ANNUAL REPORT 2013

COECLERICI

Member of CISQ Federation
RINA
ISO 9001:2008
Certified Quality System

Member of CISQ Federation
RINA
ISO 14001:2004
Certified Environmental System

EMAS

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 s.r.l.

INDEX

COECLERICI GROUP AT A GLANCE

652m

Turnover

263m

Investments over the last 5 years*

13

Countries

980

Employees as of December, 31 2013

Includes entities accounted for using the equity method

DEAR SHAREHOLDERS,

The growth in world economic activity and international trade continues at a moderate pace. In the United States there are some signs of economic recovery, assisted by the reconstituting of stocks and strengthening of consumer demand. In the main emerging countries the economic picture is varied; growth has strengthened in China, whereas production has remained moderate in India, despite the strong fall in the value of the rupee. It has slowed down in Brazil and has continued to stagnate in Russia.
The Euro Zone has undergone a slight recovery which remains weak; the strengthening of the Euro has continued with an adverse effect on export growth.

Coal supply remains high; in the US especially, the development of shale gas has caused the market price of methane gas to collapse; during the year, the average prices per tonne at the maritime terminals of Amsterdam-Rotterdam-Antwerp and Richards Bay stood at 82 and 80 USD respectively, squeezing the margins of the whole industry and above all those of mining companies.

Despite this uncertain macroeconomic situation, your Group achieved a turnover of EUR 651.8 million (+11% compared to 2012) and an overall net profit of EUR 9.1 million, owed in part to the excellent results of the Logistics Division.

During this financial year the Logistics Division has consolidated its activities in Mozambique and Indonesia as a result of the investments made over the last two years, amounting to USD 230 million.
The twin vessels Bulk Zambesi and Bulk Limpopo are now fully operational in Mozambique waters assisting the mining colossus Vale. These two vessels were conceived by the Coeclerici Group to meet the challenges of infrastructure limits in the port of Beira and to improve, from both an economic and environmental point of view, the logistics chain of coal handling, from the Moatize mine in Tete province to coal importing countries, including Brazil, India, Japan and Europe. Both of them were designed to respect the requirements for environmental protection established by the major international certification organizations (IMO, MARPOL, IOPP and ISPP).
More specifically, the two ships load the coal directly from the port wharf and convey it to an offshore anchorage, at about 25 miles from the coast where, without draught restrictions, they load it onto the larger ocean-going vessels (Bulk Carrier).

In Indonesia, the two vessels named Bulk Celebes and Bulk Sumatra were delivered in January and July respectively, and they began operations on behalf of the Indonesian entity PT Berau Coal. They are working alongside the other two ships, called Bulk Java and Bulk Borneo, already operational in Muara Pantai (Indonesia) through the joint venture PT Asian Bulk Logistics, and employed to load coal mainly exported to China and India.

All of these new vessels have recorded excellent performances, which ensured that turnover and the main economic and financial indicators remained positive despite the criticism of investment related to the mining sector in Venezuela, where the activities of the Bulk Wayuù were interrupted at the end of the year, and the industrial problems of the client Lucchini.

The quantities handled by the entire division, consisting mainly of coal and iron, amounted to about 23.1 million tonnes, an increase of 27 percent on the previous period, and a result of the greater levels of activity carried out in Indonesia and the full operational status of the Bulk Zambesi and Bulk Limpopo in Mozambique waters.

For its part, the Trading Division has increased the volumes handled by 40 percent compared to 2012 mainly as a result of the purchase of Coeclerici Coal Network LLC, an American company specializing in the sale and distribution of coal in North America.

Ebitda, amounting to EUR 8.1 million, is higher than the previous year by 38 percent, in line with the increase in volumes and resulting from a careful policy of maintaining sales margins despite the uncertainties of the global economy.

As a result of the investment made in the previous financial period, the Mining Division recorded an increase of 12 percent of quantities extracted compared to 2012; following the significant fall in the period of coal commodity prices, the division closed 2013 with a loss of EUR 2.6 million.

I am pleased to inform you that during the financial period the Group undertook three important industrial initiatives.

Together with d'Amico Società di Navigazione, it established a joint venture company called dACC Maritime Limited, which operates in the dry bulk shipping business. The new company ordered four 60,000-tonne Supramax ships from the Oshima shipyard in Japan. This joint venture is an important step for the Group's development strategy and constitutes a return to the dry bulk shipping business after a ten-year absence.

Through its subsidiary Coeclerici Coal Network LLC, moreover, the Group acquired the coal trading division of Alley-Cassetty Companies, Inc., a company operating in coal brokerage and trading, and one of the oldest in America, based in Nashville Tennessee. This acquisition will enable Coeclerici Coal Network LLC to expand its business, currently centered on the Ohio and Mississippi rivers, and strengthen its presence in the south and west of the United States, thereby gaining access to the country's most important coal-bearing areas which are one of the most consistent sources of the world's supply of coal.

Finally, the Coeclerici Group acquired 100 percent of Dako Coal GmbH, a German company based in Witten (Dortmund) which specializes in the trading and implementation of technical innovations for the use of combustible solids, mainly pet coke and coal. Strategically speaking, the transaction gives Coeclerici a foothold in the German market where important growth prospects exist following the signing of an agreement between the German government and the European Union. This agreement will see the closure, by the end of 2018, of Germany's last productive coal mines, and could lead to an increase in coal imports of 14 million tonnes a year.
I would like to take this opportunity to thank management and employees of the Group for their generous contribution and the results achieved.

Milan, 26 March 2014

Chairman and CEO
Paolo Clerici
P. Clerici


BLACK HEART,
GREEN SKIN.

COMPANY OFFICERS

Board of Directors

Members of Executive Committee	Paolo Clerici	Chairman and CEO
	Andrea Clavarino	Executive Deputy Chairman and Employer
	Corrado Papone	Deputy Chairman
	Teresio Gigi Gaudio	Executive Director
	Antonio Belloni	Director
	Nicolò Dubini	Director
	Giovanni Jody Vender	Director
	Annibale Brivio Sforza	Director
	Giorgio Cefis	Director
	Giacomo Clerici	Director
	Urbano Clerici	Director
	Hugh Charles Blagden Malim	Director
	Riccardo Perissich	Director
	Lupo Rattazzi	Director

The term of office of the Board of Directors expired with the approval of the financial statements on 31 December 2013.

Board of Statutory Auditors

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

GROUP STRUCTURE AT DECEMBER, 31 2013

COECLERICI SPA

LOGISTICS DIVISION

- **100%** Coeclerici Logistics Partecipazioni Srl
  - **100%** Shipping Services Srl
  - **80%** Terminal Offshore Piombino SpA
  - **100%** Coeclerici Mozambico 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 Limited
  - **80%** CC Black Sea Bulk Srl
    - **100%** LLC Coeclerici Logistics Russia
    - **50%** Kyla Holding Limited
      - **100%** Kyla Logistics Limited

TRADING DIVISION

- **100%** Coeclerici Coal and Fuels SpA
  - **100%** Coeclerici Asia (Pte) Ltd
    - **100%** PT Coeclerici Indonesia
  - **100%** Coeclerici Compagnie SA
    - **100%** Rozco
    - **49%** Ooo Delta Property
      - **100%** Taylepskoe
    - **100%** Dako Coal GmbH
  - **99%** LLC Coeclerici Russia
  - **100%** Coeclerici Americas Real Estate Inc.
    - **90%** Coeclerici Americas LLC
      - **51%** Coeclerici Coal Network LLC
    - **100%** Nuevaco Imobiliaria Srl

MINING DIVISION

- **100%** Oao Kisk
  - **100%** Ooo Razrez
  - **100%** Ooo Ptu
  - **100%** LLC Zapadny

SHIPPING DIVISION

- **49%** dACC Maritime Limited

100% Elvezia Immobiliare SA

Non-operational companies and those in liquidation are excluded

DIRECTORS' REPORT

CONSOLIDATED RESULTS

Here below are shown some of the main financial indicators and a comparison with the consolidated financial statements of 2012 and 2011 drawn up in accordance with International Financial Reporting Standards – IFRS (figures in thousands of EUR):

	2013	2012*	2011*
Turnover	651,803	589,168	582,953
Ebitda	30,111	39,861	44,613
Ebit	13,713	23,917	33,733
Net profit	9,081	15,176	17,560
Group net profit	7,391	13,994	15,910
Fixed Assets	176,710	186,080	188,218
Working Capital	53,930	61,995	68,801
Net Capital Employed	230,640	248,075	257,019
Group Equity	72,392	77,384	75,221
Minority Interests	8,026	8,516	6,827
Net Financial Position	150,222	162,175	174,971
Sources of Finance	230,640	248,075	257,019
Cash flow from operating activities	29,920	27,963	237
Cash flow from investing activities	(8,252)	(14,567)	(54,106)
Cash flow from financing activities	(16,599)	(11,171)	49,330
ROE	11%	18%	23%
ROI	6%	9%	15%
NFP/EQUITY	187%	189%	213%

(*)The consolidated income statement was restated subsequently to its original publication owing to the adoption of IAS 19 revised. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

Compared to the previous accounting period, the consolidated income statement shows an increase in turnover of EUR 62.6 million (+11%), a decrease in Ebitda of EUR 9.7 million, and a reduction in Ebit of EUR 10.2 million, ending at EUR 13.7 million.

652 m

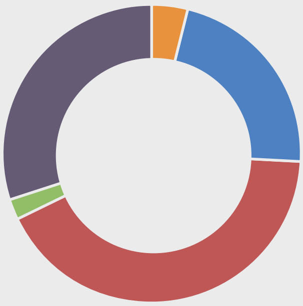
Group turnover in 2013 financial year, +11%

In particular, the Group's net result of EUR 7.4 million is less than the EUR 13.9 million achieved in 2012. This decrease resulted for the most part from the significant fall in coal prices which eroded the margins of the Mining and Trading divisions despite the greater quantities extracted and shipped.

The Group's equity position presents a slight fall (-5%) in fixed assets compared to the previous financial year and an improvement in net financial position of EUR 11.9 million. The NFP/Equity ratio fell from 1.89 to 1.87 at 31 December 2013, and was considerably below the financial covenant defined by the syndacate loan facility.

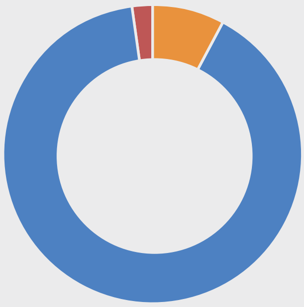
The following pages show some graphs illustrating the main financial, economic and managerial information of the Coeclerici Group.

FY 2013 TURNOVER BY GEOGRAPHICAL AREA



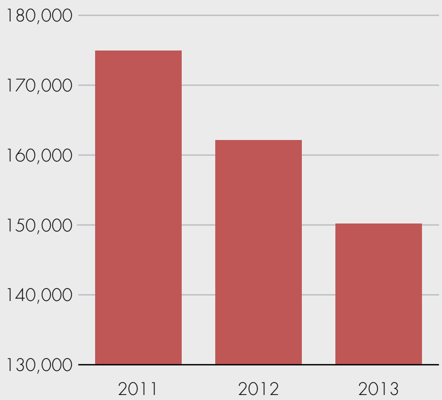
Africa	4%
The Americas	22%
Asia & Australia	42%
Russia & Middle East	2%
Europe	30%

FY 2013 TURNOVER BY DIVISION



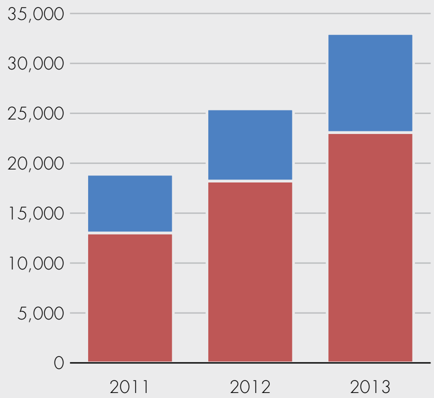
Trading	90%
Mining	2%
Logistics	8%

NET FINANCIAL POSITION (figures in thousands of EUR)



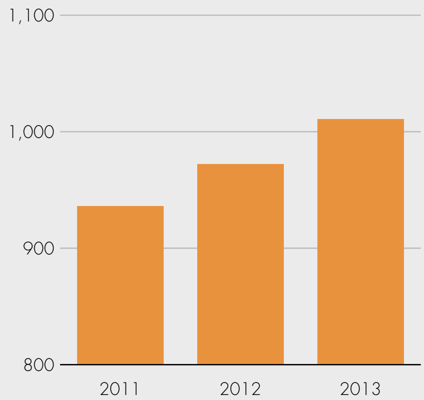
2011	174,971
2012	162,175
2013	150,222

METRIC TONNES HANDLED (figures in thousands of EUR)



	Logistics	Trading & Mining
2011	13,006	5,887
2012	18,207	7,237
2013	23,065	9,927

EMPLOYEES (average number)



2011	936
2012	972
2013	1,011

TRADING DIVISION

	2013	2012*	2011*
Metric tonnes handled	8,662,893	6,194,275	5,092,531
Turnover	589,581	529,644	542,148
Ebitda	8,099	5,876	18,348
Ebit	7,078	5,672	18,148
Net profit	2,830	2,002	9,441

+40 %

Tonnes handled in the period

(*)The consolidated income statement was restated subsequently to its original publication owing to the adoption of IAS 19 revised and the new criteria adopted for the managerial reporting. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

Despite the reduction in market prices, the Trading Division reports growing volumes handled and an improved operating result (Ebit), which were respectively 40 percent and 25 percent higher than the previous year. These results are also the consequence of the positive contribution made by Coeclerici Coal Network LLC, acquired in December 2012, which affected the volume and composition of sales considerably.

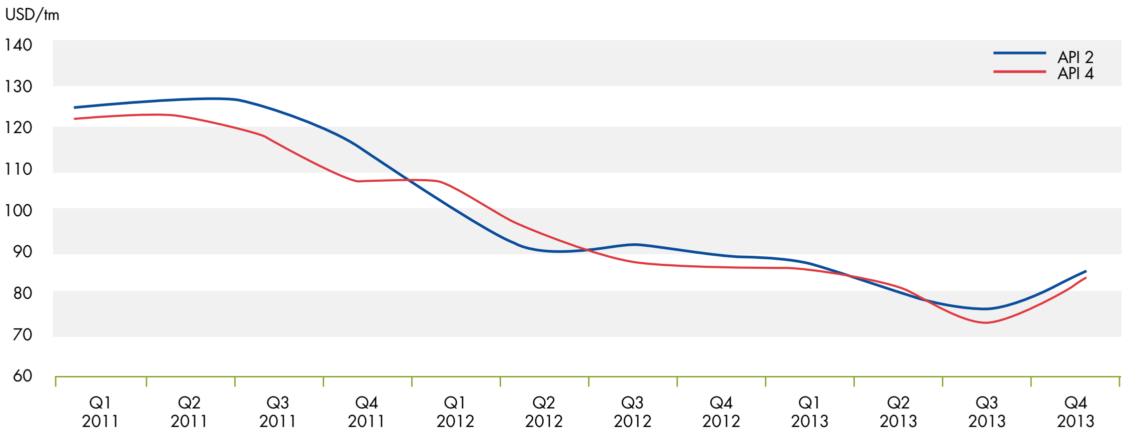
The graph below indicating the mix of sales shows a reduction of Russian steam coal both in percentage terms and absolutely, the start of activity of American coal and an increase in other products, reflecting a diversification undertaken towards products with a higher added value.

Here below an analysis of the composition of metric tonnes handled, by product type, in the two financial periods:

YEAR 2013

YEAR 2012

The average decrease in the price of coal compared to the previous year is 12 percent for API#2 and 14 percent for API#4. Here below the development of the main coal market indicators 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)

	2013	2012	2011
API#2 INDEX – average	82	93	122
API#4 INDEX – average	80	93	116

MINING DIVISION

	2013	2012	2011
Metric tonnes handled	1,263,956	1,042,970	794,134
Turnover	36,209	38,008	38,738
Ebitda	4,652	13,727	17,063
Ebit	(2,061)	6,472	11,097
Net profit	(2,552)	3,901	6,695

For the Mining Division, 2013 was characterized by the complete achievement of the objectives set regarding the quantities to be extracted. To be precise, 1,233,597 metric tonnes of coal were extracted (1,102,861 metric tonnes in 2012) and 1,263,956 metric tonnes sold (1,042,970 metric tonnes in 2012).

+12 %

Tonnes produced by the Mining Division in 2013 financial year

Despite the increase in volumes handled, as a result of the drastic fall in the price of coal, turnover was slightly lower than in 2012. Most of the product was destined for export, while the domestic Russian market played only a marginal role. This highly challenging situation served to undermine the profitability of mining companies and generated a negative Ebit.

LOGISTICS DIVISION

	2013	2012*	2011*
Metric tonnes handled:	23,065,224	18,206,609	13,005,866
- from subsidiaries – tariff per tonne	7,121,657	9,068,553	9,748,966
- from subsidiaries – time charter	2,845,159	1,547,656	-
- from joint ventures – tariff per tonne	13,098,408	7,590,400	3,256,900
Turnover	53,943	49,645	33,607
Ebitda	18,553	22,443	13,122
Ebit	10,452	14,773	9,066
Net profit	9,556	11,105	5,648

(*) The consolidated income statement was restated subsequently to its original publication owing to the adoption of IAS 19 revised and the new criteria adopted for the managerial reporting. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

54 m

Turnover of Logistics Division, +9%

The decline in metric tonnes handled by the subsidiaries using 'tariff per tonne' contracts (-21%) was connected above all to the sharp fall in metric tonnes handled in Venezuela in the last contractual year and to the reduction in activities for the Lucchini steel works, now in temporary receivership. This reduction in metric tonnes handled did not affect turnover to the same extent, owing to the existence of 'take or pay' contracts and to the positive effect of turnover on the Mozambique contract which is based on daily charter rate, rather than on tonnes handled; this contract, in 2013, generated profits for the whole year from both vessels being used in Mozambique.

Similarly, joint venture companies handled 13,1 million (+73%) overall, thereby making a positive contribution to the division's net profit.

The division's Ebitda was EUR 18,6 million, which while positive still recorded a reduction of 17 percent compared to 2012, primarily because of the risks linked to activities in Venezuela and to credit recovery still in existence regarding the client Carbones del Guasare.

The Logistics Division's fleet of vessels, at 31 December 2013, consisted of the following:

	COMPANY	DWT	YEAR OF CONSTRUCTION
Bulk Kremi I	OOO 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
Bulkwayuù	Bulkguasare de Venezuela SA	64,400	1978
Speedboat Matias	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Sophie	Bulkguasare de Venezuela SA	N/A	2010
Speedboat Jack C.	Bulkguasare de Venezuela SA	N/A	2010

(*) Company consolidated using equity method

HOLDING COMPANY

	2013	2012*	2011*
Turnover	6,548	6,665	6,436
Ebitda	(1,193)	(2,212)	(4,125)
Ebit	(1,756)	(2,987)	(4,785)
Net profit	(753)	(1,832)	(4,314)

(*)The consolidated income statement was restated subsequently to its original publication owing to the adoption of IAS 19 revised and the new criteria adopted for the managerial reporting. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

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

In June 2013, Mr Teresio Gigi Gaudio returned to the company as Executive Director. Previously CEO of the Coeclerici Group, from 1990 to 1998, Mr Gaudio took on responsibility for the coordination and supervision of the Information Technology, Administration, Finance, Human Resources, Legal, General Services, Internal Audit and Group Controllership departments.

Furthermore, Mr Andrea Cederle, previously Financial Controller of the company from 2007 to 2009, returned to the company in January 2014, to become Chief Financial Officer (CFO) of the Coeclerici Group; at the same time Mr Alberto Meroni, Group Controller, left the Group, and 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.

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 s.r.l. which holds the position of consolidator. The credit arising from this position at 31 December 2013 towards Fincler s.r.l. is mentioned in the Notes to the accounts. Furthermore, there is a rental contract in place between your Company and the parent company Fincler s.r.l. 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 s.r.l., 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.

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, Shipping Services Milano HO, Seacom Indonesia on Bulk Celebes), safety regulations and Italian law D.Lgs, 271/99, binding Venezuelan regulations.
- ISO 9001:2008 quality.

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 26 March 2014.

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 2 July 2013 decided to increase the number of members from thirteen to fourteen. The Board of Directors was given an annual mandate on the approval of the financial statements for the financial year 2013.

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 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 characterizing the Group's business'. The ways in which management identifies, evaluates, manages and monitors the specific risks arising from company processes are set out by the regulatory, procedural and organisational instruments contained in the company's regulatory system. These instruments are permeated with risk culture and therefore geared towards risk containment.

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

Reporting activities

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

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

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

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

To this end, on 27 September 2012 the Board of Directors of Coeclerici Spa approved (and, on 26 September 2013, in line with the provisions of law 123/07, updated) the organization, management and control model established by D.Lgs. 231/2001 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. 231/2001 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 supervisory body 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.

OUTLOOK

As mentioned above, the international economic outlook appears to be stronger than it was last year, even though some elements of uncertainty for future prospects remain. This critical situation has not invalidated the expectations for growth in the coal sector over the long term. At the World Energy Congress in October 2013, Wood Mackenzie surmised that carbon would replace oil as the most-used source of energy globally in 2018; shortly afterwards, the 2013 World Energy Outlook of the International Energy Agency also painted a rosy picture for this fuel.

Given this situation, the Group's strategy seeks to take advantage of the opportunities for development by consolidating and improving its core business through the know-how it has acquired over the years, the technology it has acquired and its competitive position at a global level, which was displayed in December 2012 with the acquisition of the American company Coeclerici Coal Network LLC, a trading company well-placed in its local context, and in 2013 with the acquisition of the coal trading division of Alley-Cassetty Companies, Inc., a company operating in the fields of coal brokering and trading, one of the oldest in America and based in Nashville, Tennessee.

As far as the Mining Division is concerned, the objective is to increase productive capacity which has now easily exceeded a million metric tonnes, and both the Far East and South America are seen as possibilities for new commercial agreements, given that these markets are less saturated than the European ones.

The Logistics Division is continuing its operations regarding projects already in place, while its commercial activities are based on re-employing the vessel Bulk Wayuù in South America, while special attention continues to be paid to the financial condition of Lucchini. The aim in 2014 will be that of consolidating its business by improving profitability in all projects on the one hand, and succeeding in exploiting market opportunities on the other. Furthermore, some business diversification is under consideration, so that investment can be extended to new industries where the Group's existing know-how could be beneficial, and where quality, reliability and an aptitude for service are regarded as paramount and final in the choice of business partners.

In fulfilling its functions as holding company, Coeclerici SpA will continue to offer managerial coordination and operational support in order to enable its subsidiaries to look for and exploit new business opportunities both abroad and in Italy.


M/E JW COOLER
CL81

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2013 (thousands of EUR)

ASSETS	(NOTE)	31-DEC-2013	31-DEC-2012	CHANGES
NON-CURRENT ASSETS				
Property, plant and equipment	1	147,408	162,439	(15,031)
Intangible assets	2	5,301	2,972	2,329
Interests in jointly controlled entities	3	12,291	9,684	2,607
Other investments	3	7,249	7,250	(1)
Available-for-sale financial assets	3	4,461	3,735	726
Deferred tax assets	24	4,958	4,890	68
Other non-current assets	4	1,357	1,854	(497)
TOTAL NON-CURRENT ASSETS		183,025	192,824	(9,799)
CURRENT ASSETS				
Inventories	5	21,096	18,221	2,875
Trade receivables	6	77,451	77,417	34
Prepayments	7	5,564	15,531	(9,967)
Other receivables and current assets	7	31,797	38,176	(6,379)
Cash and cash equivalents	8	49,444	45,005	4,439
TOTAL CURRENT ASSETS		185,352	194,350	(8,998)
TOTALE ASSETS		368,377	387,174	(18,797)
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity	9	72,392	77,384	(4,992)
Minority interests	9	8,026	8,516	(490)
TOTAL EQUITY		80,418	85,900	(5,482)
NON-CURRENT ASSETS				
Interest bearing liabilities and borrowings	10	128,877	145,135	(16,258)
Provision for liabilities and charges	11	19,440	19,045	395
Post-employment benefits	12	1,753	2,383	(630)
Deferred tax liabilities	24	3,285	4,781	(1,496)
TOTAL NON-CURRENT LIABILITIES		153,355	171,344	(17,989)
CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	79,907	78,340	1,567
Provision for liabilities and charges	11	1,925	3,216	(1,291)
Trade payables	13	39,817	35,481	4,336
Other payables and current liabilities	14	12,955	12,893	62
TOTAL CURRENT LIABILITIES		134,604	129,930	4,674
TOTAL EQUITY AND LIABILITIES		368,377	387,174	(18,797)

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2013 (thousands of EUR)

	(NOTE)	2013	2012*	CHANGES
Revenues	15	651,803	589,168	62,635
Cost of sales	16	(584,904)	(524,359)	(60,545)
GROSS PROFIT		66,899	64,809	2,090
Overhead and administrative expenses	17	(32,516)	(31,236)	(1,280)
Capital gains / (losses) on non-current assets	18	(19)	199	(218)
Profit / (loss) from jointly controlled entities measured using the equity method	19	3,113	2,894	219
Other net income / (expenses)	20	(7,366)	3,195	(10,561)
EBITDA	20	30,111	39,861	(9,750)
Depreciation and amortization	21	(16,398)	(15,944)	(454)
OPERATING PROFIT (EBIT)		13,713	23,917	(10,204)
Net financial income / (expenses)	22	(2,131)	(6,768)	4,637
Exchange gains / (losses)	23	(720)	(2,081)	1,361
PROFIT BEFORE TAX		10,862	15,068	(4,206)
Income taxes	24	(1,781)	108	(1,889)
NET PROFIT AFTER TAX FROM CONTINUING OPERATIONS		9,081	15,176	(6,095)
Net profit from discontinued operations		-	-	-
NET PROFIT		9,081	15,176	(6,095)
Attributable to Coeclerici SpA Shareholders		7,391	13,994	(6,603)
Attributable to minority interests		1,690	1,182	508

(*) The consolidated income statement was restated subsequently to its original publication owing to the adoption of IAS 19 revised. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2013 (thousands of EUR)

	(NOTE)	2013	2012*	CHANGES
NET PROFIT		9,081	15,176	(6,095)
Items that may be reclassified subsequently to income statement:				
- Differences from conversion of financial statements in currencies other than EUR		(4,424)	385	(4,809)
- Change in the fair value of available-for-sale financial assets	3	641	(2,348)	2,989
- Change in the fair value of cash flow hedge financial instruments	26	(666)	496	(1,162)
Total items that may be reclassified, net of tax		(4,449)	(1,467)	(2,982)
Items that will NOT be reclassified subsequently to income statement:				
- Actuarial gains / (losses)		7	(211)	218
Total items that will NOT be reclassified, net of tax		7	(211)	218
NET INCOME RECORDED DIRECTLY IN EQUITY		(4,442)	(1,678)	(2,764)
TOTAL COMPREHENSIVE INCOME		4,639	13,498	(8,859)
ATTRIBUTABLE TO:				
- Coeclerici SpA Shareholders		3,186	12,254	(9,068)
- Minority interests		1,453	1,244	209

(*) The consolidated statement of comprehensive income was restated subsequently to its original publication owing to the adoption of IAS 19 revised. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AT 31 DECEMBER 2013 (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 2011	**10,000**	**2,000**	**(3,393)**	**-**	**(516)**	**(128)**	**49,198**	**2,150**	**15,910**	**75,221**	**6,827**	**82,048**
2011 profit transferred to reserves	-	-	-	-	-	-	-	15,910	(15,910)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(8,000)	-	(8,000)	(723)	(8,723)
Directors' remuneration	-	-	-	-	-	-	-	(1,600)	-	(1,600)	-	(1,600)
Net income recorded directly in equity	-	-	323	-	(1,852)	(211)	-	-	-	(1,740)	62	(1,678)
Effect of change in consolidation area	-	-	-	-	-	-	-	(491)	-	(491)	1,168	677
Profit for the year	-	-	-	-	-	-	-	-	13,994	13,994	1,182	15,176
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	-	-	-	-	-	-	-	(7,000)	-	(7,000)	(2,085)	(9,085)
Directors' remuneration	-	-	-	-	-	-	-	(1,300)	-	(1,300)	-	(1,300)
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**

(*)The consolidated statement of changes in equity was restated subsequently to its original publication owing to the adoption of IAS 19 revised. For further details, please refer to the section 'Other information - Accounting standards, amendments and interpretations applied starting on 1 January 2013' in the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS AT 31 DECEMBER 2013 (thousands of EUR)

	2013	2012
A CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	45,005	42,780
B CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES		
Net operating profit	7,391	13,783
Minority interest profit	1,690	1,182
Depreciation of property, plant and equipment	15,347	15,372
Amortisation of intangible assets	1,051	572
Share of profits from equity investments measured using the equity method	(3,113)	(2,894)
Interest paid	(6,596)	(7,674)
Net change in provisions for liabilities and charges	(896)	7,984
Net change in post-employment benefits	(630)	711
Net change in deferred taxes	(1,564)	(2,763)
Change in inventories	(2,875)	533
Change in trade receivables	(34)	(18,173)
Change in trade payables	4,336	(6,194)
Other changes in working capital	15,183	25,524
CASH FLOW GENERATED (ABSORBED) FROM OPERATING ACTIVITIES (B)	29,290	27,963
C CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(5,067)	(22,164)
Investments in intangible assets	(3,578)	(2,609)
Disposal of property, plant and equipment	896	8,883
Disposal of intangible assets	10	551
Change in other non-current assets	497	665
Investments in available-for-sale financial assets	(972)	(430)
Investments in other companies	(38)	(2)
Dividends received from jointly controlled companies	-	539
CASH FLOW GENERATED (ABSORBED) FROM INVESTING ACTIVITIES (C)	(8,252)	(14,567)
D CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES		
Change in current financial receivables	7,177	(8,172)
Net change in non-current financial payables	(16,258)	7,954
Change in current financial payables	1,567	(2,230)
Dividends paid	(7,000)	(8,000)
Dividends paid to minority interest	(2,085)	(723)
CASH FLOW GENERATED (ABSORBED) FROM FINANCING ACTIVITIES (D)	(16,599)	(11,171)
E OVERALL CASH FLOW GENERATED (ABSORBED) (E = B + C + D)	4,439	2,225
F CASH AND CASH EQUIVALENTS AT END OF PERIOD (A + E)	49,444	45,005

甲板
B甲板

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 2013 have been used. These statements have been adjusted where necessary to respect consolidation requirements and bring them into line with International Financial Reporting Standards (IFRS).

Financial statement models

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

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

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

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

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

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

PRINCIPLES OF CONSOLIDATION

Subsidiaries

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

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

Jointly controlled entities

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

Associated companies

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

Other investments

Minor equity investments in other companies are entered at fair value with the effects charged to the equity reserve along with the other components of the overall profit; variations in the fair value shown in the equity are taken to the income statement at the moment of devaluation or realisation. When the investment is not quoted in a regulated market and the fair value cannot be reliably determined, the investment is valued at 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 accordance 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' includes all investments that have not yet become part of the production process.

Intangible assets

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

Goodwill

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

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

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

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

Exploration assets

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

Other intangible assets

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

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

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

Leasing contracts

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

Loss of asset value

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

Available-for-sale financial assets

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

Financial instruments

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

Financial derivatives

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

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

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

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

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

Inventories

Inventories of lubricants and fuels on board ships are recorded at cost price, measured according to the FIFO method.

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

Trade receivables

These are recorded at their presumed realizable value.

Cash and cash equivalents

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

Provisions for liabilities and charges

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

Post-employment benefits

Post-employment benefits are calculated according to IAS 19.
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 transactions led to changes in the company consolidation area compared to the previous year:

- the Irish company dACC Maritime Limited was incorporated on 24 January 2013, to operate in the shipping business, 49 percent owned by the Holding Company and 51 percent by the d'Amico Group. This company has been consolidated using the equity method;

- Nuevaco Imobiliaria Srl was incorporated in the Dominican Republic on 6 May 2013, 99.9 percent owned by Coeclerici Americas Real Estate Inc and 0.1 percent by Coeclerici Americas LLC. The company owns real estate in the Dominican Republic;

- on 26 July 2013 the German company Dako Coal GmbH was acquired, owned entirely by Coeclerici Compagnie SA and active in the trading and implementation of innovative techniques for the use of combustible solids;

- the Swiss company Elvezia Immobiliare SA was incorporated on 6 November 2013, and is 100 percent owned by the Holding Company.

OTHER INFORMATION

Accounting standards, amendments and interpretations applied starting on 1 January 2013

The following accounting standards, amendments and interpretations were applied by the Group for the first time starting on 1 January 2013:

- on 12 May 2011 the IASB issued the standard "IFRS 13 – Fair Value Measurement" which illustrates how to determine fair value for financial reporting purposes and applies to all standards requiring or allowing fair value measurement or disclosure based on fair value. In addition, IFRS 13 requires extensive disclosures about fair value measurements. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under "IFRS 7 - Financial Instruments: Disclosures". The are extended by IFRS 13 to cover all assets and liabilities within its scope. The standard has been applied prospectively from the financial year starting on or after 1 January 2013.

- on 16 June 2011, the IASB issued an amendment to "IAS 19 – Employee Benefits" which eliminates the option to defer recognition of actuarial gains and losses with the "corridor approach", requiring presentation of the deficit or surplus of the fund in the statement of financial position, the recognition of cost components linked to employment and the net financial costs in the Income Statement, and the recognition of actuarial gains and losses deriving from re-measurement of liabilities and assets among 'Other comprehensive income/(loss)'. Moreover, the assets' yield included among net financial costs shall be calculated on the basis of the liabilities discount rate and not on the expected return of the assets, as before. Lastly, the amendment introduces new additional disclosures to be provided in the notes to the financial statements. The new provisions of IAS 19 are applied retrospectively by amending the opening balance at 1 January 2012 and the 2012 income statement. In the consolidated financial statements, the application of the new provisions of IAS 19 has led to an upwards amendment, after tax, to profit for the fiscal year 2012 equal to EUR 211 thousand. The other entry for these amendments has been posted to equity under 'Actuarial Gains/(Losses)'. The presentation of 'net interest' of defined benefit plans within the 'Net financial income / (expenses)' line item, previously presented as a component of personnel costs, led to a positive variation of the gross operating result (Ebitda) and the operating result (Ebit) equal to EUR 76 thousand.

- on 16 June 2011, the IASB issued an amendment to "IAS 1 – Presentation of Financial Statements" which requires entities to indicate separately "Other Comprehensive Income" which subsequently can be reclassified in the Income Statement. The amendment has been applicable from the financial years starting on or after 1 July 2012.

- on 16 December 2011 the IASB issued certain amendments to "IFRS 7 – Financial Instruments: Disclosures". The amendment requires disclosures on the effects or potential effects of agreements offsetting financial assets and liabilities on the statement of financial position in accordance with IAS 32. The disclosures should be provided retrospectively for all comparative periods.

- on 13 March 2012 the IASB issued an amendment to "IFRS 1 - First-time Adoption of International Financial Reporting Standards" to allow prospective application of paragraph 10A of "IAS 20 Accounting for Government Grants and Disclosure of Government Assistance" to government loans outstanding at the date of transition to IFRSs.

- On 17 May 2012 the IASB issued the document "Annual Improvements to IFRSs 2009 - 2011 Cycle". The Annual Improvements include amendments to IFRSs, which have been summarised below.
  - "IAS 1 – Presentation of Financial Statements": the amendments to IAS 1 clarify that an entity is required to present a statement of financial position as at the beginning of the preceding period (third statement of financial position) only when the retrospective application of an accounting policy, restatement or reclassification has a material effect on the information in the third statement of financial position and that the related notes are not required to accompany the third statement of financial position;
  - "IAS 16 – Property, Plant and Equipment – Classification of service equipment": the amendments clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise;
  - "IAS 32 - Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments": the amendments clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with "IAS 12 Income Taxes";
  - "IAS 34 – Interim financial reporting - segment information for total assets and liabilities": the amendments clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in interim financial reporting only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Accounting standards, amendments and IFRS and IFRIC interpretations endorsed by the European Union but not yet applicable except through early adoption

- On 12 May 2011 the IASB issued the standard "IFRS 10 – Consolidated Financial Statements" which replaces "SIC-12 Consolidation – Special Purpose Entities" and certain parts of "IAS 27 – Consolidated and Separate Financial Statements", which will change its name to "IAS 27 – Separate Financial Statements" and will regulate the accounting treatment of equity investments in the Separate Financial Statements. The new IFRS 10 standard identifies the concept of control as the determining factor for the purposes of the consolidation of a company in the Consolidated Financial Statements of the parent company, providing a guide to determine the existence of control in cases that are difficult to interpret. The purpose of the amendment to IAS 27 is to provide the rules to be enforced in accounting for equity investments in subsidiaries, jointly controlled entities and associates in the preparation of the Separate Financial Statements. The amendment, then, maintains unchanged the prescriptions for the Separate Financial Statements, replacing the parts relating to the Statutory Financial Statements with the prescriptions of the new IFRS 10, referenced herein for additional details. IFRS 10 and the revised IAS 27 shall be applied for annual periods beginning on or after 1 January 2014.

- On 12 May 2011 the IASB issued the standard "IFRS 11 – Joint Arrangements" which replaces "IAS 31 – Interests in Joint Ventures" and "SIC-13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers". Under IFRS 11, the existence of a separate vehicle is no longer a sufficient condition for a joint arrangement to be classified as a joint venture whereas, under IAS 31, the establishment of a separate legal vehicle was the key factor in determining whether a joint arrangement should be classified as a jointly controlled entity. Depending on the rights and obligations of the parties arising from arrangements, IFRS 11 classifies joint arrangements into two types – joint operations and joint ventures – and states the required accounting treatment. With reference to joint ventures, the new provisions require to account for them using the equity method, eliminating proportionate consolidation. A joint operator accounts for assets/liabilities and expenses/revenues relating to the joint operation on the basis of its rights and obligations determined and specified in the contractual arrangements, rather than basing on its ownership interest in the joint operation. The revised IAS 28 defines, interalia, the accounting treatment to be adopted on disposal of an equity interest, in a joint venture or an associate. IFRS 11 and the revised IAS 28 shall be applied for annual periods beginning on or after 1 January 2014.

- On 12 May 2011 the IASB issued the standard "IFRS 12 – Disclosure of Interests in Other Entities"; the purpose of the standard is to illustrate the required disclosure concerning interests (subsidiaries, joint arrangements, associates, special purpose entities and other unconsolidated structured entities).

- On 16 December 2011 the IASB issued the amendments to "IAS 32 - Financial instruments: Presentation"; specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'. The amendments to IAS 32 are effective for annual periods beginning on or after 1 January 2014. Retrospective application is required.

- On 28 June 2012, the IASB issued the document "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities", providing some clarifications and simplifications with reference to the transition requirements of the IFRS 10, IFRS 11 and IFRS 12 standards.

- On 31 October 2012 the IASB issued the amendments to IFRS 10, IFRS 12 and "IAS 27 – Investment Entities". The amendments to IFRS 10 introduce an exception from the requirement to consolidate subsidiaries for an investment entity. In terms of the exception, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. The exception does not apply to subsidiaries of investment entities that provide services that relate to the investment entity's investment activities. To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is an investment entity when it:

- obtains funds from one or more investors for the purpose of providing them with professional investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

In general, the amendments require retrospective application, with specific transitional provisions

- On 29 May 2013 the amendments to "IAS 36 – Recoverable Amount Disclosures for Non- Financial Assets" have been endorsed which supplements the disclosure of information requiring: (i) the recoverable amount of individual assets or cash-generating units for which an impairment loss has been recognized or reversed during the period; and (ii) additional disclosures if recoverable amount is based on fair value less costs of disposal. The amendments to IAS 36 shall be applied for annual periods beginning on or after 1 January 2014.

- On 27 June 2013 the amendment to "IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting" has been endorsed; the amendment introduces the possibility of continuing hedge accounting for derivatives designated as hedging instruments, subject to novation from one counterparty to another central counterparty, where that novation is required by legislation/regulation The amendment to IAS 39 shall be applied for annual periods beginning on or after 1 January 2014.

Accounting standards and interpretations issued by the IASB/IFRIC and not yet endorsed by the European Union

- On May 20, 2013, the IFRIC issued the interpretation IFRIC 21 "Levies" (hereinafter "IFRIC 21") which defines the accounting for outflows imposed by governments (e.g. contributions required to operate in a specific market), other than income taxes, fines or penalties imposed by governments (e.g. contributions required to operate in a specific market), other than income taxes, fines or penalties. IFRIC 21 sets out criteria for the recognition of a liability, stating that the obligating event that gives rise to the liability, and therefore to its recognition, is the activity that triggers the payment, as identified by the legislation. The provisions of IFRIC 21 shall be applied for annual periods beginning on or after 1 January 2014.

- On 12 November 2009 the IASB issued "IFRS 9 – Financial Instruments"; the amendments pertain to the criteria for the recognition and measurement of financial assets and their classification in the financial statements. In particular, the new provisions establish, inter alia, a model for the classification and measurement of financial assets, based solely on the following categories: (i) assets measured at amortised cost; (ii) assets measured at fair value. The new provisions, moreover, prescribed that equity investments other than those in subsidiaries, joint ventures or affiliates shall be measured at fair value, recognising the effects in the Income Statement. If said equity investments are not held for trading purposes, fair value changes may be recognised in the statement of comprehensive income, maintaining in the Income Statement solely the effects connected with the distribution of dividends; when the equity investment is sold, the amounts recognised in the statement of comprehensive income shall not be allocated in the Income Statement. Moreover, on 28 October 2010 the IASB complemented the provisions of IFRS 9 including the criteria for the recognition and measurement of financial liabilities. In particular, the new provisions require, inter alia, that if a financial liability is measured at fair value, allocating the effects in the Income Statement, fair value variations connected to changes in the issuer's credit risk ("own credit risk") shall be recognised in the statement of comprehensive income; said component shall be recognised in the Income Statement to assure the symmetric representation with other financial statement items connected with the liability, avoiding accounting mismatches.

- On 19 November 2013 the IASB issued a further change to the amendment, including the new hedge accounting model and allowing the adoption of the fair value treatment of credit rating changes on liabilities recognised at fair value through profit and loss. According to the new change, the provisions of IFRS 9 no longer have an express effective date, so the date of 1 January 2015 has been removed.

- On 12 December 2013 the IASB issued the documents "Annual Improvements to IFRSs 2010-2012 Cycle" amending the following pronouncements:
    - "IFRS 2 Share-Based Payments – Definition of vesting condition". Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition');
    - "IFRS 3 Business Combination - Accounting for contingent consideration in a business combination". The amendment clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date;
    - "IFRS 8 Operating segments – Aggregation of operating segments". The amendments require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments;
    - "IFRS 8 Operating segments – Reconciliation of the total of the reportable segments' assets to the entity's assets". The amendment clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly;
    - "IFRS 13 Fair Value Measurement - Short-term receivables and payables"; amendments to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards. The amendment clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to

measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial;

- "IAS 16 Property, Plant and Equipment - Revaluation method - proportionate restatement of accumulated depreciation"; the amendment clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount;
- "IAS 38 Property, Plant and Equipment - Revaluation method - proportionate restatement of accumulated amortisation"; the amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount;
- "IAS 24 Related Parties Disclosures – Key management personnel"; the amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.
- The amendments to the standards shall be applied for annual periods beginning on or after July 2014.

• On 12 December 2013 the IASB issued the documents "Annual Improvements to IFRSs 2011-2013 Cycle" amending the following pronouncements:

- "IFRS 1 First-time Adoption of International Financial Reporting Standards – Meaning of effective IFRS". The amendment clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective, provided that the new or revised IFRS permits early application. An entity is required to apply the same version of the IFRS throughout the periods covered by those first IFRS financial statements;
- "IFRS 3 Business Combinations – Scope exception for joint ventures". The amendment clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- "IFRS 13 Fair Value Measurement – Scope of portfolio exception". The amendment clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of "IAS 39 Financial Instruments: Recognition and Measurement" or "IFRS 9 Financial Instruments", regardless of whether they meet the definition of financial assets or financial liabilities as defined in "IAS 32 Financial Instruments: Presentation";
- "IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40". The amendment clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in "IFRS 3 Business Combinations" and investment property as defined in "IAS 40 Investment Property" requires the separate application of both standards independently of each other.
- The amendments to the standards shall be applied for annual periods beginning on or after July 2014.

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 2013 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 2011	**80,987**	**5,719**	**6,035**	**7,922**	**11,798**	**1,802**	**49,368**	**163,631**
Increases	3,787	470	55	1,318	-	153	16,381	22,164
Decreases	(9,045)	-	(37)	-	-	-	-	(9,082)
Depreciation	(7,678)	(117)	(2,590)	(3,032)	(1,696)	(259)	-	(15,372)
Reclassifications	55,281	311	3,994	6,264	-	-	(65,850)	-
Exchange rate differences	52	72	200	156	435	65	118	1,098
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	(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**

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.

Cash flow projections, net of taxation, result directly from the assessment of expected flows calculated by management and considering the expectations of recognized analysts.

The WACC (Weighted Average Cost of Capital) rate, used to bring the flows up to date in order to determine the use value, was calculated on the basis of money market information and the risks specific to the activities and the country in question, and is equal to 14.4 percent.

As an indication of sensitivity, it should be noted that an increase in WACC equal to 3 percent (from 14.4 percent to 14.8 percent) would not entail a devaluation of coal reserves subject to the impairment test.

Intangible assets (Note 2)

The changes in intangible assets which occurred during 2013 are summarized in the following table:

	GOODWILL	OTHER FIXED ASSETS	TOTAL
At 31 December 2011	**191**	**1,279**	**1,470**
Increases	2,144	465	2,609
Amortization	-	(551)	(551)
Reclassifications	-	(572)	(572)
Exchange rate differences	-	16	16
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**

The 'Goodwill' heading refers to EUR 191 thousand regarding the higher value paid for the purchase in 2007 of 60 percent of the subsidiary Coeclerici Asia (Pte) Ltd, and EUR 2,074 thousand for that regarding the purchase of the subsidiary DAKO Coal GmbH, which happened in this financial period; in line with IFRS 3 the buyer has at its disposal a period of up to 12 months from the purchase date to assess the acquisition and determine the fair value of the activities thus acquired and the resultant goodwill.
During this financial year, measurement of the combination business, initiated on 31 December 2012 regarding the subsidiary Coeclerici Coal Network LLC, was completed; this process has enabled the fair value of the activities acquired – customer relationships – to be determined with a corresponding reduction of EUR 2,144 thousand in the amount of goodwill indicated provisionally in the financial statements at 31 December 2012.

During the month of September the subsidiary Coeclerici Coal Network LLC acquired the coal trading of Alley-Cassetty Companies Inc. in its entirety; following this combination business, the relative fair value of the net activities acquired – customer relationships and inventories – was ascertained.

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

Analysis conducted while the financial statements were being prepared revealed no indicators of impairment regarding the goodwill generated at the moment of acquisition.

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

This consists of the following:

	31-DEC-2013	31-DEC-2012
Interests in jointly controlled entities	12,291	9,684
Other investments	7,249	7,250
Available-for-sale financial assets	4,461	3,735
Total	**24,001**	**20,669**

'Interests in jointly controlled entities', measured using the equity method, changed in the following ways during 2013:

	31-DEC-2013	31-DEC-2012
At 31 December 2012	**9,684**	**8,522**
Net profit	3,113	2,894
Dividends paid	-	(1,502)
Foreign exchange effect	(534)	(232)
Change in consolidation area	28	2
At 31 December 2013	**12,291**	**9,684**

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

	31-DEC-2013	31-DEC-2012
Assets	87,434	88,336
Liabilities	62,352	68,571
Equity	25,082	19,765
Turnover	27,571	18,178
Operating Profit	11,392	8,176
Net Profit	6,353	5,865

Kyla Holding Limited 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 conducts transshipping in Indonesia.

Viannlog Consultoria Economica Lda is 50% owned by the Coeclerici Group and 50% by Finaval Holding SpA.

The company dACC Maritime Limited, incorporated in the first quarter of 2013 is 49% owned by the Coeclerici Group through the Holding Company. The company conducts dry bulk shipping activities.

'Other investments' underwent no material changes in the 2013 financial year and therefore consists of:

	31-DEC-2013	31-DEC-2012
Ambienta SGR SpA	9	9
Consorzio Armatori per la Ricerca (Cons.A.R.) Srl	5	5
Dharamtar Infrastructure Limited	1,167	1,167
Telemar SpA	434	434
USL Coeclerici Logistics Private Limited	581	581
United Shippers Limited	5,053	5,053
Others	-	1
Total other investments	**7,249**	**7,250**

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

	31-DEC-2013	31-DEC-2012
Banca Carige SpA	44	77
Banco Popolare S.C.	11	10
Fondo Ambienta I	1,643	1,459
Hao Capital Fund II L.P.	501	428
Bumi PLC	828	1,010
Value Secondary Investments SICAR	612	751
Canara Robeco Treasury Advantage Fund	822	-
Available-for-sale financial assets	**4,461**	**3,735**

During 2013 this heading increased by EUR 726 thousand, mainly as a result of the subscription to 56,584 shares of the investment fund Canara Robeco Treasury Advantage Fund.

Further information regarding the closed investment funds Ambienta I and Hao Capital Fund II L.P. is given in 'Note 28 – Obligations and guarantees'.

Other non-current assets (Note 4)

This consists of the following:

	31-DEC-2013	31-DEC-2012
Other receivables	824	764
Tax receivables	1,451	1,451
Guarantees and deposits	195	752
Provision for other bad debts	(1,113)	(1,113)
Total other non-current assets	**1,357**	**1,854**

'Tax receivables' amounting to EUR 1,451 thousand, include tax credits whose reimbursement was requested in previous financial years but which have not yet been received.

Inventories (Note 5)

Inventories, amounting to EUR 21,096 thousand (EUR 18,221 thousand at 31 December 2012), consist of the following:

	31-DEC-2013	31-DEC-2012
Goods	20,433	17,435
Consumables	663	786
Total inventories	**21,096**	**18,221**

'Goods' consisted of the following:

	31-DEC-2013		31-DEC-2012	
	TONNES	EUR/000	TONNES	EUR/000
Goods	393,172	20,433	380,598	17,435

Trade receivables (Note 6)

This item amounted to EUR 77,451 thousand (EUR 77,417 thousand at 31 December 2012) and consists wholly of receivables arising from normal commercial operations with clients. It is shown net of the EUR 6,543 thousand provision for bad debts (EUR 653 thousand al 31 December 2012).

Trade receivables at 31 December 2013 may be broken down by due date as follows:

	31-DEC-2013	31-DEC-2012
Invoices to be issued	2,318	156
Receivables not yet due	60,644	57,305
Due < 60 days	3,733	10,884
Due < 180 days	10,197	1,973
Due < 365 days	487	6,579
Due > 1 year	6,615	1,173
Provision for bad debts	(6,543)	(653)
Total trade receivables	**77,451**	**77,417**

It should be noted that in the months after December 2013 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. Postings to the provision for bad debts made in the financial period refer mainly to the receivable held with the commercial partner in Venezuela. Negotiations aimed at recovering the entire debt existing at 31 December 2013 are in progress.

Changes in the provision for bad debts during the 2013 financial period were as follows:

Provision for bad debts at 31 December 2012	**(653)**
Allocations	(6,355)
Uses	453
Exchange rate differences	12
Provision for bad debts at 31 December 2013	**(6,543)**

Prepayments and other receivables and current assets (Note 7)

This heading consists of:

	31-DEC-2013	31-DEC-2012
Payments on account to suppliers	5,564	15,531
Other receivables	9,902	8,257
Receivables relating to the fair value of financial instruments	160	1,485
Tax receivables	7,866	7,770
Receivables from joint ventures	9,118	16,299
Receivables from the holding company	2,257	1,700
Accrued income and prepaid expenses	2,494	2,665
Total prepayments and other receivables and current assets	**37,361**	**53,707**

'Payments on account to suppliers', equal to EUR 5,564 thousand (EUR 15,531 thousand at 31 December 2012) refer mainly to prepayments made to Russian suppliers for coal delivered in the months immediately after 31 December 2013. The decrease in the period, amounting to EUR 9,967 thousand, is the combined effect of lower volumes handled and a lower price.

'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' fell by EUR 7,181 thousand and refers mainly to financing (amounting to EUR 5,076 thousand) granted to the subsidiary PT Asian Bulk Logistics in order to finance the construction of new vessels, and to funding (amounting to EUR 4,042 thousand) granted to the subsidiary dACC Maritime Limited in order to pay for the construction of the two 60,000-tonne Supramax vessels.

'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 – Income taxes'.

Cash and cash equivalents (Note 8)

This heading consists of the following:

	31-DEC-2013	31-DEC-2012
Bank and postal deposits	48,962	44,928
Cash in hand	482	77
Total cash and cash equivalents	**49,444**	**45,005**

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 equity are shown in the statement of changes in equity.

The EUR 10,000 thousand share capital is entirely subscribed to and fully paid-in. It consists of 10,000,000 ordinary shares with a par 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', equal to minus EUR 7,257 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 decreased by EUR 4,187 thousand.

The 'Merger Surplus Reserve', with a positive balance of a EUR 24,983 thousand, refers to the merger into the Holding company of the subsidiary Coeclerici Logistics SpA; since the transaction was 'under common control' it has been removed, in accordance 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 2,393 thousand. This item decreased by EUR 25 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 EUR 193 thousand, has a positive movement of EUR 146 thousand, of which EUR 7 thousand refers to the actuarial evaluation of post-employment benefit plans at 31 December 2013, as more fully analyzed in 'Note 12 – Post-employment benefits') and EUR 139 thousand to the liquidation of post-employment benefit plans with the other entry in 'Retained Earnings'.

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 11,337 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 2012 of EUR 1,300 thousand; recording a negative reclassification with the other entry in 'Merger Surplus Reserve' relating to the merger into the Holding company of the subsidiary Coeclerici Logistics SpA, amounting to EUR 24,983 thousand; recording a negative reclassification with the other entry in 'Actuarial Gains/losses' referring to the liquidation of post-employment benefit plans amounting to EUR 139 thousand; recording a positive effect of change in consolidation area amounting to EUR 122 thousand; and finally, having allocated the profit for the previous period, amounting to EUR 13,994 thousand, to this heading.

As regards the information required by section 124 of IAS 1, the Group's capital management aims are to create value for the shareholders, safeguard the continuity of Group companies and support the growth of those companies. The Group therefore tries to maintain an adequate level of capitalization in order to produce a satisfactory return for shareholders and, at the same time, ensure economic accessibility to external sources of financing by - among other things - achieving adequate ratings. This strategy has not changed since the previous 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-2013	31-DEC-2012
Net financial position	150,222	162,175
Equity	80,418	85,900
Level of net financial borrowing	**187%**	**189%**

The decrease in the level of net financial borrowing is mainly linked to the fall in the price of coal, and the consequent impact on the borrowings from banks, as mentioned in the Directors' report.

Interest bearing liabilities and borrowings (Note 10)

This heading consists of the following:

	31-DEC-2013			31-DEC-2012		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Short term advances	65,712	-	**65,712**	62,634	-	**62,634**
Secured loans from financial institutions	5,554	56,182	**61,736**	5,805	53,062	**58,867**
Unsecured loans from financial institutions	8,641	72,695	**81,336**	9,718	92,058	**101,776**
Leasing agreements	-	-	**-**	183	15	**198**
Interest bearing liabilities and borrowings	**79,907**	**128,877**	**208,784**	**78,340**	**145,135**	**223,475**

Short term advances, equal to EUR 65,712 thousand (EUR 62,634 at 31 December 2012) mainly refer to loans obtained from banks to fund the coal-trading activities primarily of the subsidiaries Coeclerici Coal and Fuels SpA and Coeclerici Asia (Pte.) Ltd.

Secured loans amounting to EUR 61,736 thousand, refer mainly to financing received from major banks required for the construction of the Group's vessels.

Unsecured loans amounting to EUR 81,336 thousand refer to loans obtained from major banks to fund Group operations. At 31 December 2013, EUR 63,128 thousand of the syndicated line set up in 2011 by a group of banks headed by Banca Carige SpA were employed.

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

'Interest bearing liabilities and borrowings' at 31 December 2013 had the following deadlines:

	Within 2014	2015-2016	2017-2018	After 2018	TOTAL
Short term advances	65,712	-	-	-	**65,712**
Secured loans from financial institutions	5,554	19,453	11,108	25,621	**61,736**
Unsecured loans from financial institutions	8,641	8,189	64,506	-	**81,336**
Interest bearing liabilities and borrowings	**79,907**	**27,642**	**75,614**	**25,621**	**208,784**

'Interest bearing liabilities and borrowings' at 31 December 2013 included the following:

	31-DEC-2013			31-DEC-2012		
	CURRENT	NON-CURRENTI	TOTAL	CURRENT	NON-CURRENT	TOTAL
Chf	1,059	-	**1,059**	-	-	**-**
Eur	10,200	47,500	**57,700**	5,000	67,478	**72,478**
Idr	-	-	**-**	5	15	**20**
Rub	3,641	7,086	**10,727**	4,896	9,422	**14,318**
Usd	65,007	74,291	**139,298**	68,439	68,220	**136,659**
Interest bearing liabilities and borrowings by currency	**79,907**	**128,877**	**208,784**	**78,340**	**145,135**	**223,475**

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 mining site. These funds will be used when the company has to face cash outlays in order to reclaim the site.

At 31 December 2013 the balance of this heading consisted of the following:

	31-DEC-2013	31-DEC-2012
Current	1,925	3,216
Non-current	19,440	19,045
Total provisions for liabilities and charges	**21,365**	**22,261**

During the financial period this heading underwent the following changes:

At 31 December 2012	**22,261**
Allocation	3,983
Restoration costs	(738)
Releases	(3,891)
Actuarial variation in restoration costs	295
Exchange rate difference	(545)
At 31 December 2013	**21,365**

The Holding company received notification from the Italian tax authority (Provincial Direction I - Milan) regarding the years 2007 and 2008. The dispute concerns alleged undue VAT detraction and tax recoveries for IRES purposes. On 18 February 2014 the Company appealed against the notification with the Milan taxation tribunal as it considers the issue to be illegitimate and unfounded.

Post-employment benefits (Note 12)

The changes in the post-employment benefit provisions were as follows:

At 31 December 2011	**1,672**
Provisions for the period	550
Actuarial (gains)/losses	291
Uses	(130)
At 31 December 2012	**2,383**
Provisions for the period	429
Actuarial (gains)/losses	(10)
Uses	(1,049)
At 31 December 2013	**1,753**

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

	31-DEC-2013	31-DEC-2012
Updating coefficient	3.17%	2.70%
Inflation rate	2.00%	2.00%
Annual salary increase rate		
Executives	2.00%	2.00%
Management / white-collar	2.00%	2.00%
Annual post-employment benefit increase rate	3.00%	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 equity. As anticipated in IAS 19, the actuarial gains and losses in the financial period amounted to EUR 10 thousand and included 'actuarial gains from experience', amounting to EUR 121 thousand, and 'actuarial losses from demographic hypotheses changes' amounting to EUR 111 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 2013:

	Changes	31-DEC-2013
Inflation rate	+0.25%	39
Inflation rate	-0.25%	(37)
Updating coefficient	+0.25%	(44)
Updating coefficient	-0.25%	46

Trade payables (Note 13)

Trade payables amounted to EUR 39,817 thousand (EUR 35,481 thousand at 31 December 2012). This item refers to the current payables for supplies connected with normal Group operating activities.

Other payables and current liabilities (Note 14)

Other payable and current liabilities consisted of the following:

	31-DEC-2013	31-DEC-2012
Payments on account from customers	-	405
Other payables	3,253	5,985
Payables relating to the fair value of financial instruments	187	240
Tax payables	4,912	1,815
Payables to social security institutions	811	762
Accrued expenses and deferred income	3,792	3,686
Total other payables and current liabilities	**12,955**	**12,893**

The heading 'Other payables', amounting to EUR 3,253 thousand (EUR 5,985 thousand at 31 December 2012), 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 187 thousand (EUR 240 thousand at 31 December 2012), 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 3,792 thousand (EUR 3,686 thousand at 31 December 2012), 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:

	2013	2012
Raw material sales	597,339	539,156
Transshipment and other logistics services	25,813	23,571
Charters and shipping transport	27,132	25,283
Coal brokerage commission	174	-
Other services	1,345	1,158
Total revenues	**651,803**	**589,168**

Raw material sales, equal to EUR 597,339 thousand, refer to trading activities.
The increase of EUR 58,183 thousand can be attributed to the greater quantities of coal handled compared to the same period in 2012.

Revenues from 'Charters and shipping transport', wholly attributable to the Logistics Division and equal to EUR 27,132 thousand, show an increase of EUR 1,849 thousand compared to the same period of 2012 (which amounted to EUR 25,283 thousand); this increase is mainly due to the full operational status of vessels in Mozambique.

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

Cost of sales (Note 16)

This is comprised of the following:

	2013	2012
Purchase of raw materials	537,576	477,997
Mine operating costs	21,388	22,038
Cost of seafaring personnel	10,245	10,115
Cost of mining personnel	7,384	6,767
Technical costs for fleet and plants	5,574	3,691
Port expenses and other shipping costs	1,029	1,835
Bunkers	385	589
Lubricants / spare parts	1,323	1,327
Total cost of sales	**584,904**	**524,359**

The increase in 'Purchase of raw materials', equal to EUR 59,579 thousand, results mainly from the larger amounts handled compared to 2012 even though the effect was reduced by the fall in coal prices.

Overhead and administrative expenses (Note 17)

This is comprised of:

	2013	2012
Personnel costs	16,067	14,319
Consultancy	5,042	4,308
Director fees	2,243	2,924
Rents, leases and similar	2,488	2,187
Other costs	2,648	2,814
Travel expenses	1,368	1,438
Entertainment expenses	769	923
Utilities Building administration – Representative offices	1,096	1,497
Consumables	264	278
Advertising	531	548
Total overhead and administrative expenses	**32,516**	**31,236**

The heading 'Personnel costs', amounting to EUR 16,067 thousand, is considered in 'Note 30 – Other information'.

'Director fees' to Directors and Statutory Auditors, amounting to EUR 2,243 thousand, decreased by EUR 681 thousand compared to the 2012 financial period. They include sums paid to Directors and Statutory Auditors of the Holding company, as shown below:

	2013		2012	
	Number	Remuneration	Number	Remuneration
Directors	14	1,764	12	1,428
Statutory Auditors	3	55	3	55
Total Fees	**17**	**1,819**	**15**	**1,483**

It should be noted that, with reference to the 2013 financial period, the total amount payable 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 s.r.l. for the property used in Milan.

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

This is comprised of:

	2013	2012
Capital gains	8	212
Capital losses	(27)	(13)
Total capital gains / (losses) on non-current assets	**(19)**	**199**

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

This is comprised of:

	2013	2012
Profit / (loss) from jointly controlled entities measured using the equity method	3,113	2,894

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

Other net income/(expenses) (Note 20)

This is comprised of:

	2013	2012
Other operating income		
Other net income	(1,138)	5,228
Release of provisions and other liabilities	3,891	74
Insurance claims	427	342
Gains on derivatives	239	5,165
Total other operating income	**3,419**	**10,809**
Other operating costs		
Allocations to provisions for liabilities	(3,983)	(7,512)
Allocations to provisions for bad debts	(6,357)	(102)
Losses on derivatives	(445)	-
Total other operating costs	**(10,785)**	**(7,614)**
Total other net income/(expenses)	**(7,366)**	**3,195**

Depreciation and amortization (Note 21)

This consists of the following:

	2013	2012
Depreciation of property, plant and equipment	15,347	15,372
Amortization of intangible assets	1,051	572
Total depreciation and amortization	**16,398**	**15,944**

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

Net financial income/(expenses) (Note 22)

The item consisted of the following financial income:

	2013	2012
Dividends from equity investments in 'other companies'	169	328
Interest received	1,158	1,295
Other income	5,560	1,636
Total financial income	**6,887**	**3,259**

'Dividends from equity investments in other companies', amounting to EUR 169 thousand, refers to the receipt of the dividend distributed by Telemar SpA of EUR 54 thousand and United Shippers Limited of EUR 115 thousand.

'Interest received', amounting to EUR 1,158 thousand, mainly concerns interest received on current and deposit accounts with banks and on financing granted to companies taking part in the joint venture PT Asian Bulk Logistics and dACC Maritime Limited in order to fund the construction of new vessels, as mentioned in 'Note 7 - Prepayments and other receivables and current assets'.

'Other income' refers to financial income recorded by the subsidiary Capo Noli Transportes Maritimos Lda following its trading of bonds.

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

	2013	2012
Bank charges	(1,834)	(1,858)
Interest paid	(7,184)	(8,169)
Total financial expenses	**(9,018)**	**(10,027)**

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

The decrease in interest paid results principally from the Group's reduced indebtedness with the banking sector.

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 2013 are given in the table below compared with the same period the previous year:

	2013			2012		
	REALIZED	NON REALIZED	TOTAL	REALIZED	NON REALIZED	TOTAL
Exchange gains	12,681	2,858	**15,539**	13,532	1,604	**15,136**
Exchange losses	(13,826)	(2,433)	**(16,259)**	(15,784)	(1,433)	**(17,217)**
Total exchange gains/(losses)	**(1,145)**	**425**	**(720)**	**(2,252)**	**171**	**(2,081)**

Income taxes (Note 24)

The tax burden arising in the period is negative and amounts to EUR 1,781 thousand. It has been calculated in accordance with existing tax laws, taking into account exemptions, deferred tax and, as far as the Italian companies in the Group are concerned, the effects of tax consolidation with the parent company Fincler s.r.l.

The tax burden consists of the following:

	2013	2012
Current taxes	(2,751)	(1,901)
Deferred taxes	970	2,009
Total income taxes	**(1,781)**	**108**

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-2013	31-DEC-2012
Deferred tax assets	4,958	4,890
Deferred tax liabilities	(3,285)	(4,781)
Net balance of deferred taxes	**1,673**	**109**

'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', amounting to EUR 3,285 thousand, includes deferred taxation arising from the from the provisions made for positive or negative income components with deferred tax deductibility.

The payables and receivables of the Group companies that took part in the Group tax consolidation at 31 December 2013 are shown below:

	RECEIVABLES	PAYABLES	TOTAL
Coeclerici Coal and Fuels SpA	-	(1,552)	(1,552)
Coeclerici Logistics Partecipazioni Srl	-	(272)	(272)
Coeclerici SpA	4,796	-	4,796
CC Black Sea Bulk Srl	80	-	80
Shipping Services Srl	-	(180)	(180)
Terminal Offshore Piombino SpA	-	(615)	(615)
Total receivables /(payables) owing to tax consolidation	**4,876**	**(2,619)**	**2,257**

Information by operating segment and geographical area (Note 25)

The information by operating segment for the 2013 period is summarized in the following table:

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Revenues	589,581	36,209	53,943	(27,930)	**651,803**
Operating profit (EBIT)	7,078	(2,061)	10,452	(1,756)	**13,713**
Net financial income /(expenses)	(2,439)	(1,819)	1,774	353	**(2,131)**
Net profit	2,830	(2,552)	9,556	(753)	**9,081**

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

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENT	TOTAL
Africa	-	-	26,836	-	26,836
Americas	128,212	-	16,341	-	144,553
Asia and Australia	271,117	963	311	(315)	272,076
Russia and Middle East	3,985	9,102	-	(1,472)	11,615
Europe	186,267	26,144	10,455	(26,143)	196,723
Totale revenues	**589,581**	**36,209**	**53,943**	**(27,930)**	**651,803**

Information regarding financial instruments (Note 26)

Derivatives relating to currency exchange transactions

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

Fair value hedge

The contracts existing at 31 December 2013 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	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q4 2014	598	USD	0.725	434	-
Total sales				**434**	**-**

EXPIRY	AMOUNT	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q1 2014	320,000	RUB	0.030	9,639	14
Total sales				**9,639**	**14**

EXPIRY	AMOUNT	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q4 2014	16,500	RUB	0.210	347	(3)
Total sales				**347**	**(3)**

EXPIRY	AMOUNT	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q4 2014	2,620	EUR	1.376	3,607	6
Total sales				**3,607**	**6**

Cash flow hedge

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

EXPIRY	AMOUNT	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (EUR/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q2 2015	3,750	EUR	2.61	3,750	(83)
Total IRS				**3,750**	**(83)**

Exchange rate transactions were in place at 31 December 2013 with the characteristics of cash flow hedging whose fair value variations were recorded in equity under the heading 'Reserve related to the fair value of financial instruments'. They are detailed below:

EXPIRY	AMOUNT	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (USD/000)	FAIR VALUE AT 31-DEC-2013 (EUR/000)
Q1 2014	195,000	RUB	0.030	5,805	57
Q2 2014	195,000	RUB	0.030	5,752	35
Q3 2014	195,000	RUB	0.029	5,716	1
Q4 2014	420,000	RUB	0.029	12,219	(54)
Q4 2014	675,000	RUB	0.030	20,145	(47)
Total purchases				**49,637**	**(8)**

Summary of fair value derivatives

The values and changes in the fair value of derivatives at 31 December 2013 are summarized in the following table:

	31-DEC-2012	CHANGES IN EQUITY	CHANGES IN INCOME STATEMENT	31-DEC-2013
Receivables				
Foreign exchange market	1,021	76	(984)	113
Forward coal sales to be received*	464	-	-	47
Total receivables	**1,485**	**76**	**(984)**	**160**
Payables				
IRS and foreign exchange market	(240)	(742)	795	(187)
Total payables	**(240)**	**(742)**	**795**	**(187)**
Net total	**1,245**	**(666)**	**(189)**	**(27)**

* amount received in January 2013 and January 2014 regarding financial derivatives expiring in December 2012 and December 2013 respectively

The fair value of all derivatives is calculated on the basis of the forward market index on the reference date. The 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	1,705	-	2,756
Hedging derivatives	-	113	-
Total financial assets	**1,705**	**113**	**2,756**
Financial liabilities			
Hedging derivatives	-	(187)	-
Total financial liabilities	**-**	**(187)**	**-**

The financial instruments classified as 'Level 1' include shares in publicly-traded companies, the values of which are quoted daily. '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 2013 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 Sector. 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 OAO Kisk mine in 2008.

The demand for dry bulk logistic 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). 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 673 thousand on the 2013 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 Sector;
- performance bonds (guarantees of satisfactory completion of a contract) and advance payment bonds in the Logistics Sector;
- commercial credit insurance by leading insurance agencies (SACE BT SpA, Garant and Coface) in both sectors.

As already described in 'Note 6 - Trade receivables', the indirect Venezuelan subsidiary Bulkguasare de Venezuela SA experienced delays in collecting amounts due. The management is in contact with the trading partners in order to find new financial arrangements.

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 provision 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.
The Group intends to finance its investments in tangible fixed assets for the development of new projects through the use of specific lines of credit, currently being negotiated with banks, especially with regard to the Indonesia project. The aim is to negotiate agreements with banks for specific medium- or long-term loans structured on the basis of the characteristics of the individual investment projects.

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.
The Group's Mining Division holds a policy that covers risks concerning mining investments in Russia, with a percentage of cover of 100%.

Operational risk

In the particular case of the Logistics Division, the business entails a general operational risk that stems from managing the vessels in accordance with the contracts signed. The main risk categories entailed in operational management include events connected with the partial or total loss of vessels belonging to the Division, and risks relating to liability for damage caused while carrying out the business itself. Special insurance policies are drawn up with major insurance companies to protect against these risks. The typical instruments adopted by a company working in the shipping sector include hull and machinery policies for damage to the ships and the equipment installed on board, protection and indemnity third-party liability policies and war risk policies.

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 instruments' are shown in the following table:

	YEAR OF SUBSCRIPTION	FUND DURATION	OVERALL COMMITMENT	SUBSCRIBED AMOUNT	RESIDUAL COMMITMENT
Ambienta I	2007	10 years	3,000	2,190	810
Hao Capital Fund II L.P.	2008	10 years	725	602	123
Total financial instruments			**3,725**	**2,792**	**933**

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 SGR 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 150 thousand in 2013. At 31 December 2013, the fair value of the shares subscribed to was equal to EUR 1,643 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 1 million USD (equal to EUR 725 thousand at 31 December 2013). The value of the shares purchased in the financial investment has been adjusted to its market value of EUR 501 thousand, as shown under 'Available-for-sale financial assets'.

Guarantees issued

At 31 December 2013, the guarantees given to third parties stood at EUR 9,832 thousand, and are illustrated below:

	31-DEC-2013	31-DEC-2012
Bank guarantees	9,817	7,667
Insurance policies	15	1,154
Other	-	8,000
Total guarantees issued	**9,832**	**16,821**

Guarantees received

At 31 December 2013, the guarantees received from third parties stood at EUR 22,005 thousand:

	31-DEC-2013	31-DEC-2012
Bank guarantees	22,005	28,175
Total guarantees received	**22,005**	**28,175**

Related party transactions (Note 29)

During 2013, transactions with the holding company Fincler s.r.l 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 s.r.l. 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 2012 financial statements the Shareholders' meeting allocated a share of the profit on the 2012 results amounting to EUR 1,300 thousand to the Board of Directors.

Dr Andrea Clavarino, Deputy Chairman and Employer 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.

Dr Giovanni Marchelli, CEO of the subsidiary Coeclerici Coal and Fuel SpA, holds 5 percent of the share capital of the indirect subsidiary Coeclerici Americas LLC.

Dr William Robert Graybeal, Deputy CEO of the subsidiary Coeclerici Americas LLC, holds 5 percent of the share capital of that company.

In January 2014 Dr Andrea Clavarino took on the position of Sole Director of the indirect subsidiary CC Black Sea Bulk Srl. Dr Giovanni Marchelli no longer holds the position of CEO of the subsidiary Coeclerici Coal and Fuel SpA but, following the company organizations put into effect, has taken on the role of CEO of the indirect subsidiary Coeclerici Compagnie SA.

Other information (Note 30)

Personnel costs

Personnel costs in 2013 amounted to EUR 33,696 thousand (EUR 31,201 thousand in 2012), of which EUR 10,245 thousand related to seafaring staff (EUR 10,115 thousand in 2012), EUR 7,384 thousand to miners working in Russia (EUR 6,767 thousand in 2012) and EUR 16,067 thousand to white-collar workers (EUR 14,319 thousand in 2012).

The average number of employees was:

	2013	2012
Executives	42	38
White-collar	271	244
Seafaring staff	174	193
Miners	524	497
Total employees	**1,011**	**972**

The average increase in the number and hence cost of personnel is mainly attributable to the acquisition of the subsidiaries Coeclerici Coal Network LLC and DAKO Coal GmbH and to the increase in the activities of the Mining Division.

Subsequent events (Note 31)

Following the extraordinary company transactions concluded in March 2014, the trading activities regarding coal and mining were moved to Lugano (Switzerland) with accounting effect from 1st January 2014, and are now held by the subsidiary Coeclerici Compagnie SA which has been operating in Canton of Ticino for some time.

This move has led to the cessation of such activities in Italy, activities which were previously conducted by the subsidiary Coeclerici Coal and Fuels SpA.

APPENDIX 1
LIST OF COMPANIES CONSOLIDATED USING FULL CONSOLIDATION METHOD

NAME	REGISTERED OFFICES	CURRENCY	SHARE CAPITAL	EQUITY SHARE
New Sea Logistics EAD	Bulgaria	BGL	638,000	100.00%
Nuevaco Imobiliaria Srl	Dominican Republic	DOP	25,002,000	100.00%
Dako Coal GmbH	Germany	EUR	26,000	100.00%
CGU Logistic Limited	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	2,000,000	80.00%
Coeclerici Coal and Fuels SpA	Italy	EUR	5,000,000	100.00%
Coeclerici Logistics Partecipazioni Srl	Italy	EUR	10,000,000	100.00%
Coeclerici Mozambico SpA	Italy	EUR	10,000,000	100.00%
Shipping Services Srl	Italy	EUR	45,000	100.00%
Terminal Offshore Piombino SpA	Italy	EUR	4,500,000	80.00%
Coeclerici Malta Limited	Malta	USD	20,000	99.9%
CCL Malta Limited	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 Zapadny	Russia	RUB	20,000	100.00%
LLC Zapadny Ugol	Russia	RUB	22,000	100.00%
OAO Kuznetskaya Investitsionno – Stroitelnaya Compania ("Kisk")	Russia	RUB	15,000,000	100.00%
OOO Coeclerici Logistics Russia	Russia	RUB	20,443,000	100.00%
OOO Coeclerici Russia	Russia	RUB	4,000,000	99.00%
OOO Obshestvos ogranichennojotvetsvennost'ju Delta Property	Russia	RUB	10,000	49.00%
OOO Razrez Korciakolskij	Russia	RUB	10,000	100.00%
OOO Scc-Rozko	Russia	RUB	13,381,000	100.00%
OOO Yuzhno – Kuzbasskoe promyshlenno – transportnoe upravlenie ("Ptu")	Russia	RUB	10,000	100.00%
Selskohozyaistvennoe predpriyatie Taylepskoe	Russia	RUB	125,600,000	49.00%
Coeclerici Asia (Pte.) Ltd	Singapore	USD	1,995,000	100.00%
Coeclerici Compagnie SA	Switzerland	CHF	5,000,000	100.00%
Elvezia Immobiliare SA	Switzerland	CHF	1,000,000	100.00%
Coeclerici Americas Real Estate Inc.	United States	USD	9,300,000	100.00%
Coeclerici Americas LLC	United States	USD	4,500,000	90.00%
Coeclerici Coal Network LLC	United States	USD	1,000,000	51.00%
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 Limited	Ireland	USD	100,000	49.00%
Kyla Holding Limited	Malta	USD	6,000	50.00%
Kyla Logistics Limited(*)	Malta	USD	6,000	50.00%
Viannlog Consultoria Economica Lda	Portugal	EUR	5,000	50.00%

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

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

	NET PROFIT	EQUITY
Coeclerici SpA at 31 December 2013	**7,684**	**98,692**
Equity and net profit for the period recorded by consolidated companies	42,702	304,010
Consolidation adjustments:		
- elimination of holdings in subsidiaries and transactions between consolidated companies with exception of intercompany dividends	(9,447)	(329,339)
- application of IAS/IFRS international accounting principles	(1,317)	(971)
- elimination of intercompany dividends	(32,231)	-
Coeclerici Group at 31 December 2013	**7,391**	**72,392**

TECHNICAL GLOSSARY

API#2 (cif ARA): Average Coal Price Indices (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 Indices (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 - Dead Weight Tonnage: Transportation capacity of a ship, expressed in tonnes, including the load, fuel, provisions and crew.

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

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

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

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

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

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

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

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 a load from one floating vessel to another, positioned in the waters outside the port, with which loading or unloading operations of ocean-going vessels are conducted.


BULK BORNEO
JAKARTA

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche S.p.A.
Mura di Santa Chiara, 1
16128 Genova
Italia

Tel: +39 010 5317011
Fax: +39 010 5317022
www.deloitte.it

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, 2013, 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, the balances of which are presented for comparative purposes as required by law, reference should be made to our auditors' report issued on April 12, 2013. These comparative data have been restated due to the application of the new amendment to IAS 19 *Employee Benefits*. This restatement of comparative data and related disclosures included in the notes to the consolidated financial statements, have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2013.

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, 2013, and of the results of its operations 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, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabrizio Fagnola
Partner

Genoa, Italy
April 14, 2014

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 31.12.2013, 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	204.144.903
Liabilities and provision	105.452.535
Equity	91.008.338
Net Income	**7.684.030**

Income Statement

Production value	8.239.300
Production costs	(17.566.396)
Difference	**(9.327.096)**
Financial income and expenses	14.713.293
Value adjustments to financial assets	(502.621)
Extraordinary income and expenses	(62.501)
Income before income taxes	**4.821.075**
Income taxes	2.862.955
Net income at 31.12.2013	**7.684.030**

Compliance of financial statements and consolidated financial statements

As regards the financial statements as at and for the year ended 31st December 2013 and the consolidated financial statement of the Group as at and for the year ended 31st December 2013, 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 2013 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, from 2007 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 2013, as prepared by Board of Directors.

Milan, 15th April 2014

The Board of Auditors

Dott. Guglielmo Calderari di Palazzolo

Dott. ssa Isabella Resta Isabella Resta

Dott. Maurizio Dragoni

COECLERICI GROUP OFFICES

Milan
Piazza Generale Armando Diaz, 7
20123 Milan – Italy
tel. +39 02 62 46 91
fax +39 02 62 46 97 03
www.coeclerici.com
e-mail: info@coeclerici.com

Amsterdam
Singel 540
1017 AZ Amsterdam
The Netherlands
tel. +31 20 89 41 326
e-mail: mhoward@coeclerici.com

Beijing
Rm 3207, Full tower, N. 9
Dongsanhuan Rd. (M)
100022 Beijing – China
tel. +86 10 85 91 17 79
fax +86 10 85 91 12 88
e-mail: infochina@coeclerici.com

Caracas
Avenida Venezuela con Calle El Recreo
Edificio Torre America – Piso 6 Oficina 607
1050 Caracas – Venezuela
tel. +58 261 79 31 296
fax +58 261 79 33 576
e-mail: cccaracas@coeclerici.com

Dortmund
Kampenstrasse, 151
D-58456 Witten – Germany
tel. +49 2302 97030 – 0
fax +49 2302 97030 – 70
e-mail: dakocoal@coeclerici.com

Jakarta
Menara Karya 20 Floor Unit D
Jl. HR. Rasuna Said Block. X–5 Kav.1–2
12950 Jakarta – Indonesia
tel. +62 21 57 85 19 60
fax +62 21 57 85 19 59
e-mail: coeclericijakarta@coeclerici.com

Lugano
Palazzo Mantegazza
Riva Paradiso 2
6900 Lugano Paradiso
Switzerland
tel. +41 91 68 29 591
fax +41 91 68 29 593
e-mail: cclugano@coeclerici.com

Mason
7697 Innovation Way, Suite 100
Mason – Ohio 45040
United States of America
tel. +1 513 39 82 625
fax +1 513 39 85 419
e-mail: cccoalnetwork@coeclerici.com

Miami
990 Biscayne Boulevard, Office 1201
Miami – Florida 33132
United States of America
tel. +1 786 472 3107
fax +1 786 472 3109
e-mail: americas@coeclerici.com

Moscow
Mytnaya Str., 1, build. 1, 3rd floor
1190049 Moscow – Russia
tel. +7 499 23 76 892
fax +7 495 95 98 432
e-mail: ccmoscow@coeclerici.com

Mumbai
106, Hallmark Business Plaza
Sant Dyaneshwar Marg Bandra (East)
400051 Mumbai – India
tel. +91 22 61 77 66 50
fax +91 22 61 77 66 51
e-mail: infoindia@coeclerici.com

Novokuznetsk
35, Ordzhenikidze Street, Office 801
654007 Novokuznetsk – Russia
tel. +7 38 43 99 33 90
fax +7 38 43 99 33 91
e-mail: utenti_kisk@coeclerici.com

Singapore
16-01 Shaw House Tower
350 Orchard Road
238868 Singapore
tel. +65 67 37 07 50
fax +65 67 33 05 58
e-mail: infocca@coeclerici.com

Sydney
Suite 11, 11th Floor
100 Walker Street – North Sydney
NSW 2060 – Australia
tel. +61 2 94 60 25 80
fax +61 2 94 60 25 82
e-mail: ccsydney@coeclerici.com

COECLERICI SPA

PIAZZA GENERALE ARMANDO DIAZ, 7
20123 MILAN, ITALY
TEL. +39.02.62.469.1
WWW.COECLERICI.COM