk Limpopo	Coeclerici Mozambico SpA	54,400	2012
Bulk Celebes	PT Asian Bulk Logistics**	11,470	2007
Bulk Java	PT Asian Bulk Logistics**	11,838	2011
Bulk Borneo	PT Asian Bulk Logistics**	11,838	2012
Bulk Sumatra	PT Asian Bulk Logistics**	11,838	2013
Speedboat Matias	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Sophie	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Jack C.	Bulkguasare de Venezuela SA	N/A	2010

(*) The company was sold on 19 February 2015
(**) Company consolidated using net equity method
The vessel Bulk Wayuù, owned by Bulkguasare de Venezuela SA, was sold on 25 August 2014

HOLDING COMPANY

	2014	2013	2012
Turnover	6,217	6,548	6,665
Ebitda	3,151	(1,193)	(2,212)
Ebit	2,574	(1,756)	(2,987)
Net profit	1,695	(753)	(1,832)

As in the past, the Holding Company fulfilled the important role of coordinating and supporting the subsidiaries' management activities, as well as Group finance, the organisation and development of human resources, administration, legal and corporate assistance and IT services.

Your attention is drawn to the return, in January 2014, of Mr Andrea Cederle as Chief Financial Officer (CFO) of the Coeclerici Group. He worked with us as Financial Controller between 2007 and 2009. In the same period, the collaboration of Mr Alberto Meroni, Group Controller, came to end; we would like to express our gratitude to him for the time he spent in Coeclerici.

RESEARCH AND DEVELOPMENT

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

STAFF TRAINING

During 2014, health and safety at work courses were planned to meet statutory requirements.
As far as language training was concerned, 450 hours were set aside during the year for blended and 'ad hoc' individual courses.
Technical and managerial training was managed on a needs basis and amounted to a total of 621 hours.

OWN SHARES AND SHARES OF THE PARENT COMPANY

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

TRANSACTIONS WITH PARENT AND RELATED COMPANIES

The Group has important relations for tax consolidation procedures with the parent company Fincler Srl, which holds the position of consolidator. The credit arising from this position at 31 December 2014 towards Fincler Srl is mentioned in the Notes to the accounts. Furthermore, there is a rental contract in being between your Company and the parent company Fincler Srl which refers to the offices in Piazza Generale Armando Diaz, 7 – Milan.

In accordance with clause 5, article 2497b of the Italian Civil Code, it is hereby affirmed that relations with Fincler Srl, which conducts activities of direction and coordination for your Company, exclusively concerned the rental contract which was regulated by normal market conditions as described in the Notes to the accounts.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

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

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

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

ENVIRONMENT AND SAFETY

The Coeclerici Group is particularly sensitive to the need to protect its employees in any place where they may have to work. To this end it has adopted a system of prevention and protection, constantly monitored by the internal audit department, and suitable for identifying the risks to safety and put in place the measures required to prevent them, also by means of key persons who guarantee the improvement over time of safety standards. In addition, the carrying-out of maritime logistics services entails respect for certain local, national and international regulations and the maintenance of qualitative standards. In particular, the Logistics Division operates in conformity to the following standards and regulations:

- Environment: environmental management system conforming to ISO 14001 2004 standards and EMAS Registration EMAS EU regulation no.1221/09, Environmental Risk Assessment, binding Venezuelan cogent regulations and authorization to work of the Dirección Ambiental Zulia RASDA 2009 for Venezuela. All terminals apply the internationally binding IMO regulations and those of MARPOL;
- Safety: ISM System conforming to ISM Code (checked by RINA on Bulk Zambesi and Bulk Limpopo, Coeclerici SpA Milan, Seacom Indonesia on Bulk Celebes), safety regulations and Italian law D.Lgs, 271/99, binding Venezuelan regulations;
- ISO 9001:2008 quality;
- Standard BS OHSAS 18001:2007: award of certification regarding the two vessels Bulk Zambesi and Bulk Limpopo, and for the companies Coeclerici SpA Logistics Division and Coeclerici Mozambico SpA.

CORPORATE GOVERNANCE

This section seeks to give a general picture of the system of corporate governance adopted by Coeclerici. The information contained in this section was updated to 30 March 2015.

The structure of Coeclerici's corporate governance is organised in line with the traditional Italian model which delegates: (i) company management to the Board of Directors, the fulcrum of the organisational system which is appointed for a three-year period and may be re-elected; (ii) the functions of overseeing observance of the law to the Board of Statutory Auditors and; (iii) legally-required auditing of the company accounts to an auditing firm approved at the shareholders' meeting, after hearing the opinion of the Board of Statutory Auditors.
In line with statute, the Company is represented by the Chairman of the Board of Directors who has unlimited powers to bind the Company. Representation is also embodied in the Directors to whom the Board has conceded limited powers. The Board nominates one or more Managing Directors, to whom it delegates, within legal and statutory limits, activities aimed at furthering the Company's objectives. Moreover, the Board can set up an Executive Committee made up of its own members with a decision-making role on matters concerning overall Group management.

Board of Directors

Composition

In accordance with article 17 of the Statute, the number of members of the Board of Directors may vary between a minimum of three and a maximum of fifteen. An ordinary shareholders' meeting determines the number, within the said limits. The ordinary shareholders' meeting of 30 April 2014 decided to decrease the number of members from fourteen to twelve. The Board of Directors was given an annual mandate expiring with the approval of the financial statements for the financial year 2014.

Duties

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

Requisites of independence

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

Executive Committee

Article 24 of the Articles of Association sets out that the Board of Directors may nominate an Executive Committee whose powers it will establish, and that this Executive Committee will consist of a minimum of three and a maximum of nine persons. This body has the task, amongst others, of expressing an opinion prior to presentation of the same to the Board of Directors, of especially important matters, such as an examination of the Company's strategic, industrial and financial plans, as well as a general assessment of the state of management.
It will also assist top management, on the basis of information received, in evaluating the adequacy of the organisational,

administrative and accounting structure of the Holding Company. This body must report to the Board of Directors, at least four times a year, on the general condition of management and its foreseeable development, as well as on important operations, given their size or features, which the Company or its subsidiaries have carried out.

Internal control system

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

In order to ensure that the business's activities are managed properly, correctly and coherently with the pre-established objectives, Coeclerici supports a preventive approach to risk management which aims to orient management towards choices and activities which reduce the probability that negative events will take place and may more easily be contained if they do. To this end, Coeclerici uses risk management strategies which depend on the nature and type of those risks, and which are considered in more detail in 'Note 27- Risks characterising Group's business'. The ways in which management identifies, evaluates, manages and monitors the specific risks arising from Company processes are set out by the regulatory, procedural and organisational instruments contained in the Company's regulatory system. These instruments are permeated with risk culture and therefore geared towards risk containment.

The internal control system is reviewed and updated from time to time in order to guarantee its suitability for safeguarding against the main risks involved in Company activity, bearing in mind the particular features of its various operating sectors and organizational structure, as well as any new laws. During this accounting period, the Group internal auditor assisted top management by offering assessments, analysis, evaluations and recommendations in connection with the functioning of and respect for the internal control system and the manner of handling risk at both Company and Group level.

Reporting activities

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

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

Italian law D.Lgs. 231/2001 introduced administrative responsibility for juridical persons, companies and associations. Specifically, it introduced the criminal responsibility of organizations for certain crimes committed in their interest or to their advantage by persons who hold a representative, administrative or managerial role within the organization or within any of its sub-sections possessing administrative and functional autonomy, as well as by persons who exercise by title or in fact the management and control of the same and, finally, by persons under the direction or supervision of the entities indicated above. The important criminal actions are those against the Public Administration and in favour of the company's interests.
Articles 6 and 7 of D. Lgs. 231/2001 establish a form of exemption from responsibility if (i) the organization can demonstrate that it had adopted and put into practice organizational, management and control models, before the crime was committed, suited to preventing the crimes indicated in the law; (ii) if the task of supervising the functioning and observance of the models and ensuring that they are updated has been entrusted to a department of the organization with autonomous powers of initiative and control.

To this end, on 27 September 2012 the Board of Directors of Coeclerici Spa approved (and, on 26 September 2013, in line with the provisions of law 123/07, updated) the organization, management and control model established

by D.Lgs. 231/2013 with the aim of creating a structured and organic system for procedures and preventive control to prevent the crimes indicated in the decree, through the identification of activities open to risk and their consequent proceduralizing.
The organization, management and control model established by D.Lgs. 231/2013 was also adopted by those Italian subsidiaries involved in the shipping business.
The Board of Directors has therefore set up a supervisory body in collegiate form (until the approval of the 31 December 2014 financial statements), consisting of two external members and one internal member, being the person of the internal auditor.

The Holding Company has updated the 231 protocols which form the organizational model. In addition, the supervisory body has applied and analyzed the systems of information flow which enable it to supervise the functioning and observance of the model, including similarly an examination of reports arising from audit, as well as the planning of further activities.
In order to put the checks into effect, the supervisory body has set up a series of interventions to check that the protocols adopted are respected.

Activity of Management and Coordination

Coeclerici SpA is subject to management and control by Fincler Srl. For the purposes of article 2497 b of the Italian civil code, direct and indirect Italian subsidiaries have indicated Coeclerici SpA as the company exercising management and coordination. This activity consists in identifying general and operational strategic indications for the Group, and takes shape in the defining and adjusting of internal control and risk management systems together with governance models and Company organization, in the issuing of a Code of Conduct adopted at Group level and in the creation of general policies for human and financial resource management, and the supply of productive, marketing and communication factors. In addition, it provides, apart from Group coordination, for the management of treasury, legal and administrative functions, as well as those of internal audit, if necessary through specialized companies.
Management and coordination, at Group level, enables subsidiaries, which remain fully autonomous at a managerial and operational level, to enjoy economies of scale by using the professionalism and specialist knowledge available thereby raising quality levels and concentrating their energies on their core business. Subsidiaries based abroad generally benefit from such activities.

OUTLOOK

The international economic situation, tensions in the Arab world and the Ukraine crisis, all of which exacerbate the difficulties of the European economy, evidence of lower growth rates in China, and difficulties of other BRIC countries, notably Brazil, all suggest at least in the short term some difficulties for global recovery despite that now seen in the American economy.
Yet even considering this scenario, the dominant opinion remains that the growing requirement for energy sources in the future will be satisfied by recourse to coal. Paradoxically, the fuel source so important for the first industrial revolution would seem to meet the expectations for a second lease of life, as a result of a number of factors: less pollution due to new technology, lower costs when compared to other possibilities, and the nuclear accident of Fukushima which led some countries to reconsider coal as a possibility. According to the projections of the International Energy Agency, world demand for coal will increase by 17% between now and 2035, with two-thirds of this growth by 2020, and a reduction in demand from the developed OESC countries will be balanced by increased demand from developing countries, most notably India and China.

As a consequence, Group strategy aims to exploit the best opportunities for development by consolidating and improving its core business using the know-how it has acquired over a number of years, as well as its competitive positioning both globally and locally which is reflected in its purchase in December 2012 of the American company Coeclerici Coal Network LLC, in 2013 of the German company Dako Coal GmbH and in 2014 in the reorganisation of the International Trading Division to improve its sales and administrative activities, making the Division leaner and more capable of interpreting and satisfying market needs in a period of radical change.

As far as the Mining Division is concerned, efforts to improve efficiency and plans to increase production will continue in 2015, taking advantage of the new licence and the pick-up in the market as well.

Within the Logistics Division, operational projects already in being will continue, and contacts enabling the Bulk Irony vessel to continue in use or be sold have been made. The objective of 2015 will be on the one hand to consolidate existing business by improving the profitability of all projects, and on the other to react to the new opportunities offered by the market. An assessment of the possibilities for diversifying the business is under way, with a view to increasing investment in new sectors compatible with the Group's existing know-how, where the market regards quality, reliability and service as essential in its choice of partner.

In carrying out its functions as the holding company, Coeclerici SpA will continue to offer coordinated management services and operating support in order to enable the subsidiaries to find new business opportunities both abroad and in Italy, while at the same time seeking to improve efficiency and quality of service.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31DECEMBER 2014 (thousands of EUR)

ASSETS	(NOTE)	31-DEC-2014	31-DEC-2013	CHANGES
NON-CURRENT ASSETS				
Property, plant and equipment	1	133,743	147,408	(13,665)
Intangible assets	2	5,833	5,301	532
Interests in jointly controlled entities	3	18,732	12,291	6,441
Other investments	3	7,249	7,249	-
Available-for-sale financial assets	3	8,206	4,461	3,745
Deferred tax assets	24	4,538	4,958	(420)
Other non-current assets	4	19,448	1,357	18,091
TOTAL NON-CURRENT ASSETS		197,749	183,025	14,724
CURRENT ASSETS				
Inventories	5	23,946	21,096	2,850
Trade receivables	6	49,489	77,451	(27,962)
Prepayments	7	11,220	5,564	5,656
Other receivables and current assets	7	21,420	31,797	(10,377)
Cash and cash equivalents	8	44,371	49,444	(5,073)
TOTAL CURRENT ASSETS		150,446	185,352	(34,906)
TOTALE ASSETS		348,195	368,377	(20,182)
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity	9	60,453	72,392	(11,939)
Minority interests	9	9,013	8,026	987
TOTAL EQUITY		69,466	80,418	(10,952)
NON-CURRENT ASSETS				
Interest bearing liabilities and borrowings	10	123,155	128,877	(5,722)
Provision for liabilities and charges	11	15,212	19,440	(4,228)
Post-employment benefits	12	2,120	1,753	367
Deferred tax liabilities	24	-	3,285	(3,285)
TOTAL NON-CURRENT LIABILITIES		140,487	153,355	(12,868)
CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	94,286	79,907	14,379
Provision for liabilities and charges	11	2,429	1,925	504
Trade payables	13	23,595	39,817	(16,222)
Other payables and current liabilities	14	17,932	12,955	4,977
TOTAL CURRENT LIABILITIES		138,242	134,604	3,638
TOTAL EQUITY AND LIABILITIES		348,195	368,377	(20,182)

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2014 (thousands of EUR)

	(NOTE)	2014	2013	CHANGES
Revenues	15	588,628	651,803	(63,175)
Cost of sales	16	(529,253)	(584,904)	55,651
GROSS PROFIT		59,375	66,899	(7,524)
Overhead and administrative expenses	17	(32,925)	(32,516)	(409)
Capital gains / (losses) on non-current assets	18	429	(19)	448
Profit / (loss) from jointly controlled entities	19	4,371	3,113	1,258
Other net income / (expenses)	20	(819)	(7,366)	6,547
EBITDA		30,431	30,111	320
Depreciation and amortization	21	(16,101)	(16,398)	297
OPERATING PROFIT (EBIT)		14,330	13,713	617
Net financial income / (expenses)	22	(5,537)	(2,131)	(3,406)
Exchange gains / (losses)	23	(4,025)	(720)	(3,305)
PROFIT BEFORE TAX		4,768	10,862	(6,094)
Income taxes	24	612	(1,781)	2,393
NET PROFIT AFTER TAX FROM CONTINUING OPERATIONS		5,380	9,081	(3,701)
Net profit from discontinued operations		-	-	-
NET PROFIT		5,380	9,081	(3,701)
Attributable to Coeclerici SpA Shareholders		4,157	7,391	(3,234)
Attributable to minority interests		1,223	1,690	(467)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2014 (thousands of EUR)

	(NOTE)	2014	2013	CHANGES
NET PROFIT		5,380	9,081	(3,701)
Items that may be reclassified subsequently to income statement:				
- Differences from conversion of financial statements in currencies other than EUR		3,648	(4,424)	8,072
- Change in the fair value of available-for-sale financial assets	3	(751)	641	(1,392)
- Change in the fair value of cash flow hedge financial instruments	26	(8,623)	(666)	(7,957)
Total items that may be reclassified, net of tax		(5,726)	(4,449)	(1,277)
Items that will NOT be reclassified subsequently to income statement:				
- Actuarial gains / (losses)		(171)	7	(178)
Total items that will NOT be reclassified, net of tax		(171)	7	(178)
NET INCOME RECORDED DIRECTLY IN EQUITY		(5,897)	(4,442)	(1,455)
TOTAL COMPREHENSIVE INCOME		(517)	4,639	(5,156)
ATTRIBUTABLE TO:				
- Coeclerici SpA Shareholders		(2,477)	3,186	(5,663)
- Minority interests		1,960	1,453	507

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AT 31 DECEMBER 2014 (thousands of EUR)

	SHARE CAPITAL	LEGAL RESERVE	TRANSLATION RESERVE	MERGER SURPLUS RESERVE	RESERVE RELATED TO THE FAIR VALUE OF FINANCIAL INSTRUMENTS	ACTUARIAL GAINS/ (LOSSES)	OTHER RESERVES	RETAINED EARNINGS	NET PROFIT	TOTAL CC GROUP EQUITY	TOTAL MINORITY EQUITY	TOTAL EQUITY
At 31 December 2012	**10,000**	**2,000**	**(3,070)**	**-**	**(2,368)**	**(339)**	**49,198**	**7,969**	**13,994**	**77,384**	**8,516**	**85,900**
2012 profit transferred to reserves	-	-	-	-	-	-	-	13,994	(13,994)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(8,300)	-	(8,300)	(2,085)	(10,385)
Net income recorded directly in equity	-	-	(4,187)	-	(25)	7	-	-	-	(4,205)	(237)	(4,442)
Reclassification reserves	-	-	-	24,983	-	139	-	(25,122)	-	-	-	-
Effect of change in consolidation area	-	-	-	-	-	-	-	122	-	122	142	264
Profit for the year	-	-	-	-	-	-	-	-	7,391	7,391	1,690	9,081
At 31 December 2013	**10,000**	**2,000**	**(7,257)**	**24,983**	**(2,393)**	**(193)**	**49,198**	**(11,337)**	**7,391**	**72,392**	**8,026**	**80,418**
2013 profit transferred to reserves	-	-	-	-	-	-	-	7,391	(7,391)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(8,100)	-	(8,100)	(563)	(8,663)
Net income recorded directly in equity	-	-	2,911	-	(9,374)	(171)	-	-	-	(6,634)	737	(5,897)
Reclassification reserves	-	-	-	2,938	-	-	-	(2,938)	-	-	-	-
Effect of change in consolidation area	-	-	-	-	-	-	-	(1,362)	-	(1,362)	(410)	(1,772)
Profit for the year	-	-	-	-	-	-	-	-	4,157	4,157	1,223	5,380
At 31 December 2014	**10,000**	**2,000**	**(4,346)**	**27,921**	**(11,767)**	**(364)**	**49,198**	**(16,346)**	**4,157**	**60,453**	**9,013**	**69,466**

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2014 (thousands of EUR)

	2014	2013
A CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,444	45,005
B CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES		
Net operating profit	4,157	7,391
Minority interest profit	1,223	1,690
Depreciation of property, plant and equipment and devaluation	14,555	15,347
Amortisation of intangible assets	1,546	1,051
Losses (gains) on non-current assets	(429)	-
Share of profits from equity investments measured using the net equity method	(4,371)	(3,113)
Interest paid	(6,501)	(6,596)
Net change in provisions for liabilities and charges	(3,724)	(896)
Net change in post-employment benefits	367	(630)
Net change in deferred taxes	(2,865)	(1,564)
Change in inventories	(2,850)	(2,875)
Change in trade receivables	27,962	(34)
Change in trade payables	(16,222)	4,336
Other changes in working capital	3,835	15,183
CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES (B)	16,683	29,290
C CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(10,644)	(5,067)
Investments in intangible assets	(2,781)	(3,578)
Disposal of property, plant and equipment	2,674	896
Disposal of intangible assets	91	10
Change in other non-current assets	(1,850)	497
Investments in available-for-sale financial assets	(4,963)	(972)
Investments in other companies	-	(38)
Dividends received from jointly controlled companies	693	-
CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES (C)	(16,780)	(8,252)
D CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES		
Change in current financial receivables	(6,070)	7,177
Net change in non-current financial payables	(5,722)	(16,258)
Change in current financial payables	14,379	1,567
Dividends paid	(7,000)	(7,000)
Dividends paid to minority interest	(563)	(2,085)
CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES (D)	(4,976)	(16,599)
E OVERALL CASH FLOW GENERATED (ABSORBED) (E = B + C + D)	(5,073)	4,439
F CASH AND CASH EQUIVALENTS AT END OF PERIOD (A + E)	44,371	49,444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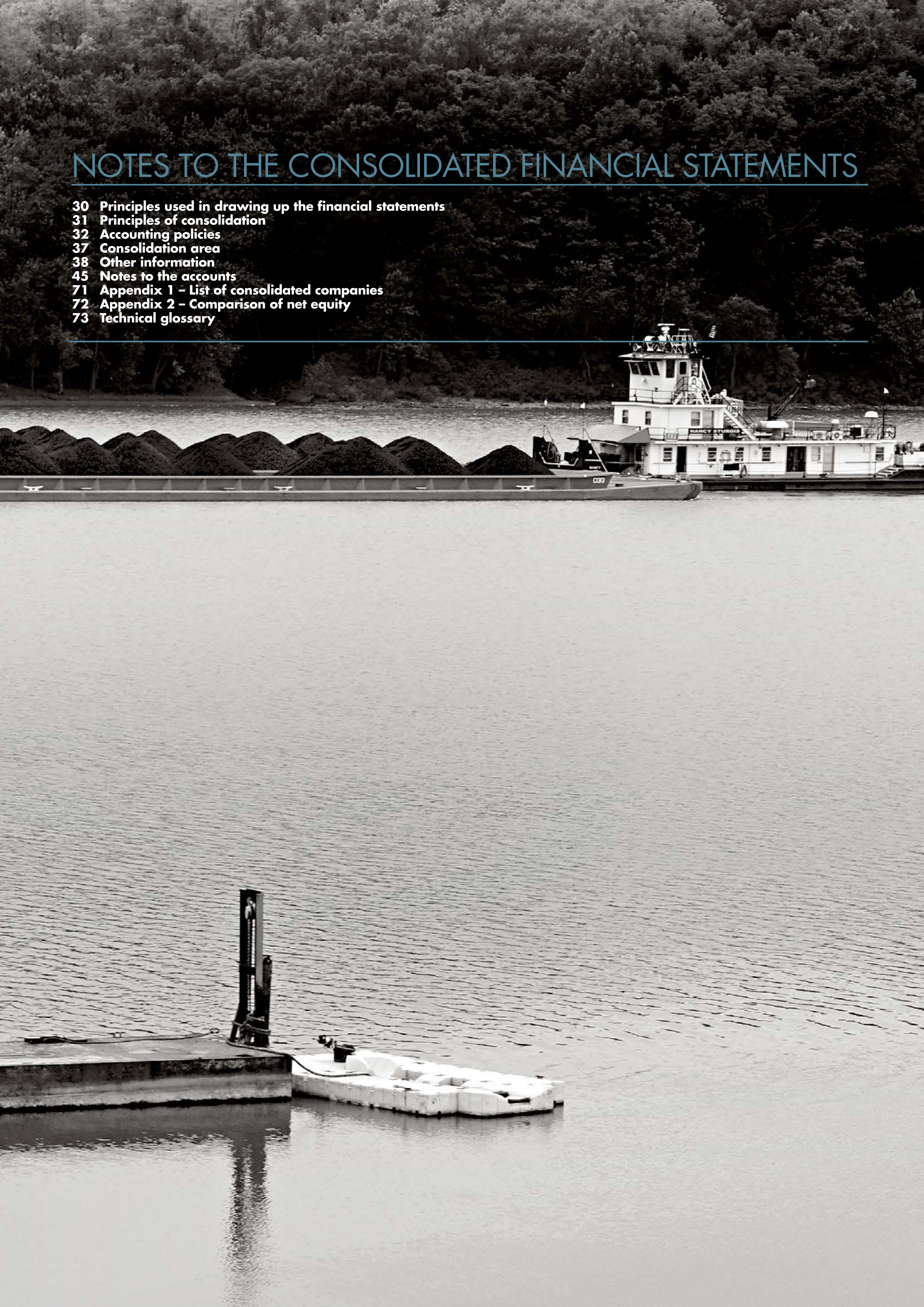
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of the Coeclerici Group as of December 31, 2014

PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union. IFRS also includes all of the International Accounting Standards reviewed (IAS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously referred to as the Standing Interpretations Committee (SIC).

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

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

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

For the purposes of drawing up the consolidated financial statements, the financial statements of the period to 31 December 2014 have been used. These statements have been adjusted where necessary to respect consolidation requirements and bring them into line with International Financial Reporting Standards (IFRS).

Financial statement models

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

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

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

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

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

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

PRINCIPLES OF CONSOLIDATION

Subsidiaries

These are firms that the Group controls, as defined by IFRS 10 - Consolidated Financial Statements, the new standard issued by the IASB in May 2011. Control exists when the Group has the direct or indirect power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until such time as that control ceases to exist. The amounts of net equity and profit attributable to minority shareholders are shown separately in the consolidated balance sheet and income statement. Where necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

The book value of the shares held is eliminated against a corresponding fraction of the subsidiary's net equity, calculated by attributing each asset and liability its value at the date the Group acquired control. Any remaining positive difference (gain) is included as profit under "goodwill"; any negative difference (loss) is recorded in the income statement, as required by IFRS 3 (Business Combinations).

Jointly controlled entities

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

Associated companies

These are companies over whose financial and operating policies the company has considerable influence, but not control or joint control, as defined by IAS 28 – Investments in associates.
The consolidated financial statements include the share of the profits of associated firms attributable to the Group, measured using the equity method, from the date on which considerable influence starts until the moment it ceases to exist. If the share of losses attributable to the Group exceeds the book value of the equity investment in the financial statements, the value of the equity investment is written off and the Group's share of any further losses is not recorded, unless and to the extent to which the Group is obliged to answer for them. Where necessary, adjustments have been made to the financial statements of associated companies to bring their accounting policies in line with those adopted by the Group.

Other investments

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

Transactions eliminated during consolidation

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

Foreign currency transactions

Items originally expressed in foreign currency are converted into EUR at the historical exchange rate on the date of the transaction. Exchange differences which occur when foreign currency receivables are collected and payables are paid are recorded in the income statement.

Foreign currency assets and liabilities (with the exception of fixed assets) are entered at the year-end spot exchange rate and the relevant exchange gains and losses are recorded in the income statement. Any net profit is set aside in a special non-distributable reserve until it is realized.

The conversion of the financial statements of foreign subsidiaries using other currencies into EUR is based on the year-end exchange rate for balance sheet items and the average annual exchange rate for income statement items. Exchange differences stemming from the conversion of financial statements expressed in foreign currencies are allocated directly to the 'translation reserve' item under equity.

The USD bank loan granted to the subsidiary Coeclerici Mozambico SpA was however not adjusted to the year-end exchange rate as described above since the sole purpose of the subsidiary is to perform a single contract that entails revenues in USD using two supramax vessels financed with a medium-term loan in USD. In line with this contract, the revenues generated are not converted into EUR unless they exceed the three-month loan repayment instalment due. The revenues are instead placed in a foreign currency account and recorded financially at the same exchange rate in force when the loan was taken out. This procedure avoids the effects of exchange rate fluctuations when the loan is paid back, since it is covered by the revenue flow in USD. The contract is expected to give rise to revenues in USD that are greater than the payments required to pay back the loan, and this will be periodically checked.

ACCOUNTING POLICIES

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

Property, plant and equipment

Tangible fixed assets are entered at cost price or production cost and are not re-valued.

Any costs incurred after purchase are included only if they increase the future economic benefits inherent in the asset they refer to. All other costs are recorded in the income statement when incurred.

Assets are depreciated by applying the following depreciation rates, which are designed to spread the value of the tangible assets adequately over their estimated useful life:

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

Land is not depreciated.

Fleet depreciation is applied on the basis of the cost of each vessel, decreased by the amount it is estimated could be gained from scrapping, based on an assumed useful life of 25 years for the hull, 15-20 years for the engines, 10-15 years for cranes and conveyor belts and 5 years for all components subject to renovation or replacement during dry-dock maintenance.

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

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

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

Intangible assets

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

Goodwill

If companies are taken over, the assets, liabilities and potential liabilities acquired and identifiable are recorded at their fair value on the takeover date.
If the difference between the takeover price and the share held by the Group at its fair value is positive, these assets and liabilities are classified as goodwill and are entered in the financial statements as intangible assets. If the difference is negative ('negative goodwill'), this difference is recorded in the income statement at the time of takeover.
Goodwill is not amortized but its value is tested annually, or whenever specific events or changes in circumstances suggest it may have been impaired. After initial determination, goodwill is calculated at cost less any accumulated impairment losses.
If a previously acquired company whose takeover gave rise to goodwill is partly or entirely transferred, the remaining goodwill will be taken into account in the capital gain or capital loss calculation.
When the International Financial Reporting Standards were applied for the first time, the Group chose not to apply IFRS 3 (Business Combinations) retroactively to company takeovers that occurred before 1st January 2006. Consequently, the allocations made on the purchase dates have not been reviewed.

Exploration assets

Costs relating to the purchase of exploration rights, geological and topographical surveys, exploratory drilling and excavation, sampling, and the technical feasibility and commercial viability studies of a mining resource are recorded as exploration and evaluation assets, in compliance with IFRS 6.
These costs are recorded as intangible assets and amortized over the period during which it is expected the relevant mining will take place. Exploration assets may be decreased in value in compliance with the procedures laid down in IAS 36, when their book value is not recoverable.

Other intangible assets

According to IAS 38 (Intangible Assets), other intangible assets (purchased or produced internally) are entered as such when it is likely that use of the asset will generate future economic benefits and when the cost of the asset may be measured reliably.
These assets are assessed at purchase price or production cost and amortized on a straight-line basis over their estimated useful lives if they have a definite useful lifespan. Intangible assets with indefinite useful lives are not amortized, but are assessed for loss of value annually, or whenever specific events suggest they may have been impaired.
Other intangible assets acquired after taking over a company are entered separately from goodwill if their fair value can be measured reliably.

Leasing contracts

Assets held under financial lease contracts, which essentially transfer all the risks and benefits linked to ownership of the assets to the Group, are recognized as Group assets at their fair value or, if lower, at the present value of the lease payments due. The corresponding liability for the lessor is shown as a specific liability item.
The contract is classified as a finance lease upon stipulation by examining the contract requirements and/or asset involved. Payments made under operating lease contracts are charged to the income statement on a straight-line basis over the lease term.

Loss of asset value

The Group regularly assesses the recoverability of the book values of intangible and tangible assets in order to determine if there is any sign they may have been impaired. If there is such evidence, the book values of the assets concerned are decreased to their respective recoverable values. The recoverable value of an asset is either its fair value less any costs of sale or its value in use, whichever the greater. To determine the value in use of an asset, the Group calculates the present value of the estimated future cash flows (gross of taxation) discounted at a before-tax rate which reflects the current market time value of money and the specific risks associated with that asset.
An impairment loss is recorded if the recoverable value is lower than the book value. When an impairment loss (excluding impairment losses on goodwill) subsequently reverses or decreases, the book value of that asset or cash-generating unit is increased to the revised estimate of its recoverable amount which cannot exceed the book value that would have been determined had no impairment loss been recognized for that asset. Reversal of an impairment loss is immediately recognized in the income statement.

Available-for-sale financial assets

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

Financial instruments

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

Financial derivatives

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

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

- Fair value hedge – If a financial derivatives is designated to hedge the exposure to changes in fair value of an asset or liability shown on the financial statements and attributable to a particular risk which may affect the income statement, the gain or loss from subsequently re-measuring the hedging instrument at fair value is entered on the income statement. The gain or loss on the hedged item attributable to the hedged risk changes the book value of that item and is recognized in the income statement.

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

If hedge accounting cannot be applied, the gains or losses arising from the fair value assessment of the financial derivative are immediately entered in the income statement.

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

Trade receivables
These are recorded at their presumed realizable value.

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

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

Post-employment benefits
Post-employment benefits are calculated according to IAS 19. Further information are provided under paragraph 'Other Information'.
The severance indemnity reserve is regarded as a 'defined benefit plan' and is measured on the basis of actuarial calculations using the 'projected unit credit method'. The actuarial gains and losses generated by applying this method are recognized in the income statement.
Since all the Italian companies belonging to the Group have less than 50 employees, the amendments made by Italian law No. 296 of 27 December 2006 (the 2007 Finance Act) and subsequent decrees and regulations issued during the first few months of 2007 allow employees to keep their post-employment benefit within the company without being obliged to opt to hand it over to a supplementary pension fund or assign the post-employment benefit to the treasury fund at the Italian national social security institute (INPS). The actuarial calculation made since 2007 excludes the component relating to future pay increases only for employees who voluntarily exercised the options laid down in the above mentioned law. The difference resulting from the new calculation is treated as a 'curtailment' according to paragraph 109 of IAS 19 and is consequently entered in the first six months of 2007.
Amounts of post-employment benefit falling due for employees from the moment they exercise the option are deemed a 'Defined Contribution Plan'.

Recognition of revenues and costs

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

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

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

Capital grants

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

Financial income and expenses

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

Income taxes

Income taxes include all the taxes calculated on the Group taxable income. They are recognized in the income statement, with the exception of those concerning items directly charged or credited to equity, in which case the tax effect is recorded directly in equity. Other taxes not related to income, such as taxes on property and capital, are included among the operating expenses. The taxable income is different from the amount recorded in the income statement since it excludes positive and negative components that are taxable in other accounting periods and also excludes items that will never be taxable or allowable. The liability for current taxes is calculated using the rates officially or actually in force at the year-end.

Deferred taxes are set aside according to the overall liability allocation method. They are calculated on all temporary differences which may emerge between the taxable base of an asset or liability and the book value in the consolidated financial statements. Deferred tax assets on tax losses and unused tax receivables that may be carried forward, as well as on temporary differences, are recognized to the extent that it is likely that future taxable income may emerge against which they can be recovered.

Use of estimates

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

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

The Company has significant quantities of tangible and intangible assets. Establishing the useful lives of assets and determining whether they are recoverable (in order to decide whether the company should write them down), involves assessments and estimates.

Assets are depreciated or amortized on the basis of their useful lives, which is estimated for each category (tangible and intangible). The recoverable value of tangible and intangible assets depends on the possibility the assets have of generating sufficient net cash flows to recover their book value over the course of their estimated useful life.

b) Additional estimates

Estimates are also used to enter the presumed values of certain receivables, the fair value of derivatives and financial assets available for sale, the funds set aside for employee benefits, taxes and other provisions. Further details about these kinds of estimates can be found in the specific notes on each item.

Generally speaking, the final figures in the following accounting period may differ from the estimates originally entered. Changes in estimates are recorded in the income statement for the accounting period during which they actually appear.

In the absence of an established principle or interpretation applicable to a specific operation, the Group's management decides which accounting methods to adopt, through its own well thought-out and subjective evaluations, in order to provide relevant and reliable information so that the financial statements:

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

CONSOLIDATION AREA

Attached to the notes to the financial statements are lists of the companies included in the consolidation area, equity investments in joint ventures, and associated companies measured using the equity method.

The following changes occurred in the consolidation area during the financial period under review:

- on 5 November 2014, the subsidiary Coeclerici Coal and Fuels SpA was merged with Coeclerici SpA with legal effect from 1 December 2014 and for accounting and taxation purposes from 1 January 2014;
- on 5 November 2014, the subsidiary Shipping Services Srl was merged with Coeclerici SpA with legal effect from 1 December 2014 and for accounting and taxation purposes from 1 January 2014;
- on 19 November 2014 the Singaporean company Coeclerici Far East (Pte) Ltd, 100% owned by Coeclerici SpA, was set up;
- on 22 November 2014 the American company Coeclerici Coal Network Inc, 70% owned by Coeclerici Compagnie SA, was set up. On 12 December 2014 the subsidiary Coeclerici Coal Network Inc purchased from Coeclerici Americas Real Estate Inc 100% shares in the subsidiary Coeclerici Americas LLC which merged with it on 31 December 2014. On 31 December 2014, Coeclerici Coal Network LLC merged with Coeclerici Coal Network Inc;
- on 9 December 2014, Coeclerici SpA ceded its 49% share holding in the Irish company dACC Maritime Ltd to Coeclerici Logistics Partecipazioni Srl.

OTHER INFORMATION

Accounting principles, amendments and interpretations applied starting on 1 January 2014

The following IFRS accounting principles, amendments and interpretations were applied for the first time by the Group starting on 1 January 2014:

- IFRS 10 "Consolidated Financial Statements replacing" IAS 27 "Consolidated and Separate Financial Statements", for the part referring to the consolidated financial statements, and SIC-12 "Consolidation – Company with specific destination (vehicle company)". The previous IAS 27 was renamed "Separate Financial Statements", and governs the accounting treatment of investments in the separate financial statements. The main changes established by this new principle for consolidated financial statements are as follows:
  - IFRS 10 establishes a single basic principle for consolidating entities of all types, namely one based on control. This change removes the inconsistencies which were inherent in IAS 27 (based on control) and SIC 12 (based on the passing of risks and benefits);
  - a more solid definition of control compared to that used in the past was introduced, based on the simultaneous presence of the following three elements: (a) power in the purchased business; (b) exposure or right to variable returns arising from involvement in the same; (c) ability to use this power to affect the amount of this variable return;
  - IFRS 10 requires an investor – in order to assess whether it has control of the business acquired – to focus on those activities noticeably influencing the returns of the business (the concept of relevant activity);
  - IFRS 10 requires that, when assessing the existence or otherwise of control, only substantive rights are considered, that is those rights which can be exercised when decisions regarding the business acquired must be taken;
  - IFRS 10 gives practical assistance for assessing the existence of control in complicated situations, such as de facto control, potential voting rights, structured entities, and situations in which it is necessary to understand whether the decision-maker is acting as agent or principal, and so on;
  - the principle is applicable retrospectively from 1 January 2014. Adopting this new principle did not have any effects on Group consolidation.
- IFRS 11 "Agreements regarding co-participation", replacing IAS 31 "Investment in Joint Ventures", and SIC-13 "Companies under joint control – Payment in kind by participants in joint control". This new principle – without prejudice to the criteria for identifying the presence of joint control – gives the criteria for the accounting treatment of co-participation agreements based on rights and obligations arising from such agreements, rather than on their legal form, and distinguishes between joint ventures and joint operations. IFRS 11 indicates, unlike its predecessor IAS 31, that the existence of a separate vehicle is not sufficient to classify an agreement of co-participation as a joint venture. For joint ventures, where the parties have rights only over the net equity of the agreement, the principle establishes the net equity method as the only method for accounting in the consolidated financial statements. For joint operations, where the parties have rights and obligations with regard to the liabilities of the agreement, the principle provides for direct entry in the consolidated statements (and in the separate financial statements) of the share of assets and liabilities, expenditure and income arising from the joint operation.
  Speaking generally, the application of IFRS 11 requirements significant levels of judgment in certain industries when differentiating between a joint venture and a joint operation.
  The new principle is retrospectively applicable from 1 January 2014.
  Following the issue of the new principle, in IFRS 11, IAS 28 "Investment in associated companies" was amended to include investments in companies under joint control. Adopting this new principle did not have any effects on Group consolidation.

- IFRS 12 "Additional information regarding investments in other companies" is a completely new principle regarding additional information to provide in the consolidated financial statements for all type of investment, including that in subsidiaries, co-participation agreements, associated companies, companies with a specific destination and other companies not consolidated. The principle is retrospectively applicable from 1 January 2014. Adopting this new principle did not have any effects on Group consolidation.

- Amendments to IAS 32 'Setting-off of financial assets and liabilities' seek to clarify the application of the criteria needed to set off financial assets and liabilities in the accounting statements. The amendments are retrospectively applicable from 1 January 2014. Adopting these new amendments did not have any effects on Group consolidation.

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Size of investment', which, for investment companies, introduce an exception to the consolidation of subsidiaries with the exception of cases in which these subsidiaries provide ancillary services to the investment activities made by the investment companies. In applying these amendments, the investment companies must assess their investments in subsidiaries at a fair value. The following criteria were introduced to qualify as an investment company and therefore be able to use the exception above:
  - obtain funds from one or more investors with the aim of providing them with investment management services;
  - pursue investment on behalf of investors with the aim of obtaining returns from capital revaluation, proceeds from investments, or both; and
  - measure and assess the performance of all of the investments on a fair value basis.

  Together with the underlying principle, these amendments took effect on 1 January 2014. Adopting these new amendments did not have any effects on Group consolidation.

- Amendments to IAS 36 'Reduction of asset value – Additional information regarding recovery value of non-financial assets'. These modifications aim to clarify that the additional information regarding the recovery value of assets (goodwill included) or those which generate financial flows and are subject to impairment tests, in the event that their recovery value is based on fair value less decommissioning costs, should only concern those assets generating financial flows for which a loss resulting from reduction in value has been posted during the financial period. In this case, it shall be necessary to provide adequate information regarding the hierarchy of the level of fair value to which the recovery value belongs, and also regarding the techniques of valuing and assumptions made (should level 2 or 3 be involved). The amendments are retrospectively applicable from 1 January 2014. Adopting these new amendments did not have any effects on information contained in the Group consolidation.

- Amendments to IAS 39 'Financial instruments: detection and evaluation – renewal of derivatives and continuation of cover accounting'. The modifications regard the introduction of some exemptions to the requirements of hedge accounting as defined by IAS 39 in a situation in which an existing derivative must be replaced by a new derivative in a specific situation in which this replacement is made against a central counterpart following the introduction of a new law or regulation. The amendments are retrospectively applicable from 1 January 2014. Adopting these new amendments did not have any effects on Group consolidation.

IFRS and IFRIC accounting principles, amendments and interpretations endorsed by the European Union but not yet applicable except through early adoption by the Group at 31 December 2014

- IFRIC interpretation 21 "Levies" was published on 20 May 2013, clarifying the moment of detection of a liability connected to taxation (other than income tax) imposed by a government agency. The principle involves both taxation liabilities which are covered by IAS 37 "Accruals, provisions contingent liabilities and assets", and those whose timing and amount are certain. The interpretation applies retrospectively for accounting periods which begin after 17 June 2014. The application of this interpretation will not impact the Group's consolidated financial statements.

- On 12 December 2013 the IASB published the document 'Annual Improvements to IFRSs: 2010-2012 Cycle', which takes up the modifications to some of the principles as part of the annual process of improving them. The main amendments concern:
  - IFRS 2 "Share Based Payments – Definition of vesting condition". Modifications were made to the definition of 'vesting condition' and of 'market condition', and the further definitions of 'performance condition' and 'service condition' were added (previously included in the definition of 'vesting condition');
  - IFRS 3 "Business Combination – Accounting for contingent consideration". This modification clarifies that a contingent consideration in the context of a classified business combination such as a financial asset or liability must be re-valued to its fair value at every financial period closing date, and the variations in fair value must be posted to the income statement or amongst the elements of the income statement as required by IAS 39 (or IFRS 9);
  - IFRS 8 "Operating segments – Aggregation of operating segments". The modifications require an organisation to give information regarding the evaluations made by management in applying the criteria of aggregation of operating segments, including a description of the operating segments and financial indicators considered in determining whether these operating segments have similar financial characteristics;
  - IFRS 8 "Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets". The modifications clarify that the reconciliation between the total assets of the operating segments and the organisation's overall total assets must be presented only if the total assets of the operating segments are regularly reviewed by the highest operational decision-making level in the organisation;
  - IFRS "13 Fair Value Measurement – Short-term receivables and payables". The Basis for Conclusions of this principle were modified in order to clarify that, with the issuing of IFRS 13, and the resulting modifications to IAS 39 and IFRS 9, the possibility of accounting for the current trade receivables and payables remains valid without indicating the effects of updating, if these effects are not material;
  - IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization". The modifications eliminated the inconsistencies in showing amortisation provisions when a tangible or intangible asset is the subject of re-evaluation. The requirements of these modifications clarify that the gross book value is adequate and consistent with the asset's precise book value and that the amortization provision is equal to the difference between the gross book value and the book value net of loss of accounting value;
  - IAS 24 "Related Parties Disclosures – Key management personnel". This clarifies that if the services of directors who have strategic responsibilities are supplied by an organisation (and not by a physical individual), that organisation shall be regarded as a related party.

  These modifications are applicable at the latest starting in financial periods which begin on 1 February 2015 or later. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 12 December 2013, the IASB published the document 'Annual Improvements to IFRSs: 2011-2013 Cycle' which takes up the modifications to some of the principles as part of the annual process of improving them. The main amendments concern:

- IFRS 3 "Business Combinations – Scope exception for joint ventures". This modification clarifies that paragraph 2(a) of IFRS 3 exempts from the application of IFRS 3 the creation of all types of joint arrangement, as defined by IFRS 11;
- IFRS 13 "Fair Value Measurement – Scope of portfolio exception (par. 52)". This modification clarifies that the portfolio exception included in paragraph 52 of IFRS 13 is applicable to all contracts included in the field of application of IAS 39 (or IFRS 9) regardless of whether they satisfy the definition of financial assets and liabilities provided by IAS 32;
- IAS 40 "Investment Properties – Interrelationship between IFRS 3 and IAS 40". This modification clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a property is included in the application of IFRS 3 or IAS 40, it is necessary to consider the specific indications provided by IFRS 3 or IAS 40.

These modifications are applicable starting in financial periods which begin on 1 January 2015 or later. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 21 November 2013 the IASB published an amendment to IAS 19 "Defined Benefit Plans: Employee Contributions", which suggests presenting the contributions (regarding solely service conducted by the employee in the financial period) made by employees or third parties to pension plans less the service cost of the financial period in which the contribution is paid. The need for this proposal arose from the introduction of the new IAS 19 (2011), which indicates that these contributions should be interpreted as part of a post-employment benefit, rather than a short-term benefit and, for this reason, this contribution should be spread out over the employee's years of service. These modifications are applicable at the latest starting in financial periods which begin on 1 February 2015 or later. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

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

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

- On 30 January 2014 the IASB published principle IFRS 14 "Regulatory Deferral Accounts" which permit only those adopting the IFRS for the first time to carry on presenting the amounts subject to regulated rates ('Rate Regulation Activities') in line with previously adopted accounting principles. Since the Group is not a first-time adopter, this principle is not applicable.

- On 6 May 2014 the IASB issued some amendments to the IFRS principle 11 "Joint Arrangements – Accounting for acquisitions of interests in joint operations" regarding the accounting of purchases of interest in a joint operation whose activities comprise a business in the exception provided for by IFRS 3. The modifications require that, for that situation, the principles indicated in IFRS 3 regarding the presentation of the effects of a business combination be applied.

  The modifications are applicable with effect from 1 January 2016 but may be applied earlier if desired. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 12 May 2014 the IASB issued some amendments to IAS 16 "Property, Plant and Equipment" and to IAS 38 "Intangibles Assets – Clarification of acceptable methods of depreciation and amortisation". The modifications to IAS 16 establish that the criteria for depreciation based on returns are inappropriate given that, according to the amendment, the proceeds resulting from an asset which include the use of that asset which is the object of depreciation generally reflect factors other than the simple financial

benefits arising from the asset. The modifications to IAS 38 introduce a related assumption, according to which a depreciation criterion based on returns is regarded as inappropriate for the same reasons as those established by the modifications introduced by IAS 16. In the case of intangible assets, this assumption may be overrode, but only in limited and specific circumstances.
The modifications are applicable with effect from 1 January 2016 but may be applied earlier if desired. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 28 May 2014 the IASB issued the principle IFRS 15 "Revenue from Contracts with Customers", which will replace principles IAS 18 "Revenue" and IAS 11 "Construction Contracts", as well as the interpretations of IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfers of Assets from Customers" and SIC 31 "Revenues-Barter Transactions Involving Advertising Services". The principle establishes a new model for recognising income, which will be applied to all contracts made with clients with the exception of those covered by other IAS/IFRS principles such as leasing, insurance and financial instruments. The main steps to account for income in line with the new model are as follows:
  - identifying of contract with client;
  - identifying contract's performance obligations;
  - defining the price;
  - allocation of price to performance obligation of the contract;
  - the criteria for posting the income when the size satisfies each performance obligation.

  The principle is applicable with effect from 1 January 2017 but may be applied earlier if desired. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 24 July 2014 the IASB published the final version of IFRS 9 "Financial Instruments". The document gathers together the phases of the IASB project – aiming to replace IAS 39 – which concern Classification and Evaluation, Impairment and Hedge accounting. The new principle replaces the previous version of IFRS 9, and must be applied to financial statements beginning on 1 January 2018 or later.
  Following the financial crisis of 2008, and at the request of a number of the main financial and political bodies, the IASB began a project aimed at replacing IFRS 9, and proceeded on a step-by-step basis. In 2009, the IASB published the first version of IFRS 9 which treated the classification and evaluation of financial assets together; subsequently, in 2010, the criteria regarding classification and evaluation of financial liabilities and de-recognition (the latter taken unaltered from IAS 39) were published. In 2013 IFRS 9 was amended to include the general model of hedge accounting. Following the current publication, which includes impairment as well, IFRS 9 may be considered complete with the exception of the criteria concerning macro hedging, for which the IASB has undertaken its own project.
  The principle introduces new criteria for the classification and evaluation of financial assets and liabilities. For financial assets the new principle uses a single approach based on how the financial instruments are managed and on the characteristics of contractual cash flow of these assets, in order to decide their evaluation criteria and replace the various rules provided for by IAS 39. For financial liabilities, on the other hand, the main modification concerns the accounting treatment of variations in fair value of a financial liability designated as a financial liability held at fair value in the income statement, should these variations result from variations in credit rating held by the issuer of the liability. According to the new principle, such variations must be shown under 'Other comprehensive income' and no longer in the income statement.
  As far as the impairment model is concerned, the new principle requires the estimate of losses on receivables to be made on the basis of estimated losses (and not on incurred losses). This uses information which can be supported and is available without undue efforts being required and can include historic, current or future information. The principle provides for the application of this impairment model to all

financial instruments, that is to financial assets assessed at amortised cost, to those evaluated at fair value through 'Other comprehensive income', to receivables resulting from rental contracts and to trade receivables.

Finally, the principle introduces a new model of hedge accounting in order to adjust the anticipated requirements of the existing IAS 39 which have at times been considered over-stringent and not suited to reflecting the company's risk management. The main novelties in the document are the following:

- an increase in the type of transaction eligible for hedge accounting, including non-financial asset/liability risks which can be managed by hedge accounting;
- a change in the manner of accounting for forward contracts and of options, when they are used in hedge accounting to reduce volatility in the income statement;
- modifications to the efficacy test which replace the current method based on the 80-125% parameter with the principal of 'economic relationship' between the item hedged and the hedging instrument; in addition, a retrospective effectiveness evaluation of the hedging relationship will no longer be required.

This greater flexibility of the new accounting rules is counter-balanced by the additional request for information regarding the company's risk management. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 11 September 2014 the IASB published the amendment to IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture". The document was published to resolve the inconsistencies between IAS 28 and IFRS 10.

  IAS 28 states that the profit or loss arising from the cession or conferring of a non-monetary asset to a joint venture or associated company in exchange for a share of the latter's capital is limited to the share held in the joint venture of associated company by other investors not involved in the transaction. In fact, the principle IFRS 10 provides for the presenting of the entire profit or loss if control over an associated company is lost, even if the organisation still holds a non-controlling proportion in it, including, in such a situation, even the cession or conferral of a subsidiary to a joint venture or associated company. The modifications ensure that in the cession/conferral of an asset or a subsidiary to a joint venture or associated company, the amount of the profit or loss to be shown in the financial statements of the company ceding or conferring depends on whether the asset or subsidiary ceded/conferred constitute a business, as understood by IFRS 3. If the asset or subsidiary ceded/conferred constitute a business, the organisation must show the profit or loss on the entire amount previously held; otherwise, the share of profit or loss regarding the share still held by the organization must be eliminated. The modifications are applicable with effect from 1 January 2016 but may be applied earlier if desired. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 25 September 2014 the IASB published the document 'Annual Improvements to IFRSs: 2012-2014 Cycle'. The modifications are applicable to financial periods beginning on 1 January 2016 or later.

  The document introduces modifications to the following principles:

  - IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The modification introduces specific guide lines in the event that an asset (or a group disposal) is reclassified from the held-for-sale to the held-for-distribution category (or vice versa), or when classification requirements for an asset as held-for-distribution are less stringent. The modifications define that (i) these reclassifications should not be considered as a variation to a sales or distribution plan, and the same criteria of reclassification or evaluation remain valid; (ii) the assets no longer respecting the criteria for reclassification as held-for-distribution should be treated in the same way as an asset which ceases to be classified as held-for-sale;
  - IFRS 7 "Financial Instruments: Disclosure". The modifications govern the introduction of other guide lines to clarify whether a servicing contract constitutes a residual involvement in an asset transferred for the purposes of information required about assets transferred. In addition, it is clarified that the information

regarding the compensating of financial assets and liabilities is not required under the regulations for intermediate financial statements. In any event, this information could be necessary to respect the requirements of IAS 34, if the information is significant;

- IAS 19 "Employee Benefits". This document introduces modifications to IAS 19 in order to clarify that high quality corporate bonds used to determine the discount rate of post-employment benefits should be of the same currency as those used to pay benefits. The modifications state that the market of high quality corporate bonds is that at currency level;
- IAS 34 "Interim Financial Reporting". The document introduces modifications to clarify the requirements when information is presented in an interim financial report, but outside the interim financial statements. The modifications states that this information shall be included in a cross-reference from the interim financial statements to the other parts of the interim financial report and that this document shall be available to those reading the financial statements in the same way and at the same times as the interim financial statements.

The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

- On 18 December 2014 the IASB published an amendment to IAS 1 "Disclosure Initiative". The aim of the modifications is to provide clarification regarding information which could be considered as an impediment to the clear and intelligible drawing-up of the financial statements. The following modifications were made:
  - materiality and aggregation: it was made clear that a company must not hide information by means of aggregation or the opposite, and that considerations of materiality apply to the financial statements, the notes and IFRS informative requirements. The disclosures specifically required by the IFRS must be provided only if the information is material;
  - balance sheet and income statement: the list of headings for these statements as specified by IAS 1 may be aggregated or otherwise from case to case. A guide line is provided on how to use sub-totals in these statements;
  - presentation of the elements of 'Other comprehensive income ('OCI')': the share of OCI of consolidated associated companies and joint ventures with the net equity method must be presented either aggregated or under a single heading, in its turn sub-divided between the components which can be reclassified in the income statement subsequently;
  - notes to the accounts: organisations have flexibility in defining the layout of the Notes to the accounts and a guide line is provided showing how to set up a systematic order to the notes. For example:
    i. by living prominence to the more important headings in order to understand the asset and financial situation better (e.g. by grouping together information regarding the same activity);
    ii. by grouping together elements measured with the same criteria (e.g. assets measured at fair value);
    iii. by following the order of elements presented in the financial statements.

  The modifications introduced by this document are applicable to financial periods beginning on 1 January 2016 or later. The directors are currently assessing the possible effects of the introduction of these modifications on the Group's consolidated financial statements.

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

NOTES TO THE ACCOUNTS

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

Property, plant and equipment (Note 1)

The changes that occurred in property, plant and equipment over the course of 2014 are summarized in the following table:

	FLEET	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER ASSETS	COAL RESERVES	CLEAN-UP AND RESTORATION COSTS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
At 31 December 2012	**123,384**	**6,455**	**7,657**	**12,628**	**10,537**	**1,761**	**17**	**162,439**
Increases	138	1,024	2,285	1,329	-	-	291	5,067
Decreases	(2)	(18)	(81)	(57)	-	(738)	-	(896)
Depreciation and devaluation	(8,064)	(134)	(2,671)	(3,443)	(887)	(148)	-	(15,347)
Exchange rate differences	(427)	(600)	(803)	(781)	(1,101)	(136)	(7)	(3,855)
At 31 December 2013	**115,029**	**6,727**	**6,387**	**9,676**	**8,549**	**739**	**301**	**147,408**
Increases	-	5,160	1,430	3,563	-	-	491	10,644
Decreases	(1,517)	(332)	(3)	(198)	-	(624)	-	(2,674)
Depreciation and devaluation	(9,004)	(188)	(2,030)	(2,892)	(406)	(35)	-	(14,555)
Exchange rate differences	1,161	(834)	(2,176)	(1,944)	(3,071)	(80)	(136)	(7,080)
At 31 December 2014	**105,669**	**10,533**	**3,608**	**8,205**	**5,072**	**-**	**656**	**133,743**

At the end of the financial period the Group decided, given the significant fall in the price of coal, to carry out impairment test on its coal reserves: this analysis indicated no need to reduce their book value.

More specifically, the projection of cash flow, net of taxation effects, results directly from the assessment of expected flows calculated by management and considering also the expectations of recognised analysts.

The rate (WACC – Weighted Average Cost of Capital), used to update the flows in order to determine use value, was determined on the basis of market information concerning the cost of money and the specific risks of the activity and country involved, and is equal to 19,65%. As an indication of sensitivity, an increase in WACC of 3 percent (from 19.65 percent to 20.24 percent) would not result in a devaluation of coal reserves subject to the impairment test.

The increase in the category 'Land and buildings' of EUR 5,160 thousand resulted mainly from the purchase of the property in Riva Paradiso, Lugano, the new headquarters of the Trading Division, amounting to EUR 4,992 thousand.

The decrease in the category 'Fleet' of EUR 1,517 thousand refers to the vessel Bulk Wayuù belonging to the Venezuelan subsidiary Bulkguasare de Venezuela SA for an amount of EUR 1,440 thousand, sold for EUR 1,796 thousand (USD 2,387 thousand) with a gain of EUR 249 thousand net of sales commission, as indicated in 'Note 18 – Gains / (Losses) on non-current assets'.

The heading 'Depreciation and devaluation' includes EUR 1,006 thousand for the devaluation of the vessel Bulk Kremi I employed in the Black Sea, on account of the cessation of activities there, and in consideration of the total ceding of the subsidiary LLC Coeclerici Logistics Russia which took place on 19 February 2015.

Intangible assets (Note 2)

The changes in intangible assets which occurred during 2014 financial period are summarized in the table below:

	GOODWILL	OTHER FIXED ASSETS	TOTAL
At 31 December 2012	**2,335**	**637**	**2,972**
Increases	2,074	1,504	3,578
Decreases	-	(10)	(10)
Amortization	-	(1,051)	(1,051)
Reclassifications	(2,144)	2,144	-
Exchange rate differences	-	(188)	(188)
At 31 December 2013	**2,265**	**3,036**	**5,301**
Increases	-	2,781	2,781
Decreases	-	(91)	(91)
Amortization	-	(1,546)	(1,546)
Reclassifications	(2,074)	2,074	-
Exchange rate differences	-	(612)	(612)
At 31 December 2014	**191**	**5,642**	**5,833**

The 'Goodwill' heading refers to an amount of EUR 191 thousand being the higher value paid for the acquisition in 2007 of 60 percent of the subsidiary Coeclerici Asia (Pte) Ltd.

The reclassification of EUR 2,074 thousand refers to the accounting booking of the transaction with which, in 2013, control of Dako Coal GmbH was attained, now reallocated to intangible fixed assets, following an initial, provisional posting to goodwill.

In addition the 'Other fixed assets' heading, increasing in the period by EUR 2,781 thousand, mainly reflects the increase of EUR 2,760 thousand for the conferral of the mining licence for the use of a further 51.2 million tonnes of coal.

The intangible activities resulting from the above company aggregations have a defined useful life; as a result, they are systematically amortised across their useful life, understood as an estimate of the period in which the business will use these activities.

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

This consists of the following:

	31-DEC-2014	31-DEC-2013
Interests in jointly controlled entities	18,732	12,291
Other investments	7,249	7,249
Available-for-sale financial assets	8,206	4,461
Total	**34,187**	**24,001**

'Interests in jointly controlled entities', measured using the equity method, changed in the following ways during 2014:

	31-DEC-2014	31-DEC-2013
Opening balance	**12,291**	**9,684**
Net profit	4,371	3,113
Foreign exchange effect	2,087	(534)
Change in consolidation area	(17)	28
Ending balance	**18,732**	**12,291**

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

	31-DEC-2014	31-DEC-2013
Assets	113,606	87,434
Liabilities	75,376	62,352
Net Equity	38,230	25,082
Turnover	29,483	27,571
Operating Profit	13,353	11,392
Net Profit	8,921	6,353

Kyla Holding ltd is 50% held by the Coeclerici Group through its subsidiary CC Black Sea Bulk Srl and 50% by Donmar Corporation, a company of the Transship Group.

PT Asian Bulk Logistics is 49% owned by the Coeclerici Group through its subsidiary Coeclerici Logistics Partecipazioni Srl. The company provides transshipping services in Indonesia.

The company dACC Maritime ltd, incorporated in the first quarter of 2013, is 49% owned by the Coeclerici Group through its subsidiary Coeclerici Logistics Partecipazioni Srl. The company conducts dry bulk shipping activities.

'Other investments' underwent no changes in 2014 financial year and therefore consist of:

	31-DEC-2014	31-DEC-2013
Ambienta SGR SpA	9	9
Consorzio Armatori per la Ricerca (Cons.A.R.) Srl	5	5
Dharamtar Infrastructure Ltd	1,167	1,167
Telemar SpA	434	434
USL Coeclerici Logistics Private Ltd	581	581
United Shippers Ltd	5,053	5,053
Total other investments	**7,249**	**7,249**

The ‘Available-for-sale financial assets’ that are likely to remain for some time among the company assets, consist of:

	31-DEC-2014	31-DEC-2013
Banca Carige SpA	6	44
Banco Popolare S.C.	-	11
Fondo Ambienta I	1,515	1,643
Hao Capital Fund II L.P.	471	501
Asia Resource Minerals PLC	94	828
Value Secondary Investments SICAR	250	612
Canara Robeco Treasury Advantage Fund	793	822
Insurance Fund	5,077	-
Total available-for-sale financial assets	**8,206**	**4,461**

During 2014 financial period, this category increased overall by EUR 3,745 thousand, mainly as a result of the fair value regarding the underwriting of insurance funds amounting to EUR 5,077 thousand net of the variation in the reduction in value of the shares in Asia Resource Minerals PLC for an amount of EUR 734 thousand and in Value Secondary Investments SICAR for EUR 362 thousand. These two companies distributed dividends during the financial period as described in ‘Note 22 – Net financial income / (expenses)’.

Further information regarding the closed investment funds Ambienta I and Hao Capital Fund II L.P. are provided under ‘Note 28 – Obligations and guarantees’.

Other non-current assets (Note 4)

This consists of the following:

	31-DEC-2014	31-DEC-2013
Other receivables	17,966	824
Tax receivables	1,451	1,451
Guarantees and deposits	1,144	195
Provision for other bad debts	(1,113)	(1,113)
Total other non-current assets	**19,448**	**1,357**

‘Other receivables’ amounting to EUR 17,966 thousand and refer mainly to the funding of EUR 10,730 thousand (EUR 4,042 thousand at 31 December 2013, included under the category ‘Receivables from joint ventures’ in ‘Note 7 – Prepayments and other receivables and current assets’) towards the associated company dACC Maritime Ltd, aiming to finance the construction of four Supramax vessels of 60,000 tonnes each, and to the amount held in ‘Reserve Account’ of the subsidiary Coeclerici Mozambico SpA, amounting to EUR 5,783 thousand.

‘Taxation receivable’, amounting to EUR 1,451 thousand, include tax credits referring to previous accounting periods not yet received.

Inventories (Note 5)

Stocks, equal to EUR 23,946 thousand (EUR 21,096 thousand at 31 December 2013), are made up as follows:

	31-DEC-2014	31-DEC-2013
Goods	23,372	20,433
Consumables	574	663
Total inventories	**23,946**	**21,096**

The cost at which the goods are presented in the financial statements is positively affected by the movement in the EUR/USD exchange rate.

'Goods' consisted of the following:

	31-DEC-2014		31-DEC-2013	
	TONNES	EUR/000	TONNES	EUR/000
Goods	363,450	23,372	393,172	20,433

Trade receivables (Note 6)

This item amounted to EUR 49,489 thousand (EUR 77,451 thousand at 31 December 2013) and consists wholly of receivables arising from normal commercial operations with clients. It is shown net of the EUR 13,671 thousand provision for bad debts (EUR 6,543 thousand al 31 December 2013).

Trade receivables at 31 December 2014 may be broken down by due date as follows:

	31-DEC-2014	31-DEC-2013
Invoices to be issued	5,184	2,318
Receivables not yet due	30,046	60,644
Due < 60 days	5,720	3,733
Due < 180 days	4,634	10,197
Due < 365 days	625	487
Due > 1 year	16,951	6,615
Provision for bad debts	(13,671)	(6,543)
Total trade receivables	**49,489**	**77,451**

It should be noted that in the months after December 2014 a considerable proportion of the receivables indicated in the table as expiring within 60 days and 180 days were actually received, as well as a smaller share of those expiring after one year. Allocations to the provision for bad debts made in the financial period refer mainly to the receivables held with the commercial partner in Venezuela and in India. During 2014, EUR 3,277 thousand were received from the Venezuelan trading partner. Negotiations to obtain the entire amount outstanding at 31 December 2014 are in progress.

Changes in the provision for bad debts during the 2014 financial period were as follows:

Provision for bad debts at 31 December 2013	**(6,543)**
Allocations	(6,847)
Exchange rate differences	(281)
Provision for bad debts at 31 December 2014	**(13,671)**

Prepayments and other receivables and current assets (Note 7)

This category consists of:

	31-DEC-2014	31-DEC-2013
Payments on account to suppliers	11,220	5,564
Other receivables	1,515	9,902
Receivables relating to the fair value of financial instruments	903	160
Tax receivables	8,550	7,866
Receivables from joint ventures	5,148	9,118
Receivables from the holding company	2,309	2,257
Accrued income and prepaid expenses	2,995	2,494
Total prepayments and other receivables and current assets	**32,640**	**37,361**

'Payments on account to suppliers', equal to EUR 11,220 thousand (EUR 5,564 thousand at 31 December 2013) refer mainly to prepayments made to Russian suppliers for coal delivered in the months immediately after 31 December 2014.

'Receivables relating to the fair value of financial instruments' mainly refer to the Group's sales of currency. See 'Note 26 – Information regarding financial instruments' for further details.

'Receivables from joint ventures' amounting to EUR 5,148 thousand (a decrease from EUR 9,118 thousand at 31 December 2013) and refers entirely to financing granted to the associated company PT Asian Bulk Logistics in order to finance the construction of new vessels (EUR 5,076 thousand at 31 December 2013). As previously indicated in 'Note 4 – Other non-current assets', funding of EUR 10,730 thousand (EUR 4,042 thousand at 31 December 2013) granted to the associated company dACC Maritime ltd has been reclassified in the heading 'Other non-current assets'.

'Receivables from holding company' refer to the a credit arising from Group tax consolidation for IRES purposes. For more details about the composition of the balance see 'Note 24 – Taxation'.

Cash and cash equivalents (Note 8)

This heading consists of the following:

	31-DEC-2014	31-DEC-2013
Bank and postal deposits	44,292	48,962
Cash in hand	79	482
Total cash and cash equivalents	**44,371**	**49,444**

Cash and cash equivalents, deposited with mainstream credit institutions, are managed centrally by the holding company's Financial Management, or at least under its direct supervision if managed differently. For details of the changes in cash and cash equivalents, refer to the Cash Flow Statement.

Total Equity (Note 9)

The changes in the items which form the Group equity are shown in the Statement of changes in equity.

The EUR 10,000 thousand share capital is entirely subscribed to and fully paid-up. It consists of 10,000,000 ordinary shares with a nominal value of EUR 1 each.

The 'Legal Reserve' amounts to EUR 2,000 thousand. This is the legal reserve of the parent company.

The 'Translation Reserve', with a negative value of EUR 4,346 thousand, arose from the conversion into EUR of the financial statement items of consolidated companies that draw up their financial statements in currencies other than EUR. It increased by EUR 2,911 thousand.

The 'Merger Surplus Reserve', with a positive balance of a EUR 27,921 thousand (a positive variation of EUR 2,938 thousand), refers to the merger into the Holding Company of the subsidiaries Coeclerici Coal and Fuels SpA and Shipping Services Srl; since the transactions were 'under common control' they have been removed, in line with IAS 27. As a result this change is purely a reclassification between categories of equity.

The 'Reserve related to the fair value of financial instruments' amounted to minus EUR 11,767 thousand. This item decreased by EUR 9,374 thousand owing to the change in fair value of the financial instruments themselves (as more fully analysed in 'Note 26 - Information regarding financial instruments').

The heading 'Actuarial gains / (losses)', with a negative balance of EUR 364 thousand, has a negative movement of EUR 171 thousand, referring to the actuarial evaluation of post-employment benefit plans at 31 December 2014, as more fully analyzed in 'Note 12 – Post-employment benefits'.

The heading 'Other Reserves', with a balance of EUR 49,198 thousand, has not undergone any variation since the previous financial period.

The heading 'Retained Earnings' shows a negative balance of EUR 16,346 thousand, after distributing a dividend of EUR 7,000 thousand to the single shareholder; defining the Board of Directors' remuneration for the results of the year 2013 of EUR 1,100 thousand; recording a negative reclassification with the other entry in 'Merger Surplus Reserve' relating to the merger into the Holding Company of the subsidiaries Coeclerici Coal and Fuels SpA and Shipping Services Srl, amounting to EUR 2,938 thousand; recording a negative variation of the consolidation perimeter amounting to EUR 1,362 thousand; and finally, having allocated the profit for the previous period, amounting to EUR 7,391 thousand, to this heading.

With reference to the information required by section 124 of IAS 1, the Group's objectives in the management of its capital are the following: the creation of value for its shareholders, the safeguarding of the companies' continuity, and support for the development of the various companies. The Group seeks to maintain an adequate level of capitalization, which produces a satisfying financial return for the shareholders and guarantees accessibility to external sources of finance, if necessary through the acquisition of an adequate rating. This strategy has remained unchanged since the previous financial period.

The Group constantly monitors its capital structure and, especially, its level of net financial borrowing, calculated as the ratio of net financial position and equity. Compared with the previous year, this ratio is:

	31-DEC-2014	31-DEC-2013*
Net financial position	173,070	164,851
Equity	69,466	80,418
NFP/EQUITY Index	**2.49**	**2.05**

(*) The reclassified Net Financial Position underwent adjustment compared to that published as a result of new Group reporting regulations.

The increase in the level of net financial borrowing mainly results from the Trading Division's needs for net working capital, and to the funding of the new property in Riva Paradiso Lugano, the division's new headquarters, for an amount of EUR 5 million, as well as the mining licence to extract a further 51.2 tonnes of coal for an amount of EUR 2.8 million, an increase in the investment in mining activities amounting to EUR 2.8 million and in the joint venture dACC Maritime Ltd for an amount of EUR 6.7 million, as mentioned in the Directors' Report.

Interest bearing liabilities and borrowings (Note 10)

This heading consists of the following:

	31-DEC-2014			31-DEC-2013		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Short term advances	82,731	-	**82,731**	65,712	-	**65,712**
Secured loans from financial institutions	7,140	43,289	**50,429**	5,554	56,182	**61,736**
Unsecured loans from financial institutions	4,415	79,866	**84,281**	8,641	72,695	**81,336**
Interest bearing liabilities and borrowings	**94,286**	**123,155**	**217,441**	**79,907**	**128,877**	**208,784**

Short term advances, equal to EUR 82,731 thousand (EUR 65,712 at 31 December 2013) mainly refer to loans obtained from banks to fund the coal-trading activities primarily of the subsidiaries Coeclerici Compagnie SA, Coeclerici Coal Network Inc, Dako Coal GmbH and Coeclerici Asia (Pte) Ltd.

Secured loans amounting to EUR 50,429 thousand (a reduction compared to 2013 of EUR 11,307 thousand), refer mainly to financing received from major banks required for the construction of the Group's vessels, and also financing of the purchase of the property in Riva Paradiso, Lugano, the new offices of the Trading Division.

Unsecured loans amounting to EUR 84,281 thousand (an increase compared to 2013 of EUR 2,945 thousand), refer to loans obtained from major banks to fund Group operations. In the final months of the year an agreement was reached to modify some of the terms of the existing syndicated bank facility with the satisfaction of all parties involved: the line was reduced to a maximum amount of EUR 150 million, but its availability extended from April 2018 to December 2020.

The financial covenants included in the financing contracts were respected at all times.

'Interest bearing liabilities and borrowings' at 31 December 2014 had the following deadlines:

	Within 2015	2016 - 2017	2018 - 2019	After 2019	TOTAL
Short term advances	82,731	-	-	-	**82,731**
Secured loans from financial institutions	7,140	13,426	12,619	17,244	**50,429**
Unsecured loans from financial institutions	4,415	2,388	138	77,340	**84,281**
Interest bearing liabilities and borrowings	**94,286**	**15,814**	**12,757**	**94,584**	**217,441**

'Interest bearing liabilities and borrowings' at 31 December 2014 included the following:

	31-DEC-2014			31-DEC-2013		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
CHF	3,867	1,616	**5,483**	1,059	-	**1,059**
EUR	12,693	65,000	**77,693**	10,200	47,500	**57,700**
RUB	1,915	2,525	**4,440**	3,641	7,086	**10,727**
USD	75,811	54,014	**129,825**	65,007	74,291	**139,298**
Interest bearing liabilities and borrowings by currency	**94,286**	**123,155**	**217,441**	**79,907**	**128,877**	**208,784**

Provisions for liabilities and charges (Note 11)

This item includes the funds allocated to deal with the potential liabilities deriving from legal, tax or commercial disputes. It also includes funds set aside to deal with the costs of restoring and reclaiming the Russian mine; these amounts will be used when money is paid to fund those activities. These funds will be used when the company has to face cash outlays in order to reclaim the site.

At 31 December 2014 the balance of this heading consisted of the following:

	31-DEC-2014	31-DEC-2013
Current	2,429	1,925
Non-current	15,212	19,440
Total provisions for liabilities and charges	**17,641**	**21,365**

During the financial period this heading underwent the following changes:

At 31 December 2013	**21,365**
Allocations	4,163
Actuarial variation in restoration costs	198
Restoration costs	(624)
Releases	(6,262)
Uses	(125)
Exchange rate difference	(1,074)
At 31 December 2014	**17,641**

The Holding Company received notification from the Italian fiscal authority (Provincial Direction I - Milan) regarding the years 2007, 2008 and 2009. The dispute concerns alleged undue VAT detraction and tax recoveries for IRES and IRAP purposes. The Company has appealed against the notification with the Milan taxation tribunal as it considers the issue to be illegitimate and unfounded.

During 2013 financial period, the Company was the subject of a control relating to 2010 IRES and IRAP.
During 2014 financial period, the incorporated company Coeclerici Coal and Fuels SpA was the subject of a control by the Italian fiscal authority – Lombardy Regional Direction, for the years 2010 and 2011.
For both of these checks, which the Company regards as without foundation, no notification has yet been received from the Italian fiscal authority.

Post-employment benefits (Note 12)

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

At 31 December 2012	**2,383**
Provisions for the period	429
Actuarial (gains) / losses	(10)
Uses	(1,049)
At 31 December 2013	**1,753**
Provisions for the period	317
Actuarial (gains) / losses	238
Uses	(188)
At 31 December 2014	**2,120**

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

	31-DEC-2014	31-DEC-2013
Updating coefficient	1.49%	3.17%
Inflation rate	Year 2015: 0.60%	Year 2014: 2.00%
	Year 2016: 1.20%	Year 2015: 2.00%
	Years 2017-2018: 1.50%	Years 2016-2017: 2.00%
	After 2019: 2.00%	After 2018: 2.00%
Annual salary increase rate		
Executives	2.00%	2.00%
Management / white-collar	2.00%	2.00%
Annual post-employment benefit increase rate	Year 2015: 1.95%	Year 2014: 3.00%
	Year 2016: 2.40%	Year 2015: 3.00%
	Years 2017-2018: 2.63%	Years 2016-2017: 3.00%
	After 2019: 3.00%	After 2018: 3.00%

The actuarial post-employment benefit recalculation method is explained in the accounting principles; in accordance with IAS 19, the method used is the 'projected unity credit method'. Actuarial gains and losses generated by applying this method are recognized in net equity. As anticipated in IAS 19, the actuarial gains and losses in the financial period amounted to EUR 238 thousand and included 'actuarial gains from experience', amounting to EUR 69 thousand, and 'actuarial losses from demographic hypotheses changes' amounting to EUR 307 thousand.

Here below there is a sensitivity analysis for each actuarial hypothesis concerning the end of the financial period, to show the effects (in absolute terms and in thousands of EUR) which there would have been following the reasonably possible actuarial hypothesis variations at that date in the determining of the liability at 31 December 2014:

	Changes	31-DEC-2014
Inflation rate	+0.25%	51
Inflation rate	-0.25%	(49)
Updating coefficient	+0.25%	(61)
Updating coefficient	-0.25%	64

Trade payables (Note 13)

The balance of EUR 23,595 thousand (EUR 39,817 thousand at 31 December 2013) shows current liabilities for supplies linked to the Group's normal operational activities.

Other payables and current liabilities (Note 14)

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

	31-DEC-2014	31-DEC-2013
Other payables	1,721	3,253
Payables relating to the fair value of financial instruments	10,373	187
Tax payables	1,535	4,912
Payables to social security institutions	634	811
Accrued expenses and deferred income	3,669	3,792
Total other payables and current liabilities	**17,932**	**12,955**

The heading 'Other payables', amounting to EUR 1,721 thousand (EUR 3,253 thousand at 31 December 2013), includes payables of various natures due to be paid within the next financial period.

'Payables relating to the fair value of financial instruments', amounting to EUR 10,373 thousand (EUR 187 thousand at 31 December 2013), refer to foreign currency purchases and interest rate fluctuation risk hedging transactions explained in 'Note 26 – Information regarding financial instruments', which gives further details.

'Accrued expenses and deferred income', amounting to EUR 3,669 thousand (EUR 3,792 thousand at 31 December 2013), mainly consist of accrued expenses relating to various types of operating costs, and to the advanced billing of Logistics Division transhipment operations.

Revenues (Note 15)

This is comprised of the following:

	2014	2013
Raw material sales	551,178	597,339
Transshipment and other logistics services	9,387	25,813
Charters and shipping transport	26,703	27,132
Coal brokerage commission	-	174
Other services	1,360	1,345
Total revenues	**588,628**	**651,803**

'Raw material sales', equal to EUR 551,178 thousand, refer to trading activities.
The decrease of EUR 46,161 thousand can be mainly attributed to the fall in the price of coal compared to the same period in 2013.
Revenues from 'Transshipment and other logistics services' are entirely attributable to the Logistics Division and amounted to EUR 9,387 thousand. They decreased by EUR 16,426 thousand compared to the same period in 2013 (which amounted to EUR 25,813 thousand); this decrease arose mainly from the cessation of operations in Venezuela.

Information by operating segment is included in 'Note 25 – Information by operating segment and geographical area'.

Cost of sales (Note 16)

This is comprised of the following:

	2014	2013
Purchase of raw materials	490,980	537,576
Mine operating costs	18,407	21,388
Cost of mining personnel	6,598	7,384
Cost of seafaring personnel	5,969	10,245
Technical costs for fleet and plants	4,742	5,574
Lubricants / spare parts	1,428	1,323
Port expenses and other shipping costs	888	1,029
Bunkers	241	385
Total cost of sales	**529,253**	**584,904**

The reduction of the costs categorised as 'Purchase of raw materials' results mainly from the fall in the price of coal. The reduction in 'Cost of seafaring personnel' arises mainly from the reduction of the activity of some of the vessels and the ending of operations regarding the vessels Bulk Wayuù in Venezuela and Bulk Kremi I in the Black Sea.

Overhead and administrative expenses (Note 17)

This is comprised of:

	2014	2013
Personnel costs	16,586	16,067
Consultancy	5,466	5,042
Director fees	1,865	2,243
Rents, leases and similar	2,714	2,488
Other costs	2,869	2,648
Travel expenses	1,042	1,368
Entertainment expenses	643	769
Utilities Building administration – Representative offices	1,059	1,096
Consumables	172	264
Advertising	509	531
Total overhead and administrative expenses	**32,925**	**32,516**

The heading 'Personnel costs', amounting to EUR 16,586 thousand, is considered in 'Note 30 – Other information'.

'Director fees' to Directors and Statutory Auditors, amounting to EUR 1,865 thousand, decreased by EUR 378 thousand compared to the 2013 financial period. They include sums paid to Directors and Statutory Auditors of the Holding company, as shown below:

	2014		2013	
	Number	Remuneration	Number	Remuneration
Directors	12	1,646	14	1,764
Statutory Auditors	3	95	3	55
Total Fees	**15**	**1,741**	**17**	**1,819**

The increase in the statutory auditors' emoluments of EUR 40 thousand refers to amounts paid by Coeclerici Coal and Fuels SpA which were paid by the Holding Company after incorporation.

With reference to 2014 financial period, it should be noted that the total amount paid to the independent auditors for the annual statutory audit of the Holding Company amounted to EUR 18 thousand while the audit of the consolidated accounts amounted to EUR 25 thousand.

'Rents, leases and similar' mainly included the rent paid to the parent company Fincler Srl for the property used in Milan.

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

This is comprised of:

	2014	2013
Capital gains	464	8
Capital losses	(35)	(27)
Total capital gains / (losses) on non-current assets	**429**	**(19)**

The category 'Capital gains', amounting to EUR 464 thousand, mainly includes the capital gain of EUR 249 thousand arising from the sale of the vessel Bulk Wayuù on 25 August 2014 by the subsidiary Bulkguasare de Venezuela SA.

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

This is comprised of:

	2014	2013
Profit / (loss) from jointly controlled entities measured using the equity method	**4,371**	**3,113**

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

Other net income / (expenses) (Note 20)

This is comprised of:

	2014	2013
Other operating income		
Other net income	1,441	(1,138)
Release of provisions and other liabilities	6,262	3,891
Insurance claims	1,977	427
Gains on derivatives	511	239
Total other operating income	**10,191**	**3,419**
Other operating costs		
Allocations to provisions for liabilities	(4,163)	(3,983)
Allocations to provisions for bad debts	(6,847)	(6,357)
Losses on derivatives	-	(445)
Total other operating costs	**(11,010)**	**(10,785)**
Total other net income / (expenses)	**(819)**	**(7,366)**

Depreciation and amortization (Note 21)

This is comprised of:

	2014	2013
Depreciation of property, plant and equipment and devaluation	14,555	15,347
Amortization of intangible assets	1,546	1,051
Total depreciation and amortization	**16,101**	**16,398**

The category 'Depreciation of property, plant and equipment and devaluation', totalling EUR 14,555 thousand, includes an amount of EUR 1,006 thousand regarding the devaluation of the vessel Bulk Kremi I, employed in the Black Sea, on account of the cessation of its activities which resulted from the total disposal of the subsidiary LLC Coeclerici Logistics Russia on 19 February 2015.

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

Net financial income / (expenses) (Note 22)

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

	2014	2013
Total net financial income / (expenses)	**(5,537)**	**(2,131)**

The category includes the following financial income:

	2014	2013
Dividends from equity investments in other companies	693	169
Interest received	1,646	1,158
Other income	759	5,560
Total financial income	**3,098**	**6,887**

'Dividends from equity investments in other companies', amounting to EUR 693 thousand, refers to the receipt of the dividend distributed by Asia Resource Minerals PLC of EUR 433 thousand, Value Secondary Investments SICAR of EUR 111 thousand, United Shippers Ltd of EUR 95 thousand and Telemar SpA of EUR 54 thousand.

'Interest received', amounting to EUR 1,646 thousand, mainly concerns interest received on current and deposit accounts with banks and on financing granted to companies taking part in the joint ventures PT Asian Bulk Logistics and dACC Maritime Ltd in order to fund the construction of new vessels, as mentioned in 'Note 4 - Other non-current assets' and 'Note 7 - Prepayments and other receivables and current assets'.

'Other income' refers to financial income recorded following trading of bonds.

The financial expenses, on the other hand, consist of:

	2014	2013
Bank charges	(1,603)	(1,834)
Interest paid	(7,032)	(7,184)
Total financial expenses	**(8,635)**	**(9,018)**

'Bank charges' refers mainly to the use of a syndicated bank facility and the signing of new loan agreements specific to investments in progress.

Exchange gains / (losses) (Note 23)

Exchange differences that occur during the year are included in this item along with the exchange differences stemming from aligning foreign currency payables and receivables outstanding at the end of the period with year-end rates. Details of the realized and unrealized exchange differences at 31 December 2014 are given in the table below compared with the same period the previous year:

	2014			2013		
	REALIZED	NON REALIZED	TOTAL	REALIZED	NON REALIZED	TOTAL
Exchange gains	11,408	4,178	**15,586**	12,681	2,858	**15,539**
Exchange losses	(16,944)	(2,667)	**(19,611)**	(13,826)	(2,433)	**(16,259)**
Total exchange gains / (losses)	**(5,536)**	**1,511**	**(4,025)**	**(1,145)**	**425**	**(720)**

Exchange losses were affected by devaluation of the rouble.

Income taxes (Note 24)

The tax burden arising in the period is positive and amounts to EUR 612 thousand. It has been calculated in accordance with existing tax laws, taking into account exemptions, deferred tax and, as far as the Italian companies of the Group are concerned, the effects of fiscal consolidation with the parent company Fincler Srl.

The tax burden consists of the following:

	2014	2013
Current taxes	(106)	(2,751)
Deferred taxes	718	970
Total income taxes	**612**	**(1,781)**

The amounts in the table below refer to the deferred tax assets and liabilities in the group company statutory financial statements and to the effects of consolidation.

	31-DEC-2014	31-DEC-2013
Deferred tax assets	4,538	4,958
Deferred tax liabilities	-	(3,285)
Net balance of deferred taxes	**4.538**	**1,673**

'Deferred tax assets' is mainly comprised of allocations to provisions made in the current and previous financial years, which are not immediately tax deductible.

'Deferred tax liabilities', amounted to EUR 3,285 thousand at 31 December 2013, included deferred taxation arising from the provisions made for positive or negative income components with deferred tax deductibility and realized at 31 December 2014.

The payables and receivables of the Group companies that took part in the Group tax consolidation at 31 December 2014 are shown below:

	RECEIVABLES	PAYABLES	TOTAL
Coeclerici Logistics Partecipazioni Srl	-	(9)	(9)
Coeclerici SpA	2,425	-	2,425
CC Black Sea Bulk Srl	111	-	111
Terminal Offshore Piombino SpA	-	(218)	(218)
Total receivables / payables owing to tax consolidation	**2,536**	**(227)**	**2,309**

Information by operating segment and geographical area (Note 25)

The information by operating segment for 2014 period is summarized in the following table:

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Revenues	549,249	33,402	36,916	(30,939)	**588,628**
Operating profit (EBIT)	6,937	(1,365)	6,184	2,574	**14,330**
Net financial income / (expenses)	(2,092)	(1,552)	(2,733)	840	**(5,537)**
Net profit	2,952	(5,695)	6,428	1,695	**5,380**

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

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Africa	4,238	-	26,565	-	30,803
Americas	130,641	-	-	-	130,641
Asia and Australia	238,264	499	6,324	-	245,087
Russia and Middle East	5,612	415	-	-	6,027
Europe	170,494	32,488	4,027	(30,939)	176,070
Total revenues	**549,249**	**33,402**	**36,916**	**(30,939)**	**588,628**

Information regarding financial instruments (Note 26)

Derivatives relating to currency exchange transactions

The Group carried out hedging transactions (fair value and cash flow hedging) to protect against fluctuations in the EUR/USD and RUB/USD exchange rates.

Fair value hedge

The contracts existing at 31 December 2014 that have the characteristics of fair value hedging and whose changes in fair value are recorded in the income statement under 'Exchange gains / losses' are described below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q4 2015	598	USD	0.816	488	(1)
Total sales				**488**	**(1)**

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q1 2015	26,500	RUB	0.014	379	(13)
Total sales				**379**	**(13)**

Cash flow hedge

In order to hedge the risk of fluctuations in the interest rates on the loans received by the Holding Company Coeclerici SpA, an Interest Rate Swap (IRS) was taken out with the following characteristics:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FIXED RATE PER CONTRACT	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q2 2015	1,250	EUR	2.61	1,250	(45)
Total IRS				**1,250**	**(45)**

Currency transactions were in being at 31 December 2014 of the nature of cash flow hedging whose fair value variations, net of taxation, are registered in net equity under the heading 'Reserve for fair value of financial instruments', as detailed below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q1 2015	369,420	RUB	0.021	7,653	(1,117)
Q2 2015	115,500	RUB	0.026	3,015	(927)
Q3 2015	115,500	RUB	0.026	2,971	(946)
Q4 2015	115,500	RUB	0.025	2,932	(948)
Total purchases				**16,571**	**(3,938)**

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q3 2015	1,750	USD	0.800	1,400	52
Total purchases				**1,400**	**52**

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q1 2015	1,500	USD	0.809	1,213	(26)
Q2 2015	1,500	USD	0.808	1,212	(26)
Q3 2015	1,500	USD	0.807	1,211	(26)
Q4 2015	1,500	USD	0.806	1,208	(26)
Total sales				**4,844**	**(104)**

The following collar transactions were carried out to hedge against the risk of oscillations in the RUB/USD exchange rate on amounts paid out in RUB by subsidiaries using that currency; their fair value variations, net of taxation, are registered in net equity under the heading 'Reserve for fair value of financial instruments', as detailed below:

EXPIRY	AMOUNT (THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q1 2015	279,000	RUB	51.40	(772)
Q2 2015	279,000	RUB	51.40	(988)
Q3 2015	279,000	RUB	51.40	(1,117)
Q4 2015	279,000	RUB	51.40	(1,205)
Q1 2016	124,950	RUB	51.00	(581)
Q2 2016	124,950	RUB	51.00	(623)
Q3 2016	124,950	RUB	51.00	(660)
Q4 2016	124,950	RUB	51.00	(485)
Q1 2015	279,000	RUB	40.33	10
Q2 2015	279,000	RUB	40.33	18
Q3 2015	279,000	RUB	40.33	18
Q4 2015	279,000	RUB	40.33	18
Q1 2016	124,950	RUB	45.00	15
Q2 2016	124,950	RUB	45.00	21
Q3 2016	124,950	RUB	45.00	27
Q4 2016	124,950	RUB	45.00	33
Total purchases				**(6,271)**

Finally, at 31 December 2014 there were hedging transactions regarding variations in the price of coal. Forward sales of coal at 31 December 2014 of the nature of cash flow hedging whose fair value variations, net of taxation, are registered in net equity under the heading 'Reserve for fair value of financial instruments', are detailed below:

EXPIRY	AMOUNT (TONNES)	FORWARD EXCHANGE CONTRACT RATE PER 1 USD	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2014 (EUR/000)
Q1 2015	120,000	70.58	8,469	441
Q2 2015	75,000	68.82	5,161	233
Q3 2015	15,000	71.10	1,066	65
Q4 2015	30,000	71.10	2,133	112
Total purchases	**240,000**		**16,829**	**851**

Summary of fair value derivatives

The values and changes in the fair value of derivatives at 31 December 2014 are summarized in the following table:

	31-DEC-2013	CHANGES IN EQUITY	CHANGES IN INCOME STATEMENT	31-DEC-2014
Receivables				
Foreign exchange market	113	35	(96)	52
Forward coal sales to be received	47*	599	205	851
Total receivables	**160**	**634**	**109**	**903**
Payables				
IRS and foreign exchange market	(187)	(9,257)	(929)	(10,373)
Total payables	**(187)**	**(9,257)**	**(929)**	**(10,373)**
Net total	**(27)**	**(8,623)**	**(820)**	**(9,470)**

* Amount received in January 2014 regarding financial derivatives expiring in December 2013

The fair value of all derivatives is calculated on the basis of the forward market index on the reference date. The net equity reserve, showing the fair value of financial instruments, is indicated net of taxation.

The table below analyses the financial instruments at fair value, grouping them in levels from 1 to 3 on the basis of how well their fair value can be observed:

- level 1, the fair value is determined by prices quoted in active markets;
- level 2, the fair value is determined by using evaluation techniques based on variables directly (or indirectly) observable on the market;
- level 3, the fair value is determined by using evaluation techniques based on significant variables not observable on the market.

	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets			
Available-for-sale	5,970	-	2,236
Hedging derivatives	-	903	-
Total financial assets	**5,970**	**903**	**2,236**
Financial liabilities			
Hedging derivatives	-	(10,373)	-
Total financial liabilities	**-**	**(10,373)**	**-**

The financial instruments classified as 'Level 1' include shares in publicly-traded companies, the values of which are quoted daily, and open investment funds.

'Level 2' financial instruments include financial derivatives; in order to determine the fair market value of these derivatives, the Coeclerici Group uses the following measurement and evaluation model:

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

Instruments classified as 'Level 3' refer to shares held at 31 December 2014 in closed-end investment funds.

Other financial information

For completeness, some additional financial information is given below:

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

Risks characterising the Group's business (Note 27)

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

Commodity risk

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

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

Trading risks are assessed through:

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

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

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

Exchange rate risk

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

Interest rate risk

The Coeclerici Group is mainly funded at variable interest rates. The Group's policy is to monitor the trend in interest rates and the long-term forecasts in order to make sure that financial expenditure is always sustainable. In the current market situation, the company does not consider it wise to engage in hedging transactions with the aim of stabilizing interest rates over time with the exception of the Interest Rate Swap contract described in 'Note 26 – Information regarding financial instruments'.

In a risk sensitivity assessment, it was estimated that a 10% increase in market interest rates compared to those actually applied during the period would have had a negative effect of about EUR 586 thousand on the 2014 income statement and equity.

Credit risk

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

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

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

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

Liquidity risk

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

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

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

Political risk

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

Operational risk

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

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

Operational risk of extraction

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

Obligations and guarantees (Note 28)

Obligations relating to derivatives

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

Obligations relating to financial instruments

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

	YEAR OF SUBSCRIPTION	FUND DURATION	OVERALL COMMITMENT	SUBSCRIBED AMOUNT	RESIDUAL COMMITMENT
Ambienta I	2007	10 years	3,000	2,550	450
Hao Capital Fund II L.P.	2008	10 years	824	684	140
Total financial instruments			**3,824**	**3,234**	**590**

Ambienta I Fund

'Ambienta I' is a private equity fund set up in 2007 that aims to invest in the environmental sector. It is held and managed by the Ambienta Società di Gestione del Risparmio SpA. The Group bought a 0.6% shareholding in this company in 2007 for EUR 9 thousand, as recorded among the fixed assets under 'Other investments'. In 2007, the Group undertook to subscribe to shares in the fund amounting to a total of EUR 3,000 thousand. As part of its commitment the Group paid further EUR 360 thousand in 2014. At 31 December 2014, the fair value of the shares subscribed to was equal to EUR 1,515 thousand.

Hao Capital Fund II L.P.

The 'Hao Capital Fund II L.P.' is a private equity fund that aims to invest in the Chinese market. In 2008, the Group undertook to purchase shares in the fund amounting to a total of USD 1 million (equal to EUR 824 thousand at 31 December 2014). The value of the shares purchased in the financial investment has been adjusted to its market value of EUR 471 thousand, as shown under 'Available-for-sale financial assets'.

Guarantees issued

At 31 December 2014, the guarantees given to third parties stood at EUR 18,760 thousand, and are illustrated below:

	31-DEC-2014	31-DEC-2013
Bank guarantees	16,250	9,817
Insurance policies	15	15
Other	2,495	-
Total guarantees issued	**18,760**	**9,832**

Guarantees received

At 31 December 2014, the guarantees received from third parties stood at EUR 10,710 thousand:

	31-DEC-2014	31-DEC-2013
Bank guarantees	10,710	22,005
Total guarantees received	**10,710**	**22,005**

Related party transactions (Note 29)

During 2014, transactions with the Holding Company Fincler Srl involved tax consolidation procedures which the Holding Company consolidates, as explained in 'Note 7 – Prepayments and other receivables and current assets'. Moreover, a rental contract exists between the Company and the direct Holding Company Fincler Srl regarding the offices in Piazza Generale Armando Diaz, 7 – Milan.

Directors' remuneration is indicated in 'Note 17 – Overhead and administrative expenses'. The Chairman of the Board of Directors and CEO of Coeclerici SpA is also the majority shareholder of the Group.

In addition, when approving the 2013 financial statements the Shareholders' meeting allocated a share of the profit on the 2013 results amounting to EUR 1,100 thousand to the Board of Directors.

Dr Andrea Clavarino, Vice Chairman and Responsible for Risk Avoidance of the Holding Company as well as Sole Director of the subsidiary Coeclerici Logistics Partecipazioni Srl, holds 20 percent of the share capital of the indirect subsidiary CC Black Sea Bulk Srl.

Other information (Note 30)

Personnel costs

Personnel costs in 2014 amounted to EUR 29,153 thousand (EUR 33,696 thousand in 2013), of which EUR 5,969 thousand related to seafaring staff (EUR 10,245 thousand in 2013), EUR 6,598 thousand to miners working in Russia (EUR 7,384 thousand in 2013) and EUR 16,586 thousand to white-collar workers (EUR 16,067 thousand in 2013).

The average number of employees was:

	2014	2013
Executives	42	42
White-collar	269	271
Seafaring staff	119	174
Miners	520	524
Total employees	**950**	**1,011**

The average decrease in the number of staff and therefore fall in costs results mainly from the reduction of activities of some of the vessels and the cessation of activities of the vessels Bulk Wayuù in Venezuela and Bulk Kremi I in the Black Sea, as mentioned in the Directors' Report.

Subsequent events (Note 31)

On 19 February 2015, the entire share holding in the indirect subsidiary LLC Coeclerici Logistics Russia was sold following the cessation of the activities of Bulk Kremi I, employed in the Black Sea.

No other important events occurred after 31 December 2014.

APPENDIX 1
LIST OF COMPANIES CONSOLIDATED USING FULL CONSOLIDATION METHOD

NAME	REGISTERED OFFICES	CURRENCY	SHARE CAPITAL	EQUITY SHARE
Nuevaco Inmobiliaria Srl	Dominican Republic	DOP	25,002,000	99.98%
Dako Coal GmbH	Germany	EUR	150,000	100.00%
CGU Logistic Ltd	India	INR	910,000,000	86.40%
PT Coeclerici Indonesia	Indonesia	IDR	2,265,000,000	100.00%
PT Pelayaran Logistik Konversi Indonesia ("PLKI")	Indonesia	IDR	17,000,000,000	49.00%
CC Black Sea Bulk Srl	Italy	EUR	100,000	80.00%
Coeclerici Logistics Partecipazioni Srl	Italy	EUR	10,000,000	100.00%
Coeclerici Mozambico SpA	Italy	EUR	10,000,000	100.00%
Terminal Offshore Piombino SpA	Italy	EUR	4,500,000	80.00%
CCL Malta Ltd	Malta	USD	20,000	99.9%
Coeclerici Malta Ltd	Malta	USD	20,000	99.9%
Capo Noli Transportes Maritimos Lda	Portugal	EUR	5,000	100.00%
Logconversion Transportes Maritimos Lda	Portugal	EUR	2,300,000	70.00%
LLC Coeclerici Logistics Russia	Russia	RUB	85,702,110	80.00%
LLC Coeclerici Russia	Russia	RUB	4,000,000	100.00%
LLC Obshestvos ogranichennojotvetsvennost'ju Delta Property	Russia	RUB	10,000	49.00%
LLC Razrez Korciakolskij	Russia	RUB	10,000	100.00%
LLC Scc-Rozko	Russia	RUB	13,381,000	100.00%
LLC Yuzhno – Kuzbasskoe promyshlenno – transportnoeupravlenie ("Ptu")	Russia	RUB	10,000	100.00%
LLC Zapadny	Russia	RUB	20,000	100.00%
OJSC Kuznetskaya Investitsionno – Stroitelnaya Compania ("Kisk")	Russia	RUB	15,000,000	100.00%
Selskohozyaistvennoe predpriyatieTaylepskoe	Russia	RUB	125,600,000	49.00%
Coeclerici Asia (Pte) Ltd	Singapore	USD	1,995,000	100.00%
Coeclerici Far East (Pte) Ltd	Singapore	USD	100,000	100.00%
Coeclerici Compagnie SA	Switzerland	CHF	10,000,000	100.00%
Elvezia Immobiliare SA	Switzerland	CHF	1,300,000	100.00%
Coeclerici Americas Real Estate Inc.	United States	USD	9,300,000	100.00%
Coeclerici Coal Network Inc.	United States	USD	6,351,000	70.00%
Bulkguasare de Venezuela SA	Venezuela	VEF	2,408,000	90.00%

LIST OF COMPANIES CONSOLIDATED USING EQUITY METHOD

NAME	REGISTERED OFFICES	CURRENCY	SHARE CAPITAL	EQUITY SHARE
PT Asian Bulk Logistics	Indonesia	USD	20,000,000	49.00%
dACC Maritime Ltd	Ireland	USD	100,000	49.00%
Kyla Holding Ltd	Malta	USD	6,000	40.00%
Kyla Logistics Ltd (*)	Malta	USD	6,000	40.00%

(*) Kyla Logistics Ltd is 100 percent owned by Kyla Holding Ltd

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

	NET PROFIT	EQUITY
Coeclerici SpA at 31 December 2014	**7,108**	**100,638**
Equity and net profit for the period recorded by consolidated companies	13,606	323,988
Consolidation adjustments:		
- elimination of holdings in subsidiaries and transactions between consolidated companies with exception of intercompany dividends	(7,220)	(356,348)
- application of IAS/IFRS international accounting principles	(1,762)	(7,825)
- elimination of intercompany dividends	(7,575)	-
Coeclerici Group at 31 December 2014	**4,157**	**60,453**

TECHNICAL GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


BULK JAVA
JAKARTA

AUDITORS' REPORT

Deloitte.

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AUDITORS' REPORT
PURSUANT TO ART. 14 OF LEGISLATIVE DECREE N. 39 OF JANUARY 27, 2010

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

1. We have audited the consolidated financial statements of Coeclerici S.p.A. and subsidiaries (the "Coeclerici Group"), which comprise the statement of financial position as of December 31, 2014, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 14, 2014.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Coeclerici Group as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

4. The Directors of Coeclerici S.p.A. are responsible for the preparation of the management report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the management report with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the management report is consistent with the consolidated financial statements of the Coeclerici Group as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Genoa, Italy
April, 14, 2015

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

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

To the Meeting of Shareholders of COECLERICI S.p.A.,

during the year ended 31.12.2014, in agreement with the auditing firm Deloitte & Touche S.p.A., we carried out the supervisory activity required by law, according to the principles of conduct recommended by the Board of Auditors national advisory and accounting experts.

The main data

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

Balance Sheet

Assets	224.485.233
Liabilities and provision	123.847.325
Equity	93.530.404
Net Income	**7.107.504**

Income Statement

Production value	14.011.833
Production costs	(16.298.507)
Difference	**(2.286.674)**
Financial income and expenses	(19.362)
Value adjustments to financial assets	(8.681.937)
Extraordinary income and expenses	24.089.122
Income before income taxes	**13.101.149**
Income taxes	(5.993.645)
Net income at 31.12.2014	**7.107.504**

Compliance of financial statements and consolidated financial statements

As regards the financial statements as at and for the year ended 31st December 2014 and the consolidated financial statement of the Group as at and for the year ended 31st December 2014, we would like to point out the following.
There being no specific request to analytically examine balance sheet content, we have checked general layout and compliance of balance sheet with the provisions of the law as far as preparation and structure are concerned.
The Board of Auditors considers that the financial statements and consolidated financial statements and management report prepared by the Directors that are presented to the Shareholders' meeting for approval complies with the law.
The operations of major economic, financial and capital have been carried out in the 2014 brought to the attention of the Board of Auditors and are presented in a complete and comprehensive in the business report prepared by the Directors.

Compliance with the law and the social status

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

Adequacy of organizational structure and internal control system

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

Exceptions art. 2423

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

Complaints received by the Board of Auditors

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

Special Operations

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

Consolidated financial statements

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

Final judgement

Taking into consideration the results shown in the report drawn up by the auditing company on the financial statements and the consolidated financial statements, we hereby express our favourable opinion in respect of the approval of the balance sheet as at and for the year ended 31st December 2014, as prepared by Board of Directors, and of the resolution proposal regarding the allocation of net income of the year contained in the business report prepared by the Directors.

Finally we remind you that, with the approval of the balance sheet at 31.12.2014, our mandate expires. Therefore, during the shareholders' meeting, you will be called to resolve on the appointment of the Board of Auditors.

Milan, 15th April 2015

The Board of Auditors

Dott. Guglielmo Calderari di Palazzolo

Dott. ssa Isabella Resta

Dott. Maurizio Dragoni

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