ANNUAL REPORT 2010

COECLERICI

COECLERICI

Coeclerici SpA

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

VAT number, Tax Code Number and Companies' Register Number:
00269690103

Chamber of Commerce Number 1761693
Direction and coordination: Finanziaria Cocler SApA

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

Member of CISQ Federation
RINA
ISO 14001
Certified Environmental System

EMAS

INDEX

DEAR SHAREHOLDERS,

there were faint but constant signs of an overall economic upturn in 2010, with encouraging changes, especially on the coal market where the benchmark indices rose. The coal market greatly accelerated on a world scale in the second half of the year, driven by a strong recovery in the steel industry in Europe and the enormous energy needs of China, India and Indonesia in Asia, which contributed to the growth in consumption. China, in particular, is already subverting the equilibrium in the market by becoming a major importer of coal in addition to already being the leading producer. Coal is one of the fastest growing energy sources in the world and will continue to be so owing to its wide availability, its cost competitiveness, and its safe handling, transport and use, not to mention its growing environmental compatibility.
In this context, your Group achieved a considerable operating profit amounting to € 26.3 million, up € 7.5 million on 2009. This result is attributable to the excellent performance of the Mining Division. After a difficult start to 2010 marked by production problems relating in part to adverse weather conditions, mining operations only came up to normal production rates in the second half of the year, during which the Division achieved positive results both in terms of operations and net income. These results also arise from the significant synergies the Group has achieved by acquiring the Mining Division, which flanks the supply of coal previously purchased from other third-party Russian mining groups with directly owned supply sources.

The Trading Division has closed positively for both as regards to operating profit, which was in line with what was achieved the previous year, and net income, which was up 11% on 2009. Despite a favourable economic situation and coal prices at their highest level for the last two years, there were problems in reaching the expected quantities for reasons related to logistics (such as shortages of Russian Railway wagons) and climatic factors (such as the major floods that affected the mining areas in Queensland in Australia). However these did not prevent the company from achieving the desired results. The development of trade policies with sound partners and prudent financial management led to achievement of the expected margins, mainly on the sale of Russian steam coal, with high calorific value, and on coal for the Far East market where margins are higher. The company philosophy is however to continue to refine its preventive monitoring of business risk through instruments aimed at minimizing the risks themselves, through the issue of letters of credit and through the stipulation of insurance coverage, particularly in the present highly volatile macroeconomic situation which has recently also been affected by high political tensions.

The Logistics Division stood out for the significant investments it made during the year to strengthen its growth strategy, which is linked to the important transhipment contracts it signed with major mining companies in 2009. After a break of about six years, the Division has gone back to investing directly in vessels, with a total outlay of about $ 162 million. The considerable size of the investment is chiefly justified by the high-tech unloading systems that will be installed on the two new 55,000 dwt self-unloading bulk carriers being built. They will be used to implement a transhipment contract signed with a major mining company for coal transport and transhipment in Mozambique. The first of the two vessels is expected to start up operations on 1 September 2011, whereas the second should be operative by 1 April 2012.
Building of the Bulk Java floating transfer station is also proceeding in order to implement a ten-year contract for coal transhipment in East Kalimantan (Indonesia) on behalf of the Indonesian mining company PT Berau Coal. Operations are expected to begin in July 2011.
From a commercial perspective, a new lighterage contract between the subsidiary Terminal Offshore Piombino SpA

and the customer Lucchini SpA for the use of the Bulk Irony floating transfer station was signed for a further five year term. Under the long-term trade agreement implemented through the Portuguese joint venture Kyla Charter - Transportes Maritimos LdA, the Bulk Kremi I was instead used for lighterage and transhipment operations in Russian waters by setting up a subsidiary called LLC Coeclerici Logistics Russia. Through this business opportunity, the Logistics Division has consolidated its activities in Russia and has also approved new investments to upgrade the Bulk Kremi I. During the reporting period, the Division also continued its activities under the existing contract in Venezuela with the Bulk Wayuù floating storage transfer station, where the "take or pay" contract formula ensured substantially sound revenues despite a decline in the customer's mining and export capacity. Furthermore the Indian subsidiary CGU Logistic Limited signed a new transhipment contract with a major mining company for handling iron ore with the Bulk Prosperity. The Division also continued to operate under the existing transhipment contract with the biggest coal exporter in Indonesia using the Bulk Pioneer floating transfer station. During the first quarter of 2010, the Bulk Pioneer was transferred to the Indonesian subsidiary PT Pelayaran Logistik Konversi Indonesia.

In conclusion, we are pleased to state that your Group again achieved brilliant results during the 2010 accounting period, both from a financial point of view and regarding assets. It did this by following the strategy of developing the sectors it works in. It has consolidated previously gained positions and can look forward with confidence to the results of future years.

We would like to take this opportunity to thank the management and all Group workers for their generous commitment and the results they have achieved.

Chairman and Managing Director
Paolo Clerici

PClerici

Milan, 30 March 2011


We have the power to shape the future -

COMPANY OFFICIALS

Board of Directors

Members of the Executive Committee	Paolo Clerici	Chairman and Managing Director
Members of the Executive Committee	Aldo Carmignani	Deputy Chairman
Members of the Executive Committee	Corrado Papone	Deputy Chairman
Members of the Executive Committee	Antonio Belloni	Director
Members of the Executive Committee	Pasquale Cardarelli	Director
Members of the Executive Committee	Giovanni Jody Vender	Director
	Rosario Alessandrello	Director
	Giorgio Cefis	Director
	Giacomo Clerici	Director
	Riccardo Perissich	Director

The term of office of the Board of Directors expires with the approval of the financial statements at 31 December 2012.

Board of Statutory Auditors

Guglielmo Calderari di Palazzolo	Chairman
Ettore Cavo	Standing statutory auditor
Isabella Resta	Standing statutory auditor
Giorgio Carbone	Alternative statutory auditor
Costantino Prunestì	Alternative statutory auditor

The term of office of the Board of Statutory Auditors expires with the approval of the financial statements at 31 December 2011.

Independent Auditing Firm

Deloitte & Touche SpA

The Independent Auditing Firm has been appointed for the 2010/2012 three-year period.

GROUP STRUCTURE AT DECEMBER 31, 2010

COECLERICI SPA

LOGISTICS DIVISION

- **100%** Coeclerici Logistics SpA
  - **100%** Shipping Services Srl
  - **80%** Terminal Offshore Piombino SpA
  - **100%** Coeclerici Mozambico SpA
  - **100%** Capo Noli Transportes Maritimos Lda
    - **90%** Bulkguasare De Venezuela SA
      - **100%** Bulkguayana SA
    - **100%** LLC Coeclerici Logistics Russia
  - **70%** Logconversion Transportes Maritimos Lda
  - **49%** PT Pelayaran Logistik Konversi Indonesia
  - **49%** PT Bulk Berau Indonesia
  - **77,5%** CGU Logistic Limited
  - **50%** Viannlog Consultoria Economica Lda
    - **100%** Mbs NV
  - **50%** Kyla Charter Transportes Maritimos Lda

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
  - **99%** LLC Coeclerici Russia

MINING DIVISION

- **100%** OAO Kisk
  - **100%** OOO Razrez
  - **100%** OOO Ptu
  - **100%** LLC Zapadny ugol

Excluding companies in liquidation or non-operational.

MANAGEMENT REPORT

CONSOLIDATED RESULTS

Here below are some of the main profit and loss indicators for the year, along with the same indicators from the 2009 and 2008 consolidated financial statements for comparison, according to the IAS/IFRS international accounting standards (in thousand Euros):

	2010	2009	2008
Revenues	468,520	441,300	540,505
Ebitda	33,522	25,180	38,803
Ebit	26,303	18,820	21,127
Net Profit	16,674	10,773	8,932
Group Net Profit	14,473	9,343	9,045
Fixed Assets	146,020	69,993	71,318
Net Working Capital	41,392	29,309	46,896
Net Capital Employed	187,412	99,302	118,214
Group Net Equity	64,440	60,174	55,824
Minority interests	6,527	6,452	5,052
Net Financial Position / (Liquidity)	116,445	32,676	57,338
Sources of Finance	187,412	99,302	118,214
Cash flow from operating activities	4,103	39,519	19,041
Cash flow from investing activities	(77,648)	(4,257)	(47,262)
Cash flow from financing activities	73,109	(26,597)	31,264
ROE	24%	15%	13%
ROI	18%	16%	19%
DEBT/EQUITY	164%	49%	94%

The consolidated income statement shows an increase in turnover (+6% compared with last year) and an even more substantial increase in EBIT (+40%), amounting to over € 26.3 million. This was the result of the excellent performance of the Mining Division (€ 8.1 million), maintenance of the operating result by the Trading Division (€ 20.8 million) and the positive figure achieved by the Logistics Division (€ 1.8 million). It is net of adjustments and holding costs (€ 4.4 million).

+7,5 ml

Increase in Ebit

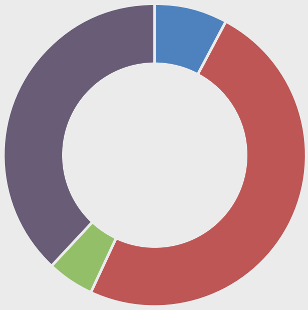
In particular, net profit came to € 16.7 million, up € 10.8 million on the previous year. This was the result of the positive trends in all business sectors that were mainly achieved thanks to the increase in coal prices and the attainment of efficiency in mining operations at the Russian mine. This efficiency resulted from the investments made in recent years and the fact that the American dollar, the main currency used for foreign transactions, increased appreciably in value against the European single currency during the first seven months of the year.

The Group's balance sheet shows a € 76 million increase in fixed assets mainly as a result of advance payments made to suppliers to build the new vessels for the projects in Mozambique and Indonesia, as well as the investments made at the Russian mine to increase the efficiency of mining operations. The net financial position therefore increased by € 83.8 million (partly due to greater advance payments made to coal suppliers at the end of 2010), but it is worth emphasizing that this exposure increased less than proportionally to the investments made in 2010. The debt/equity ratio increased from 0.49 to 1.64 at 31 December 2010.

The detailed net financial position at 31 December 2010 of the various Coeclerici Group Divisions is shown below (in thousand Euros):

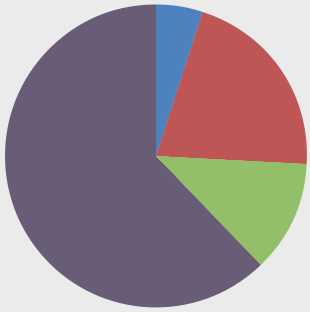
	TRADING	MINING	LOGISTICS	HOLDING	TOTAL
Cash at banks and in hand	(24,963)	(3,401)	(13,766)	(5,189)	**(47,319)**
Short-term bank loans	56,189	1,382	17,452	0	**75,023**
Medium and long-term bank loans	17,500	547	25,456	45,238	**88,741**
Intercompany loans	0	0	45,238	(45,238)	**0**
Net Financial Position / (Liquidity)	48,726	(1,472)	74,380	(5,189)	**116,445**

REVENUES BY GEOGRAPHICAL AREA



The Americas	8%
Asia and Australia	49%
Russia, Middle East and Africa	5%
European Union	38%

ASSETS BY GEOGRAPHICAL AREA



The Americas	5%
Asia and Australia	21%
Russia, Middle East and Africa	12%
European Union	62%

TRADING DIVISION

	2010	2009	2008
Tonnage handled	4,508,710	6,244,852	4,843,523
Revenues	437,348	414,629	524,898
Operating Profit	20,826	20,519	23,779
Net Profit	12,737	11,487	12,669
Capital Employed	75,048	53,595	77,947
Net Equity	26,322	31,406	25,032
Net Financial Position / (Liquidity)	48,726	22,189	52,915

+22,7 ml

Increase in Trading Division revenues

The Trading Division reported a 2010 operating profit in line with the previous year despite the lower quantities sold both from the port of Murmansk (about 600 thousand tonnes less than the 3 million tonnes laid down by contract (-20%) owing to the lack of goods wagons) and in Asia, where the effect of the heavy rain that concerned Queensland in Australia had repercussions on the performance of the Asian contracts, which were not complied with for obvious force majeure.

While the Division experienced the above difficulties, the company's core business was instead facilitated by the increase in average price compared with the previous year: API#2 increased by 30% and API#4 by 42%. In this way, the effects of the smaller amounts traded were mostly offset by better conditions of sale.

The start of business towards new markets strengthened in 2010. In particular various loads of Russian coal were sold on the Asian market via Vladivostok with interesting margins and important opportunities for the development of future synergies.

Turnover on the Asian market in 2010 was less than in 2009 (-35%), but the company chose to aim at more profitable business both in terms of revenues and unit margin which led to an increase in trading results of about 66% compared to 2009.

The table below shows the trends in the main coal market indices over the last three years:

	2010	2009	2008
API#2 INDEX - average	91,99	70,50	147,21
API#4 INDEX - average	91,57	64,65	120,45

Growth in profit margins, combined with prudent financial management, continuous monitoring of trading partners, and rationalization of the cost structure led the Trading Division to achieve a consolidated net profit of € 12.7 million.

MINING DIVISION

	2010	2009	2008*
Tonnage handled	602,275	555,863	308,953
Revenues	23,497	13,055	13,159
Operating Profit	7,681	(442)	(3,912)
Net Profit	5,225	(279)	(1,489)
Capital Employed	17,442	19,650	18,238
Net Equity	18,914	17,417	18,505
Net Financial Position / (Liquidity)	(1,472)	2,233	(267)

* *the Russian business was consolidated as from the second quarter of 2008.*

In 2010, the Mining Division produced 623,731 tonnes of coal (521,264 tonnes in 2009) and sold 602,275 tonnes (555,863 tonnes in 2009). Thanks to more rational and efficient mine management during the year, and the increase in coal prices, the result achieved was in line with the objectives set out when the Group chose to invest in this sector, which has today become highly strategic in the wake of the latest developments (nuclear power crisis and tension in North Africa).

+8,1 ml

Increase in Mining Sector operating result

The turnover positively reflects the increase in prices and the effects of ever more efficient Group synergies, which contributed to the positive operating result of € 7.7 million and € 5.2 million net income.

The balance sheet figures show a decrease in net financial position, with a positive change of € 3.7 million compared to 2009. This result was aided by the investments made in mining equipment during previous years to increase the operational efficiency of the mine.

LOGISTICS DIVISION

	2010	2009	2008
Tonnage handled	9,210,139	7,896,716	11,092,270
Revenues	25,216	22,112	20,211
Operating Profit	1,809	1,679	2,955
Net Profit	4,511	1,451	(275)
Capital Employed	109,362	47,382	42,564
Net Equity	34,982	33,987	31,884
Net Financial Position / (Liquidity)	74,380	13,395	10,680

The Logistics Division increased its sales figures thanks to the greater tonnage handled compared to the previous year. This was mainly due to the greater use and efficiency of the Bulk Prosperity, Bulk Irony and Bulk Kremi I vessels, which work on the Indian, Italian and Russian markets respectively, under iron ore and sulphur transhipment contracts. The Division benefited in particular from the increase in demand for steel and an improvement in the transhipment business in Indonesia, which was offset by a decrease in business with its Venezuelan customer.
The total amounts handled by the entire Logistics Division, consisting mainly of coal and iron ore, came to about 9.2 million tonnes excluding cargoes carried under charter contracts. This figure is up from about 7.9 million tonnes on the previous year and confirms your company's position as leader in dry bulk port logistics services.

If we look at the overall picture of the business carried out by the Logistics Division during 2010 in greater detail, the main transactions performed were:

- Lighterage operations in the port of Piombino using the Bulk Irony floating transfer station, belonging to the Italian subsidiary Terminal Offshore Piombino SpA;
- Loading operations in Lake Maracaibo (Venezuela) using the Bulk Wayuù Floating Storage and Transfer Station, belonging to the Venezuelan subsidiary Bulkguasare de Venezuela SA;
- Loading operations in East Kalimantan (Indonesia) using the Bulk Pioneer floating transfer station, belonging to the Indonesian subsidiary PT Pelayaran Logistik Konversi Indonesia;
- Loading operations at the port of Mormugao in the Goa region (India) using the Bulk Prosperity floating transfer station, belonging to the Indian subsidiary CGU Logistic Limited;
- Chartering of the Bulk Kremi I floating transfer station in the Black Sea; the vessel is owned by the Russian indirect subsidiary LLC Coeclerici Logistics Russia and chartered through the joint venture Kyla Charter – Transportes Maritimos Lda;
- Storage operations in the port of Koper (Slovenia) carried out by the joint venture Viannlog Consultoria Economica Lda through its subsidiary MBS NV.

The operating profit of the Logistics Division is roughly in line with the previous year, while the non operational management was mainly aided by the positive trend of exchange rates.

The balance sheet figure mainly reveals the increase in investments resulting from advance payments made to suppliers to build the vessels involved in the Mozambique and Indonesia projects. Regarding net financial position, the sources of finance have increased compared to 2009 since it became necessary to find resources for the investments described above.

At 31 December 2010, the Logistics Division fleet consisted of:

	COMPANY	DWT	YEAR BUILT
Bulk Kremi I	LLC Coeclerici Logistics Russia	14,364	1973
Bulkwayuù	Bulkguasare de Venezuela SA	64,400	1978
Bulk Irony	Terminal Offshore Piombino SpA	13,658	2002
Bulk Pioneer	PT Pelayaran Logistik Konversi Indonesia	5,974	2005
Bulk Prosperity	CGU Logistic Limited	11,470	2007
Launch Pampero	Bulkguayana SA	N/A	2007
Launch Jack D.	Bulkguayana SA	N/A	2007
Launch Angela	Bulkguayana SA	N/A	2007
Launch Matias	Bulkguasare de Venezuela SA	N/A	2010
Launch Sophie	Bulkguasare de Venezuela SA	N/A	2010
Launch Jack C.	Bulkguasare de Venezuela SA	N/A	2010

THE PARENT COMPANY

	2010	2009	2008
Revenues	5,334	3,538	4,051
Operating Profit	(4,486)	(4,062)	(2,424)
Net Profit	19,491	2,114	6,933
Capital Employed	64,522	50,077	48,043
Net Equity	69,711	55,218	53,577
Net Financial Position / (Current Assets)	(5,189)	(5,141)	(5,534)

During 2010, Coeclerici SpA continued to perform its guiding role at the head of the Coeclerici Group, leaving operations in the port logistics, raw materials trading and mining sectors to the two entirely owned sub-holdings, Coeclerici Logistics SpA and Coeclerici Coal and Fuels SpA.

During this accounting period, the parent company played - as in the past - the important role of coordinating the operating activities of the subsidiaries, and dealt with Group finance, organization and development of human resources, administration, and legal and corporate assistance. Furthermore, during 2010, your company's commitment to implementing the new Enterprise Resource Planning system, designed to improve Group management and accounting activities, continued. The system involved the Italian companies in 2010, and from 2011, it will begin to involve the Indonesian and Singaporean companies. It will extend to all Group companies in the coming years.

Regarding cash flow, at 31 December 2010, your company had used € 45,238 thousand of the € 150 million syndicated credit line it was granted in 2007 by a pool of banks led by Banca Carige. The credit line was initially granted to finance the takeover of the Russian mining company OAO Kisk by the direct subsidiary Coeclerici Coal and Fuels SpA, and subsequently to cover the Group's financial needs concerning in particular the new transhipment projects signed by the direct subsidiary Coeclerici Logistics SpA and its subsidiaries.

Furthermore, with effect from 30 December 2010, the subsidiary Coeclerici SpA merged into your company Cocler SpA, which changed its name to Coeclerici SpA on the same date and succeeded to the rights and obligations of the merged company. Through this operation, the Coeclerici Group chain of control was simplified, which led to rationalization of the Group's activities with consequent benefits in terms of savings on overheads.

Lastly, the company moved its executive and registered offices to Piazza Generale Armando Diaz 7, 20123 Milan, Italy on 1 September 2010. The Company uses the aforementioned offices on the basis of a lease agreement signed with the direct holding company Finanziaria Cocler SApA.

RESEARCH AND DEVELOPMENT

The Group mainly conducts commercial development activities, especially for the Logistics and Trading Divisions. Research and development activities in the Logistics Division concentrate on researching and developing new projects linked with shipping and transhipping raw materials. All research and development costs are recorded directly in the income statement.

TREASURY SHARES AND SHARES OF THE PARENT COMPANY

The parent company does not hold own treasury shares or shares in its holding company.

TRANSACTIONS WITH HOLDING AND RELATED COMPANIES

The Group has a tax consolidation relationship with its direct holding company Finanziaria Cocler SApA, which plays the role of consolidating company in the tax consolidation your company takes part in. The receivables to Finanziaria Cocler SApA stemming from this procedure on 31 December 2010 are commented on in the notes to the financial statements. Furthermore there is a real estate lease contract between your company and the direct holding company Finanziaria Cocler SApA referring to the offices at Piazza Generale Armando Diaz 7, 20123 Milan, Italy.
Pursuant to section 2497 bis, subsection five of the Italian civil code, it is hereby stated that the relationship with Finanziaria Cocler SApA, which manages and controls your company, exclusively regards the supply of services and leases, according to normal market conditions, as described in the notes to the financial statements.

MAIN RISKS AND UNCERTAINTIES THE GROUP IS EXPOSED TO

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

- market risk stemming from exposure to commodity price volatility;
- market risk stemming from exposure to fluctuations in exchange rates;
- market risk stemming from exposure to fluctuations in interest rates;
- credit risk stemming from the possibility a trading partner may default;
- liquidity risk stemming from insufficient financial resources to fulfil commitments undertaken;
- political risk stemming from conducting business in countries where there may occasionally be some uncertainty linked to specific social and political circumstances;
- the risk of total or partial loss of the vessels used to perform the Maritime Logistics Division's main business, and the risk of damage caused by these vessels while carrying out the business itself.

Refer to "Note 29 – Information on the risks that characterize the Group's business" for further details.

ENVIRONMENT AND SAFETY

The business carried out in the Trading Sector has environmental implications. It should be noted in particular that management of the mine in the Kemerovo region has meant implementing actions to comply with Russian law, as shown in the *"Coeclerici environmental report"* issued by SRK consulting.
Providing maritime logistics services entails compliance with certain regulations (local, national and supranational) and the maintenance of quality standards. The logistics sector complies with the following standards and regulations in particular.

- *Environment:* Environmental management system compliant with the ISO 14001 2004 standard, EMAS Registration (EC regulation No. 1221/09), Environmental Risk Assessment, Venezuelan legal regulations, and authorization to operate in Venezuela from the Dirección Ambiental Zulia RASDA 2009. All vessels apply the legally binding international IMO regulations laid down in the MARPOL Convention.
- *Safety:* ISM system compliant with the ISM Code (verified by the Indian Register), conformity with the OHS18000 standard, Italian safety regulations and Italian legislative decree No. 271/99, and legally binding Venezuelan regulations.

CORPORATE GOVERNANCE

This section aims to provide a complete general picture of the corporate governance system adopted by Coeclerici. The information contained in this section refers to the 2010 accounting period. However, with reference to specific subjects, it has been updated to 30 March 2011, the date on which the Board of Directors' meeting approved the annual report accompanying the consolidated financial statements and the draft balance sheet relating to 2010.

Structure and corporate governance system

The Coeclerici corporate governance system is organized according to a traditional model, which delegates company management to the board of directors, the heart of the organizational system. The board remains in office for three years and may be re-elected. Supervision over compliance with the law and Articles of Association is delegated to the Board of Statutory Auditors, and auditing of the accounts is delegated to the independent auditing firm appointed by the shareholders. In compliance with the Articles of Association, the Chairman of the Board of Directors and the Directors given specific powers of attorney represent the company. The Board appoints one or more managing directors to which it delegates some of the activities required to implement the objects of the company within the limits of law and the Articles of Association. The board may also decide to form an Executive Committee from among its members.

Board of Directors

Composition

Pursuant to article 34.1 of the Articles of Association, the number of members of the board of directors may vary from a minimum of three to a maximum of twelve. The shareholders decide its number within those limits at the ordinary general meeting. The Board of Directors has been given a three-year term of office which expires with the approval of the 2012 financial statements. The Board consists of Paolo Clerici (Chairman and Managing Director), Corrado Papone and Aldo Carmignani (Deputy Chairmen), Giacomo Clerici, Giorgio Cefis, Giovanni Jody Vender, Pasquale Cardarelli, Antonio Belloni, Rosario Alessandrello and Riccardo Perissich.

Function

Business management lies exclusively with the directors, who carry out the transactions necessary to achieve the objects of the company. In greater detail, the board:

- determines the system and rules of corporate governance for the company and the Group. In particular, it adopts rules that ensure transparency and substantial and procedural fair play in transactions with related parties and transactions in which a Director has a personal interest or an interest on behalf of a third party.
- It grants and revokes the powers of directors, and defines their limits and methods of operation. It also determines the remuneration linked with these powers after examining the proposals of the special committee and hearing the Board of Statutory Auditors. It may issue instructions to the appointed bodies and take upon itself operations within its powers.
- It defines guidelines for the organizational, administrative and accounting structure of the company, including the internal control system of the main subsidiaries and the Group. It evaluates the adequacy of the organizational, administrative and accounting structure with special reference to the handling of conflicts of interest.
- It defines, in particular, guidelines for the internal control system in order to ensure identification, measurement, management and monitoring of the principal risks faced by the Company and its subsidiaries, after examining the proposals of the Executive Committee. It assesses the adequacy, efficiency and effective functioning of the internal control system every six months.
- It defines the strategies and objectives of the Company and the Group, including policies for economic and financial sustainability. It examines and approves the strategic, operational and financial plans of the Company and the Group, as well as the strategic agreements signed by the Company.
- It reviews and approves the company's annual budgets and the Group's consolidated budget.
- It reviews and approves the half-yearly financial report and the interim management reports of the Company and the Group.

- It receives reports from the directors with powers during the board meetings and at least once every six months regarding the activities they perform while exercising their powers.
- It receives a half-yearly report from the Executive Committee.
- It evaluates the general performance of the Company and the Group management on the basis of the reports received from the directors with powers, paying particular attention to conflicts of interest.
- It reviews and approves Company transactions that have significant strategic, economic and financial importance for the company, paying particular attention to situations in which one or more directors have an interest, either themselves or on behalf of third parties, and to transactions with related parties.

Meetings and operation

Board meetings are convened by the chairman who sets the agenda and sends it to the directors and standing statutory auditors at least five days before the date fixed for the meeting. In cases of necessity and urgency, convocation notice may be sent at least two days before the date fixed for the meeting. The Articles of Association allow meetings to be held by video or teleconference, and these means are specifically regulated in the Articles of Association.
Normally, documentation on the subjects on the agenda is made available to the directors and statutory auditors at the same time as the convocation notice and in any case not later than three days before the date of the meeting itself. Managers with senior positions within the organization of the Company and its subsidiaries may be invited to board meetings to provide information on specific subjects on the agenda. Specific information is also provided on the individual sectors into which the Company and the Group's operations are divided. According to section 2391 of the Italian Civil Code, before discussing each item on the board meeting agenda, each director is required to report any personal interest or interest on behalf of third parties they may have concerning the matters or issues to be addressed, and specify its nature, terms, origin and scope.

Independence requirements

The Board of Directors plays a central role in inspecting and guiding the corporate governance process. The efficiency and effectiveness of this management body is guaranteed by the presence of independent directors, such as Giorgio Cefis, Giovanni Jody Vender, Pasquale Cardarelli, Rosario Alessandrello, Antonio Belloni and Riccardo Perissich, who have always put great emphasis on the substance and not just on the form of company business. In particular, the following are guaranteed through the presence of independent directors (i) control over company management to ensure it is inspired by principles of prudence and transparency; (ii) inspection of the adequacy of reporting, by checking both the reliability of the data and their completeness; (iii) review of the budget for the coming year before its approval in accordance with the strategic intentions and financial, human and physical resources available; (iv) in the light of the above points, proposals for any corrective action and support to the company owners and management in carrying out their activities; (v) continuous careful supervision of the company during their term in office to identify, where possible, any issues or risks that are not adequately tackled or assessed.

Executive Committee

Article 37.2 of the Articles of Association states that the Board of Directors may appoint an Executive Committee and establish its powers. This committee has the task of expressing their prior opinion on issues of particular importance, such as the examination of the company's strategic, industrial and financial plans, and the general assessment of company performance, before they are presented to the Board of Directors.
It also assesses the adequacy of the organizational, administrative and accounting structure of the company on the basis of the reports received. This body is required to report to the Board of Directors at least every six months on overall company performance and its outlook, as well as on major transactions (either on account of their size or characteristics) carried out by the Company and its subsidiaries.

Board of Statutory Auditors

Composition and appointment

In accordance with Italian law and the Articles of Association, the Board of Statutory Auditors consists of three standing members and two alternative members. The Board of Statutory Auditors is appointed by the shareholders for three years,

and its appointment may be renewed at the end of its term.
The current composition of the Board in office until the 2011 financial statements are approved is as follows: Guglielmo Calderari (Chairman), Isabella Resta and Ettore Cavo (Standing Members), Giorgio Carbone and Costantino Prunestì (Alternative Members). The shareholders have also decided that the gross annual remuneration payable to the Statutory Auditors will be determined on the basis of the minimum rates laid down by their professional registers.

Role
Pursuant to Italian law, the Board of Statutory Auditors supervises over: i) compliance with the law and Articles of Association; ii) accordance with principles of proper management, the adequacy of the organizational structure of the company for issues within its scope, the internal control system, and the administrative and accounting system and its reliability in correctly representing management events; iii) the methods by which the rules of corporate governance are actually implemented; iv) the adequacy of the instructions issued by the Company to its subsidiaries to ensure proper fulfilment of the reporting obligations laid down in the law.
Under the Italian Consolidated Law on Finance, the Board of Statutory Auditors shall deliver a reasoned proposal to the shareholders' meeting in relation to the appointment of an independent auditing firm and the determination of the remuneration to be paid to this firm. The Board of Statutory Auditors also supervises over the independence of the auditing firm, checking both compliance with legal provisions and the nature and extent of any services, other than the auditing services laid down in law, the firm may provide to the Coeclerici Group, either directly or through companies in its network. The outcome of its supervision is given in a report prepared pursuant to section 153 of the Italian Consolidated Law on Finance and is attached to the financial statements as an annexe.

Meetings and operation
The Statutory Auditors are provided with documentation regarding the items on the agenda of the Board of Directors Meetings. The Board of Directors also provides them with information on its activities and the most important transactions carried out by the Company and its subsidiaries from an economic, financial and balance sheet viewpoint, at least quarterly and in any case during the board meetings themselves.

Independent Auditing Firm

In accordance with the law and the Articles of Association, the Coeclerici SpA accounts are audited by an auditing firm entered in a special register held by Consob (Italian National Commission for Listed Companies and the Stock Exchange). This firm is appointed by the shareholders on the basis of a reasoned proposal presented by the Board of Statutory Auditors.
It has now become established practice for the financial statements of subsidiaries to be audited by the same firm that audits the Coeclerici financial statements, except in rare cases. In order to express its opinion on the consolidated financial statements, this firm also assumes responsibility for the work done by other auditors on the financial statements of subsidiaries, which totalled together make up an insignificant part of the assets and consolidated turnover.
The independent auditing firm in office is Deloitte & Touche SpA of Milan. Its appointment was confirmed for three accounting periods by the shareholders during the meeting of 21 December 2010.

While conducting its activities, the company's independent auditors have access to documents, computer information and data, archives and the property of the Company and its subsidiaries.

In order to protect the independence of the auditors, a special non-auditing assignment monitoring system has been set up. The general aim is not to entrust assignments other than those related to the account auditing pursuant to the law to the independent auditing firm or firms in its network, except for rare motivated exceptions for assignments related to activities not prohibited under Italian law. The Coeclerici Statutory Board of Auditors is in any case regularly informed of the assignments entrusted to the Group companies' independent auditing firm.

In compliance with the changes introduced by Italian Legislative Decree No. 39/2010 ("the Decree") on the publication of fees for auditing services required by law and for non-auditing services, the fees paid to the independent auditing firm for the 2010 financial statements may be broken down as follows:

- € 34 thousand for auditing the annual accounts as required by law, including € 15 thousand for additional auditing carried out following the implementation of the new Oracle ERP accounting system;
- € 17 thousand for auditing the consolidated accounts.

During the accounting period, no fees were paid for tax advice or services other than those mentioned above.

Internal Control System

The internal control system is the set of rules, procedures and organizational structures that aims to ensure that the company is managed in a sound and fair way in keeping with its objectives, through an appropriate process of identification, measurement, management and monitoring of major risks. An effective internal control system helps safeguard company assets and ensure the efficiency and effectiveness of operations, the reliability of financial information, and compliance with laws and regulations. The internal control system structure is an integral part of the company's organization and management model, and involves the administrative bodies, supervisory bodies, management and the entire staff in different roles.

For Coeclerici, the so called "risk culture" and its control contributes to characterizing and influencing the management's attitudes and choices in pursuing corporate goals and when reporting their results. In keeping with this, Coeclerici has long been committed to encouraging the increase and spread of awareness regarding internal control among all company employees.

In order to ensure the conditions for fair and sound company management in keeping with the strategies and objectives laid down, Coeclerici takes a preventive approach to risk management and seeks to guide management choices and activities with an eye to reducing the probability of negative events occurring and their impact. To this end, Coeclerici adopts risk management strategies that depend on the nature and kind of risk, as more extensively described in "Note 29 - Information on the risks that characterize the Group's business". The manner in which the management identifies, assesses, manages and monitors the specific risks inherent in corporate process management is governed by different regulatory, procedural and organizational instruments laid down in the corporate regulatory system. Since these instruments are permeated by risk culture, they are geared towards risk containment.

The internal control system is regularly reassessed and updated to make sure it is constantly suitable to safeguard against the main risks entailed in corporate activity, bearing in mind the particular features of its various operating sectors and organizational structure, as well as any new laws and regulations. The main changes made in 2010 are part of a natural evolutionary process aimed at continuously improving the effectiveness and efficiency of the system.

Reporting

Group companies prepare income and balance reports for communication and data sharing purposes. During monthly reporting, specific checks are performed on the accounting processes and their output data in order to identify and correct any errors that may affect the accuracy and completeness of financial reporting. These checks are carried out both on the routine processes performed during the year and on the non-routine processes primarily carried out when the annual accounts are closed.

OUTLOOK

The major international energy think-tank forecasts agree that coal will continue to be the most used fuel in electricity generation and will also play a key role in the global energy mix over the long term. In particular, coal will continue to be the dominant global fuel for power generation until 2035 with a 42% share (compared to 39% in 2009). Consumption will continue to grow mainly thanks to the developing Asian countries, especially China and India, which together account for the majority of the increase. Moreover, the recent events in Japan have posed serious questions about nuclear fuel as an energy source, and it is expected there will be a review of safety standards in 2011. The nuclear accident has resulted in the closure of many plants in Europe. The coal market should therefore gain an advantage in economic terms, and also be a leading player in the reconstruction of highly industrialized Japan.

It is expected that total Chinese imports of steam coal will reach 122 million tonnes in 2011, while demand for steam coal in India will grow to 810 million tonnes (a 137% rise) by 2025, driven by a 158% increase in installed capacity. Over the past two years, India and China have gone from being coal-exporting countries to being net importers.

The expected increase in the use of coal will provide millions of people who still live in poverty with access to electricity, thus improving the quality of their lives and increasing their economic well-being. More than half the world population (about 3.6 billion people) do not have adequate access to electricity, and the global population is expected to grow by another two billion people over the next two decades. Over the past twenty years, at least one billion people have had electricity thanks to coal-fired power stations, which have given them access to a valuable asset that has allowed them to improve the quality of their lives. For this reason, coal is considered a fuel that favours social equality, because it is found and accessible in over 100 countries with evenly distributed reserves all over the Earth's crust.

The Trading Division will therefore seek to exploit the opportunities described above and embark upon new development strategies. In connection with this, a new company, Coeclerici Americas Inc., was set up in January. Its task is to become a link with markets in the Americas and, in this way, develop new products such as steam coal and coking coal. Coal is the largest indigenous energy source in the United States, and the US is the second largest producer of coal (after China). Most of its production covers domestic needs, although in recent years imports from South America have risen owing to increasingly stringent environmental restrictions.
Our attention will however focus on maintaining the Russian coal business. In 2010, this business was affected by difficulties in procuring coal caused by government restrictions connected with safety at work owing to accidents in coal mines during May, and problems encountered with the availability of railway wagons for transporting coal from the mine to the port.
The strategy in the Far East aims to consolidate our presence in the markets developed during 2010, including by seeking to extend the product mix to comprise iron ore, for example, and by developing the collecting business, which entails picking up Indonesian steam coal from small producers and selling it on the Asian market.

Lastly, concerning the Mining Division, mining production will reach 800,000 tonnes in 2011 and 1 million tonnes in 2012 (compared to the current 600,000 tonnes) thanks to investments made during 2009 and 2010 aimed at improving the production capacity of the mine.

From the operational point of view, the Logistics Division will continue with the projects already under way. Completion of the Bulk Zambesi, the first of the two transhippers entailed in the new contract signed in Mozambique, is forecast in 2011, and the building of the second vessel, the Bulk Limpopo, is proceeding as planned. Completion of the Bulk Java floating transfer station is also expected as part of the Berau project. This station will be used to implement a contract in Indonesia with a major mining company as from July. Furthermore, from a commercial point of view, an important joint venture agreement was signed in February 2011 concerning the subsidiary PT Bulk Berau Indonesia and an important Indonesian mining company. This joint venture aims to become the largest offshore logistics company in the East Asia area, which extends from the Republic of the Union of Myanmar to Japan, including Indonesia, but excluding India and Russia. Lastly, again through PT Bulk Berau Indonesia, two new ten-year contracts were signed for coal transhipment operations in Muara Pantai (Indonesia) on behalf of the major mining company. The contracts entail the construction of two new transhippers (in addition to the Bulk Java floating transfer station at present under construction, as described earlier) with an estimated investment of $ 45 million. They are expected to be operational in July 2012 and January 2013 respectively.

In accordance with its role as Parent Company, Coeclerici SpA will continue its managerial coordination in 2011 so that the subsidiary companies may seek and take advantage of new business opportunities both overseas and in Italy. In particular, a contract for a new seven-year € 215 million syndicated credit line, to replace the current € 150 million one, is presently being negotiated with a consortium made up of major banks led again by Banca Carige SpA.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010 (thousand Euros)

ASSETS	(NOTES)	31-Dec-2010	31-Dec-2009	CHANGE
NON-CURRENT ASSETS				
Property, plant and equipment	1	129,858	59,113	70,745
Intangible assets	2	1,596	1,232	364
Interests in jointly controlled entities	3	711	314	397
Equity investments in other companies	3	6,679	6,677	2
Financial assets available for sale	3	7,176	2,657	4,519
Deferred tax assets	25	3,214	3,390	(176)
Other non-current assets	4	3,488	2,380	1,108
TOTAL NON-CURRENT ASSETS		152,722	75,763	76,959
CURRENT ASSETS				
Inventories	5	14,959	8,360	6,599
Trade receivables	6	52,507	36,191	16,316
Prepayments	7	36,906	22,277	14,629
Other receivables and current assets	7	9,484	11,971	(2,487)
Cash and cash equivalents	8	47,319	47,755	(436)
TOTAL CURRENT ASSETS		161,175	126,554	34,621
TOTAL ASSETS		313,897	202,317	111,580
NET EQUITY AND LIABILITIES				
NET EQUITY				
Shareholders' equity	9	64,440	60,174	4,266
Minority interests	9	6,527	6,452	75
TOTAL NET EQUITY		70,967	66,626	4,341
NON-CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	88,741	45,055	43,686
Provisions for liabilities and charges	11	13,743	11,906	1,837
Post-employment benefits	12	2,080	1,442	638
Deferred tax liabilities	25	5,955	4,915	1,040
Other non-current liabilities	13	0	3	(3)
TOTAL NON-CURRENT LIABILITIES		110,519	63,321	47,198
CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	75,023	35,376	39,647
Provisions for liabilities and charges	11	2,591	2,017	574
Trade payables	14	41,532	26,023	15,509
Other payables and current liabilities	15	13,265	8,954	4,311
TOTAL CURRENT LIABILITIES		132,411	72,370	60,041
TOTAL NET EQUITY AND LIABILITIES		313,897	202,317	111,580

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2010 (thousand Euros)

	(NOTES)	2010	2009	CHANGE
Revenues	16	468,520	441,300	27,220
Cost of sales	17	(404,853)	(399,467)	(5,386)
GROSS PROFIT		63,667	41,833	21,834
Selling, general and administrative expenses	18	(29,515)	(22,318)	(7,197)
Capital gains/losses on non-current assets	19	(475)	1,037	(1,512)
Profit/loss from jointly controlled entities	20	1,245	354	891
Other incomes/expenses, net	21	(1,399)	4,274	(5,673)
Depreciation and amortization	22	(7,220)	(6,360)	(860)
OPERATING PROFIT		26,303	18,820	7,483
Net financial income/expense	23	(2,283)	(3,672)	1,389
Exchange gains/losses	24	431	(1,376)	1,807
PROFIT BEFORE TAX		24,451	13,772	10,679
Income taxes	25	(7,777)	(2,999)	(4,778)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		16,674	10,773	5,901
Profit from discontinued operations	26	0	0	0
NET PROFIT		16,674	10,773	5,901
Attributable to Coeclerici Spa Shareholders		14,473	9,343	5,130
Attributable to minority interest		2,201	1,430	771

STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2010 (thousand Euros)

	(NOTES)	2010	2009	CHANGE
NET PROFIT		16,674	10,773	5,901
Differences from conversion of financial statements in currencies other than euros		(2,036)	122	(2,158)
Change in the fair value of assets available for sale	3	280	14	266
Change in the fair value of cash flow hedge *financial instruments*	28	(1,537)	(43)	(1,494)
Income tax relating to other income components		(77)	(4)	(73)
NET INCOME RECORDED DIRECTLY IN EQUITY		(3,370)	89	(3,459)
TOTAL COMPREHENSIVE INCOME		13,304	10,862	2,442
ATTRIBUTABLE TO:				
- Coeclerici SpA Shareholders		11,629	9,349	2,280
- minority interest		1,675	1,513	162

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2010 (thousand Euros)

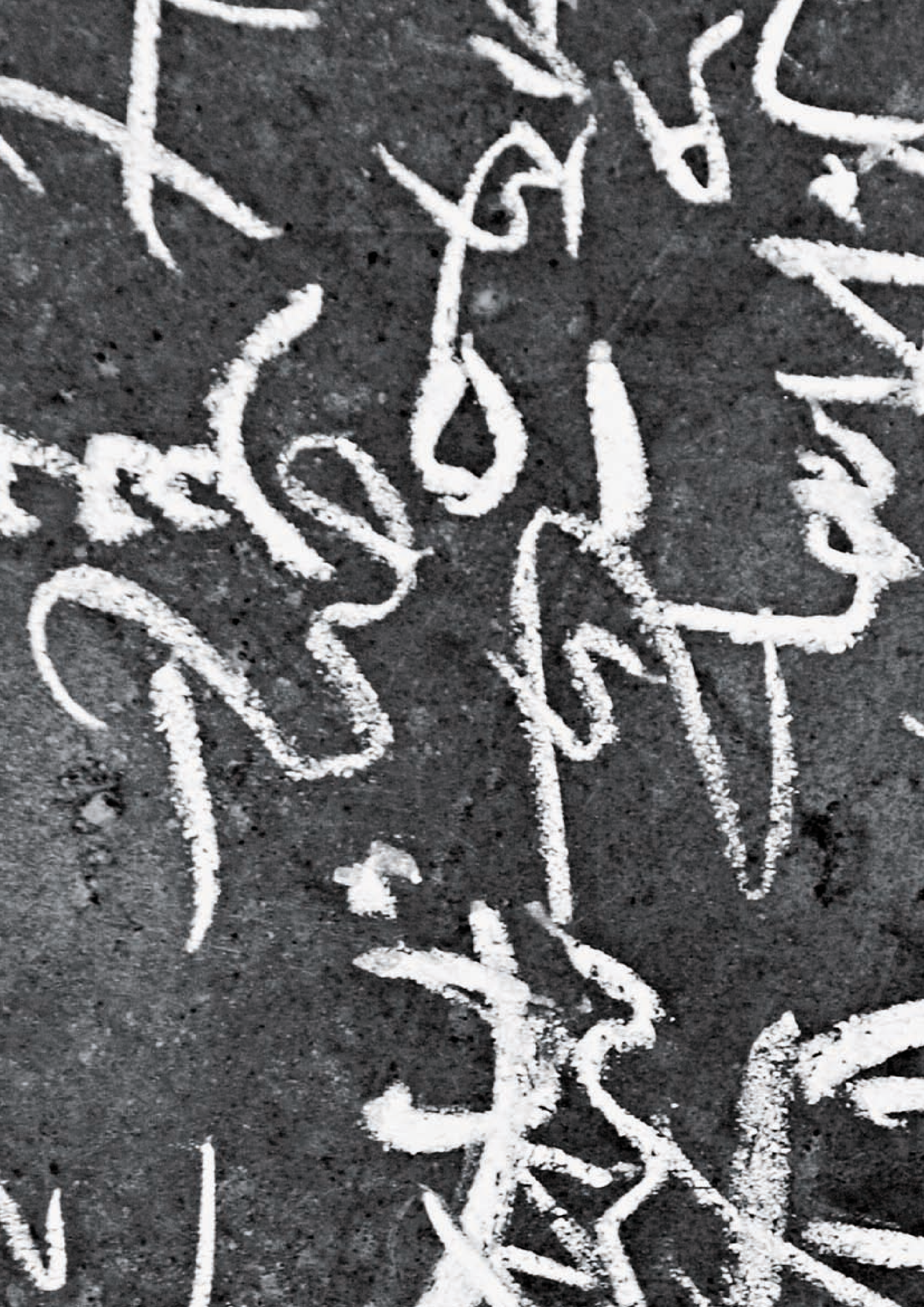
	SHARE CAPITAL	LEGAL RESERVE	TRANSLATION RESERVE	MERGER SURPLUS RESERVE	FINANCIAL INSTRUMENTS FAIR VALUE RESERVE	OTHER RESERVES	RETAINED EARNINGS	OPERATING PROFIT	TOTAL CC GROUP NET EQUITY	TOTAL MINORITY NET EQUITY	TOTAL NET EQUITY
Balances at 31 December 2008	**8,500**	**1,700**	**(3,338)**	**8,298**	**(70)**	**26,291**	**5,398**	**9,046**	**55,825**	**5,052**	**60,877**
Retained profit from 2008							9,046	(9,046)	0	0	0
Dividends paid							(5,000)		(5,000)	(1,530)	(6,530)
Net income recorded directly in equity			39		(33)				6	83	89
Effect of change in consolidation area(*)									0	1,417	1,417
Profit at 31 December 2009								9,343	9,343	1,430	10,773
Balances at 31 December 2009	**8,500**	**1,700**	**(3,299)**	**8,298**	**(103)**	**26,291**	**9,444**	**9,343**	**60,174**	**6,452**	**66,626**
Retained profit from 2009							9,343	(9,343)	0	0	0
Dividends paid							(5,000)		(5,000)	(1,854)	(6,854)
Capital increase	1,500			(1,500)					0	0	0
Net income recorded directly in equity			(1,305)		(1,537)				(2,842)	(529)	(3,370)
Effect of change in consolidation area(**)			2,806			(2,583)	(2,589)		(2,365)	257	(2,108)
Profit at 31 December 2010								14,473	14,473	2,201	16,674
Balances at 31 December 2010	**10,000**	**1,700**	**(1,798)**	**6,798**	**(1,640)**	**23,708**	**11,198**	**14,473**	**64,440**	**6,527**	**70,967**

(*) Proportional increase in the share capital of the Indian company CGU Logistic Limited (859 thousand) and the Venezuelan company Bulkguasare de Venezuela SA (558 thousand).

(**) The changes in the consolidation area refer to the deconsolidation of the American company Newport Trading & Services LLC, deconsolidation of the British company Swansea Marine Limited, deconsolidation of the Bulgarian company CC Steel Shipping and Logistics AD, consolidation of the Indonesian companies PT Bulk Berau Indonesia and PT Pelayaran Logistik Konversi Indonesia ("PLKI"), and the 15% decrease in minority interests in the equity of the Singaporean company Coeclerici Asia (Pte.) Ltd.

CASH FLOW STATEMENT AT 31 DECEMBER 2010 (thousand Euros)

	2010	2009
A CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	47,755	39,090
B CASH FLOW PROVIDED (ABSORBED) BY OPERATING ACTIVITIES		
Net operating profit	14,473	9,343
Minority interest profit	2,201	1,430
Depreciation of property, plant and equipment	6,754	6,214
Amortization of intangible assets	466	146
Capital gains/ losses on non-current assets	-	(1,037)
Share of profits from equity investments measured using the net equity method	(1,245)	(354)
Net change in provisions	2,411	(2,357)
Net change in post-employment benefits	638	213
Net change in deferred taxes	1,216	(2,455)
Change in inventories	(6,599)	12,029
Change in trade payables	(16,316)	13,217
Change in trade receivables	15,509	(7,557)
Other changes in working capital	(15,405)	10,687
CASH FLOW PROVIDED (ABSORBED) BY OPERATING ACTIVITIES (B)	4,103	39,519
C CASH FLOW PROVIDED (ABSORBED) FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment	(76,119)	(6,542)
Investments in intangible assets	(915)	(992)
Disposal of property, plant and equipment and relative gains / losses	1,141	2,587
Disposal of intangible assets and relative gains / losses	571	8
Change in other non-current assets	1,345	1,193
Equity investments available for sale	(4,519)	(34)
Investments in other companies net of write-off	(2)	(1,127)
Dividends received from jointly controlled entities	850	650
CASH FLOW PROVIDED (ABSORBED) FROM INVESTING ACTIVITIES	(77,648)	(4,257)
D CASH FLOW PROVIDED (ABSORBED) FROM FINANCING ACTIVITIES		
Change in current financial receivables	(1,142)	(1,644)
Net change in non-current financial payables	43,686	(904)
Change in current financial payables	39,647	(15,033)
Interest paid	(2,228)	(2,486)
Dividends paid	(5,000)	(5,000)
Dividends paid to minority interest	(1,854)	(1,530)
CASH FLOW PROVIDED (ABSORBED) FROM FINANCING ACTIVITIES (D)	73,109	(26,597)
E TOTAL CASH FLOWS GENERATED (ABSORBED) (E = B + C + D)	(436)	8,665
F CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A + E)	47,319	47,755



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PRINCIPLES USED IN DRAWING UP THE FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2010 were drawn up in compliance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. The acronym IFRS also refers to all the reviewed international accounting standards ("IASs") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formally known as the Standing Interpretations Committee ("SIC").

The financial statements have been prepared under the historical cost convention, modified as required in order to evaluate some financial instruments.

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

The consolidated financial statements at 31 December 2010 consist of a balance sheet, an income statement, a statement of comprehensive income, a statement of changes in net equity accounts, a cash flow statement and notes. They were drawn up on the basis of the financial statements of the parent company and Italian and foreign subsidiaries in which Coeclerici SpA either directly or indirectly holds majority voting rights, owns a controlling interest, or from which it may receive benefits by virtue of its power to control financial and operating policies.

The financial statements at 31 December 2010 were used to draw up the consolidated financial statements. The entries in the financial statements were adjusted, where necessary, in order to comply with the consolidation standards and bring them into line with the International Financial Reporting Standards ("IFRS").

Financial statement models

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

The balance sheet was drawn up according to IAS 1 by classifying assets and liabilities according to the "current/ non-current" criteria.

Current assets are considered as such when they are expected to be realized during the company's normal operational cycle, in other words within twelve months of the date of the financial statements. Inventories and trade receivables are included as current assets.

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

Current liabilities are items that are expected to cease within the company's normal operational cycle, in other words within twelve months of the date of the financial statements.

Trade payables are included as current liabilities.

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

CONSOLIDATION PRINCIPLES

Subsidiaries

These are firms that the Group controls, as defined by IAS 27 – Consolidated and Separate Financial Statements. Control exists when the Group has the direct or indirect power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until such time as that control ceases to exist. The amounts of net equity and profit attributable to minority shareholders are shown separately in the consolidated balance sheet and income statement. Where necessary, adjustments have been made to the financial statements of subsidiaries to bring their accounting policies in line with those adopted by the Group.

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

Jointly controlled entities

These are firms over whose business the Group has joint control as defined in IAS 31 – Interests in Joint Ventures. The consolidated financial statements include the share of the profits of jointly controlled entities attributable to the Group, measured using the net equity method, from the date on which joint control starts until the moment it ceases to exist. If the share of losses attributable to the Group exceeds the book value of the equity investment in the financial statements, the value of the equity investment is zeroed 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 net equity method, from the date on which considerable influence starts until the moment it ceases to exist. If the share of losses attributable to the Group exceeds the book value of the equity investment in the financial statements, the value of the equity investment is zeroed 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.

Investments in other companies

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

Transactions eliminated during consolidation

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

Foreign currency transactions

Items originally expressed in foreign currency are converted into Euros 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 into Euros 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 loan granted to the subsidiary Coeclerici Mozambique 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 US Dollars using two supramax vessels whose building is financed with a medium-term loan in US Dollars. According to this contract, the revenues generated are not converted into Euros unless they exceed the three-monthly loan repayment instalment due, and in that case only the part in excess is converted. 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 dollars. It is expected, and it shall be periodically checked, that the contract will give rise to revenues in dollars that are greater than the payments required to pay back the loan.

ACCOUNTING POLICIES

The most significant accounting principles adopted when preparing the consolidated financial statements at 31 December 2010 are illustrated below.

Property, plant and equipment

Tangible fixed assets are entered at cost price or production cost and are not written up.
Any costs incurred after purchase are included only if they increase the future economic benefits inherent in the asset they refer to. All other costs are 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:

	RATES OF DEPRECIATION
Buildings	3%
Plant and machinery	10% - 20%
Other tangible assets	12% - 25%

Land is not depreciated.

Fleet depreciation is measured on the basis of the cost of each vessel, decreased by the amount it is estimated could be gained from ship-breaking, based on an assumed useful life of 25 years for the hull, 15-20 years for the engines, 10-15 years for cranes and conveyor belts and 5 years for all components subject to renovation or replacement during routine dry-dock maintenance.
"Mining reserves" are determined on the basis of an assessment of the fair value of the coal reserves conducted at the moment the mine was purchased, in keeping with IFRS 3 (Business Combinations). The mine exploitation license will expire in 2017. 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 zero 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 special provisions for liabilities that are used when amounts are paid out to reclaim the sites.
"Assets under construction and advances" include all investments that have not yet become part of the production process.

Intangible assets

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

Goodwill

If companies are taken over, their acquired and identifiable assets, liabilities and potential liabilities are recorded at their fair value on the takeover date.
If the difference between the takeover price and the fair value of the share of the assets and liabilities held by the Group is positive, this difference is classified as goodwill and is entered in the financial statements as an intangible asset. 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 is tested for impairment annually, or whenever specific events or changes in circumstances suggest it may have been impaired. After initial determination, goodwill is calculated as the purchase price 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 1 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 mining a 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 impairment 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.
A contract is classified as a financial lease on the basis of the contract requirements and/or the asset involved. Payments made under operational lease contracts are recorded in the income statement on a straight-line basis over the whole length of the contract.

Asset impairment loss

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 evidence of impairment, 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.

Financial assets available for sale

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 for hedging purposes. In keeping with IAS 39, financial derivatives may be recorded according to the methods laid down for hedge accounting only if (i) there was a formally designated and documented hedging relationship when hedging began, (ii) it is presumed that the hedging is highly effective, (iii) effectiveness may be reliably measured, and (iv) 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 derived financial instrument is designated to hedge the exposure to changes in the 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 fair value of the hedging instrument is recorded in 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 derived financial instrument 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 derived financial instrument 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 which stem from a fair value assessment of a derived financial instrument are immediately recorded 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 either at 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; 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 occur.

Post-employment benefits
Post-employment benefits are calculated according to IAS 19. The post-employment benefit reserve is considered 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 as from 2007 excludes the component relating to future pay increases only for employees who voluntarily exercised the

options laid down in the above mentioned law. The difference resulting from the new calculation is treated as a "curtailment" according to paragraph 109 of IAS 19 and was consequently recorded in the income statement in the first six months of 2007.
Amounts of post-employment benefit falling due for employees from the moment they exercise the option are considered 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.

Capital grants

Capital grants obtained in accordance with Italian law 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 amortized.

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 immovable property and on 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 in force or de facto rates at the year ending date.
Deferred taxes are set aside according to the overall liability allocation method. They are calculated on all 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 presents considerable figures relating to tangible and intangible assets. It establishes the useful lives of assets and determines whether they have deteriorated (in order to decide whether the company should write them down), and this 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 chances the assets have to generate 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 and 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.

On 28 January 2010, the Russian company LLC Coeclerici Logistics Russia was set up. It is 100% controlled by Capo Noli Transportes Maritimos Lda. Thanks to the contribution of the Bulk Kremi I floating transfer station, now flying a Russian flag, the company started carrying out transhipment operations in Caucasian waters (Russia) in June.

On 18 February 2010, the American subsidiary Newport Trading & Services LLC was liquidated and deleted from the New York business and trade register. The deconsolidation of the company led to writing off € 148 thousand in assets.

On 24 March 2010, the Russian subsidiary LLC Coeclerici Russia was set up. It is 99% controlled by Coeclerici Coal and Fuels SpA. The company deals with coal logistics management in Russia.

On 8 April 2010, 50% of the share capital of the company Kyla Charter Transportes Maritimos Lda was sold to Donmar Corporation, belonging to the Transship Group. As a result of this transfer and the consequent joint control of Kyla Charter Transportes Maritimos Lda, the equity investment was consolidated using the equity method as of the date of transfer.

On 2 June 2010, the British company Swansea Marine Limited was liquidated. The deconsolidation of the company led to writing off € 149 thousand in assets.

On 16 June 2010, the company CF Service SA merged into its direct holding company Coeclerici Compagnie SA. The effects of the merger are backdated to 1 January 2010.

On 29 July 2010, 49% of the share capital of the Indonesian company PT Bulk Berau Indonesia was bought for

€ 1,192 thousand, equal to the net equity of the purchased company.

On 4 August 2010, 49% of the capital of the Indonesian company PT Pelayaran Logistik Konversi Indonesia "PLKI" was bought for € 713 thousand, equal to the net equity of the purchased company.

On 1 October 2010, a 51% stake in the Bulgarian company CC Steel Shipping and Logistics AD was sold at book value. Deconsolidation of the company had a positive effect on the financial statements amounting to € 349 thousand.

On 2 November 2010, the Russian company LLC Zapadny Ugol was set up with a share capital of RUB 31,070 thousand. The assets and exploitation licence of the Zapadny mine were transferred to this 100% owned subsidiary of OAO Kisk.

On 14 December 2010, the Dutch company Somocar International N.V. was put into liquidation. The liquidation and deletion of the company is scheduled for April 2011.

On 15 December 2010, Coeclerici Coal and Fuels SpA bought a 15% stake in the indirect subsidiary Coeclerici Asia (Pte.) Ltd. Furthermore with effect from 30 December 2010, Coeclerici Coal and Fuels SpA bought a further 85% stake in the capital of the subsidiary Coeclerici Compagnie SA. This transfer of shares did not have effects on the consolidated financial statements. At 31 December 2010, Coeclerici Coal and Fuels SpA held a 100% shareholding in Coeclerici Asia (Pte.) Ltd.

With effect from 30 December 2010, the Portuguese companies Coeclerici Coal and Fuel Asia Consultoria Economica Lda and Log Service Transportes Maritimos Lda were liquidated and deleted from the Madeira business and trade register.
Again with effect from 30 December 2010, the subsidiary Coeclerici SpA merged into your company Cocler SpA, which changed its name to Coeclerici SpA on the same date and succeeded to the rights and obligations of the merged company. The Coeclerici Group control chain was simplified through this merger.

OTHER INFORMATION

Accounting principles, amendments and interpretations applied since 1 January 2010

Except for the amendments to IAS 27 (described below), there are no other accounting standards, amendments and interpretations that have been applied for the first time by the Group since 1 January 2010 that led to significant effects on the Group's financial statements.
The amendments to IAS 27 (2008) - Consolidated and Separate Financial Statements - mainly concern the accounting treatment of transactions or events that change the equity stake in subsidiaries and the allocation of the subsidiary's losses to minority interests. The Group adopted these amendments to IAS 27 prospectively, in accordance with the transition rules laid down in the principle, and reported effects on the accounting treatment of some minority acquisitions and disposals in subsidiaries.
IAS 27 (2008) states that, once control has been gained of an entity, transactions in which the holding company acquires or disposes of minority shares without changing the control it exercises over the subsidiary itself are considered transactions with shareholders and therefore should be recognized in equity. Therefore, any difference between the size of the adjustment made to minority interests and the fair value of the price paid or received in the corresponding transaction is recorded directly in equity and attributed to the shareholders of the holding company. No adjustment to goodwill, gains or losses shall be recognized in the income statement.
Following the adoption of the amendment described above, the Group recorded a € 2.5 million decrease in equity in 2010 on account of the increase in the share capital of the subsidiary Coeclerici Asia (Pte.) Ltd. The

adoption of this principle did not have significant effects on the 2010 income statement.

Accounting principles, amendments and interpretations effective since 1 January 2010 and not relevant to the Group

The following amendments, improvements and interpretations, effective since 1 January 2010, apply to cases that do not occur in the Group on the date of these financial statements. However they might have accounting effects on future transactions or agreements:

- Amendments to IFRS 3 (2008) - Business Combinations.
- Improvements to IFRS 5 (2008) – Non-Current Assets Held for Sale and Discontinued Operations.
- Amendments to IAS 28 - Investments in Associates and IAS 31 - Interests in Joint Ventures, following the amendments made to IAS 27.
- Improvements to IAS/IFRS (2009).
- Amendment to IFRS 2 - *Share-based payment: Group Cash-settled Share-based Payment Transactions.*
- IFRIC 17 - *Distributions of Non-cash Assets to Owners.*
- IFRIC 18 - *Transfer of assets from customers.*
- Amendment to IAS 39 - *Financial Instruments: Recognition and Measurement: Eligible Hedged Items.*

Accounting principles, amendments and interpretations not yet applicable and not adopted in advance by the Group

- On 8 October 2009, the IASB issued an amendment to IAS 32 - *Financial Instruments: Exposure Draft: Classification of Rights Issues.* This amendment shall be applied from 1 January 2011.
- On 12 November 2009, the IASB issued IFRS 9 - *Financial Instruments:* the same principle was then emended on 28 October 2010. The principle is applicable from 1 January 2013.
- On 26 November 2009, the IASB issued a minor amendment to IFRIC 14 - *Prepayments of a Minimum Funding Requirement.* The amendment shall be applied from 1 January 2011.
- On 26 November 2009, the IFRIC issued IFRIC 19 - *Extinguishing Financial Liabilities with Equity Instruments.* This interpretation shall be applied from 1 January 2011.
- On 6 May 2010, the IASB issued a series of IFRS amendments (improvements) which shall apply from 1 January 2011. The following are those that will lead to changes in the presentation, recognition and measurement of financial statement items, excluding those that will only lead to changes in terminology and therefore have minimal effects in accounting terms:
  - IFRS 3 (2008) – *Business Combinations;*
  - IFRS 7 – *Financial Instruments: Disclosures;*
  - IAS 1 – *Presentation of Financial Statements;*
  - IAS 34 – *Interim Financial Reporting.*

It is believed that the adoption of the accounting principles, amendments and interpretations listed above will not result in significant effects on the Group's financial statements even if, in some cases, the competent European Union bodies have not concluded the approval process required for application of the new principle.

NOTES TO THE FINANCIAL STATEMENTS

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

Property, plant and equipment (Note1)

LThe changes that occurred in property, plant and equipment over the course of 2010 are summarized in the following table:

	FLEET	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER ASSETS	COAL RESERVES	CLEANUP AND RESTORATION COSTS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
Balance at 31 December 2008	**31,113**	**3,902**	**3,666**	**2,769**	**18,124**	**614**	**912**	**61,100**
Additions	202	290	2,279	671	0	59	3,042	6,542
Disposals	(111)	(830)	(162)	(25)	0	0	(653)	(1,782)
Depreciation	(2,585)	(14)	(867)	(562)	(2,115)	(72)	0	(6,214)
Exchange adjustments	583	(135)	(213)	15	(834)	(29)	79	(534)
Balance at 31 December 2009	**29,202**	**3,212**	**4,703**	**2,867**	**15,176**	**572**	**3,381**	**59,113**
Increases	3,989	650	941	734	0	1,918	67,888	76,119
Decreases	(526)	0	(22)	(132)	0	0	(462)	(1,141)
Depreciation	(2,458)	(54)	(1,480)	(960)	(1,737)	(65)	0	(6,754)
Reclassifications	2,546	0	1,727	1,735	0	0	(6,008)	0
Exchange adjustments	1,409	184	272	74	886	33	(337)	2,519
Balance at 31 December 2010	**34,162**	**3,992**	**6,141**	**4,318**	**14,325**	**2,458**	**64,462**	**129,858**

"Fleet" came to € 34,162 thousand (€ 29,202 thousand at 31 December 2009) and is shown less the capital grants stemming from Italian laws No. 488/1992 and No. 341/1995, amounting to a total of € 949 thousand at 31 December 2010 (€ 1,028 thousand at 31 December 2009). These capital grants were received to build the Bulk Irony floating transfer station, owned by the subsidiary Terminal Offshore Piombino SpA, and are released into the income statement over the useful life of the vessel. The 2010 depreciation is therefore shown less the portion of the grants already released into the income statement, amounting to € 79 thousand. The increase for the period may be chiefly ascribed to the completion of the three Venezuelan barges belonging to the subsidiary Bulkguasare de Venezuela SA, and improvements made to vessels during the year to make sure they continue to operate at their best. The decrease for the period is instead attributable to the replacement of two cranes and a conveyor belt on the "Bulk Pioneer" floating transfer station in September.

Some of the vessels in the fleet are mortgaged, as mentioned in "Note 10 – Interest bearing liabilities and borrowings". Furthermore, the three barges owned by the Group's subsidiary Bulkguayana SA, with a net book value of € 1,690 thousand at 31 December 2010, were once again seized by the Venezuelan authorities in the wake of a new law that came into force during 2009. The company has already initiated all possible commercial and legal measures in order to recover them. However, on account of the unlawful but repeated seizure of the three barges, the company decided to make a claim for insurance compensation, according to a specific insurance policy taken out with the leading insurance company Sace SpA.

"Land and Buildings" valued at € 3,992 thousand (€ 3,212 thousand at 31 December 2009) includes € 3,028 thousand (RUB 123.6 million) corresponding to the value of 11,870,400 square metres of land in the Kemerovo region, adjacent to the mine and useful for the mine's operation. The land belongs to the Russian company "Selskohozyaistvennoe predpriyatie Taylepskoe" ("Taylepskoe"), a subsidiary fully controlled by the Russian company OOO Delta Property. This item also includes € 325 thousand (RUB 13,285 thousand) corresponding to the value of the buildings belonging to the Russian mining company OAO Kisk. € 365 thousand of the period increase refers to the purchase by the indirect subsidiary Coeclerici Asia (Pte.) Ltd of new representative offices in Sydney (Australia) and € 275 thousand to the purchase of new offices in Novokuznetsk (Russia) by the indirect subsidiary LLC Coeclerici Russia.

"Plant and machinery", amounting to € 6,141 thousand (€ 4,703 thousand at 31 December 2009), increased by € 2,668 thousand mainly due to the new machinery purchased or completed at the Russian mine belonging to the indirect Russian subsidiary OAO Kisk in order to increase the productivity of the mine itself. This item includes € 887 thousand (RUB 36,194 thousand) in assets under leasing agreements (new Komatsu excavators), less depreciation of € 421 thousand (RUB 16,989 thousand) and the € 67 thousand effect of the exchange rate. Refer to "Note 10 - Interest bearing liabilities and borrowings" for information on the remaining payables connected to these leasing contracts (1,234 thousand).

"Other assets" came to € 4,318 thousand (€ 2,867 thousand at 31 December 2009). They increased by € 2,469 thousand less the period depreciation (€ 960 thousand), decreases (€ 132 thousand) and exchange rate differences (€ 74 thousand). The € 2,469 thousand increase mainly includes € 1,515 thousand in new vehicles used at the Russian mine owned by the indirect subsidiary OAO Kisk, and new furniture, furnishings and electronic office equipment, € 632 thousand of which entered by Coeclerici SpA and € 167 thousand by the indirect subsidiary Coeclerici Asia (Pte.) Ltd.

"Coal reserves" amounted to € 14,325 thousand (€ 15,176 thousand at 31 December 2009) equal to RUB 585 million. They are exclusively attributable to the value of the coal reserves belonging to the Russian mining company OAO Kisk purchased by the Group during the first six months of 2008.

The "cleanup and restoration costs" are recorded as a separate item from the coal reserves in compliance with IAS 16. They consist of € 2,458 thousand at 31 December 2010 (€ 572 thousand at 31 December 2009) in costs to be incurred for reclaiming the site when the mines are closed. The € 1,918 thousand increase for the period refers to the adjustment made during the year on the basis of new estimates made by expert surveyors. The provisions for liabilities have been increased to set off this rise, as commented on in "Note 11 - Provisions for liabilities and charges".

Fixed assets under construction amounted to € 64,462 thousand (€ 3,381 thousand at 31 December 2009). They increased by € 67,888 thousand less € 462 thousand in decreases, € 6,008 thousand in reclassifications and € 337 thousand in negative exchange rate differences. This item mainly includes € 56,421 thousand in payments on account from Coeclerici Mozambique SpA to the Chinese shipyard to build two transhippers, and € 9,416 thousand from Capo Noli Transportes Maritimos Lda for the Berau project to build the Bulk Java floating transfer station.

The depreciation of the tangible assets for the year was € 6,754 thousand.

Intangible assets (Note 2)

The changes in intangible assets which occurred during 2010 are summarized in the following table:

	GOODWILL	OTHER FIXED ASSETS	FIXED ASSETS UNDER CONSTRUCTION	TOTAL
Balance at 31 December 2008	**191**	**235**	**0**	**426**
Additions	0	132	828	960
Impairments	0	0	(8)	(8)
Amortisation	0	(146)	0	(146)
Balance at 31 December 2009	**191**	**221**	**820**	**1,232**
Additions	0	749	166	915
Impairments	0	(96)	0	(96)
Reclassifications	0	979	(979)	0
Exchange adjustments	0	11	0	11
Amortisation	0	(466)	0	(466)
Balance at 31 December 2010	**191**	**1,398**	**7**	**1,596**

The € 191 thousand in "goodwill" at 31 December 2010 refers entirely to the surplus value stemming from purchase of a 60% stake in the indirect subsidiary Coeclerici Asia (Pte.) Ltd, which occurred during 2007. From the analyses made when the consolidated financial statements at 31 December 2010 were prepared, it was not considered necessary to decrease the value of the original amount entered as goodwill when the stake was purchased.

"Other fixed assets" mainly consist of leasehold improvements and the costs of capitalizing software licences. Leasehold improvements are amortized over the period of the lease contracts. Other intangible fixed assets are amortized over a period of five years.

"Fixed assets under construction" decreased by € 979 thousand over the year owing to the reclassification of costs relating to implementing the new ERP Oracle accounting system, in use as of the 2010 accounting period.

The amortization of the intangible assets for the year was € 466 thousand.

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

The item consisted of the following:

	31 December 2010	31 December 2009
Other companies	6,679	6,677
Assets available for sale	7,176	2,657
Jointly controlled entities	711	314
Total	**14,566**	**9,648**

At 31 December 2010, "Other companies" had changed by a net € 2 thousand compared to the amount entered at 31 December 2009, and consisted of:

	31 December 2010	31 December 2009
Ambienta SGR SpA	9	9
Coeclerici Logistics (India) Ltd (in liquidation)	0	0
Consorzio Armatori per la Ricerca (Cons.A.R.)	5	3
Consorzio per lo studio e ricerca	10	10
Dharamtar Infrastructure Limited	1,167	1,167
Telemar SpA	434	434
United Shippers Limited	5,053	5,053
Others	1	1
Total other companies	**6,679**	**6,677**

The € 2 thousand increase refers to the equity investment in "Consorzio Armatori per la Ricerca (Cons.A.R.)", which carries out research and provides advanced services to Italian shipping, owing to an increase in capital.

On 20 September 2010, addendum No. 2 to the shareholders' agreements of the Indian port logistics company United Shippers Limited (USL) was signed. It modifies, among other things, the terms of the put option which Coeclerici Logistics SpA has on the resale of its 7.5% stake in the company at a price in line with the purchase price. The deadline for exercising the put option is 31 May 2011. The assessments regarding the exercise of this option have not yet been made. The last financial statements approved by USL relating to the accounting period that closed on 31 March 2010 reported a net equity of € 33,728 thousand (1,922,277 thousand Rupees) and a profit for the period of € 3,870 thousand (236,202 thousand Rupees).

At 31 December 2010, the "Financial assets available for sale" that are likely to remain permanently among the company assets, consist of:

	31 December 2010	31 December 2009
Banca Carige SpA	128	153
Banca Carige SpA - Bonds	18	0
Banco Popolare S.C.	11	17
Fondo Ambienta I	1,230	600
Hao Capital Fund II L.P.	264	248
Vallar PLC	3,886	0
Value Secondary Investments SICAR	1,639	1,639
Total financial assets available for sale	**7,176**	**2,657**

During 2010, this item increased by a total of € 4,519 thousand (less € 16 thousand in exchange rate differences relating to the Hao Capital Fund II L.P.), as follows:

- € 25 thousand decrease owing to the adjustment to market value of 81,983 shares in Banca Carige SpA worth € 1.57 each, with simultaneous € 25 thousand decrease in the "Reserve for the fair value of financial instruments" (see equity), less € 7 thousand in tax effect;
- € 18 thousand increase due to the subscription of 7,453 bonds convertible into shares issued by Banca Carige SpA worth € 2.4 each;
- € 6 thousand decrease owing to the adjustment to market value of 2,697 shares in Banco Popolare S.C. purchased in 2008 for € 9.27 each; their unit value at 31 December 2010 was € 4.02 (€ 5.27 at 31 December 2009);
- € 630 thousand increase due to the subscription of shares in the private equity closed-end fund Ambienta I;
- € 3,886 thousand increase due to the purchase of 300,000 ordinary shares with a par value of GBP 1 in Vallar PLC, with registered offices in Jersey, quoted on the London Stock Exchange's main market at a price of GBP 10 per share (GBP 3,000 thousand in total). Vallar PLC was set up to invest in companies working in the interesting commodities market, particularly in the mining and metals sector. In November 2010, it purchased 25% of PT Bumi Resources Tbk and 75% of PT Berau Coal Energy Tbk.

Further information regarding the private equity funds Ambienta, Hao Capital II L.P. and Value Secondary Investments SICAR is provided in "Note 30 – Obligations and guarantees".

The jointly controlled entities measured using the equity method changed in the following ways during 2010:

	KIDECRANE	KYLA	VIANNLOG	TOTAL
Balance at 31 December 2008	**1,040**	**0**	**609**	**1,649**
2009 profit	0	0	355	355
Dividends paid	0	0	(650)	(650)
Sale of investments	(1,040)	0	0	(1,040)
Balance at 31 December 2009	**0**	**0**	**314**	**314**
2010 profit	0	1,265	(20)	1,245
Dividends paid	0	(550)	(300)	(850)
Change in consolidation area	0	2	0	2
Balance at 31 December 2010	**0**	**717**	**(6)**	**711**

The equity holding in Kidecrane Transportes Maritimos Lda was transferred to the partner Louis Dreyfus Armateurs SAS on 31 December 2009 at an agreed price of USD 2,600 thousand (€ 1,805 thousand). This generated a capital gain of € 765 thousand, which was recorded in 2009 under "Note 19 - Capital gains/losses on non-current assets".

A 50% stake in the indirect subsidiary Kyla Charter Transportes Maritimos Lda was sold in 2010 to Donmar Corporation, a company in the Transhipp Group, for € 2 thousand. The company became jointly controlled on account of this transfer, and was consolidated using the net equity method.

The indirect subsidiary Viannlog Consultoria Economica Lda is 50% held by the Coeclerici Group and 50% by Finaval Holding SpA. The company holds a 100% stake in the share capital of Mediterranean Bulk System NV, which works in the raw materials port logistics sector, specializing chiefly in coal transport. Through its above mentioned subsidiary, it provides assistance at the port of Koper (Slovenia) to unload Panamax ships and temporarily store materials that are subsequently loaded onto shuttle-vessels destined for Italian ports.

Other non-current assets (Note 4)

This item consisted of:

	31 December 2010	31 December 2009
Receivables transferred to factoring companies	0	1,351
Other receivables	1,601	459
Receivables for advance payment of post-employment benefit	45	41
Tax receivables	2,299	366
Guarantees and deposits	755	610
Provision for other bad debts	(1,212)	(447)
Total other non-current assets	**3,488**	**2,380**

The remaining balance of € 1,351 thousand in tax receivables transferred with recourse to Mediofactoring SpA in 1997 has been reclassified among the tax receivables on account of the action for recovery carried out by the company.

The "Other receivables" for € 1,601 thousand refers to loans granted to third parties connected with Group activities carried out in Indonesia. The interest rate applied is the six-month Libor rate plus a spread.

"Tax receivables" amounted to € 2,299 thousand. This figure increased by € 1,933 chiefly due to the reclassification of € 1,351 thousand in receivables previously transferred to a factoring company, as mentioned above, and as a consequence of amounts paid for disputed provisional tax assessments (€ 645 thousand).

"Guarantees and deposits" amounted to € 755 thousand. This item includes € 667 thousand (INR 39,871 thousand) deposited with the Indian customs authority while awaiting settlement of a dispute regarding the payment of customs import duties on the FTS Bulk Prosperity. This figure increased by € 87 thousand compared to 31 December 2009 owing to exchange rate effects and makes up 50% of the € 1,334 thousand total guarantees paid to the Indian customs authorities (INR 79,742 thousand). It also includes € 56 thousand in caution money paid to the Bulgarian judicial authorities on account of disputes under way for the seizure of a cargo of materials.

The "Provision for other bad debts" came to € 1,212 thousand. This figure increased by € 765 owing to the reclassification of provisions for liabilities and charges amounting to the same figure.

Inventories (Note 5)

At 31 December 2010, the € 14,959 thousand in inventories (€ 8,360 thousand at 31 December 2009) consisted of:

	31 December 2010	31 December 2009
Goods	14,305	8,082
Consumables	654	278
Total inventories	**14,959**	**8,360**

"Goods" consisted of the following:

	31 December 2010		31 December 2009	
	TONNES	€/000	TONNES	€/000
Coal at the port	210,387	13,041	203,330	7,528
Coal at the mine	65,495	1,264	55,839	384
Anthracite at the port	0	0	1,957	170
Total goods	**275,882**	**14,305**	**261,126**	**8,082**

The value of the coal inventories at 31 December 2010 increased by € 6,223 thousand both owing to the increase in prices and tonnes in inventory (up 14,756 tonnes on 2009) and to the change in the inventory product mix at the year-end date.

The € 377 thousand rise in "Consumables" is mainly attributable to the increase in spare parts for the Bulk Prosperity floating transfer station.

Trade receivables (Note 6)

This item amounted to € 52,507 thousand (€ 36,191 thousand at 31 December 2009) and consisted exclusively of receivables from customers stemming from normal trading operations; it is shown less the € 490 thousand provision for bad debts at 31 December 2010 (€ 441 thousand at 31 December 2009).
The increase in trade receivables compared to 2009 may be attributed to the combined effect of the greater turnover produced by the Trading Division (€ 17,145 thousand) during December 2010 compared with the same month of the previous year and a higher coal reference price than in 2009. The Logistics Division's customer credit exposure is instead down by € 882 thousand, although in the first quarter of 2011 the indirect Venezuelan subsidiary Bulkguasare de Venezuela SA experienced delays in payments owing to more stringent currency regulations that only allow payments in local currency (Venezuelan Bolivares).

Trade receivables at 31 December 2010 may be broken down by due date as follows:

	31 December 2010	31 December 2009
Invoices to be issued	5,876	798
Receivables not yet due	39,829	27,707
Due < 60 days	7,009	7,052
Due < 180 days	262	899
Due < 365 days	17	25
Due > 1 year	4	151
Provision for bad debts	(490)	(441)
Total trade receivables	**52,507**	**36,191**

The changes in the provision for bad debts during 2010 were as follows:

Provision for bad debts at 31 December 2009	**(441)**
Allocations	(46)
Uses	26
Exchange rate differences	(29)
Provision for bad debts at 31 December 2010	**(490)**

Prepayments and other receivables and current assets (Note 7)

This item consisted of:

	31 December 2010	31 December 2009
Payments on account to suppliers	36,906	22,277
Other receivables	1,357	4,917
Receivables relating to the fair value of financial instruments	142	49
Tax receivables	4,653	4,520
Receivables from the holding company	1,255	9
Receivables from joint ventures	78	150
Prepayments and accrued income	1,999	2,326
Total prepayments and other receivables and current assets	**46,390**	**34,248**

"Payments on account to suppliers" amounted to € 36,906 thousand at 31 December 2010 (€ 22,277 thousand at 31 December 2009) and refer mainly to down payments to Russian suppliers for the purchase of coal delivered during the months following 31 December 2010. The increase in payments on account compared with the previous accounting period is due both to the increase in prices compared with 2009 and the greater advance payments made to suppliers for purchases with delivery dates beyond the normal terms.

The € 1,357 thousand in "other receivables" (€ 4,917 thousand at 31 December 2009) refer to receivables of various nature, including:

- € 382 thousand ($ 510 thousand) in financial receivables from a loan granted at normal market conditions to the indirect associated company United Shipping DMCEST. Interest is charged on this loan at the six-month Libor rate plus a spread. The principal will be repaid in a lump sum in December 2011;
- € 253 thousand relating to a loan granted in 2005 by the indirect subsidiary Rozko to the Russian company Ugol;
- € 117 thousand referring to receivables which the indirect subsidiary OAO Kisk is due to collect from the Russian customer Energougol, with which a repayment plan has been agreed;
- € 125 thousand referring to an insurance reimbursement in connection with damaged components on the Bulk Prosperity floating transfer station belonging to the indirect subsidiary CGU Logistic Limited;
- € 61 thousand relating to the assets transferred by Log Service Transportes Maritimos Lda, which was liquidated during the period;
- € 59 thousand in tax receivables stemming from regional business tax (IRAP) reimbursement claims;
- € 41 thousand in receivables from personnel for loans granted in compliance with Italian legal provisions.

"Receivables relating to the fair value of financial instruments" referred primarily to sales transactions by the subsidiary Coeclerici Logistics SpA, as better described in "Note 28 - Information regarding financial instruments". Refer to the note for further details.

"Tax receivables" amounted to € 4,653 thousand (€ 4,520 thousand at 31 December 2009) consisted mainly of VAT receivables relating to the payment in December 2010. This item also included € 484 thousand in VAT receivables relating to the 2008 period for which reimbursement has been requested (€ 450 thousand of which by Coeclerici Coal and Fuels SpA and € 34 thousand by Coeclerici SpA).

"Receivables from the holding company" amounted to € 1,255 thousand and referred mainly to € 1,221 thousand in receivables from the holding company Finanziaria Cocler SApA relating to IRES (corporate income tax) receivables transferred as part of the tax consolidation procedure. For further details, refer to "Note 25 – Income taxes". At 31 December 2009, the Group had IRES (corporate income tax) payables as mentioned in "Note 15 - Other payables and current liabilities".

"Prepayments and accrued income" amounted to € 1,999 thousand (€ 2,326 thousand at 31 December 2009) and mainly consisted of prepaid expenses for bank charges, insurance premiums, rents and licence fees.

Cash and cash equivalents (Note 8)

This item consisted of:

	31 December 2010	31 December 2009
Bank and postal deposits	47,213	47,625
Cash in hand and unpresented effects	106	130
Total cash and cash equivalents	**47,319**	**47,755**

"Bank and postal deposits" consisted of temporarily available funds in banks resulting from cash management. These deposits consisted of euro and foreign currency current accounts.

"Cash in hand and unpresented effects" amounted to € 106 thousand and referred to the cash funds held at the various Group and representative offices and the cash on board vessels at the year ending date.

The cash was divided into the following currencies:

	31 December 2010		31 December 2009	
	CURRENCY/000	EURO/000	CURRENCY/000	EURO/000
Venezuelan Bolivares - VEF	1,790	312	8,197	2,650
Australian Dollars - AUD	52	40	98	61
Singapore Dollars - SGD	350	204	796	394
United States Dollars - USD	34,893	26,113	35,168	24,412
Euros - EUR	16,737	16,737	19,658	19,658
Swiss Francs - CHF	1,076	860	269	181
Bulgarian Levs - BGN	10	5	4	2
Chinese Renminbis - CNY	334	38	184	19
Russian Roubles - RUB	20,222	495	9,225	214
Indian Rupees - INR	12,704	213	10,629	159
Indonesian Rupiahs - IDR	27,736,259	2,302	62,770	5
Total cash funds per foreign currency		**47,319**		**47,755**

Total Equity (Note 9)

The changes in the items which form the Group equity are shown in the special financial statement.

The € 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 1 each. During the year, a € 1,500 thousand free share capital increase was made using the merger surplus reserve.

The legal reserve amounted to € 1,700 thousand. This is the legal reserve of the parent company, which had not changed since the end of the previous year.

The minus € 1,798 thousand "translation reserve" referred to the conversion in Euros of the financial statement items of consolidated companies that draw up their financial statements in currencies other than Euros. It decreased by € 1,501 thousand.

The "merger surplus reserve" amounted to € 6,798 thousand. This item decreased by € 1,500 thousand owing to the shareholders' resolution on 21 December 2010 in which the shareholders approved a € 1,500 thousand free capital increase.

The "Reserve for the fair value of financial instruments" amounted to minus € 1,640 thousand. This item decreased by € 1,537 thousand owing to the change in fair value of the financial instruments themselves (as more fully analysed in "Note 28 - Information regarding financial instruments").

"Other reserves" amounted to € 23,708 thousand. This item decreased by € 2,583 thousand owing to an increase in the shareholding in the subsidiary Coeclerici Asia (Pte.) Ltd. As stated in IAS 27 (2008), once control over a company has been established, the transactions in which the holding company buys or transfers minority shareholdings without changing the control it has over the subsidiary are considered transactions with shareholders and must therefore be recognized in equity. Consequently, any difference between the size of the adjustment made to minority interests and the fair value of the price paid or received in the corresponding transaction is recorded directly in equity and attributed to the shareholders of the holding company.
It should also be noted that part of the provisions are awaiting taxation; no taxes have been allocated at this time since no transactions are expected that would give rise to taxation.

"Retained earnings" amounted to € 11,198 thousand after distributing a dividend of € 5,000 thousand to the sole shareholder.

At 31 December 2010, the € 6,527 thousand in minority interests included the value of the minority capital and reserves of the following companies:

COMPANY	% MINORITY INTERESTS	AMOUNT
Bulkguasare de Venezuela SA	10.0%	1,324
CGU Logistic Limited	22.5%	474
Delta Property	51.0%	(364)
Logconversion Transportes Maritimos Lda	30.0%	1,858
PT Pelayaran Logistik Konversi Indonesia ("PLKI")	51.0%	624
PT Bulk Berau Indonesia	51.0%	1,170
Terminal Offshore Piombino SpA	20.0%	1,441
Total minority interests		**6,527**

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 the various companies themselves. 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's capital structure is made up of payables (including overdrafts and loans as described in "Note 10 – Interest bearing liabilities and borrowings"), cash at banks and in hand (as described in "Note 8 – Cash and cash equivalents") and equity, consisting of the share capital, reserves and retained earnings.

The Group constantly monitors its capital structure and, especially, its level of net financial borrowing, calculated as the ratio of net financial position and net equity. At 31 December 2010 this ratio was as follows (compared with the previous year):

	31 December 2010	31 December 2009
Net financial position	116,445	32,676
Net equity	70,967	66,626
Level of net financial borrowing	**164%**	**49%**

The increase in the level of net financial borrowing is related to the considerable investments the Group is making in the Mozambique and Indonesia projects and the greater advance payments made at the end of 2010 to coal suppliers, as extensively discussed in the Management Report.

Interest bearing liabilities and borrowings (Note 10)

This item consisted of:

	31 December 2010			31 December 2009		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Short term advances	69,744	0	**69,744**	32,791	0	**32,791**
Secured loans from financial institutions	1,397	25,457	**26,854**	1,716	7,859	**9,575**
Unsecured loans from financial institutions	3,086	62,738	**65,824**	605	36,600	**37,205**
Leasing agreements	796	546	**1,342**	264	596	**860**
Interest bearing liabilities and borrowings	**75,023**	**88,741**	**163,764**	**35,376**	**45,055**	**80,431**

Short term advances amounted to € 69,744 thousand (€ 32,791 thousand at 31 December 2009). This item increased by € 36,953 thousand compared to the same value the previous year, and referred to € 53,689 thousand in loans granted by banks mainly to Coeclerici Coal and Fuels SpA and Coeclerici Asia (Pte.) Ltd to finance the coal trading business, and € 16,055 thousand for port logistics operations, especially activities linked with the new Mozambique and Indonesia projects.

The "Interest bearing liabilities and borrowings" consisted of the following items:

	31 December 2010			31 December 2009		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
EUR	2,880	57,500	**60,380**	4,539	26,141	**30,680**
INR	0	0	**0**	717	0	**717**
RUB	1,382	546	**1,928**	869	1,090	**1,959**
USD	70,761	30,695	**101,456**	29,251	17,824	**47,075**
Interest bearing liabilities and borrowings in foreign currency	**75,023**	**88,741**	**163,764**	**35,376**	**45,055**	**80,431**

Secured loans amounted to € 26,854 thousand (€ 9,575 thousand at 31 December 2009) as shown in the following table:

	31 December 2010	31 December 2009
Monte Paschi per l'Impresa SpA	380	1,141
Unicredit SpA	8,160	8,434
BNL SpA / Unicredit SpA	18,314	0
Total secured loans from financial institutions	**26,854**	**9,575**

The secured loan granted by Monte Paschi per l'Impresa to the subsidiary Terminal Offshore Piombino SpA in order to build the Bulk Irony floating transfer station was recorded at € 380 thousand at 31 December 2010. It is guaranteed by a pledge consisting of all the shares that form the share capital. Interest is charged at the six-month Euribor rate plus a spread. Repayment consists of constant half-yearly instalments of about € 380 thousand each, with final settlement in May 2011.

The $ 13,500 thousand secured loan to the Indian subsidiary CGU Logistic Limited was granted by Unicredit SpA in order to build the new Bulk Prosperity floating transfer station. This loan was disbursed during the first few months of 2008. Interest is charged at the six-month Libor rate plus a spread. Repayment has taken place in $ 675 thousand half-yearly deferred instalments since June 2009, with final settlement in 2018. The loan was recorded at € 8,160 thousand at 31 December 2010. This figure was higher than in the previous year owing to the changes in exchange rates. The covenants typical of naval loans apply to these loans. A mortgage has been taken out on the Bulk Prosperity floating transport station in favour of Unicredit SpA to guarantee the loan.

On 30 June 2010, a loan agreement was signed with Banca Nazionale del Lavoro SpA and Unicredit SpA (assisted by a Sace SpA guarantee for 50% of the loaned amount) for a line of credit of up to $ 90 million for use in connection with the Mozambique project in order to build two transhippers. The loan agreement expires twelve years after the date on which commercial activity of the second transhipper starts, and entails returning the principal in three-monthly instalments. Interest is charged at the Libor rate plus a spread. The agreement is secured by collateral (the two vessels) and entails compliance with financial covenants according to which the "Debt Service Cover Ratio" must not be lower than a certain parameter, fixed in the contract, in any single period from the date the activity of the second transhipper starts. Failure to comply with the covenant may lead to early repayment of the whole loan used. The typical clauses on naval loans apply regarding the holding of earnings accounts at the loaning banks and a certain ratio between the market value of the vessels and the remaining payables. At 31 December 2010, $ 27,310 thousand had been used, equivalent to a principal of € 18,314 thousand. This loan has not been recorded at the historical exchange rate, as specified in the accounting principles. Adjustment of the payables to the year-end exchange rate would lead to a negative exchange difference of € 753 thousand. However, on the basis of the reference accounting principles, since repayment of these foreign currency payables is guaranteed by flows in the same currency, as stipulated in the contract signed with a major Brazilian trader, the payables are not adjusted to the year-end exchange rate.

Unsecured loans amounted to € 65,824 thousand (€ 37,205 thousand at 31 December 2009) as shown in the following table:

	31 December 2010	31 December 2009
Carige Syndicated Credit Line	45,238	36,106
Intesa/ Mediocredito Line	20,000	0
Zao Unicredit Bank	586	1,099
Total unsecured loans from financial institutions	**65,824**	**37,205**

The item totalling € 45,238 thousand refers to the use of a € 150 million syndicated credit line made available during 2007 by a pool of banks under Banca Carige SpA, chiefly in order to purchase the Russian mining company OAO Kisk in 2008.

The agreements relating to the syndicated credit line have the following characteristics: it may be used either in euros or in USD (and must be paid back in the same currency) with three working days notice prior to the date of availability at the agent bank; the interest rate charged depends on the currency of use (if in euros, interest is charged at the 1, 2 or 3 month Euribor rate according to the duration, plus a spread; if in USD, interest is charged at the 1, 2 or 3 month Libor rate, according to the duration, plus a spread.

The loan agreement for the syndicated credit line expires in 2014 and entails complying with financial covenants that are calculated on the basis of the consolidated financial statements of the Coeclerici Group. These covenants refer to the ratio of the "net financial position" and "net equity", and the ratio of "EBITDA" and "Net financial expense". Failure to comply with the covenants leads to early repayment of the whole loan used. The financial covenants were constantly complied with during the whole 2010 period.

Two agreements (Intesa/Mediocredito Line) were signed by the subsidiary Coeclerici Coal and Fuels SpA in August for the use of two credit lines of up to € 10,000 thousand each. These lines replace the previous loan granted by the holding for the same amount. The agreements signed with Intesa San Paolo SpA and Mediocredito Italiano SpA entail the payment of interest charged at the six-month Euribor rate plus a spread. Repayment will take place as from 31 December 2011 on the basis of constant half-yearly instalments of about € 2,500 thousand each, with final settlement in June 2015.

The subsidiary OAO Kisk signed an agreement in November 2009 with Zao Unicredit Bank for use of a line of credit of up to RUB 50 million in order to finance the investments in machinery at the Russian mine. The loan agreement entails paying interest charged at the MosPrime rate plus a spread. Repayment consists of constant monthly instalments equal to about RUB 2,174 thousand each, with final settlement in November 2011. At 31 December 2010, the remaining payables amounted to RUB 23,294 thousand (€ 586 thousand).

Lastly, the remaining payables for assets leased by the indirect Russian subsidiary OAO Kisk amounted to € 1,342 thousand (RUB 54,788 thousand). The amount due within the next twelve months is € 796 thousand (RUB 32,494 thousand), whereas the remaining € 546 thousand (RUB 22,294 thousand) will fall due in from one to five years. For further details, refer to "Note 1 – Property, plant and equipment".

During the 2010 period, leases and loans from financial institutions changed as follows:

	Total in Euros	of which in Euros	of which in USD	of which in RUB
Balance at 31 December 2009	**47,640**	**26,141**	**28,150**	**84,996**
New loans	55,439	35,000	27,310	0
Repayments	(7,900)	0	(10,350)	(6,296)
Changes in amortized cost	(1,370)	0	0	0
Foreign exchange effect	211	0	0	0
Balance at 31 December 2010	**94,020**	**61,141**	**45,110**	**78,700**

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 2010, this item could be broken down as follows:

	31 December 2010	31 December 2009
Current	2,591	2,017
Non-current	13,743	11,906
Total provisions for liabilities and charges	**16,334**	**13,923**

During the 2010 period, this item changed as follows:

Balance at 31 December 2009	**13,923**
Allocations	4,238
Uses	(2,539)
Releases	(166)
Reclassifications	(535)
Change in consolidation area	(200)
Change in estimated reclamation costs	1,616
Exchange rate differences	(3)
Balance at 31 December 2010	**16,334**

The funds allocated for the period came to € 4,238 thousand (€ 1,828 thousand at 31 December 2009) and are recorded under “allocations to provisions for liabilities” on the income statement as described in “Note 21 – Other income/expense, net”. These allocations were made by estimating the potential liabilities connected with each risk on the basis - among other things - of the opinion of the Group’s legal and tax consultants.

During 2010, € 2,539 thousand of the provisions for liabilities was used (€ 3,250 thousand at 31 December 2009) to cover the occurrence during that period of the potential liabilities it was set aside for.

"Reclassifications" mainly included € 765 thousand relating to an amount reclassified under the Provision for other bad debts as described in "Note 7 – Prepayments and other receivables and current assets".

"Change in consolidation area" amounted to minus € 200 thousand. This item refers to the effect of deconsolidating the Bulgarian company CC Steel Shipping and Logistics AD.

"Change in estimated reclamation costs" refers to the adjustment made during the period on the basis of the new estimate made by experts regarding the costs to be incurred for the restoration and reclamation of the mines used by the Russian subsidiary OAO Kisk.

Post-employment benefits (Note 12)

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

Balance at 31 December 2008	**1,229**
Allocations for the period	276
Uses	(63)
Balance at 31 December 2009	**1,442**
Allocations for the period	687
Uses	(49)
Balance at 31 December 2010	**2,080**

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

	31 December 2010	31 December 2009
Updating coefficient	4%	5%
Inflation rate	2%	2%
Annual salary increase rate		
Executives	2%	4%
Management / white-collar	2%	4%
Annual post-employment benefit increase rate	3%	3%

The actuarial post-employment benefit recalculation method is explained in the accounting principles. The method used is the "projected unit credit method" in accordance with IAS 19. The actuarial gains and losses generated by applying this method are recognized in the income statement.

Other non-current liabilities (Note 13)

This item decreased by € 3 thousand compared to 31 December 2009.

Trade payables (Note 14)

Trade payables amounted to € 41,532 thousand (€ 26,023 thousand at 31 December 2009). This item refers to the current payables for supplies connected with normal Group operating activities.

The € 15,509 thousand increase in trade payables during the period is mainly attributable to the rise in coal market reference prices compared with the same period last year.

Other payables and current liabilities (Note 15)

Other payables and current liabilities consisted of the following:

	31 December 2010	31 December 2009
Payments on account from customers	840	53
Other payables	5,845	4,091
Payables relating to the fair value of financial instruments	2,105	100
Tax payables	3,011	3,660
Payables to holding companies	0	88
Payables to joint ventures	376	0
Payables to social security institutions	521	408
Accruals and deferred income	567	554
Total other payables and current liabilities	**13,265**	**8,954**

"Payments on account from customers" amounted to € 840 thousand (€ 53 thousand at 31 December 2009) and referred essentially to trade payables for down payments received for Mining Division activities.

"Other payables" amounted to € 5,845 thousand (€ 4,091 thousand at 31 December 2009). This item refers to payables of various nature due within the next accounting period. In particular, it included € 2,036 thousand in deferred commissions earned by Group employees at the date of the financial statements that will be paid during the following period, € 2,500 thousand in management fees and € 900 thousand in payables to minority shareholders of the subsidiary Logconversion Transportes Maritimos Lda for approved dividends not yet paid.

"Payables relating to the fair value of financial instruments" came to € 2,105 thousand (€ 100 thousand at 31 December 2009). This item refers to the foreign currency purchase transactions described in "Note 28 – Information regarding financial instruments". Refer to the note for further details.

"Tax payables" came to € 3,011 thousand (€ 3,660 thousand at 31 December 2009). This item consists of income tax and employee and freelance withholding tax payables. Income tax payables consist of Regional Business Tax (IRAP) less payments on account already made in 2010, VAT payments, and provisions for current taxes.

"Payables to holding companies" decreased by € 88 thousand owing to the changes in the Group tax consolidation area for IRES (corporate income tax), which at 31 December 2010 recorded € 1,221 in receivables. For further details, refer to "Note 25 – Income taxes".

"Payables to social security institutions" came to € 521 thousand (€ 408 thousand at 31 December 2009) and mainly referred to social security contributions accrued in December 2010 and duly paid in January 2011.

"Accruals and deferred income" amounted to € 567 thousand (€ 554 thousand at 31 December 2009). This item consists mainly of accrued expenses for various types of operating costs.

Revenues (Note 16)

This item consists of:

	2010	2009
Raw material sales	442,832	418,754
Transhipment and other logistics services	24,148	21,103
Charters and shipping transport	968	749
Coal brokerage commission	381	296
Other services	191	398
Total revenues	**468,520**	**441,300**

The revenues from the sale and from the marketing of raw materials came to € 442,832 thousand and € 381 thousand respectively and refer to the trading and mining business. The € 24,078 thousand increase in turnover of raw materials is substantially due to the rise in coal prices, despite the about 28% decrease in the quantities handled compared to the same period in 2009. This item also includes € 6,166 thousand in coal sold by the Russian subsidiary OAO Kisk directly to third parties.

"Transhipment and other logistics services" came to € 24,148 thousand. This item rose by € 3,045 thousand compared to the 2009 figure (€ 21,103 thousand) chiefly due to the increase in tonnes handled thanks to greater use and efficiency of the Bulk Prosperity, Bulk Irony and Bulk Kremi I vessels, which work on the Indian, Italian and Russian markets respectively, under iron ore and sulphur transhipment contracts.

The Logistics Division's revenues from "Chartering and shipping transport" came to € 968 thousand. This item increased by € 219 thousand compared to the corresponding period in 2009, when it amounted to € 749 thousand. This increase is mainly due to the different use of the Bulk Kremi I floating transfer station, which in 2010 worked under a time charter contract through the joint venture in Kyla Charter Transportes Maritimos Lda, while in 2009 it worked under a bareboat charter contract, at a lower daily rate.

"Other services" came to € 191 thousand. This item refers to the revenues for administrative services provided by the indirect subsidiary Coeclerici Compagnie SA to the companies it jointly controls (€ 91 thousand) and brokerage services provided by Coeclerici Logistics SpA to third parties.

Information by business sector is provided in "Note 27 – Information by business sector and geographical area".

Cost of sales (Note 17)

This item consists of:

	2010	2009
Purchase of raw materials	381,280	377,169
Mine operating costs	6,889	4,887
Cost of seafaring personnel	5,694	7,113
Cost of mining personnel	4,124	3,270
Technical costs for fleet and plants	3,961	3,728
Port expenses and other shipping costs	1,488	1,470
Bunkers	919	594
Lubricants / spare parts	498	1,236
Total cost of sales	**404,853**	**399,467**

The increase in costs for "Purchase of raw materials", valued at € 4,111 thousand, is mainly the result of the increase in prices on the coal market. The ratio between these costs and the revenue from "Sale of raw materials" decreased owing to a combination of several factors: on the one hand, excellent trade agreements have led to higher margins especially on sales of Russian steam coal with high calorific value, and on the other hand sales on the Far East market have increased where margins are higher.

"Mine operating costs" came to € 6,889 thousand (€ 4,887 thousand at 31 December 2009). This item increased compared to the previous period owing to the larger quantities mined and handled compared to 2009.

The "Cost of seafaring personnel" regards the crews on board the vessels belonging to the indirect subsidiaries Terminal Offshore Piombino SpA, CGU Logistic Limited, Bulkguasare de Venezuela SA, PT PLKI and LLC Coeclerici Russia. This item came to € 5,694 thousand and was down on the previous year by € 1,419 thousand, mostly owing to the effects of the devaluation of the Venezuelan Bolivar compared to the US dollar by the Central bank of Venezuela in January 2010.

"Cost of mining personnel" amounted to € 4,124 thousand. This item was up by € 854 thousand chiefly due to the increase in resources used in the mining activities, as described in "Note 32 – Other information".

The "Technical costs for fleet and plants" amounted to € 3,961 thousand and the "Port expenses and other shipping costs" amounted to € 1,488 thousand are essentially in line with the previous year. In particular 144 thousand in custom clearance expenses were incurred during the period for the Bulk Kremi I floating transfer station in Russian waters.

"Bunkers" refers to the € 919 thousand in fuel used to run the fleet. The € 325 thousand increase is mainly due to greater use of the Bulk Prosperity floating transfer station by the indirect subsidiary CGU Logistic Limited, which, unlike in 2009, worked throughout the whole reference period, also during the monsoon season. It is also partly due to the more intensive use of the Bulk Irony floating transfer station in operations for the customer Lucchini SpA.

"Lubricants / spare parts" came to € 498 thousand. This item refers to the cost of spare parts and consumable stores for the routine and special maintenance of vessels owned by the Group, which is charged to the income statement in the period in which it is incurred.

General and administrative expenses (Note 18)

This item consists of:

	2010	2009
Cost of staff	13,513	9,611
Consultants	5,921	4,171
Fees	2,789	2,355
Rents, leases and similar	2,103	1,772
Other costs	1,584	1,714
Travel expenses	1,157	989
Entertainment expenses	816	586
Utilities - Building administration – Representative offices	781	573
Consumables	428	219
Advertising	423	328
Total general and administrative expenses	**29,515**	**22,318**

The "Cost of staff" amounted to € 13,513 thousand is better described in "Note 32 - Other information". Refer to the note for further details.

The increase in "Consultants" for € 1,750 thousand is mainly due to the corporate and strategic advice costs incurred by Coeclerici SpA, the continuation of the development of the Indonesia project, legal advice for the activity carried out in Venezuela, and legal expenses and advice for the start of activities in Russian waters through the customs clearance of the Bulk Kremi I floating transfer station, as better described in the Management report.

"Fees" to Directors and Statutory Auditors amounted to € 2,789 thousand. This item increased by € 434 thousand compared to the same period in 2009, and includes fees to parent company Directors and Statutory Auditors, as shown below:

	2010		2009	
	Number	Remuneration	Number	Remuneration
Directors	10	2,240	10	1,543
Statutory Auditors	3	64	3	34
Total Fees	**13**	**2,304**	**13**	**1,577**

"Other costs" came to € 1,584 thousand. This item decreased by € 130 thousand compared to 2009 and mainly consists of costs for software maintenance and repair, insurance, membership fees, taxes on commodities, other indirect taxation, costs for vehicles and other various services.

"Entertainment expenses" and "Travel expenses" amounted to € 816 thousand and € 1,157 thousand respectively. They increased by an overall € 398 thousand mainly linked to the projects under way and the consequent monitoring of the projects themselves.

"Utilities - Building administration – Representative offices" came to € 781 thousand and "Rents, leases and similar" amounted to € 2,103 thousand. Together they increased by an overall € 539 thousand above all on account of operations linked to relocation of the administrative offices to Piazza Generale Armando Diaz 7, 20123 Milan, Italy.

Capital gains / (losses) on non-current assets (Note 19)

This item consists of:

	2010	2009
Capital gains	65	1,153
Capital losses	(540)	(116)
Total capital gains / (losses) on non-current assets	**(475)**	**1,037**

The € 65 thousand in capital gains realized refer mainly to the sale of tangible assets, whereas the capital loss is mainly attributable to the advance replacement of two cranes and a conveyor belt on the Floating Transfer Station "Bulk Pioneer" in September, as described in "Note 1 - Property, plant and equipment".

Profit / (loss) from jointly controlled entities measured using the equity method (Note 20)

This item consists of:

	2010	2009
Kyla Charter Transportes Maritimos Lda	1,265	0
Viannlog Consultoria Economica Lda	(20)	354
Total profit / (loss) from jointly controlled entities consolidated using the equity method	**1,245**	**354**

The € 1,245 thousand positive balance (€ 354 thousand at 31 December 2009) is the part of the profits of the companies attributable to the Group measured using the equity method. For further details of the nature of the business of these companies, refer to "Note 3 - Interests in jointly controlled entities, other investments and assets available for sale".

Other income/expense, net (Note 21)

	2010	2009
Other operating income		
Other income and (costs), net	2,154	4,455
Income from profit sharing	103	467
Release of provisions and other liabilities	166	937
Insurance claims	494	11
Gains on derivatives	0	328
Total other operating income	**2,917**	**6,198**
Other operating costs		
Allocations to provisions for liabilities	4,238	1,828
Allocations to provisions for bad debts	46	70
Losses on derivatives	32	26
Total other operating costs	**4,316**	**1,924**
Total other income/expense, net	**(1,399)**	**4,274**

"Other income and (costs), net" amounted to € 2,154 thousand. This item mainly includes € 803 thousand in non-operating income for despatches recorded by the indirect subsidiary Coeclerici Asia (Pte.) Ltd and € 894 thousand in non-operating income from the indirect subsidiary Capo Noli Transportes Maritimos Lda for trading activity in Venezuela.

"Income from profit sharing" came to € 103 thousand in 2010. It was made by the direct subsidiary Coeclerici Coal and Fuels SpA and refers to proceeds stemming from the joint chartering of the motor ship IVS Merlot with the Norwegian shipowner J.B. Ugland Dry Bulk A.S.

"Insurance claims" increase by € 483 thousand as a consequence of the compensation obtained during the period for damaged components on the Bulkwayuù floating terminal, belonging to the Venezuelan subsidiary Bulkguasare de Venezuela SA (€ 198 thousand), and on the Bulk Pioneer floating transfer station, belonging to the Indonesian subsidiary PT PLKI (€ 226 thousand).

"Allocations to provisions for liabilities" amounted to € 4,238 thousand (€ 1,828 thousand at 31 December 2009). This item refers to the allocations made in the financial statements to cover losses connected with the operations entailed in existing contracts, and to a few legal and business disputes assessed with the aid of external consultants, as described in "Note 11 – Provisions" (refer to note for further information).

"Allocations to provision for bad debts" amounted to € 46 thousand (€ 70 thousand at 31 December 2009). This item includes allocations to the bad trading debt provisions mostly stemming from the Trading Division as described in "Note 6 – Trade receivables".

Depreciation and amortization (Note 22)

This item consists of:

	2010	2009
Depreciation of property, plant and equipment	6,754	6,214
Amortization of intangible assets	466	146
Total depreciation and amortization	**7,220**	**6,360**

Refer to "Note 1 – Property, plant and equipment" and "Note 2 – Intangible assets" for a more detailed description of the depreciations and amortizations.

Net financial income/expense (Note 23)

This item consists of the following financial income:

	2010	2009
Dividends from equity investments in "other companies"	343	7
Interest received	284	286
Other income	292	0
Total financial income	**919**	**293**

"Dividends from equity investments in other companies" amounted to € 343 thousand. This item refers to the collection of dividends paid by Banca Carige SpA (€ 7 thousand) and two companies in which the Group holds shares: United Shippers Limited (€ 37 thousand) and Telemar SpA (€ 299 thousand).

"Interest received" came to € 284 thousand. This item chiefly refers to € 138 thousand in interest received from banks on current accounts and deposits (€ 233 thousand at 31 December 2009) and € 146 thousand in interest received on loans granted to third parties as described 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 as a result of the sale of Venezuelan bonds.

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

	2010	2009
Bank charges	884	869
Interest paid	2,318	3,096
Total financial expenses	**3,202**	**3,965**

"Interest paid" amounted to € 2,318 thousand (€ 3,096 thousand at 31 December 2009). This item refers mainly to interest paid on bank loans (€ 620 thousand of which regards the syndicated credit line) and € 230 thousand in interest paid and financial costs resulting from updating the cash flows foreseen to reclaim the mines.

The decrease in interest paid is due to the drop in interest rates compared with the same period in 2009 and the capitalization of the financial charges stemming from the use of the syndicated credit line for the commitments undertaken with a Chinese shipyard as part of the Mozambique project to build the first of the two transhippers.

Exchange gains/losses (Note 24)

This item includes the exchange differences stemming from aligning unsettled foreign currency payables and receivables at the end of the year with year-end rates, and exchange differences that occur during the six-month period. Details of the realized and unrealized exchange differences at 31 December 2010 are given in the table below (thousand Euros) compared with the same period the previous year:

	2010			2009		
	REALIZED	UNREALIZED	TOTAL	REALIZED	UNREALIZED	TOTAL
Exchange gains	19,133	2,533	**21,666**	16,356	1,817	**18,173**
Exchange losses	(17,611)	(3,624)	**(21,235)**	(17,109)	(2,440)	**(19,549)**
Total exchange gains/losses	**1,522**	**(1,091)**	**431**	**(753)**	**(623)**	**(1,376)**

These differences emerge chiefly due to the activities of the Trading Division in US Dollars.

Income taxes (Note 25)

The tax burden resulting from the 2010 period amounted to € 7,777 thousand. This was calculated according to the laws in force and taking exemptions, components subject to deferred taxation, and the effects of the Finanziaria Cocler SApA tax consolidation into account.

The tax figure may be broken down into:

	2010	2009
Current taxes	(5,170)	(5,186)
Deferred taxes	(2,607)	2,187
Total taxes	**(7,777)**	**(2,999)**

The amounts included in the following table refer to deferred taxes to be paid and to be released present in the relevant financial statements of the Group's different's companies, as well as the effects of consolidation.

	2010	2009
Deferred tax assets	3,214	3,390
Deferred tax provisions	(5,955)	(4,915)
Total deferred tax assets / provisions	**(2,741)**	**(1,525)**

The "Deferred tax assets" are mainly due to allocations to provisions for liabilities conducted over the course of the fiscal year, as well as during the fiscal periods, and are not immediately fiscally deductible.

The total of the "Deferred tax provisions", valued at 5,955 thousand combines the deferred taxes from allocations for income components, wheter gains or losses, for which taxation or deduction is deferred.

The payables and receivables of the Group companies that took part in the Group tax consolidation at 31 December 2010 are shown below:

	RECEIVABLES	PAYABLES	TOTAL
Coeclerici Coal and Fuels SpA	0	(986)	(986)
Coeclerici Logistics SpA	1,356	0	1,356
Coeclerici SpA	1,193	0	1,193
Terminal Offshore Piombino SpA	0	(342)	(342)
Total receivables /payables owing to tax consolidation	**2,549**	**(1,328)**	**1,221**

Profit from discontinued operations (Note 26)

There were no operations relating to business destined for discontinuation during the accounting period.

Information by business sector and geographical area (Note 27)

The information by sector for the 2010 period is summarized in the following table:

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENTS	TOTAL
Revenues	437,348	23,497	25,216	(17,541)	**468,520**
Operating profit	20,826	7,681	1,809	(4,013)	**26,303**
Net financial income/expense	1,743	(621)	(484)	(2,921)	**(2,283)**
Net Profit	12,737	5,225	4,511	(5,799)	**16,674**
Balance sheet					
Total assets	152,063	34,122	135,240	(7,528)	**313,897**
Total net equity	26,322	18,914	34,982	(9,251)	**70,967**
Total liabilities	125,741	15,208	100,257	1,724	**242,930**

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

	TRADING	MINING	LOGISTICS	HOLDING ADJUSTMENTS	TOTAL
The Americas	23,305	0	12,595	0	35,900
Asia and Australia	228,919	0	3,215	0	232,134
Russia, Middle East and Africa	17,816	23,497	85	(17,541)	23,857
The European Union	167,308	0	9,321	0	176,629
Total revenues	**437,348**	**23,497**	**25,216**	**(17,541)**	**468,520**

Information regarding financial instruments (Note 28)

Derivatives relating to currency exchange transactions

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

The existing contracts at 31 December 2010 that have the characteristics of fair value hedging and therefore whose changes in fair value are recorded in the income statement under "exchange gains/losses" are described below:

EXPIRY	AMOUNT (€/THOUSAND)	CURRENCY	FORWARD EXCHANGE CONTRACT RATE	NOTIONAL VALUE (€/THOUSAND)	FAIR VALUE AT 31/12/2010 (€/THOUSAND)
Q1 2011	5,096	USD	0,744	3,791	(23)
Q1 2011	12,500	RUB	0,024	296	(9)
Q1 2011	598	USD	0,761	455	7
Q1 2011	2,500	USD	0,762	1,906	23
Q2 2011	3,000	USD	0,786	2,357	112
Total sales				**8,805**	**110**

In 2010, hedging transactions were made to cover coal price decreases on 33% of the sales forecast in 2011. The forward coal sale transactions at 31 December 2010 that have the characteristics of cash flow hedging and whose changes in fair value are recorded net of tax under the equity item "Reserve for fair value of financial instruments" are described below:

EXPIRY	AMOUNT (TONNES)	FORWARD CONTRACT PRICE FOR 1 USD	NOTIONAL VALUE (€/THOUSAND)	FAIR VALUE AT 31/12/2010 (€/THOUSAND)
Q1 2011	60,000	109,46	6,568	(668)
Q2 2011	45,000	108,83	4,898	(355)
Q3 2011	45,000	108,83	4,898	(279)
Q4 2011	45,000	108,83	4,898	(286)
Total sales	**195,000**		**21,262**	**(1,588)**

Summary of the fair value of derivatives

The values and changes in fair value of derivatives at 31 December 2010, are summarized in the following table net of tax:

	31 December 2009	CHANGES IN EQUITY	CHANGES IN INCOME STATEMENT	31 December 2010
Receivables				
Receivables from foreign exchange market transactions	49	(49)	142	142
Total receivables	**49**	**(49)**	**142**	**142**
Payables				
Receivables from foreign market transactions exchange	(100)	100	(32)	(32)
Forward coal sales	-	(1,588)	-	(1,588)
Total payables	**(100)**	**(1,488)**	**(32)**	**(1,620)**
Net Total	**(51)**	**(1,537)**	**110**	**(1,478)**

The fair value of all derivatives is determined on the basis of the forward market indices on the reference date.

The table below shows an analysis of financial instruments evaluated on a fair value basis, grouped together into levels from 1 to 3 according to the degree to which fair value is observable:

- Level 1, the fair value is determined by prices quoted on active markets;
- Level 2, the fair value is determined using evaluation techniques based on variables that are directly (or indirectly) observable on the market;
- Level 3, the fair value is determined using evaluation techniques based on significant variables that cannot be observed on the market.

	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets			
Assets available for sale	4,043	-	3,133
Hedging derivatives	-	142	-
Total financial assets	**4,043**	**142**	**3,133**
Financial liabilities			
Hedging derivatives	-	(32)	-
Forward coal sales	-	(1,588)	-
Total financial liabilities	**-**	**(1,620)**	**-**

The financial instruments classified as "level 1" include shares in publicly traded companies, the value of which are quoted on a daily basis. "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	- Foreign exchange spot - Zero coupon curves for reference currencies	Reference bank	Level 2

Instruments classified as "Level 3" refer to shares held at 31 December 2010 in closed-end investment funds.

Other financial information

For completeness, some additional financial information is given below:

- "Note 1 – Property, plant and equipment" shows the value of the fixed assets that are mortgaged to banks for loans provided to the Group, as described in "Note 10 – Interest bearing liabilities and borrowings";
- "Note 8 – Cash and cash equivalents" gives information about available cash and its characteristics;
- "Note 10 – Interest bearing liabilities and borrowings" summarizes the characteristics of the bank loans and gives their due dates and interest rates applied;
- "Note 23 – Net financial income/expense" gives information about interest receivables and payables relating to financial items.

Information on the risks that characterize the Group's business (Note 29)

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 in the 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 transhipment 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

Part of the subsidiaries' revenues and operating costs are recorded in currencies other than euros. The Group manages the exchange rate risk, where it deems necessary, through forward currency transactions and foreign currency loans. Clauses are included in commercial contracts that safeguard the revenues from fluctuations in the Euro/USD exchange rate where accepted by the customer Furthermore, 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 the financial expenses are always sustainable. In the current market situation, the company does not consider it wise to carry out hedging transactions with the aim of stabilizing rates over time.

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 € 230 thousand on the 2010 period 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.

Lastly, the credit position of certain customers is monitored on an almost daily basis by assigning a score that represents the level of risk.

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) in the logistics sector;
- commercial credit insurance by leading insurance agencies (SACE B.T. SpA and Garant) in both sectors.

The Coeclerici Group did not record any loss on receivables from their trading partners during 2010, but as already described in "Note 6 - Trade receivables", the indirect Venezuelan subsidiary Bulkguasare de Venezuela SA experienced delays in collecting amounts due during the first quarter of 2011 owing to more stringent currency regulations that only allow payments in local currency (Venezuelan Bolivares). The management has already started contacting 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. Furthermore, corporate liquidity risk management aims to ensure a suitable level of operational elasticity for the Group's development programmes.

During 2007, the syndicated "stand-by" credit line agreement was renewed with a pool of banks for a further seven years. It was increased to € 150 million (compared with the previous agreed amount of € 75 million) to allow the Group to meet its cash needs. This renewal provides the Group with important protection against liquidity risks. Furthermore a new syndicated credit line is currently being negotiated with leading banks which will replace the present € 150 million limit with a new limit of € 215 million valid for 7 years.

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 mortgages whose characteristics are normally negotiated so that they are compatible with the cash flows forecast from sector operating activities. In addition, specific contract institutions 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 regards to the Mozambique

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 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 their national company. These policies cover the risk of losses in capital, revenues, interest and amounts owed to their national 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 percentage investment insurance cover ranges from a minimum of 95% to a maximum of 100%.
The Group's Mining Division holds a policy that covers risks concerning mining investments in Russia.

Operational risk

In the particular case of the Logistics Division, the business entails a generic operational risk stemming from vessel management within the framework of the contractual activities undertaken. 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 30)

Obligations relating to derivatives

The ongoing derivatives are shown in "Note 28 – Information regarding financial instruments" and concern forward transactions on the foreign exchange and freight markets.

Obligations relating to financial investments

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

	YEAR OF SUBSCRIPTION	DURATION FUND	TOTAL COMMITMENT	SUBSCRIBED AMOUNT	RESIDUAL COMMITMENT
Ambienta I	2007	10 years	3,000	1,230	1,770
Hao Capital Fund II L.P.	2008	10 years	748	264	484
VSI SICAR	2007	5 years	1,639	1,639	0
Total financial investments			**5,387**	**3,133**	**2,254**

Fondo Ambienta I

"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 S.G.R. "Ambienta Società di Gestione del Risparmio SpA". The Group has bought 0.6% of this company's share capital, as recorded among the assets under "Other investments". This investment was worth a total of € 9 thousand at 31 December 2009. In 2007, the Group undertook to subscribe to shares in the fund amounting to a total of € 3,000 thousand. During the first six months of 2010, a further € 630 thousand was paid in bringing the overall investment so far in the fund to € 1,230 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 (€ 748 thousand) at 31 December 2010.

Value Secondary Investments (VSI) SICAR

The Group invested a total of € 1,639 thousand at 31 December 2010 in the Luxembourgian fund "Value Secondary Investments S.I.C.A.R.". The fund, which aimed to invest in the secondary private equity market, was put into voluntary liquidation in 2010.

The € 3,223 thousand in shares in the various funds is registered in the Group's assets under "Assets available for sale".

Other commitments

The commitment undertaken by the subsidiary Coeclerici Mozambique SpA with the Chinese shipyard responsible for building the transhipment vessels for future use in Mozambique stands out due to its size among the various commitments undertaken by the Group with third parties as part of its core business at 31 December 2010, as was extensively described in the preceding pages. This commitment is estimated at roughly $ 63 million for each of the two vessels to be built. Notice to go ahead with the building of the second vessel was issued by Coeclerici Mozambico SpA on 12 August 2010.

Guarantees issued

At 31 December 2010, the guarantees given to third parties stood at € 95,926 thousand:

	31 December 2010	31 December 2009
Bank guarantees	4,235	2,431
Insurance policy	1,152	980
Others	90,539	27,968
Total guarantees issued	**95,926**	**31,379**

The guarantees issued to third Parties consist of:

- a $ 2 million bank guarantee (€ 1,497 thousand) issued by Banca Carige SpA to the customer PT Berau Coal on behalf of Coeclerici Logistics SpA, for which a surety bond was received;
- a € 720 thousand bank guarantee issued by Banca Popolare di Bergamo SpA to the supplier CGT SpA on behalf of Coeclerici Logistics SpA relating to the purchase of engines and accessories;
- a € 449 thousand bank guarantee ($ 600 thousand) issued by BNL-BNP Paribas on behalf of Coeclerici Logistics SpA to the Venezuelan customer Carbones del Guasare;
- a € 210 thousand bank guarantee issued by Citibank to the Preveza Law Courts (Greece) on behalf of the indirect subsidiary Capo Noli Transportes Maritimos Lda relating to the contract regarding the use of the M/V Capo Noli sold in July 2007;
- a € 42 thousand bank guarantee issued by Monte dei Paschi di Siena to the Port of Genoa harbour office on behalf of the indirect subsidiary Capo Noli Transportes Maritimos Lda;
- a Indian rupee 60 million bank guarantee (€ 1,004 thousand) issued by Barclays Milano to Barclays Mumbai on behalf of the indirect subsidiary CGU Logistic Limited;
- € 37 thousand in bank guarantees issued by Banca Popolare di Bergamo to the owners of leased properties;
- a $ 369 thousand bank guarantees (€ 276 thousand) issued by Deutsche Bank SpA on behalf of Coeclerici Coal and Fuels SpA to the Moroccan customer Office National de l'Electricitè with due date in December 2010;

- a € 1,139 thousand insurance policy issued by Sace LV SpA to Enel Trade SpA on behalf of the indirect subsidiary Mediterranean Bulk System NV;
- a € 13 thousand insurance policy issued by Viscontea Coface to the Port Authority of Piombino on behalf of the subsidiary Terminal Offshore Piombino SpA;
- a $ 40,290 thousand corporate guarantee (€ 30,152 thousand) issued to a Chinese shipyard to build the supramax vessels ordered by the subsidiary Coeclerici Mozambique SpA;
- a corporate guarantee with the symbolic value of € 1 issued by the direct subsidiary Coeclerici Coal and Fuels SpA to the Norwegian shipowner J.B. Ugland Dry Bulk A.S. in connection with the profit sharing agreement concerning the M/V IVS Merlot;
- an € 8,000 thousand corporate guarantee issued to Deutsche Bank SpA on behalf of the subsidiary OAO Kisk to hedge commodity transactions carried out in 2010 with regard to the 2011 production;
- corporate guarantees issued by Coeclerici SpA to the owners of three ships (Bulk China, Red Lotus and Bulk Japan) acquired with long-term time charter contracts (with purchase options which may be exercised three years after ship delivery and original contract durations which range from 7 to 10 years) by the subsidiary Ceres Bulk Carriers Transportes Maritimos Lda, which was part of the Group until the beginning of May 2007. To cover these commitments, the company received a € 52,387 surety ($ 70 million), as better described in "Note 30 – Obligations and guarantees: guarantees received". This surety covers the entire amount due in freight rates until the expiry date of the respective contracts for the three remaining vessels.

Guarantees received

At 31 December 2010, the guarantees received from third parties stood at € 106,872 thousand:

	31 December 2010	31 December 2009
Bank guarantees	106,872	13,833
Others	0	2,501
Total guarantees received	**106,872**	**16,334**

The guarantees received from third parties consist of:

- a € 52,387 thousand bank guarantee ($ 70 million) issued by Unicredit SpA on behalf of Uno Shipping Srl to Coeclerici SpA in relation to the extraordinary demerger of the shipping business, owing to the exposure towards shipowners for obligations stemming from time charter contracts, since Coeclerici SpA is no longer the payee;
- a bank guarantee issued by the Bank of China on behalf of a Chinese shipyard to cover the $ 70,710 thousand paid at 31 December 2010 (€ 52,919 thousand at 31 December 2010) in order to build the two supramax vessels;
- a € 69 thousand bank guarantee issued by Banca Regionale Europea on behalf of the supplier CGT S.p.A. relating to a contract for buying engines and accessories;
- a $ 2,000 thousand bank guarantee (€ 1,497 thousand) issued by ANZ Panin Bank on behalf of the customer PT Berau Coal to offset the guarantee issued by the company, as described under "Guarantees issued - Others";
- a bank guarantee issued by a major mining company as part of the Mozambique project with the symbolic value of 1.

Related party transactions (Note 31)

As described in the previous notes, related party transactions are those with the holding company Finanziaria Cocler SApA. They amounted to € 1,255 thousand in receivables related to the holding company's role as consolidating company in the Group tax consolidation procedure, as described in "Note 7 – Prepayments and other receivables and current assets". Furthermore there is a real estate lease contract between your company and the direct holding company Finanziaria Cocler SApA referring to the offices at Piazza Generale Armando Diaz 7, 20123 Milan, Italy.

The remuneration received by Directors is shown in "Note 18 – Selling, general, and administrative expenses".

The Chairman of the Board of Directors and Managing Director of Coeclerici SpA is also the Group's sole shareholder.

Other information (Note 32)

Personnel costs

Personnel costs amounted to € 23,331 thousand in 2010 (€ 19,994 thousand in 2009), € 5,694 thousand of which related to seafaring personnel (€ 7,113 thousand in 2009), € 4,124 thousand to personnel at the Russian mine (€ 3,270 thousand in 2009) and € 13,513 thousand to staff (€ 9,611 thousand 2009).
The number of employees was:

	2010	2009
Executives	33	28
White-collar	210	203
Seafaring staff	112	141
Miners	462	430
Total employees	**817**	**802**

The increase in the number of personnel is mainly attributable to the increase in the number of miners, partly offset by a fall in seamen. For further information, refer to "Note 18 – Selling, general, and administrative expenses".

Events after accounting period closure (Note 33)

There were no further events after the end of the accounting period.

ANNEXE 1
LIST OF COMPANIES CONSOLIDATED USING THE FULL CONSOLIDATION METHOD

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	EQUITY INVESTMENT
New Sea Logistics EAD	Bulgaria	BGL	50,000	100.00%
CGU Logistic Limited	India	INR	550,000	77.50%
PT Coeclerici Indonesia	Indonesia	IDR	2,265,000	100.00%
PT Bulk Berau Indonesia	Indonesia	IDR	13,432,860,000	49.00%
PT Pelayaran Logistik Konversi Indonesia ("PLKI")	Indonesia	IDR	8,330,000,000	49.00%
Coeclerici Coal and Fuels SpA	Milan, Italy	EUR	5,000,000	100.00%
Coeclerici Logistics SpA	Milan, Italy	EUR	10,000,000	100.00%
Coeclerici Mozambico SpA	Milan, Italy	EUR	10,000,000	100.00%
Shipping Services Srl	Milan, Italy	EUR	45,000	100.00%
Terminal Offshore Piombino SpA	Milan, Italy	EUR	4,500,000	80.00%
Somocar International NV in liquidazione	The Netherlands	EUR	60,000	100.00%
Capo Noli Transportes Maritimos Lda	Portugal	EUR	5,000	100.00%
Logconversion Transportes Maritimos Lda	Portugal	EUR	2,300,000	70.00%
LLC Scc-Rozko	Russia	RUB	13,381,000	100.00%
LLC Coeclerici Logistics Russia	Russia	RUB	20,443,000	100.00%
LLC Coeclerici Russia	Russia	RUB	4,000,000	99.00%
OAO Kuznetskaya investitsionno – stroitelnaya Kompania ("Kisk")	Russia	RUB	15,000,000	100.00%
OOO Obshestvo s ogranichennoj otvetsvennost'ju Delta Property	Russia	RUB	10,000	49.00%
OOO Razrez Korciakolskij	Russia	RUB	10,000	100.00%
OOO Yuzhno – Kuzbasskoe promyshlenno – transportnoe upravlenie ("Ptu")	Russia	RUB	10,000	100.00%
LLC Zapadny ugol	Russia	RUB	31,070,000	100.00%
Selskohozyaistvennoe predpriyatie Taylepskoe	Russia	RUB	123,600,000	49.00%
Coeclerici Asia (Pte.) Ltd	Singapore	USD	1,995,000	100.00%
Coeclerici Compagnie SA	Switzerland	CHF	12,000,000	100.00%
Bulkguasare de Venezuela SA	Venezuela	VEF	2,408,000	90.00%
Bulkguayana SA	Venezuela	VEF	100,000	90.00%

LIST OF COMPANIES CONSOLIDATED USING THE NET EQUITY METHOD

NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	EQUITY INVESTMENT
Kyla Charter Transportes Maritimos Lda	Portugal	EUR	5,000	50,00%
Viannlog Consultoria Economica Lda	Portugal	EUR	5,000	50,00%
Mediterranean Bulk System NV (*)	The Netherlands	EUR	45,378	50,00%

(*) Mediterranean Bulk System NV is 100% controlled by Viannlog Consultoria Economica Lda

ANNEXE 2
EQUITY COMPARISON BETWEEN COECLERICI SPA AND THE GROUP

	NET PROFIT	NET EQUITY
Coeclerici SpA at 31 December 2010	**19,612**	**55,698**
Equity and net profit for the period attributable to the Group recorded by consolidated companies	19,515	10,873
Equity and period profit of associated companies measured using the net equity method	395	711
Effects of application of the IAS/IFRS international accounting standards on the parent and consolidated companies	(2,799)	(2,842)
Elimination of intercompany dividends paid	(22,250)	0
Coeclerici Group at 31 December 2010	**14,473**	**64,440**

TECHNICAL GLOSSARY

API2 (cif ARA) : *Average Coal Price Index (cost, insurance and freight at Amsterdam, Rotterdam and Antwerp).* The average weekly index of the price of coal including freight and insurance costs at Amsterdam, Rotterdam and Antwerp.

API4 (fob Richards Bay) : *Average Coal Price Index (free on board at the port of Richards Bay).* The average weekly coal price index without freight cost at the port of Richards Bay (South Africa).

B/B – Bare Boat Charter : A contract whereby a crewless ship is made available to a charterer for a certain period of time. Besides the cost of the voyage (fuel, dockage, canal fees, etc.), the charterer also has to pay all operating costs (crew, maintenance, repairs, lubricants, stores, insurance, etc.).

Capesize : A dry bulk cargo ship that exceeds 90,000 dwt, not able to sail through the Panama canal.

Demurrage : Is the amount identified in a charter contract as damages payable to Shipowner as compensation for the detetion of a ship beyond the time specified by a charter party for loading and/or discharging.

Despatch : is a compensation which the Shipowner must pay to the Charter when the ship is loaded and/or discharged more rapidly than provided by the laydays that were foreseen.

Panamax : A bulk carrier able to sail through the Panama canal, i.e. with a maximum width of 32.24 metres. These vessels do not normally exceed 80,000 dwt.

DWT - Deadweight Tonnage: The carrying capacity of a ship, measured in tonnes, including the load, fuel, stores and crew.

Revamping: Special maintenance that improves a vessel and increases its value.

T/C - Time Charter: A contract whereby a ship is made available, but the charterer has to pay the fuel costs, dockage, canal fees and other costs relating to the voyage. Normally it is expressed as US dollars per day of ship availability.

Transhipment vessel – Floating Terminal: A vessel able to transfer cargo from one floating vessel to another, offshore, near ports. They are used for lighterage or transoceanic vessel loading operations.

Floating Transfer Station (FTS): A vessel patented by Coeclerici fitted with equipment (cranes, conveyor belts, loaders, etc.) for performing cargo transhipment operations.

Floating Storage & Transfer Station (FSTS) : A vessel converted into a floating store, equipped to stockpile and tranship cargo.

Floating cranes : Floating cranes are used to tranship cargo from lighters to ships or vice versa.

AUDITORS' REPORT

Deloitte.

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

To the Shareholders of
COECLERICI S.p.A.
(former Cocler 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, 2010, 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.

   The prior year's financial statements, whose data are presented for comparative purposes have been audited by us only for the purpose of expressing our opinion on the financial statements as of December 31, 2010. Therefore, our opinion does not extend to comparative data.

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, 2010, 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 Coeclerici Group as of December 31, 2010.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabrizio Fagnola
Partner

Genoa, Italy
April 26, 2011

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 31.12.2010, 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

As a result of the merger by incorporation of the controlled company Coeclerici Spa into the company Cocler Spa, now called Coeclerici Spa, the financial statements at 31 December 2010 (period 1 January to 31 December 2010), which is submitted to your examination and for your approval, also includes the operations carried out by the merged company that, from the first day of the year in progress at the time of the effectiveness of the merger with third parties, or from the date of January 1, 2010, were charged to the financial statements of the company Cocler Spa, now Coeclerici Spa.

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

Statement of Assets and Liabilities

Assets	121.915.760
Liabilities and provision	52.303.651
Equity	50.000.262
Net Income	**19.611.847**

Income Statement

Production value	7.497.443
Production costs	(12.089.459)
Difference	**(4.592.016)**
Financial income and expenses	22.935.059
Value adjustments to financial assets	(30.280)
Extraordinary income and expenses	0
Income before income taxes	**18.312.763**
Income taxes	1.299.084
Net income at 31.12.2010	**19.611.847**

Compliance of financial statements and consolidated financial statements

As regards the financial statement as at and for the year ended 31st December 2010 and the consolidated financial statement of the Group as at and for the year ended 31st December 2010, 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 statement and consolidated financial statements and management report prepared by the Directors that are presented to the Assembly for approval complies with the law.
The operations of major economic, financial and capital have been carried out in the 2010 brought to the attention of the Board 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. 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 college

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 opinions in order to do anything special operation. In connection with the operation of the merger we have ensured that the compliance by directors of articles 2501-2505-c cc, reviewed the accounting records the extraordinary transaction, as well as regular checks of all other obligations provided by law for merger acknowledging the legality of what occurred.

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 statement and the consolidated financial statement, we hereby express our favourable opinion in respect of the approval of the balance sheet as at and for the year ended 31st December 2010, as prepared by Board of Directors.

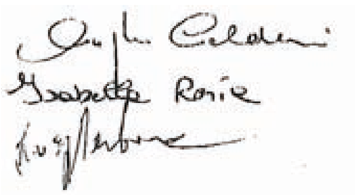
Milan, 26th April 2011

The Board of Auditors

Dott. Guglielmo Calderari

Dott. ssa Isabella Resta

Dott. Giorgio Carbone



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