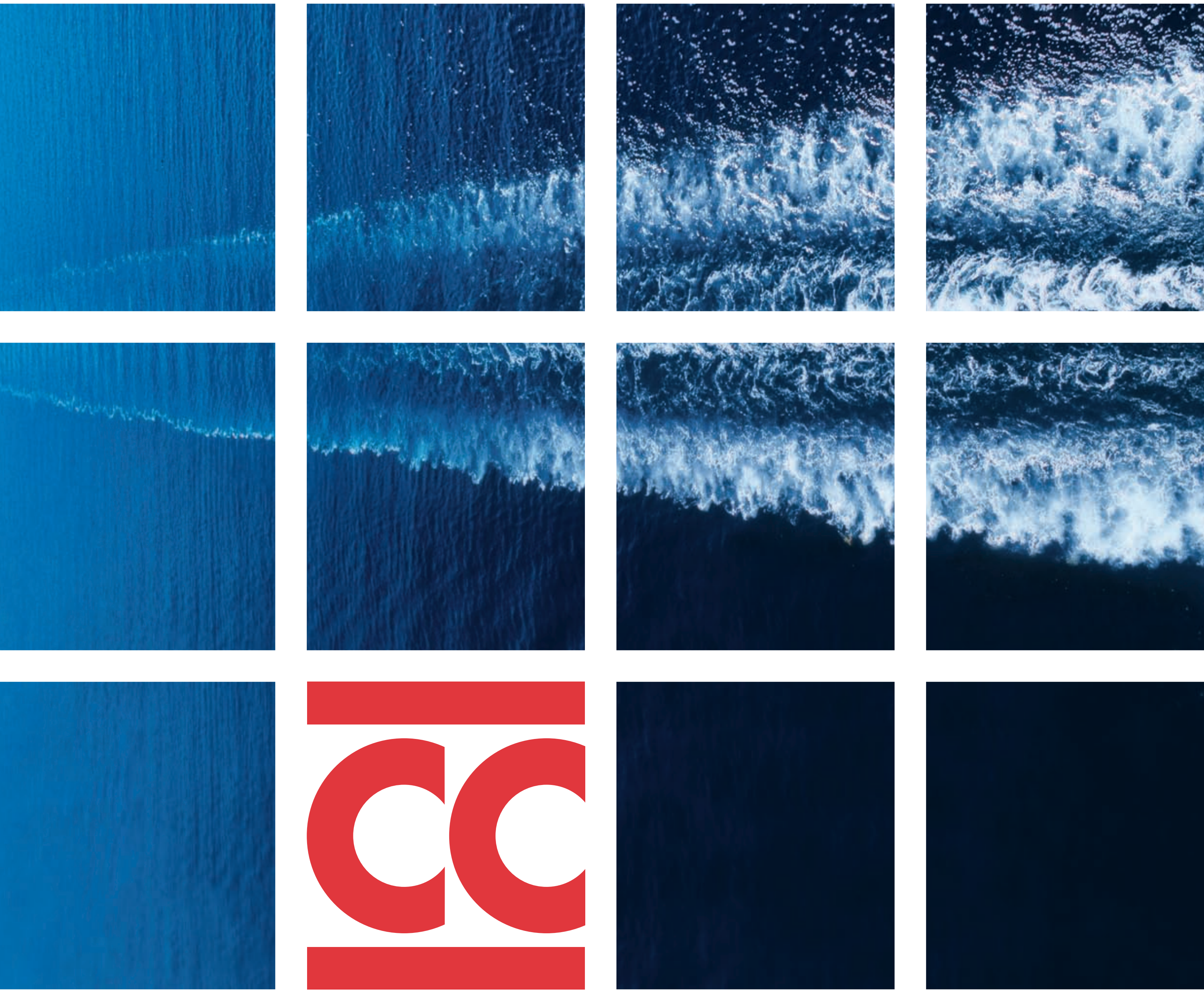


COECLERICI ANNUAL REPORT 2008

Annual Report 2008

Coeclerici S.p.A.

Company limited by shares with sole shareholder

Head office:
Via Della Chiusa, 2
20123 Milan, Italy

Tax Code Number and Companies' Registry Number:
12307890157

Chamber of Commerce Number:
1545587
Direction and coordination:
Cocler S.p.A.

Index

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

Member of CISQ Federation
RINA
ISO 14001
Certified Environmental System

UKAS
QUALITY MANAGEMENT
001

Group Structure
at December 31, 2008

Coeclerici S.p.A.

- **100% Coeclerici Logistics SpA**
  - 100% Shipping Services Srl
  - 80% Terminal Offshore Piombino SpA
  - 100% Capo Noli Transportes Maritimos Lda
  - 70% Logconversion Transportes Maritimos
  - 50% Kidecrane Transportes Maritimos Lda
    - 100% Adang Bay Transportes Maritimos S.A.
  - 50% Viannlog Consultoria Economica Lda
    - 100% MBS NV
  - 90% Bulkguasare de Venezuela SA
    - 100% Bulkguayana SA
  - 100% Somocar International NV
  - 55% CGU Logistic Limited
- **100% Coeclerici Coal and Fuels SpA**
  - 100% Coeclerici Compagnie SA
    - 85% CC Carbon (Pte) LTD
      - 100% PT. CC Carbon INDO
    - 100% CF Service SA
      - 100% Rozco
      - 49% OOO Delta Property
        - 100% Taylepskoe
  - 100% OAO Kisk
    - 100% OOO Razrez
    - 100% OOO Ptu
  - 100% Coeclerici Coal and Fuel Asia CE Lda

Excluding companies in liquidation or non-operational.

Coeclerici S.p.A.
Company officials

Board of Directors

Member of the Executive Committe

Paolo Clerici	Chairman and Managing Director
Aldo Carmignani	Deputy Chairman
Corrado Papone	Deputy Chairman
Urbano Faina	Director
Antonio Belloni	Director
Pasquale Cardarelli	Director
Giorgio Cefis	Director
Giovanni Jody Vender	Director
Rosario Alessandrello	Director
Riccardo Perissich	Director

The term of office of the Board of Directors expires with the approval of the financial statements at December 31, 2010.

Board of Statutory Auditors

Guglielmo Calderari di Palazzolo	Chairman
Giorgio Carbone	Statutory Auditor
Ettore Cavo	Statutory Auditor
Alfredo Durante	Substitute Auditor (resigning as from February 25, 2009)
Domenico Borghetti	Substitute Auditor

The term of office of the Board of Statutory Auditors expires with the approval of the financial statements at December 31, 2009.

Independent Auditing Firm

Deloitte & Touche S.p.A.

The independent auditing firm has been appointed for the 2007/2009 three-year period.

Technical Glossary

Bulk Carrier
Ships for transporting dry bulk cargo, in particular ore, coal, grain and bauxite.

B/B - Bare Boat Charter
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
Ships for transporting dry bulk cargo that exceeds 90,000 dwt, not able to sail through the Panama canal.

Panamax
Bulk carrier able to sail through the Panama canal, i.e. with a maximum width of 32.24 metres. The vessel does not normally exceed 80,000 dwt.

Crew management
Selection, rotation and management of seafaring personnel.

DWT - Dead Weight Tonnage
The carrying capacity of a ship, measured in tons, including the load, fuel, stores and crew.

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

Spot market
Market for chartering vessels for single voyages, on the basis of current market freight rates.

T/C - Time Charter
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 in US dollars per day of ship availability.

Transhipment vessel - Floating Terminal Station
Vessel able to transfer cargo from one floating vessel to another, offshore, near ports where lighterage or transoceanic vessel loading operations are carried out.

Floating Transfer Station
Vessels patented by Coeclerici fitted with equipment (cranes, conveyor belts, loaders, etc.) for performing cargo transhipment operations from one ship to another.

Floating Storage & Transfer Station
Vessels converted into floating stores equipped to stockpile and tranship cargo.

Shuttle Floating Transfer Station
Vessels that, besides having the characteristics of a Floating Transfer Station, are also used to carry transhipped cargos to a particular destination.

Floating cranes
Floating cranes are used in cargo transhipment from lighters to ships or vice versa.


बल्क प्रोसपेरीटी
BULK PROSPERITY

Management report

on the consolidated financial statements December 31, 2008

Letter from the Chairman

Dear Shareholders,

Raw material markets have been among the leading players on the economic scene in recent years. Prices reached exceptional levels on the majority of primary markets driven by a combination of factors consisting of an overlap between structural effects and others of a purely financial nature. These were linked on the one hand to the large mass of liquid assets found on the international markets and on the other to the growing use of derivatives, whose circulation on the raw material markets had gone beyond the aim of hedging market risks. The expansion of the derivatives markets occurred at the same time as the increase in the number of financial market participants, such as investment funds or sovereign wealth funds. The investment aims of these funds differ from hedging commercial business risks and have more to do with seeking profit and/or portfolio diversification. Although the exact size of the effects of this larger number of non-commercial dealers and expansion of the derivatives markets has had on prices is difficult to quantify, they have certainly had tangible consequences on the increase in price volatility. We therefore found ourselves in a situation where the upward pressure on prices caused by structural factors, linked to the mechanism of demand and supply, was amplified in the first nine months of 2008 and then fell during the last quarter.

In this framework, your Group achieved important results with revenues amounting to 541 million Euro, 60% up compared to the 339 million Euro of the same period in 2007. The operating profit came to 21.2 million Euro, marking a 1.1 million Euro (+5%) increase which may essentially be ascribed to the excellent performance of theTrading Division. This division was able to take good advantage of the difficult market conditions by monitoring credit risk continuously and applying the sales guarantees provided by the market, such as letters of credit and credit insurance. The Group net financial position came to 57.6 million Euro, up 40 million Euro on the previous year. This change may be ascribed mainly to investments in a Siberian mining complex. The debt/equity ratio in this situation is however still less than 1, so your Group may seize any further opportunities that may occur on the market.

More precisely, the Trading Division has further increased its presence in the area with the takeover of a coal mine in the Russian region of Kemerovo. The transaction was concluded at the end of the first quarter of 2008 with takeover of 100% of the share capital of OAO “Kuznetskaya Investitsionno Stroitelnaya Kompany” (Kisk). Kisk owns the mining licences for exploiting the mines and essentially plays the role of a holding company. It provides services to the subsidiaries OOO “Razrez Korciakolskiy”, whose purpose is to mine coal, and OOO “Yujno-Kuzbasskoe promyshlenno-trasportnoe upravelenie”, whose main purpose is rail transportation. This investment was financed with the syndicated credit line granted to Coeclerici S.p.A. by a pool of banks in November 2007. The credit line expires after 7 years and has already allowed the Trading Division to intensify its presence on Russian soil. This strategic investment means that your Group is present throughout the whole coal production line, from the mine to the end user. The Division strengthened its position on the Asian market by purchasing a further 25% stake in the Singaporean company CC Carbon (Pte) Ltd from the German Evonik Group. This transaction consolidated the investment made in June 2007 so that the market could be followed by an independent local facility, thus decreasing problems relating to cultural and time zone differences.

During the accounting period, the Logistics Division continued its business on its reference markets, including Venezuela, Indonesia, Italy, Croatia, Ukraine and India. The overall amounts of coal and iron ore handled by the entire Division, excluding cargoes carried under charter contracts, comes to about 16.5 million tons. Although this figure is down on the previous period owing to the already mentioned world recession, the Group confirms its role as leading operator in the dry bulk port logistics services sector. Despite the consequences the world economic situation has had on the market with effects on 2008 profits, the Division closed the accounting period with a positive result, after the allocation of the minority interests. From a commercial point of view, the renewal of the coal transhipment contract in Venezuela for a further five years is particularly important. The Group's presence was also reinforced by three more launches for local use, in addition to the three that have been operating since 2008. Furthermore, an agreement has been reached to renew port logistics services in the Upper Adriatic until the end of 2009, and a time charter contract has been signed for a vessel in Ukrainian and Russian waters. This is the Division's first experience in this area. The first stage of the FTS Bulk Prosperity was completed during the period. It is now ready to operate in the waters off the West coast of the Indian peninsula. Furthermore, important commercial actions with the aim of further consolidating the Division's strategic position were got under way, also in the company's new development areas.

To sum up, we are pleased to state that your Group has again achieved important results during the 2008 accounting period, both from a financial point of view and regarding assets. It has consolidated previously gained positions and can look forward with confidence and a sound basis 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 achieved.

The Chairman and Managing Director
Paolo Clerici

Milan, March 31, 2009

Consolidated results

Here follow some of the main profit and loss indicators for comparison with the 2007 and 2006 consolidated financial statements as laid down in the IAS/IFRS International Accounting Standards (figures in thousands of Euro):

	2008	2007	2006
Revenues	540,505	338,784	228,260
Operating Profit	21,186	20,086	5,511
Net profit from continuing operations	9,528	15,019	6,240
Net Profit	9,528	31,175	24,944
Group Net Profit	9,640	23,153	16,748
Fixed Assets	71,308	40,586	30,810
Net Working Capital	57,032	50,005	25,969
Net Capital Employed	128,340	90,591	56,779
Group Net Equity	65,722	65,904	77,160
Minority interests	5,052	7,156	10,954
Net Financial Position / (Liquidity)	57,566	17,531	(31,335)
Sources of Finance	128,340	90,591	56,779
Cash flow provided by operating activities	16,544	(14,578)	35,260
Cash flow from investing activities	(41,610)	(8,787)	(1,706)
Cash flow from financing activities	22,126	(22,042)	(15,249)
ROE	13%	39%	30%
ROI	19%	27%	9%

The consolidated income statement shows a significant increase in revenues (+60% compared to the previous year), which exceeded 500 million Euro, and an increase in operating profit, which reached 21 million Euro (+5%). This was thanks to the excellent performance of the core business in the raw materials Trading Sector (20 million Euro) and result of the port logistics sector (3 million Euro) less holding costs (2 million Euro).

More precisely, the net profit from continuing operations is 10 million Euro, down on the 15 million Euro of last year, but still at a certainly interesting level. This result stems from the 520 million Euro in turnover produced by the Trading Sector and 20 million Euro by the Logistics Sector which brings the respective net profits to 11 million Euro and minus 0.3 million Euro. The negative result in the Logistics Sector is not only affected by the drop in operating activities, but also the important unrealized exchange rate differences (2 million Euro), stemming from the conversion of a USD loan granted to the Indian indirect subsidiary CGU Logistic Limited. These differences will be absorbed by the flows in USD generated by the FTS during its period of activity.

The Group asset and liability statement shows a considerable increase in fixed assets which is mainly attributable to the fair value of the coal reserves stemming from the takeover of the Russian mining company OAO Kisk by the direct subsidiary Coeclerici Coal and Fuels S.p.A. Coeclerici S.p.A.'s "standby" line of credit was used to finance this takeover.

The Net Working Capital at December 31, 2008 stayed at the same level as the end of last year, whereas the financial debt increased mainly on account of the above mentioned Russian mining investment.

The detailed 2008 Net Financial Position of the various Coeclerici Group divisions is shown below (figures in thousands of Euro):

	Trading	Logistics	Holding	Total
Mid/long-term financial debt	3,881	11,181	30,897	45,959
Short-term financial debt	45,280	5,129	0	50,409
Cash at banks and in hand	(27,410)	(5,630)	(5,762)	(38,802)
Intercompany loans	30,897	0	(30,897)	0
Net Financial Position / (Liquidity)	52,648	10,680	(5,762)	57,566

Further information by sector

Coal and Fuel Sector

	2008	2007	2006
Tonnage handled	4,899,069	5,674,192	4,660,507
Revenues	520,364	315,400	203,407
Operating profit	19,867	14,969	4,914
Net Profit	11,180	7,777	2,989
Capital Employed	71,653	43,211	12,633
Net Equity	19,005	19,339	15,375
Net Financial Position / (Liquidity)	52,648	23,872	(2,742)

The Division achieved very positive results in the 2008 accounting period thanks to the sale of coal and chartering of ships at particularly profitable terms. In the first nine months of the year, it benefited from the considerable rise in coal prices. The coal reference prices increased on average during 2008 compared to the previous year: 66% on API2 (+58.7 $/tm) and 92% on API4 (+57.8 $/tm). The reduction in the market that occurred during the last three months considerably eroded the trading margins, which up to that time had definitely been notable and had in any case helped the Trading Division achieve an operating profit of about 5 million Euro higher than the previous year.

The growth in trading margins, together with the excellent performance of the mining Group, shrewd financial management and continuous monitoring of counterparts, led the Trading Division to achieve a consolidated net profit of 11 million Euro after setting 3 million Euro aside for taxes.

The 2008 trade policy focused on consolidating the Russian business in Coeclerici Coal and Fuels S.p.A. by taking over a mining Group and transferring the development of other markets to other Group companies, both as regards products (coking coal, coke, petcoke and iron ore) and geographical area (CC Carbon (Pte) Ltd for Asia and Coeclerici Compagnie S.A. for North and South America).

Logistics Sector

	2008	2007	2006
Tonnage Handled	11,092,270	11,587,554	12,366,667
Revenues	20,211	23,451	24,996
Operating Profit	2,955	7,891	4,644
Net Profit(*)	(275)	8,260	6,636
Capital Employed	42,564	37,586	30,307
Net Equity	31,884	32,886	29,191
Net Financial Position	10,680	4,700	1,116

(*) in 2008, 606 thousand Euro of which attributable to the Coeclerici Group and (881) thousand Euro attributable to Minority.

Despite the decrease shown both in the tonnage handled and, consequently, the revenues, the result for the year attributable to the Group comes in any case to a positive final balance. Furthermore it should be noted that it is hard to compare to the 2007 figures owing to the positive effect of a capital gain from sale of a ship. From an operational point of view, the serious recession which marked the second half of the year led as a consequence to only partial use of the fleet due to the lower charter and main commodity markets. Furthermore, the consolidated company data is also affected by about 2 million Euro in negative unrealized exchange rate differences on loans granted in USD to the Indian subsidiary CGU Logistic Limited.

The balance sheet figure mainly reflects the increase in the value of the fleet. This stems on the one hand from completion of vessels, such as the Bulk Prosperity for use in India and launches for bare boat chartering in Venezuela, and on the other from the beginning of work to build three new launches for mixed transportation of goods and people, and the purchase of strategic components with long delivery times for an FTS whose building will be decided according to market conditions. Similarly, the fleet figure is also affected by the capitalization of costs relating to improvements to the vessels and costs relating to keeping the class register for the Bulkwayuù, obtained for five more years. Regarding the Net Financial Position, the sources of finance have increased compared to the 2007 figure since it became necessary to face the investments described above.

The Logistics Sector today consists of the following vessels:

	DWT	Year of construction
Bulkwayuù	64,400	1978
Bulk Kremi I	14,364	1973
Bulk Irony	13,658	2002
Bulk Pioneer	5,974	2005
Bulk Prosperity	11,470	2007
Venezuelan launches (3 vessels)	N/A	2007

The Parent Company

	2008	2007	2006
Revenues	4,051	3,767	3,857
Operating Profit	(2,372)	(3,409)	(4,697)
Net Profit	7,529	7,246	6,818
Capital Employed	46,442	42,208	34,569
Net Equity	52,204	53,249	57,752
Net Financial Position / (Liquidity)	(5,762)	(11,041)	(23,183)

During 2009, Coeclerici S.p.A. has continued to perform its role as guide of the Coeclerici Group, leaving operations in the port Logistics and Trading Sectors to the two entirely owned sub-holdings, Coeclerici Logistics S.p.A. and Coeclerici Coal and Fuels S.p.A.

Regarding cash flow during 2008, Your Company used 30,897 thousand Euro (43,000 thousand USD) of the 150 million Euro syndicated credit line granted by a pool of banks led by Banca Carige during 2007 to finance the takeover of the Russian mining company OAO Kisk by the direct subsidiary Coeclerici Coal and Fuels S.p.A..

During this accounting period, the parent company played 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.

In its capacity as data controller, pursuant to and by effect of legislative decree No. 196 of June 30, 2003, Coeclerici S.p.A. hereby declares that it saw to updating its Security Policy Document by March 31, 2009, as required in point 19 of the technical specifications (annexe B, Italian legislative decree No. 196/2003). Coeclerici S.p.A. undertakes to update its Security Policy Document by March 31 of each year.

The data used in the comments which follow were extracted from the statutory financial statements of Coeclerici S.p.A. and adjusted to reflect the International Accounting Standards (“IFRS”).

Research and development

The Group mainly carries out commercial development activities, especially in the Logistics and Coal and Fuel Sectors. R&D in the Logistics Sector concentrated on the research and study of new projects linked with the transport and transhipment of raw materials. All R&D costs are entered directly on the income statement.

Treasury shares and shares of the parent company

The Parent Company does not hold stock in its holding company, neither has it bought or sold shares in its holding company during the year.

On September 25, 2007, the ordinary general meeting of the Parent Company approved the purchase of 1,000,000 of its own ordinary shares with a par value of 1 Euro each from Cocler S.p.A. (10% of the share capital) at a price of 6.5 million Euro, pursuant to and by effect of section 2357 of the Italian civil code.

Transactions with holding and related companies

The Group has a tax consolidation procedure relationship with its Holding Company Finanziaria Cocler S.A.p.A., which your company is part of and in which Finanziaria Cocler S.A.p.A. plays the role of consolidating entity.

The receivables from Finanziaria Cocler S.A.p.A. concerning this at December 31, 2008 are described in the notes to the financial statements.

Pursuant to section 2497 bis, subsection five of the Italian civil code, it is hereby stated that the relations existing with Cocler S.p.A., which manages and controls your Company, exclusively regard the supply of services and loans, according to normal market conditions. These are described in the paragraph devoted to the services and loans Coeclerici S.p.A. provides its subsidiary and associated companies, at normal market conditions.

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 S.p.A. and its subsidiaries, are as follows:

- market risk stemming from exposure to commodity price volatility;
- market risk stemming from exposure to fluctuations of exchange rates between the euro and the US dollar;
- market risk stemming from exposure to fluctuations in interest rates;
- credit risk stemming from the possibility a counterpart may default;
- liquidity risk stemming from the lack of financial resources to fulfil commitments undertaken;
- political risk.

Refer to “Note 29 – Information about the risks which mark the Group's business” for further details.

Environment and safety

The business carried out in the Trading Sector has environmental implications. In particular, it should be noted 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.

The performance of port logistics services entail compliance with certain regulations (local, national and supranational) and the maintenance of quality standards. In particular, the Logistics Sector complies with the following standards and regulations.

- Environment:

Environmental management system compliant with *standard* ISO 14001 2004 and EMAS Registration (EC regulation n. 761/01), Environmental Risk Assessment, Venezuelan legal regulations and authorization to operate from the

Direccion Ambiental Zulia RASDA 2009 for Venezuela. All terminals apply the legally binding international IMO regulations issued by Marpol.

- Safety:

ISM system compliant with the ISM Code (verified by the Indian Register), in conformity with *standard* OHS18000, Italian safety regulations and legislative decree 271/99, and legally binding Venezuelan regulations.

Outlook

In accordance with its role as Parent Company, Coeclerici S.p.A. will continue its managerial coordination in 2009 so that the subsidiary companies may seek and take advantage of new business opportunities both overseas and in Italy. This will allow the Group to maintain its ability to meet the demands of an increasingly competitive market successfully.

In the first quarter of 2009, coal prices fell further, although less drastically than in the last quarter of 2008. Considerable price volatility is foreseeable during 2009.

During the next few months, the Logistics Division foresees the completion of the investments under way (described above) and the beginning of commercial service for the launches in Venezuela. In the same way, commercial efforts will mainly be aimed at fully using Group owned vessels and renewing the commercial contracts that will expire during 2009. Regarding the strategic development of new projects, the continuation of preparations for the assignment of a long-term contract with a major international mining operator is particularly worth noting, as are the commercial actions with customers operating in different areas of interest aimed at consolidating our position.

During 2008 and the first few months of 2009, the financial markets were marked by a particularly pronounced volatility with large repercussions on various financial institutions and, more in general, the performance of the whole economy. The significant and widespread deterioration of market conditions was accentuated by a severe and generalized difficulty in accessing credit, both for consumers and firms. This started to cause a lack of liquid assets which may reflect on the development of many businesses, including those in which the Group works.

There is no certainty that the steps taken by governments and monetary authorities in response to this will re-stabilize conditions so that the situation may be got over within a reasonable time span. The time it will take for the market to return to normal conditions is therefore extremely uncertain.

In this framework, the Group's 2009 policy will aim at cost containment, optimal exploitation of the synergies that stem from the takeover of the Russian mine in order to limit the consequences of volatile coal prices, and finding the financial resources needed to develop the new port logistics projects with the aim of maintaining suitable profit levels and a sound structure from the asset, liability and cash flow point of view.

Consolidated Financial Statements of the Coeclerici Group at December 31, 2008

Coeclerici Group - Consolidated Balance Sheet at December 31, 2008

(Thousands of Euro)

ASSETS	(NOTES)	31.12.2008	31.12.2007 (*)	changes
NON-CURRENT ASSETS				
Property, Plant and Equipment	1	61,102	32,147	28,955
Intangible assets	2	394	712	(318)
Interests in jointly controlled entities	3	1,649	1,702	(53)
Other investments	3	5,540	5,370	170
Assets available for sale	3	2,623	655	1,968
Deferred tax assets	4	5,100	6,661	(1,561)
Other non-current assets	4	3,122	2,911	211
TOTAL NON-CURRENT ASSETS		**79,530**	**50,158**	**29,372**
CURRENT ASSETS				
Inventories	5	20,389	9,616	10,773
Trade receivables	6	49,334	59,435	(10,101)
Prepayments and other current receivables	7	49,839	42,127	7,712
Cash and cash equivalents	8	38,802	35,759	3,043
TOTAL CURRENT ASSETS		**158,364**	**146,937**	**11,427**
TOTAL ASSETS		**237,894**	**197,095**	**40,799**

EQUITY AND LIABILITIES		31.12.2008	31.12.2007	changes
NET EQUITY				
Shareholders' equity	9	65,722	65,904	(182)
Minority interests	9	5,052	7,156	(2,104)
TOTAL EQUITY		**70,774**	**73,060**	**(2,286)**
NON-CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	45,959	8,927	37,032
Provisions for liabilities and charges	11	14,282	11,958	2,324
Post-employment benefits	12	1,229	1,136	93
Deferred tax liabilities	13	9,012	5,601	3,411
Other non-current liabilities	13	94	4	90
TOTAL NON-CURRENT LIABILITIES		**70,576**	**27,626**	**42,950**
CURRENT LIABILITIES				
Interest bearing liabilities and borrowings	10	50,409	44,363	6,046
Provisions for liabilities and charges	11	1,998	1,960	38
Trade payables	14	33,556	28,880	4,676
Other payables and current liabilities	15	10,581	21,206	(10,625)
TOTAL CURRENT LIABILITIES		**96,544**	**96,409**	**135**
TOTAL NET EQUITY AND LIABILITIES		**237,894**	**197,095**	**40,799**

(*) The 2007 figure is different to the one which appears in the Consolidated Financial Statements at December 31, 2007 since the item includes the deferred tax assets and liabilities shown in the Consolidated Financial Statements to December 31, 2007 in the respective current items.

Coeclerici Group - Consolidated Income Statement at December 31, 2008

(Thousands of Euro)

	(NOTES)	2008	2007	changes
Revenues	**16**	540,505	338,784	201,721
Cost of sales	**17**	(491,502)	(293,943)	(197,559)
GROSS PROFIT		**49,003**	**44,841**	**4,162**
Selling, general, and administrative expenses	**18**	(23,102)	(22,339)	(763)
Capital gains / losses on non-current assets	**19**	(59)	3,345	(3,404)
Profit / loss from jointly controlled entities	**20**	1,347	1,233	114
Other income / expense, net	**21**	11,614	70	11,544
Depreciation and amortization	**22**	(17,617)	(7,064)	(10,553)
OPERATING PROFIT		**21,186**	**20,086**	**1,100**
Net financial income / expense	**23**	(3,099)	(335)	(2,764)
Exchange gains / losses	**24**	(5,748)	430	(6,178)
PROFIT BEFORE TAX		**12,339**	**20,181**	**(7,842)**
Income taxes	**25**	(2,811)	(5,162)	2,351
PROFIT AFTER TAX from continuing operations		**9,528**	**15,019**	**(5,491)**
Profit from discontinued operations	**26**	0	16,156	(16,156)
NET PROFIT		**9,528**	**31,175**	**(21,647)**
Attributable to: Coeclerici S.p.A. Shareholders		9,640	23,153	(13,513)
Minority interest		(112)	8,022	(8,134)

Coeclerici Group - Consolidated Cash Flow Statement at December 31, 2008

(Thousands of Euro)

	2008	2007
A CASH AND CASH EQUIVALENTS, NET OF OVERDRAFTS, AT BEGINNING OF THE PERIOD	**(5,440)**	**39,967**
B CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
Operating Profit	21,186	20,086
Depreciation and amortization	17,617	7,064
(Capital gains) / losses on non-current assets	59	(3,345)
(Profit) / loss from jointly controlled entities	(1,347)	(1,233)
Exchange differences arising on translation of foreign operations	(5,748)	430
Profit from discontinued operations	0	0
Net change in provisions	2,362	147
Net change in post-employment benefits	93	33
Cash flow generated from operating profit before changes in working capital	**34,222**	**23,183**
(Increase) / decrease in inventories	(10,773)	2,047
Decrease / (increase) in trade receivables	10,101	(40,850)
Increase / (decrease) in trade payables	4,676	11,774
Other changes in working capital	(11,449)	(9,555)
Income taxes paid	(10,233)	(1,176)
	16,544	**(14,578)**
C CASH FLOW FROM INVESTING ACTIVITIES		
Investments in non-current assets	(23,291)	(14,365)
Cash outflows from consolidated investments (Note 32)	(24,140)	(2,840)
Dividends received from jointly controlled entities	1,400	1,350
Capital repayments from other companies	358	0
Interests received	4,022	2,536
Gains on disposal of non-current assets	41	4,531
	(41,610)	**(8,787)**
D CASH FLOW FROM FINANCING ACTIVITIES		
Acquisition of new financial assets	44,753	5,964
Repayment of interest bearing liabilities	(7,506)	(2,939)
Dividends paid	(8,500)	(10,000)
Dividends paid to minority interests	(956)	(947)
Interests / commissions paid	(5,981)	(2,015)
Payment for share buyback	0	(6,500)
Effect of demerger of the holding company	0	(6,013)
Contribution from minority shareholders	562	-
Net (increase) / decrease in long term financial receivables	(537)	409
	22,126	**(22,042)**
E CASH FLOW FOR THE PERIOD (B + C + D)	**(2,940)**	**(45,407)**
F CASH AND CASH EQUIVALENTS, NET OF OVERDRAFTS, AT END OF THE PERIOD (A + E)	**(8,380)**	**(5,440)**
Cash and cash equivalents	38,802	35,759
Short-term advances	(44,889)	(40,504)
Overdrafts	(2,293)	(695)
Cash and cash equivalents, net of overdrafts, at end of the period	**(8,380)**	**(5,440)**

Coeclerici Group - Statement of Changes in Consolidated Net Equity at December 31, 2008

(Thousands of Euro)

	Capital stock	Treasury shares	Legal reserve	Translation reserve	Merger surplus reserve	Reserve for the fair value of financial instruments	Retained earnings	Net profit	**Total Coeclerici Group Net Equity**	Total Minority Net Equity	**Total Net Equity**
Balances at December 31, 2006	**10,000**	**0**	**2,293**	**(2,256)**	**0**	**31**	**50,344**	**16,748**	**77,160**	**10,954**	**88,114**
Allocation of 2006 net profit							16,748	(16,748)	0	0	0
Capital increase											
Distribution of dividends to shareholders							(10,000)		(10,000)	(947)	(10,947)
Differences due to the translation of financial statements in currencies other than Euro				4					4	(52)	(48)
Change in consolidation area*									0	1,422	1,422
Purchase of treasury shares		(6,500)							(6,500)	0	(6,500)
Change in reserve for the fair value of financial instruments						104			104	0	104
Effect of division of the holding company				31	4.735		(22,783)		(18,017)	(12,243)	(30,260)
Profit at December 31, 2007								23,153	23,153	8,022	31,175
Balances at December 31, 2007	**10,000**	**(6,500)**	**2,293**	**(2,221)**	**4,735**	**135**	**34,309**	**23,153**	**65,904**	**7,156**	**73,060**
Allocation to the 2007 net profit							23,153	(23,153)	0	0	0
Distribution of dividends to shareholders							(8,500)		(8,500)	(956)	(9,456)
Differences due to the translation of financial statements in currencies other than Euro				(1,117)					(1,117)	54	(1,063)
Increase in minority investments in subsidiaries (**)									0	(1,090)	(1,090)
Change in reserve for the fair value of financial instruments						(205)			(205)	0	(205)
Profit at December 31, 2008								9,640	9,640	(112)	9,529
Balances at December 31, 2008	**10,000**	**(6,500)**	**2,293**	**(3,338)**	**4,735**	**(70)**	**48,962**	**9,640**	**65,722**	**5,052**	**70,774**

(*) 40% minority share of the net equity of the Singaporean company CC Carbon (Pte) Ltd purchased in 2007.
(**) 25% decrease in minority shares of the net equity of the Singaporean company CC Carbon (Pte) Ltd (worth 1,652 thousand Euro) purchased in 2008.
45% increase in minority shares worth 562 thousand Euro, on account of the proportional increase in the share capital of the Indian company CGU Logistic Limited.

Notes to the consolidated financial statements
of the Coeclerici Group at December 31, 2008

Principles for drawing up the financial statements

The 2008 consolidated financial statements were drawn up in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. The term IFRS is also understood to mean all the reviewed international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly known as the Standing Interpretations Committee ("SIC").

The financial statements have been prepared under the historical cost convention, modified as required by the valuation of some financial instruments.

The financial statements are presented in Euros, which is the currency in circulation 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 December 31, 2008 consist of a balance sheet, an income statement, a cash flow statement, a statement showing the changes in net equity 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 S.p.A. 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 December 31, 2008 were used to draw up the consolidated financial statements. These financial statements have been adjusted, where necessary, in order to comply with the consolidation standards and bring them into line with the international accounting 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 is presented in a form which distinguishes between current and non-current assets/liabilities.

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

Principles of consolidation

Subsidiaries

These are entities which 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 net equity shares 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 align their accounting policies with those adopted by the Group.

Jointly controlled entities

These are entities over whose business the Group has joint control as defined by 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 carrying amount of the equity investment in the financial statements, the value of the equity investment is zero 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 companies to align their accounting policies 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 carrying amount of the equity investment in the financial statements, the value of the equity investment is zero 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 align their accounting policies with those adopted by the Group.

Other investments

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 intragroup 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 entered 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 entered 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. The exchange differences stemming from conversion of the financial statements expressed in foreign currencies are allocated directly to the "translation reserve" item under net equity.

Accounting policies

The most significant accounting principles adopted when preparing the consolidated financial statements at December 31, 2008 are illustrated below.

Property, plant and equipment

Property, plant and equipment 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 held under finance leases, 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 at the present value of the lease payments due. The corresponding liability to the lessor is shown as a specific liability item.

Assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

	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 dry-dock maintenance.

The “assets under construction and advances” item includes all investments which have not yet become part of the production process.

Intangible fixed assets

Goodwill

If companies are taken over, the assets, liabilities and potential liabilities acquired and identifiable are recorded at their fair value on the takeover date.

If the difference between the takeover price and the share held by the Group at its fair value is positive, these assets and liabilities are classified as goodwill and are entered in the financial statements as intangible assets. If the difference is negative (“negative goodwill”), it 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 taken over firm 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 IFRS were applied for the first time, the Group chose not to apply IFRS 3 (Business Combinations) retroactively to company takeovers which occurred before January 1, 2006. Consequently, the allocations made on the purchase dates have not been reviewed.

Other intangible assets

According to IAS 38 (Intangible assets), other intangible assets purchased or produced internally 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.

These assets are assessed at purchase or production price and amortized on a straight-line basis over their estimated useful lives if they have a finite useful life. Intangible assets with indefinite useful lives are not amortized, but are tested 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.

Asset impairment loss

The Group regularly tests the recoverability of the carrying amounts of intangible and tangible assets in order to determine whether they may have been impaired. If there is evidence of impairment, the carrying amounts of the assets concerned are decreased to their relevant 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 measure 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 risks specific to the business.

An impairment loss is recorded if the recoverable value is lower than the carrying amount. Where an impairment loss, other than an impairment loss on goodwill, subsequently reverses or decreases, the carrying amount of that asset or cash-generating unit is increased to the revised estimate of its recoverable amount which cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. Reversal of an impairment loss is immediately recognized in the income statement.

Leasing contracts

Assets held under finance leases, which essentially transfer all the risks and benefits linked to ownership of the assets to the Group, are recognized as Group assets. The corresponding liability to the lessor is classified among the financial payables. The contract is classified as a finance lease upon stipulation by examining the contract requirements and/or asset involved. Payments made under operating lease contracts are charged to the income statement on a straight-line basis over the lease term.

Inventories

Inventories of lubricants and fuels on board ships are recorded at their cost measured according to the F.I.F.O. method.

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

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 fair value of an asset or liability shown on the financial statements and attributable to a particular risk which may affect the income statement, the gain or loss from subsequently re-measuring the hedging instrument at fair value is entered on the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement.

• *Cash flow hedge* - If a derived financial instrument is designated to hedge exposure to variability in future cash flows of an asset or liability entered in the financial statements or of a highly probable forecast transaction which may affect the income statement, the effective portion of the gains or losses on the derived financial instrument is entered in the net equity. Accrued net equity gains or losses are reversed and entered in 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 entered in the income statement immediately. If a hedging instrument or hedging relationship is closed before the hedged transaction occurs, the accrued gains and losses entered up to that time in the net equity are recorded in the income statement when the relevant transaction actually occurs. If the hedged transaction is no longer considered likely, the gains or losses which have not yet been realized and are suspended on the net 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 entered in the income statement.

Trade receivables

These are recorded at their presumed realizable value.

Assets available for sale

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

Cash and cash equivalents

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

Treasury shares

Treasury stock is entered as a reduction in consolidated net equity.

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 financial statement reference date.

Changes in the estimates are reflected in the income statement for the period in 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 December 27, 2006 ("2007 finance act") and subsequent decrees and regulations issued during the first few months of 2007 allow employees to keep their post-employment benefit in the firm without being obliged to opt for additional social security 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 is consequently entered in the first six months of 2007.

Amounts of post-employment benefit falling due from employees from the moment they exercise the option are considered a "Defined contribution plan".

Recognition of revenue 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.

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

Contributions

Contributions obtained in accordance with Italian law are recorded when they are definitively assigned to the company and entered in the income statement at the same time as the asset is amortized.

Income taxes

Income taxes include all taxes calculated on Group taxable income. Income taxes are recorded in the income statement, with the exception of those concerning items directly charged or credited to the net equity, in which case the tax effect is entered directly in the net 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 result shown 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 emerge between the taxable base of an asset or liability and the carrying amount in the consolidated financial statements. Deferred tax assets on tax losses and unused tax receivables which cannot be carried forward, as well as on temporary differences, are recognized to the extent that it is likely that a future taxable income may emerge against which they may be recovered.

Use of estimates

In order to draw up the financial statements and relevant notes in pursuance of the IFRS, the management has to make estimates and assumptions which affect the values of assets and liabilities on the financial statements and the information concerning potential assets and liabilities on the date of the financial statements. Final results may be different from these estimates. Estimates are used to enter provisions for risks, amortizations, write-downs of assets, employee benefits, fair value assessments of assets and liabilities and taxes. Estimates and assumptions are regularly reviewed and the effects of any changes are immediately reflected in the income statement.

Consolidation area

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

The following transactions led to changes in the company consolidation area compared to the previous year.

During the first quarter of 2008, the Swiss subsidiary CF Service S.A. purchased 100% of the share capital of the Russian mining company "Kuznetskaya investitsionno – stroitelnaya compania" ("OAO Kisk").

Through OAO Kisk, CF Service S.A. also indirectly purchased a 100% stake in the Russian company OOO Razrez Korchakolsky ("OOO Razrez"), which works in the coal mining sector at the mines belonging to its direct holding company OAO Kisk, located in the Kemerovo region, and a 100% stake in the Russian company OOO "Yuzhno – Kuzbasskoe promyshlenno – transportnoe upravlenie" ("OOO Ptu"), which works in the rail cargo transportation sector in the region for the direct holding company OAO Kisk and third parties using its own means.

On December 19, 2008, the subsidiary CF Service S.A. transferred its entire stake in OAO Kisk to the direct holding company Coeclerici Coal and Fuels S.p.A. by sale contract.

The new mining company was consolidated on the basis of a fair value assessment of the acquired assets and liabilities. This assessment led to entering 31 million Euro in the consolidated financial statements under "tangible fixed assets" at March 31, 2008 relating to the market value of the coal reserves which represent the value of the licence for exploitation of the site with expiry date in 2017. This value was depreciated by 3 million Euro in the consolidated financial statements for the nine months between takeover of the mine (end of March 2008) and December 31, 2008 on the basis of the production schedule and in consideration of the quantities mined during the reference period. The depreciation schedule used will zero the value of the coal reserves when the licence expires (2017). Furthermore, on account of the checks on recoverability of the carrying amounts according to the procedures laid down in IAS 36, the carrying amounts of coal reserves were depreciated by 8 million Euro, as described in "Note 1 – Property, plant and equipment".

Takeover of the mining company OAO Kisk led to entering a badwill of 4.6 million Euro in the 2008 period income statement, as described in "Note 21 – Other income / expense, net ".

With reference to the accounting principles and assessment criteria applied to the mining company which joined the consolidation area in 2008, it should be specified that:

- the plant and machinery used for mining are depreciated over their useful lives with rates of from 12.5% to 20%;

- inventories are registered at their cost calculated using an approximate F.I.F.O. method in compliance with Group procedures;

- costs relating to the purchase of exploration rights, geological study and survey rights, exploratory drilling and excavation rights, assays, and technical feasibility and commercial viability studies of mining resources are recorded as exploration and evaluation activities in compliance with IFRS 6. These costs are entered as intangible assets and amortized over the period during which it is expected the relevant mining will take place. Exploration is subject to a decrease in value in compliance with the procedures laid down in IAS 36, when its carrying amount is not recoverable.

- The costs of demolishing and reclaiming mining sites are recorded in compliance with IAS 16 as a separate component of the reference assets and amortized during the whole remaining life of the related asset. These costs are set off against special provisions for liabilities that are used when the amounts are paid out to reclaim the sites.

Furthermore, the subsidiary CF Service S.A. purchased a 49% stake in the Russian limited liability company “Obshestvo s ogranichennoj otvetsvennost’ju OOO Delta Property” (“OOO Delta Property”) on April 21, 2008 for 4,900 thousand RUR, which is equal to the value of the net equity purchased.

The subsidiary OOO Delta Property in turn purchased a 100% stake in the company “Selskohozyaistvennoe predpriyatie Taylepskoe” (“Taylepskoe”) on April 23, 2008, for 122.6 million RUR (equal to 3.3 million Euro). Taylepskoe owns 11,870,400 square metres of land in the Kemerovo region, adjacent to the mine and useful for the mine's operation.

Lastly, the Swiss subsidiary Coeclerici Compagnie S.A. purchased a further 25% stake in the already controlled Singaporean company CC Carbon (Pte) Ltd for 3.1 million USD on June 13, 2008, thus bringing its overall stake to 85%.

Other information

New accounting principles

Accounting principles, amendments and interpretations applied in 2008

On July 5, 2007, IFRIC issued IFRIC 14, an interpretation of IAS 19 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction), applicable from January 1, 2008. Adoption of this interpretation did not lead to any accounting effects on these financial statements.

On October 13, 2008, the IASB issued an amendment to IAS 39 (Financial instruments): supplementary information which allows certain financial assets, other than derivatives, to be reclassified in particular circumstances from the "available for sale" accounting category to "held to maturity", if the company is able to and intends to hold these instruments for a certain future period. This amendment came into force on July 1, 2008. However its adoption did not lead to recording any effects in these financial statements.

Interpretations applicable from January 1, 2008, that are not significant for the company

Interpretation IFRIC 12 - Service Concession Arrangements (applicable from January 1, 2008, but which has not yet been approved by the European Union) lays down rules and regulations for cases not found in the company.

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

On March 29, 2007, the IASB issued a reviewed version of IAS 23 (Borrowing costs), which will be applicable prospectively as from January 1, 2009 to assets capitalized as from that date.

On September 6, 2007, the IASB issued a revised version of IAS 1 (Presentation of Financial Statements), which will be applicable from January 1, 2009. The new version of the principle requires the company to present a statement of all the changes in net equity generated by transactions with shareholders. All transactions with third parties ("comprehensive income") shall instead be shown in a single statement of comprehensive income, or in two separate statements (income statement and statement of comprehensive income). In any case, the changes generated by transactions with third parties cannot be recorded in the statement of changes in net equity. Adoption of this principle does not lead to any effect from the point of view of calculating financial statement items.

On January 10, 2008, the IASB issued an updated version of IFRS 3 (Business Combinations) and amended IAS 27 (Consolidated and separate financial statements). The new rules shall be applied prospectively from January 1, 2010. At the date of issue of these financial statements, the competent European Union bodies have not concluded the approval process required for application of the principle and the amendment.

On May 22, 2008, the IASB issued a set of changes to the IFRS ("improvement"); those which the IASB defines as changes that will lead to a change in the presentation, recognition and evaluation of financial statement items are mentioned. Those which instead only entail terminological changes or publishing changes with minimal effects in actuarial terms and those that refer to cases not found in the Group are not mentioned.

- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations: this amendment shall be applied prospectively from January 1, 2010.
- IAS 1 – Presentation of financial statements (revised in 2007): this amendment, which shall be applied prospectively from January 1, 2009, lays down that assets and liabilities stemming from financial derivatives that are not held for negotiation purposes shall be classified in the financial statements by distinguishing current and non-current liabilities. Adoption of this amendment does not lead to any effect from the point of view of calculating financial statement items.

- IAS 19 – Employee benefits: this amendment shall be applied prospectively from January 1, 2009.
- IAS 20 – Accounting for Government Grants and Disclosures of Government Assistance: this amendment, which shall be applied prospectively from January 1, 2009, lays down that the benefits stemming from government loans at interest rates under market rates shall be treated as government grants and therefore follow the rules of disclosure laid down in IAS 20.
- IAS 23 – Borrowing costs: this amendment, which shall be applied from January 1, 2009, has revised the definition of borrowing costs.
- IAS 28 – Investments in Associates: this amendment shall be applied (even only prospectively) from January 1, 2009.
- IAS 36 - Impairment of assets: this amendment, which shall be applied from January 1, 2009, entails providing additional information if the company calculates the recoverable value of the cash generating unit using the method of discounting cash flows.
- IAS 38 - Intangible assets: this amendment, which shall be applied retrospectively from January 1, 2009, lays down how promotional and publicity costs are to be recognized in the income statement.
- IAS 39 – Financial instruments: recognition and measurement: this amendment shall be applied retrospectively from January 1, 2009.

On July 3, 2008, the IFRIC issued interpretation IFRIC 16 (Hedges of a Net Investment in a Foreign Operation). This interpretation shall be applied from January 1, 2009. At the date of issue of these financial statements, the competent European Union bodies have not concluded the approval process required for application of the interpretation.

On July 31, 2008, the IASB issued an amendment to IAS 39 (Financial instruments: recognition and measurement), which shall be applied retrospectively from January 1, 2010. At the date of issue of these financial statements, the competent European Union bodies have not concluded the approval process required for application of the interpretation.

Accounting principles, amendments and interpretations not applicable by the company

Lastly the following interpretations that regulate cases not applicable by the company at the date of these financial statements have been issued:

- The IASB issued IFRS 8 (Operating Segments) on November 30, 2006, which will be applicable as from January 1, 2009 in the place of IAS 14 (Segment reporting). Adoption of this principle does not lead to any effect from the point of view of calculating financial statements items.

- The IASB issued an amendment to IFRS 2 (Vesting Conditions and Cancellations) on January 17, 2008. This amendment shall be applied retrospectively from January 1, 2009.

- On February 14, 2008, the IASB issued an amendment to IAS 32 (Financial instruments: Presentation) and to IAS 1 (Presentation of financial statements – Financial instruments) with the option of selling bonds in the event of liquidation. This amendment shall be applied prospectively from January 1, 2009.

- Improvement to IAS 16 – Property, plant and equipment; this amendment shall be applied retrospectively from January 1, 2009.

- Improvement to IAS 28 (Investments in Associates), and to IAS 31 (Interests in Joint Ventures); these amendments shall be applied from January 1, 2009.

- Improvement to IAS 40 (Investment property): this amendment shall be applied prospectively from January 1, 2009.

- IFRIC 13 - Customer loyalty programmes; this shall be applied from January 1, 2009.

- IFRIC 15 - Agreements for the Construction of Real Estate, which shall be applied from January 1, 2009, but which has not yet been approved by the European Union.

The figures shown in these comments are expressed in thousands of Euro. The corresponding amounts from the previous year are shown in brackets.

Comments on balance sheet items

Property, Plant and Equipment (Note 1)

The changes in tangible fixed assets which occurred during 2008 are summarized in the following table:

	Fleet	Land and buildings	Plant and machinery	Other assets	Coal reserves	Costs of demolition and restoration	Fixed assets under construction	Total
Balance at December 31, 2006	**20,395**	**868**	**324**	**1,276**	**0**	**0**	**4,600**	**27,463**
Increases	1,197	0	314	805	0	0	6,707	9,023
Decreases	(1,280)	0	0	0	0	0	0	(1,280)
2007 depreciation	(2,481)	(28)	(136)	(364)	0	0	0	(3,009)
Reclassifications	486	0	0	0	0	0	(486)	0
Exchange rate differences	0	0	(3)	0	0	0	(47)	(50)
Balance at December 31, 2007	**18,317**	**840**	**499**	**1,717**	**0**	**0**	**10,774**	**32,147**
Increases	5,587	3,090	3,692	1,601	30,803	2,882	900	48,555
Decreases	(80)	0	0	(77)	0	0	(81)	(238)
2008 depreciation	(2,738)	(35)	(458)	(518)	(2,902)	(340)	0	(6,991)
Write-downs	0	0	0	0	(7,936)	(1,900)	0	(9,836)
Reclassifications	9,450	0	0	0	0	0	(9,450)	0
Exchange rate differences	577	7	(55)	36	(1,841)	(28)	(1,231)	(2,535)
Balance at December 31, 2008	**31,113**	**3,902**	**3,678**	**2,759**	**18,124**	**614**	**912**	**61,102**

“Fleet”, entered at 31,113 thousand Euro (18,317 thousand Euro at December 31, 2007), is shown less capital grants stemming from Italian law 488/1992 and 341/1995, amounting to a total of 1,107 thousand Euro at December 31, 2008 (1,186 thousand Euro at December 31, 2007). These capital grants were received to build the Bulk Irony operating unit, owned by the subsidiary Terminal Offshore Piombino S.p.A., and are released into the income statement over the useful life of the vessel. The 2008 amortization is therefore shown less the portion of the grants released into the income statement, amounting to 79 thousand Euro.

The reclassification from “fixed assets under construction”, amounting to 9,450 thousand Euro, consists of:

- 8,720 thousand Euro to the Bulk Prosperity FTS belonging to the indirect subsidiary CGU Logistic Limited, whose construction was completed in March 2008.

- 730 thousand Euro to the Venezuelan launches belonging to the indirect Venezuelan subsidiary Bulkguayana S.A., which join the first launch already operating during 2007.

The increases in “fleet”, entered at 5,587 thousand Euro, consist of:

- 1,163 thousand Euro relating to dry dock work carried out on the Bulk Kremi unit belonging to the indirect subsidiary Capo Noli Transportes Maritimos Lda;
- 574 thousand Euro relating to dry dock works carried out on the Bulk Wayuù unit belonging to the indirect subsidiary Bulkguasare de Venezuela S.A.;
- 615 thousand Euro relating to the building of two more launches by the indirect subsidiary Bulkguayana S.A.;
- 231 thousand Euro relating mainly to purchase of an engine for the Bulk Irony unit belonging to the indirect subsidiary Terminal Offshore Piombino S.p.A.;
- 3,004 thousand Euro relating to the Bulk Prosperity Floating Transfer Station owned by the indirect subsidiary CGU Logistic Limited.

Some of the vessels in the fleet are mortgaged, as mentioned in “Note 10 – Interest bearing liabilities and borrowings”.

"Land and buildings", entered at 3,902 thousand Euro (840 thousand Euro at December 31, 2007), includes 812 thousand Euro for the value of the Group offices in Rome, redeemed as a result of the leasing contract drawn up with Sardaleasing which ended in 2008. It also includes 2,994 thousand Euro (123.6 million RUR) 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.

Lastly, the item includes 96 thousand Euro (3,949 thousand RUR) corresponding to the value of the buildings belonging to the Russian mining company OAO Kisk.

“Plant and machinery”, entered at 3,678 thousand Euro (499 thousand Euro at December 31, 2007), has increased mainly due to the machinery belonging to the indirect Russian subsidiary OAO Kisk worth 3,274 thousand Euro. This item includes 1,552 thousand Euro (64,076 thousand RUR) in goods purchased under leasing agreements, less depreciation amounting to 94 thousand Euro (3,880 thousand RUR): two bulldozers, two Komatsu machines and a Belaze. Refer to “Note 10 - Interest bearing liabilities and borrowings” for information on the remaining payables connected to these leasing contracts (1,243 thousand Euro).

"Other assets", entered at 2,759 thousand Euro (1,717 thousand Euro at December 31, 2007), have increased by 1,042 thousand Euro less the period depreciation (518 thousand Euro), decreases (77 thousand Euro) and positive exchange rate differences (36 thousand Euro). The 1,601 thousand Euro increase mainly includes 1,000 thousand Euro in furniture and furnishings, motor vehicles and EDP belonging to the Russian indirect subsidiary OAO Kisk, and 362 thousand Euro in motor vehicles and furniture and furnishings belonging to Coeclerici S.p.A.

“Coal reserves”, entered at 18,124 thousand Euro (0 Euro at December 31, 2007) equal to 748 million RUR, is exclusively attributable to the value of coal reserves belonging to the Russian mining company OAO Kisk purchased by the Group during the first six months of 2008, calculated with the help of external consultants as explained previously in “consolidation area”. The most significant assumptions made in the fair value calculation are the following:

- average sale prices: 1,600 RUR on March 31, 2008 and 1,500 RUR on December 31, 2008;
- period of validity of the licence (until 2017);
- WACC: 13.56% on March 31, 2008 and 14.53% on December 31, 2008.

On December 31, 2008, on account of the checks on recoverability of the carrying amounts according to the procedures laid down in IAS 36, the carrying amount of the coal reserves was depreciated by 7,936 thousand Euro. This included the complete write off of the Zapadny site (entered at 4.7 million Euro at March 31, 2008, equal to 174 million RUR) as indicated in “Note 22 – Depreciation and amortization” in the income statement. The average sale prices considered in the fair value calculation of the coal reserves are prudential, and the expected rise in coal sale prices will lead to a revival in the value of the coal reserves themselves.

The "costs of demolition and restoration" are entered as a separate item from the coal reserves in compliance with IAS 16. They consist of 614 thousand Euro at December 31, 2008 (2,882 thousand Euro when the Russian company OAO Kisk was taken over) in costs to be faced for reclaiming the site when the mines are closed. 1,900 thousand Euro was written off on account of the checks on recoverability of the carrying amounts as described for the previous item "coal reserves".

"Fixed assets under construction", entered at 912 thousand Euro (10,774 thousand Euro at December 31, 2007), have fallen by 9,862 thousand Euro on account of the 10,173 thousand Euro in reclassifications described under "fleet" (see item for further details).
The amount of 912 thousand Euro includes 389 thousand Euro for the building of three new launches by the indirect subsidiary Bulkguasare de Venezuela S.A. and 244 thousand Euro for improvements to the Bulk Pioneer belonging to the indirect subsidiary Logconversion Transportes Maritimos Lda, which should be concluded by the end of 2009.
Lastly, the figure also includes 258 thousand Euro relating to the purchase of capital goods (cranes and conveyor belts) for use to build units that will be used in port logistics projects still being defined. The value of the commitments entered into at December 31, 2008 for the performance of these projects amount to about 5 million Euro, for which already agreed special lines of credit will be opened. What is more, it should be noted that these goods have a certain degree of fungibility, even for commitments other than those originally foreseen.

The amortization for the year was 6,991 thousand Euro.

Intangible assets (note 2)

The changes in intangible fixed assets which occurred during 2008 are summarized in the following table:

	Goodwill	Contract portfolio	Other fixed assets	Total
Balance at December 31, 2006	**0**	**0**	**678**	**678**
Increases	191	3,829	69	4,089
Decreases	0	0	0	0
2007 depreciation	0	(3,647)	(408)	(4,055)
Balance at December 31, 2007	**191**	**182**	**339**	**712**
Increases	0	441	177	618
Decreases	0	0	(146)	(146)
2008 depreciation	0	(623)	(167)	(790)
Balance at December 31, 2008	**191**	**0**	**203**	**394**

"Goodwill", entered at 191 thousand Euro at December 31, 2008, refers entirely to the surplus value stemming from purchase of a 60% stake in the indirect subsidiary CC Carbon (Pte) Ltd, which occurred during 2007 and has already been mentioned in the annual report. From the analyses made when the 2008 consolidated financial statements were prepared, it was not considered necessary to decrease the value of the original amount entered as goodwill upon purchase.

"Contract portfolio", completely written off in 2008 (182 thousand Euro at December 31, 2007), referred exclusively to the orders of CC Carbon (Pte) Ltd, calculated at 3,829 thousand Euro when the stake was purchased on the basis of existing coal purchase and sale contracts. During 2008, the Swiss subsidiary Coeclerici Compagnie S.A. purchased a further 25% stake in the already controlled Singaporean company CC Carbon (Pte) Ltd for 3.1 million USD, thus bringing its overall stake up to 85%: this purchase produced a 441 thousand Euro increase in the value of CC Carbon (Pte) Ltd orders, amortized at December 31, 2008 on the basis of the contracts already closed.

"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.

The amortization of the intangible assets for the year was 790 thousand Euro.

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

This item consists of:

	31/12/2008	31/12/2007
Jointly controlled entities	1,649	1,702
Other companies	5,540	5,370
Assets available for sale	2,623	655
Total	**9,812**	**7,727**

The following changes in equity investments in jointly controlled firms, measured using the equity method, occurred during 2007 and 2008:

	Viannlog	Kidecrane
Balance at December 31, 2006	**753**	**1,066**
2007 profit	826	407
Dividends paid / capital repayment	(1,000)	(350)
Balance at December 31, 2007	**579**	**1,123**
2008 profit	830	517
Dividends paid	(800)	(600)
Balance at December 31, 2008	**609**	**1,040**

The indirect subsidiary Viannlog Consultoria Economica Lda, which holds a 100% stake in Mediterranean Bulk System N.V., works in the raw materials port logistics sector (primarily coal). Through its above mentioned subsidiary, it operates at the port of Koper (Slovenia) and at Bakar-Rjeka (Croatia) unloading Panamax ships and temporarily storing materials that are subsequently loaded onto shuttle-vessels destined for Italian ports.

The indirect subsidiary Kidecrane Transportes Maritimos Lda performs coal transhipment contracts for its customer "P.T. Cotrans" in Balikpapan (Indonesia) using two floating cranes. The direct subsidiary Adang Bay Transportes Maritimos S.A., is developing new port logistics projects that are still in the process of being assigned by a major Russian mining company.

Both the indirect subsidiaries described above are 50% held by the Coeclerici Group.

At December 31, 2008, "other companies" consisted of:

	31/12/2008	31/12/2007
Ambienta SGR S.p.A.	9	0
Coeclerici Logistics (India) in liquidation	40	56
Consar S.r.l.	3	3
Mepeg S.p.A.	0	259
Telemar S.p.A.	434	434
United Shippers Limited	5,053	4,617
Others	1	1
Total	**5,540**	**5,370**

This item increased by 445 thousand Euro during the year owing to:

- 9 thousand Euro relating to the purchase of 90 shares worth 100 Euro each, corresponding to a 0.6 % stake in the share capital of "Ambienta Società di Gestione del Risparmio S.p.A";
- 436 thousand Euro relating to the increase in shareholding in United Shippers Limited (USL).

The 275 thousand Euro in decreases entered, refer to:

- writing off the equity holding in Coeclerici Logistics (India) Ltd in liquidation worth 16 thousand Euro on account of the alignment of the value of the stock held to the net equity of the subsidiary;
- sale of the shares in Mepeg S.p.A. entered at 259 thousand Euro at December 31, 2007, with a capital gain of 41 thousand Euro, as described in "Note 19 – Capital gains / (losses) on non-current assets".

As regards the amount relating to the shareholding in the Indian company United Shippers Limited (USL), which works in the port logistics sector, it should be noted that an agreement has been signed with the sellers (natural persons, shareholders of USL who together hold the controlling stake) which entails *inter alia* the right of the direct subsidiary Coeclerici Logistics S.p.A. to a put option for the resale of the stake at a price essentially in line with the purchase price if USL does not reach certain cumulative economic results during the period from the purchase date to March 31, 2010.

At present the results achieved by the company invested in do not make use of the option to sell the stake look likely.

At December 31, 2008, the "Financial assets available for sale" that are likely to remain permanently among the company assets, consist of:

	31/12/2008	31/12/2007
Banca Carige S.p.A.	139	0
Banco Popolare S.C.	16	0
Fondo Ambienta	510	0
Hao Capital Fund II L.P.	250	0
Value Secondary Investments SICAR	1,708	655
Total	**2,623**	**655**

This item increased by 1,968 thousand Euro during 2008, as illustrated below:

- 139 thousand Euro on account of the purchase of 81,985 shares in Banca Carige S.p.A. with a value of 2.7125 Euro each less the adjustment to market value which entailed a 83 thousand Euro decrease entered in the "Financial instrument fair value reserve" in the net equity less tax effect;

- 16 thousand Euro on account of the purchase of 2,697 shares in Banco Popolare S.C. less the adjustment to market value which entailed a 14 thousand Euro decrease entered in the "Financial instrument fair value reserve" in the net equity less tax effect;
- 510 thousand Euro for the subscription of shares in the private equity closed-end fund Ambienta I;
- 250 thousand Euro for the subscription of shares in the private equity fund Hao Capital Fund II L.P.;
- 1,053 thousand Euro owing to a further 1,411 thousand Euro increase in the capital of the Luxembourgian company Value Secondary Investiments S.I.C.A.R. and a 358 thousand Euro capital repayment decided by the shareholders' meeting on December 16, 2008.

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".

It should be mentioned that the private equity Hao Capital Fund II L.P. is still in the start-up stage; consequently it is believed that the fair value at December 31, 2008 is not significantly different from the amount paid by the Group to purchase the shares.

Deferred tax assets and other non-current assets (Note 4)

This item consists of:

	31/12/2008	31/12/2007
Deferred tax assets	5,100	6,661
Tax receivables	370	696
Receivables transferred to factoring companies	2,544	2,492
Guarantees and deposits	624	62
Receivables for advance payment of post-employment benefit	45	54
Other receivables	39	11
Provision for other bad debts	(500)	(404)
Deferred tax assets and other non-current assets	**8,222**	**9,572**

Deferred tax assets mainly consist of provisions for risks set aside during the year and during previous years, which are not immediately tax deductible. The temporary differences that have produced the deferred tax assets are expected to return to normal after the end of the next accounting period. For further information about this item see "Note 25 – Income taxes".

The 370 thousand Euro in tax receivables refer to IRPEG (corporate income tax) and ILOR (local income tax) requested for reimbursement in previous years; 326 thousand Euro was returned during 2008.

In 1997, the Group transferred tax receivables to Mediofactoring S.p.A. (ex Fiscambi Factoring) with recourse. Interest is due on the transferred receivables at a rate equal to the quarterly average of the daily three-month Euribor rate until such time as the factoring company collects the receivables from the tax authorities.

The figure of 2,544 thousand Euro consists of 2,137 thousand Euro in remaining credit and 407 thousand Euro in accrued interest, of which 53 thousand Euro accrued in 2008. No collections were recorded during the accounting period.

"Guarantees and deposits", entered at 624 thousand Euro, include INR 38,861 thousand (equal to 575 thousand Euro) 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 amount makes up 50% of the total guarantees loaned to the Indian customs authorities, worth INR 77,722 thousand (1,149 thousand Euro) as further explained in "Note 30 – Obligations and guarantees" (see note).

The changes in the other bad debts provision during 2008 were as follows:

Provisions for other bad debts at December 31, 2007	**404**
Reclassification	98
Uses	(2)
Provision for other bad debts at December 31, 2008	**500**

The 98 thousand Euro increase recorded in the "provision for other bad debts" stems from the reclassification of the same amount entered in the "taxed bad debts provision" in "Note 6 - Trade receivables".

Inventories (Note 5)

At December 31, 2008, the inventories came to an overall total of 20,389 thousand Euro (9,616 thousand Euro at December 31, 2007). They consisted of 430 thousand Euro in consumable stores mainly relating to lubricants and fuel on board own vessels and 19,959 thousand Euro in goods (17,381 thousand Euro in pit coal at the port of Murmansk, equal to 272,917 tons, 1,258 thousand Euro in pit coal at the mine owned by the Group, equal to 90,437 tons, and 1,320 thousand Euro in anthracite, equal to 10,392 tons).

The cost of the pit coal inventories shown in the financial statements was decreased by 1,361 thousand Euro in order to bring it into line with the saleable price calculated on the basis of the sale prices applied by the Group in the first few months of 2009.

Compared to the previous year, the coal inventories increased by about 155,000 tons.

Trade receivables (note 6)

This item amounts to 49,334 thousand Euro (59,435 thousand Euro at December 31, 2007) and consists exclusively of receivables from customers stemming from normal trading operations; it is shown less the 899 thousand Euro in the bad debts provision at December 31, 2008 (995 thousand Euro at December 31, 2007).

The decrease in trade receivables compared to 2007 is mainly attributable to the decrease in sale prices in the last quarter of the year, when they fell to levels lower than those at the end of 2007.

The trade receivables at December 31, 2008 are divided into the following maturity ranges:

	31/12/2008	**31/12/2007**
Invoices to be issued	1,478	1,397
Receivables not yet due	41,987	53,866
Due < 60 days	6,028	3,477
Due < 180 days	422	1,525
Due < 365 days	0	7
Due > 1 year	318	158
Provisions for bad debts	(899)	(995)
Total trade receivables	**49,334**	**59,435**

The changes in the bad debts provision during 2008 were as follows:

Provision for bad debts at December 31, 2007	**995**
Reclassification	440
Provisions	72
Uses	(606)
Releases	(2)
Provision for bad debts at December 31, 2008	**899**

The 440 thousand Euro in reclassification refers to the following changes:

- a 538 thousand Euro increase in "Provisions" (Note 11);
- a 98 thousand Euro decrease in the "Provision for other bad debts" (Note 4).

Prepayments and other current receivables (note 7)

This item consists of:

	31/12/2008	31/12/2007
Payments on account to suppliers	26,175	14,786
Receivables from the holding company	11,968	9,806
Tax receivables	4,440	2,629
Prepayments and accrued income	2,267	1,619
Receivables relating to the fair value of financial instruments	2,442	11,754
Other receivables	2,547	1,533
Total	**49,839**	**42,127**

"Payments on account to suppliers" amount to 26,175 thousand Euro at December 31, 2008 (14,786 thousand Euro at December 31, 2007) and refer mainly to down payments to Russian and Indonesian suppliers for the purchase of coal delivered during the first few months of 2009.

This item also includes a 575 thousand Euro payment on account to Sirio S.p.A.

Lastly some receivables from suppliers are recorded that relate to services that will be supplied during the next period.

The increase in the payments on account compared to the previous period is mainly due to the fact that the direct subsidiary Coeclerici Coal and Fuels S.p.A. decided for business reasons at the end of 2008 to bring forward the coal deliveries for a broader time frame than that applied to the payments on account at the end of 2007.

The "payments on account to suppliers" at December 31, 2007 were shown net of a 383 thousand Euro provision for loss in value. This item saw the following changes during the 2008 accounting period:

Provisions for loss in value of payments on account at December 31, 2007	**383**
Uses	(362)
Releases	(21)
Provisions for loss in value of payments on account at December 31, 2008	**0**

The "receivables from the holding company" comes to 11,968 thousand Euro (9,806 thousand Euro at December 31, 2007).

The receivables from the direct holding company Cocler S.p.A. amount to 10,119 thousand Euro (9,806 thousand Euro at December 31, 2007) and refer to loans granted to the holding company itself.

These loans are paid back at market rates and consist of 9,500 thousand Euro in principal and 619 thousand Euro in interest (305 thousand Euro at December 31, 2007).

The receivables from the indirect holding company Finanziaria Cocler S.A.p.A. amount to 1,849 thousand Euro (2,494 thousand Euro in payables at December 31, 2007) and refer entirely to period IRES (corporate income tax) receivables, which were transferred as part of the Group consolidation for tax purposes to the indirect holding company Finanziaria Cocler S.A.p.A. For further details, refer to “Note 25 – Income taxes”.

“Tax receivables” amount to 4,440 thousand Euro (2,629 thousand Euro at December 31, 2007) and mainly refer to VAT receivables, receivables for withholding tax relating to the operations of the indirect subsidiary Bulkguasare de Venezuela S.A., and advance payments of Regional Business Tax (IRAP) during 2008.

The “accrued income and deferred liabilities” amount to 2,267 Euro (1,619 thousand Euro at December 31, 2007) and mainly consist of deferred liabilities for bank charges, insurance premiums, rental fees and rentals, and miscellaneous accrued income.

“Receivables relating to the fair value of financial instruments” amount to 2,442 thousand Euro (11,754 thousand Euro at December 31, 2007). 1,660 thousand Euro of this figure, corresponding to 2.31 million USD, (11,569 Euro at December 31, 2007) refers to transactions on the freight market and 782 thousand Euro (185 thousand Euro at December 31, 2007) concerns currency sale transactions. These refer to transactions described in “Note 21 - Other income / expense, net” and “Note 28 - Information concerning financial instruments” respectively (see notes for further details).

“Other receivables” amount to 2,547 thousand Euro (1,533 thousand Euro at December 31, 2007).

This item includes 387 thousand USD (278 thousand Euro) from the Singaporean subsidiary CC Carbon (Pte) Ltd for receivables from suppliers for demurrages referring to voyages made during the second six months of 2008, and 34 thousand USD (24 thousand Euro) as a penalty for trading contracts not carried out.

879 thousand Euro in receivables is also recorded from the Portuguese associated company Adang Bay Transportes Maritimos S.A. referring to payments to suppliers made on behalf of that company to purchase capital goods which will be used during the port logistics projects being developed.

Lastly receivables from social security institutions, employees and insurance companies are also recorded.

The “other receivables” at December 31, 2007 include 543 thousand Euro (800 thousand USD) for a loan granted at the end of 2007 to the Coeclerici Group business partner USL Shipping. The interest on the loan was fixed at the LIBOR rate plus a spread. It was completely paid back during the first few months of 2008.

Cash and cash equivalents (Note 8)

This item consists of:

	31/12/2008	31/12/2007
Bank and postal deposits	38,624	35,480
Cash in hand and unpresented effects	178	279
Total	**38,802**	**35,759**

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

The “bank and postal deposits” include 3,593 thousand Euro relating to the 5 million USD balance of a currency current account at Deutsche Bank, Milan, Italy. This amount guarantees repayment of the loan received so that the Swiss indirect subsidiary CF Service S.A. could purchase land adjacent to the Russian mine belonging to the Russian company OAO Kisk, as described in "Note 10 – Interest bearing liabilities and borrowings".

"Cash in hand and unpresented effects" amounts to 178 thousand Euro and refers 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 is divided into the following currencies:

	31/12/2008		31/12/2007	
	Currency/000	**€/000**	**Currency/000**	**€/000**
Euro - €	27,633	27,633	24,881	24,881
US Dollar - USD	13,808	9,922	10,983	7,461
Swiss franc - CHF	105	71	1,359	821
Indonesian rupiah - IDR	722,358	47	253,216	18
Bulgarian Lev - BGN	277	142	506	259
Indian rupee - INR	1,692	68	10,225	176
Venezuelan bolivares - VEB	2,617,954	874	5,429,128	2,020
Russian rouble - RUB	69,584	42	3,432	95
Chinese renminbi - CNY	140	3	299	28
Total		**38,802**		**35,759**

Total Equity (Note 9)

The changes in the classes which form the Group net equity are shown in the special financial statement. Part of the provisions are awaiting taxation; no taxes have been allocated at this time since no transactions are expected which would give rise to taxation.

The entirely subscribed and fully paid-in share capital comes to 10,000 thousand Euro consisting of 10,000,000 ordinary shares with a par value of 1 Euro each. It was fixed with a resolution passed on December 29, 2005, which increased the previous figure by 435 thousand Euro free of charge by using part of the "retained earnings", and entered in the business and trade register on January 12, 2006".

The legal reserve amounts to 2,293 thousand Euro. This is the legal reserve of the parent company, which has not changed since the end of the previous year.

On September 25, 2007, the ordinary general meeting of Coeclerici S.p.A. passed a resolution to purchase 1,000,000 of its own ordinary shares with a par value of 1 Euro each from Cocler S.p.A., representing 10% of the share capital. It paid 6.5 million Euro for this transaction, which led to an equal decrease in the consolidated net equity entered in the "reserve for treasury shares".

On May 4, 2007, a partial demerger of the parent company led to the former direct subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda leaving the consolidation area with a consequent 18,017 thousand Euro decrease in Group net equity ("retained earnings" decreased by 22,783 thousand Euro, the "merger reserve" increased by 4,735 thousand Euro and the "translation reserve" increased by 31 thousand Euro) and 12,243 thousand Euro decrease in minority interests.

The "translation reserve" refers to the conversion in euros of the financial statement items of consolidated companies that draw up their financial statements in currency other than euros. It has decreased by 1,117 thousand Euro.

The "financial instruments fair value reserve" is negative (- 70 thousand Euro) and has decreased by 205 thousand Euro owing to the change in fair value of the financial instruments themselves (as more extensively analysed in "Note 28 - Information regarding financial instruments") and of the financial assets available for sale. This reserve amounted to 135 thousand Euro at the end of 2007.

"Retained earnings" amount to 48,962 thousand Euro after payment of an 8.5 million Euro dividend to the sole shareholder Cocler S.p.A. and achievement of 9,640 thousand Euro in Group profits for the 2007 accounting period.

The changes in minority interests are shown in the specific annex.

At December 31, 2008, minority interests amounted to 5,052 thousand Euro. This figure includes the value of capital and reserves belonging to minority shareholders: 51% of Delta Property, 49% of CC Steel Shipping and Logistics AD, 45% of CGU Logistic Limited, 30% of Logconversion Transportes Maritimos Lda, 20% of Terminal Offshore Piombino S.p.A., 15% of CC Carbon (Pte) Ltd and 10% of Bulkguasare de Venezuela S.A.

As regards the information required by 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 consists 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 net equity, consisting of the share capital, reserves and retained earnings.

The Group constantly monitors its capital structure and especially the level of net financial borrowing, calculated as the ratio of net financial position and net equity. At the end of this period and the previous period, this ratio was:

	31/12/2008	**31/12/2007**
Net financial position	57,566	17,531
Net equity	70,774	73,060
Level of net interest bearing debt	81%	24%

Interest bearing liabilities and borrowings (note 10)

This item consists of:

	31/12/2008			**31/12/2007**		
	Total	**Non current**	**Current**	**Total**	**Non current**	**Current**
Unsecured loans from financial institutions	**31,315**	30,897	418	**5,886**	4,913	973
Secured loans from financial institutions	**16,686**	14,151	2,535	**6,050**	4,014	2,036
Leasing agreements	**1,185**	911	274	**155**	0	155
Short-term advances	**44,889**	0	44,889	**40,504**	0	40,504
Bank overdrafts	**2,293**	0	2,293	**695**	0	695
Total	**96,368**	**45,959**	**50,409**	**53,290**	**8,927**	**44,363**

Short-term advances come to 44,889 thousand Euro and are up by 4,385 thousand Euro compared to the previous year. They refer to loans granted by banks mainly to Coeclerici Coal and Fuels S.p.A. and CC Carbon (Pte) Ltd to finance the coal trading business.

At December 31, 2008, the bank overdrafts referred to USD advances amounting to a total of 2,293 thousand USD.

At December 31, 2007, the Group had the following outstanding mortgages and loans, shown net of charges and accrued liabilities relating to them:

	Of which Usd/000	Of which Veb/000	Total €/000	Due date Within 1 year	From 1 to 5 years
Unsecured					
Syndicated credit line	7,000	0	4,755	0	4,755
Banco Mercantil	0	3,579,032	1,131	973	158
Secured					
Banca Carige	5,015	0	3,407	1,271	2,136
Monte Paschi per l'impresa	0	0	2,643	765	1,878
Sardaleasing	0	0	155	155	0
Balance at December 31, 2007	**12,015**	**3,579,032**	**12,091**	**3,164**	**8,927**

The amounts (grouped by currency) are as follows:

	31/12/2007		
	Total	**Current**	**Non-current**
Euro/000	2,798	920	1,878
Usd/000	8,162	1,271	6,891
Vef/000	1,131	973	158
Total	**12,091**	**3,164**	**8,927**

During the 2008 period, the balance of the mortgages and loans changed as follows:

	€/000
Balance at December 31, 2007	**12,091**
New loans	44,753
Repayments	(7,506)
Changes in amortized cost	(191)
Exchange rate differences	39
Balance at December 31, 2008	**49,186**

On account of the changes shown in the previous table, at December 31, 2008 the Group had the following outstanding mortgages and loans, shown net of relevant charges and accrued liabilities:

	Of which Usd/000	Of which Rur/000	Of which Vef/000	Total €/000	Due date Within 1 year	From 1 to 5 years
Unsecured						
Syndicated credit line	43,000			30,897	0	30,897
Banco Mercantil(*)			1,250	418	418	0
Deutsche Bank - Moscow		122,603		2,970	0	2,970
Secured						
Banca Carige	3,194			2,295	834	1,461
Monte Paschi per l'impresa				1,884	758	1,126
Unicredit Banca d'impresa S.p.A.	13,271			9,537	943	8,594
Uralsib Leasing		48,898		1,185	274	911
Balance at December 31, 2008	**59,465**	**171,501**	**1,250**	**49,186**	**3,227**	**45,959**

(*) From January 1, 2008, it is shown in VEF with the exchange rate of USD/VEF 1 / 2.15 (previously 1 / 2,150).

The amounts (grouped by currency) are as follows:

	31/12/2008		
	Total	**Current**	**Non-current**
Eur	1,884	758	1,126
Usd	42,729	1,777	40,952
Rur	4,155	274	3,881
Veb	418	418	0
Total	**49,186**	**3,227**	**49,959**

The unsecured loans amount to 34,285 thousand Euro (5,886 thousand Euro at December 31, 2007) and refer to 30,897 thousand Euro, corresponding to 43,000 thousand USD, in uses of a 150 million Euro syndicated credit line provided by a pool of banks led by Banca Carige during 2007 in order to purchase the Russian mining company OAO Kisk, as previously mentioned in the annual report (4,755 thousand Euro in uses at December 31, 2007, corresponding to 7,000 thousand USD).

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

The syndicated credit line expires in 2014.

The loan agreement for the syndicated credit line entails complying with financial covenants that are calculated according to the consolidated financial statements of the Coeclerici Group. These covenants refer to the ratio between the "net financial position" and "net equity", and to the ratio between "EBITDA" and "Net financial expenses". At December 31, 2008, the financial covenants were complied with.

Furthermore, VEF 2,329 was repaid in 2008 (corresponding to 778 thousand Euro) for a loan granted by Banco Mercantil Caracas to the subsidiary Bulkguasare de Venezuela S.A. in order to give it greater operational elasticity. The remaining part, which expires during the first six months of 2009, amounts to VEF 1,250 thousand (418 thousand Euro).

On April 28, 2008, the indirect Russian subsidiary Delta Property took out a 122,603 thousand RUR loan (2,970 thousand Euro) with Deutsche Bank - Moscow in order to purchase 11,870,400 square metres of land found in the Kemerovo region. The principal will be repaid in April 2010, whereas the interest will be paid in half-yearly rates. The interest is charged at the Mosprime rate (Moscow Prime Offered Rate) plus a spread.

The loan granted by Banca Carige to the subsidiary Logconversion Transportes Maritimos Lda for the Bulk Pioneer Floating Transfer Station, entered at 2,295 thousand Euro at December 31, 2008, is secured by a mortgage on the vessel itself. The initial amount came to 7,600 thousand USD. The interest is charged at the six-month Libor rate plus a spread. It will be repaid in half-yearly instalments that are higher during the first two years, and then constant during the last three years. The final instalments are of 635 thousand USD each, with final redemption in the first six months of 2011. The usual covenants relating to loans on ships apply. At December 31, 2008, the covenants were complied with.

The loan granted by Monte Paschi per l'impresa to the subsidiary Terminal Offshore Piombino S.p.A. to build the Bulk Irony unit, entered at 1,884 thousand Euro at December 31, 2008, is secured by a mortgage on the vessel itself. During the 2006 period, the original 8,000 thousand USD loan was converted into Euros. The interest is charged at the six-month Euribor rate plus a spread. The loan will be paid back in constant half-yearly rates equal to about 380 thousand Euro each with final settlement in May 2011.

In December 2007, Unicredit Banca d'Impresa S.p.A. granted a secured loan to the subsidiary CGU Logistic Limited to build the new Bulk Prosperity Floating Transfer Station. The loan amounted to a total of 13,500 thousand USD and became available during the first few months of 2008. The interest is charged at the six-month Libor rate plus a spread. The loan will be repaid in half-yearly deferred instalments of 675 thousand USD as from June 2009 with final extinction in 2018.

The usual covenants relating to loans on ships apply.

Lastly, there is 1,185 thousand Euro (48,898 thousand RUR) in remaining payables for leased assets appertaining to the indirect Russian subsidiary OAO Kisk. The amount payable within the next twelve months is 274 thousand Euro (11,302 thousand RUR), whereas the remaining 911 thousand Euro (37,596 thousand RUR) is payable in from one to five years. For further details, refer to "Note 1 – Property, plant and equipment".

As already mentioned in "Note 1 – Property, plant and equipment", the loan granted by Sardaleasing, which referred to the leasing agreement on the office building in Rome, came to an end in November 2008 with payment of 77 thousand Euro in final redemption.

Provisions (Note 11)

This item includes the provisions made for the potential liabilities that may result from pending legal, tax and commercial disputes. The provisions were made by estimating the potential liabilities concerned with each risk on the basis - among other things - of the opinion of the Group's legal and tax consultants.

During 1999 and the first months of 2000, the Italian tax authorities carried out a general inspection of the consolidated companies Coeclerici Armatori S.p.A., Coeclerici Coal and Fuels S.p.A. and Coeclerici Logistics S.p.A., now Coeclerici S.p.A., regarding 1997 and 1998 (directly and through the relative incorporating companies). Partial assessments were also received from the Income Tax and VAT Offices for significant amounts on account of tax authorities' reports concerning partial inspections for 1993, 1994, 1995 and 1996. With the aid of the Group's tax consultants, Coeclerici appealed against the assessments and defence cases were prepared. The appeals filed have always been ruled in favour of the company. Therefore, on the basis of the appeals filed, the rulings that have already been issued in favour of the company, and the opinions of the Group's advisors, it is believed that no significant tax liabilities could arise from the pending litigation.

During 2008, the Revenue Office issued a report on findings relating to a general inspection on the direct subsidiary Coeclerici Coal and Fuels S.p.A. for the 2005 period regarding IRES (corporate income tax), IRAP (Regional Business Tax) and VAT, although no tax assessment was received before the date of the financial statements. The report mentions significant amounts relating to a large part of the 2005 production costs (purchase of coal and transport services) that need to be reconsidered for tax purposes. After hearing the opinions of the consultants concerned, the directors do not consider that there are further significant liabilities besides those already entered in the financial statements.

During the 2008 period, this item changed as follows:

	31/12/2007		Provisions	Uses	Releases	Change in consolidation area	Reclassification	Exchange rate differences	31/12/2008	
	Current	Non current							Current	Non current
Provisions	**1,960**	**11,958**	5,996	(977)	(4,788)	2,882	(538)	(213)	**1,998**	**14,282**

The provisions for the period came to 5,996 thousand Euro (1,730 thousand Euro at December 31, 2007) and are entered under "allocation to provisions for liabilities" on the income statement as described in "Note 21 – Other income / expense, net".

During 2008, 977 thousand Euro of the provisions for liabilities was used (1,050 thousand Euro at December 31, 2007) to cover the occurrence of the potential liabilities it was set aside for.

"Releases" amount to 4,788 thousand Euro (712 thousand Euro at December 31, 2007) and are entered on the income statement under "release of provisions", as described in "Note 21 – Other income / expense, net".

2,882 thousand Euro has been included under "change in consolidation area" to cover the costs of reclaiming mining sites when they are closed. At December 31, 2008, the provisions for liabilities for reclaiming mining sites was equal to a total of 2,382 thousand Euro.

538 thousand Euro was reclassified from the bad debts provision as shown in "Note 6 – Trade receivables".

Post-employment benefits (Note 12)

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

	€/000
Balance at December 31, 2006	**1,103**
Provisions for the period	253
Uses	(220)
Balance at December 31, 2007	**1,136**
Provisions for the period	254
Uses	(161)
Balance at December 31, 2008	**1,229**

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

	31/12/2008	31/12/2007
Updating coefficient	5%	5%
Inflation rate	2%	2%
Annual salary increase rate		
Executives	4%	4%
Management / white-collar	4%	4%
Annual post-employment benefit increase rate	3%	3%

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

Deferred tax liabilities and other non-current liabilities (Note 13)

The balance of this item amounts to 9,106 thousand Euro (5,605 thousand Euro at December 31, 2007).

This item refers mainly to liabilities for deferred taxes, entered at 9,012 thousand Euro (5,601 thousand Euro at December 31, 2007). The increase is due to the figures recorded by the Russian subsidiary OAO Kisk, especially with reference to the fair value of coal reserves not recognized for tax purposes locally.

The temporary differences that have produced this liability are expected to return to normal after the end of the next accounting period. For further information about this item see “Note 25 – Income taxes”.

Trade payables (note 14)

The figure of 33,556 thousand Euro (28,880 thousand Euro at December 31, 2007) includes the current payables for supplies connected with normal Group operating activities. It is entirely payable within the following year according to the normal payment terms granted to the Group.

The 4,676 thousand Euro increase in trade payables during the period is mainly attributable to greater activity in the business sectors, particularly the Tradings Sector.

Other payables (note 15)

These consist of:

	31/12/2008	31/12/2007
Payments on account from customers	141	283
Tax payables	3,465	3,301
Payables to social security institutions	750	674
Accruals and deferred income	1,470	2,125
Payables relating to the fair value of financial instruments	3,311	11,274
Other payables	1,444	1,055
Payables to holding companies	0	2,494
Total	**10,581**	**21,206**

“Payments on account from customers” amount to 141 thousand Euro and refer essentially to trade payables for down payments received.

“Tax payables” amount to 3,465 thousand Euro and consist of payables for income tax and employee and freelance withholding taxes.

The payables for income tax refer to Regional Business Tax (IRAP) less payments on account already made in 2008, VAT payments, substitute tax on inferred surpluses pursuant to section 109, subsection 4, letter b, and provisions for current taxes.

“Payables to social security institutions” come to 750 thousand Euro and mainly refer to December contributions, duly paid in January of the following year.

“Accruals and deferred income” are shown at 1,470 thousand Euro (2,125 thousand Euro at December 31, 2007) and consist of accrued expenses for deferred commissions earned by Group employees on the date of the financial statements and various accrued expenses relating to various types of operating costs.

“Payables relating to the fair value of financial instruments” are entered at 3,311 thousand Euro (11,274 thousand

Euro at December 31, 2007). 2,100 thousand Euro (11,274 thousand Euro at December 31, 2007) of this figure relates to freight rate derivatives that were still outstanding at the end of the period, and 1,211 thousand Euro (0 thousand Euro at December 31, 2007) concerned currency purchase transactions. These transactions are described in "Note 28 – Information regarding financial instruments" (see note for further details).

"Other payables" are entered at 1,444 thousand Euro (1,055 thousand Euro at December 31, 2007) and include payables of various nature due within the next accounting period.

The 2,494 thousand Euro in "payables to holding companies" at December 31, 2007 (2,340 thousand Euro to December 31, 2006) refers entirely to 2007 payables for IRES (corporate income tax) transferred during the tax consolidation to the indirect holding company Finanziaria Cocler S.A.p.A. 1,849 thousand Euro in receivables emerged in 2008, which are described in "Note 7 – Prepayments and other current receivables" (see note for further details).

Revenues (Note 16)

This item consists of:

	2008	2007
Raw material sales	517,646	313,271
Operating income from mining	2,106	0
Coal brokerage commission	404	676
Charters and shipping transport	1,521	2,590
Transhipment and other logistics services	17,632	22,103
Other services	1,196	144
Total	**540,505**	**338,784**

The revenues from the sale and marketing of raw materials come to 517,646 thousand Euro and 404 thousand Euro respectively and refer to the trading business.

The 204,375 thousand Euro increase in turnover regarding the sales of raw materials may be ascribed essentially to the increase in the price of coal despite the 0.8 million ton decrease in the amount sold compared to the previous period. This was however partly offset by the sales of other products with greater added value, such as coking coal and coke.

"Operating income from mining" amounts to 2,106 thousand Euro and stems from the coal sold by the Russian subsidiary OAO Kisk directly to third parties.

The revenues for charters and shipping transport, entered at 1,521 thousand Euro, have decreased by 1.1 million Euro compared to the 2,590 thousand Euro recorded in 2007. This decrease is mainly due to the loss of revenues stemming from the Capo Noli, sold in 2007. That year, it operated for more than six months, with consequent effects on sales. The decrease was partly offset by the chartering of two new launches owned by the Venezuelan subsidiary, and chartering of the Bulk Kremi I for about six months, which had previously been used under a transhipment agreement that ended at the end of 2007.

"Revenues for transhipment and other logistics services" amount to 17,632 thousand Euro, 4.5 million Euro lower than the 2007 figure (22,103 thousand Euro). This is mainly due to the termination at the end of 2007 of the already mentioned agreement for use of the Bulk Kremi (worth 4,700 thousand Euro in 2007). At the same time there was an increase of about 927 thousand Euro in the agreement managed by the indirect subsidiary Bulkguasare de Venezuela S.A. and other smaller changes in other contracts.

The 1,196 thousand Euro entered at "other services" refers to 722 thousand Euro in technical assistance to third parties, 5 thousand Euro in administrative services provided by Coeclerici S.p.A. to the direct holding company Cocler S.p.A., 132 thousand Euro in administrative services provided by the indirect subsidiary Coeclerici Compagnie S.A. to the companies consolidated using the equity method, and 337 thousand Euro in services provided by the direct subsidiary Coeclerici Logistics S.p.A. for a feasibility study commissioned by an important mining company.

The information regarding this business sector is provided in "Note 27 – Information by business sector and geographical area".

Cost of sales (note 17)

This item consists of:

	2008	2007
Purchase of raw materials	470,830	282,362
Mine operating costs	4,924	0
Bunkers	843	434
Lubricants / spare parts	1,434	1,542
Technical costs for fleet and plants	4,296	3,872
Port and other shipping costs	539	703
Cost of seafaring personnel	6,200	5,030
Cost of mine operating staff	2,436	0
Total	**491,502**	**293,943**

The 188,468 thousand Euro increase in costs entered under "purchase of raw materials" is mainly attributable to growth in the coal market and incidental expenses relating to purchases (such as freight rates).

"Mine operating costs" amount to 4,924 thousand Euro and refer to the mining operations managed by the indirect Russian subsidiary OAO Kisk.

The technical costs for fleet management, entered at 4,296 thousand Euro, have increased by about 424 thousand Euro, in addition to the normal increase caused by inflation, owing to the completion of the Bulk Prosperity.

"Port and other shipping costs", entered at 539 thousand Euro, have decreased to a large extent due to the fall in business stemming, for example, from the termination of the contract in Bulgaria.

The "cost of seafaring personnel" refers to the personnel with operating functions working for the subsidiaries Terminal Offshore Piombino S.p.A., Capo Noli Transportes Maritimos Lda, CGU Logistic Limited, Bulkguasare de Venezuela S.A., New Sea Logistics EAD and Logconversion Transportes Maritimos Lda.

This item amounts to 6,200 thousand Euro and has increased by 1,170 thousand Euro mainly owing to the costs connected with the crew of the Bulk Prosperity (still being built in 2007) and the effects of the pay rise for the Venezuelan staff on board the Bulk Wayuù.

Selling, general, and administrative expenses (Note 18)

This item consists of:

	2008	2007
For rents, leases and similar	1,540	1,369
Staff Cost	8,959	9,538
Other staff costs	260	170
Travel expenses	1,614	1,425
Fees	3,651	2,717
Consultants	2,905	3,741
Advertising	341	305
Utilities - Building administration – Representative offices	839	729
Other services and costs	1,617	1,560
Consumables	269	232
Entertainment expenses	1,107	553
Total	**23,102**	**22,339**

The 579 thousand Euro decrease in "staff cost", entered at 8,959 thousand Euro, is mainly attributable to the decrease in the average USD / Euro exchange rate, since the largest costs at the foreign subsidiaries are recorded in USD.

"Other services and costs" amount to 1,617 thousand Euro, with a slight 57 thousand Euro increase. They essentially include costs for software maintenance and repair, fees for project-based contracts, membership fees and other services.

"Fees" also include the remuneration of parent company directors and statutory auditors, as follows:

For the 2007 period:

	Number	Remuneration
Directors	8	991
Statutory Auditors	3	32
Total	**11**	**1,023**

For the 2008 period:

	Number	Remuneration
Directors	10	1,355
Statutory Auditors	3	35
Total	**13**	**1,390**

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

This item consists of:

	2008	2007
Capital gains	142	3,582
Capital losses	(201)	(237)
Total	**(59)**	**3,345**

In 2008, the Group made 201 thousand Euro in losses on the sale of capital goods and 142 thousand Euro in gains, with a net negative balance of 59 thousand Euro.

The capital gains made during 2007 (3,345 thousand Euro) are mainly due to the sale of the M/V Capo Noli.

Profit / loss from jointly controlled entities (Note 20)

The 1,347 thousand Euro balance (1,233 thousand Euro at December 31, 2007) is the share of the companies measured using the equity method pertaining to the Group. In particular, this figure stems from the profits made by Viannlog Consultoria Economica Lda (830 thousand Euro) and Kidecrane Transportes Maritimos Lda (517 thousand Euro). 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)

	2008	2007
Other operating income		
Income from profit sharing	457	550
Insurance claims	448	210
Other income and (costs), net	9,836	2,755
Positive changes in the fair value of financial instruments	0	295
Gains on derivatives	23,966	0
Release of provisions and other liabilities	4,811	1,420
Other operating income, total	**39,518**	**5,230**
Other operating costs		
Write-down of current assets	1,433	1,067
Allocation to provisions for liabilities	5,996	1,730
Negative changes in the fair value of financial instruments	2,100	0
Losses on derivatives	18,375	2,363
Other operating costs, total	**27,904**	**5,160**
Net total	**11,614**	**70**

The "income from profit sharing", entered at 457 thousand Euro in 2008, made by the direct subsidiary Coeclerici Coal and Fuels S.p.A., refers to proceeds stemming from the joint chartering management of the motor ship IVS Merlot with the Norwegian shipowner J.B. Ugland Dry Bulk A.S.

The 448 thousand Euro in "insurance compensation" mainly includes the positive outcome of a claim for damages that occurred in 2006 on the Bulk Irony, belonging to the indirect subsidiary Terminal Offshore Piombino S.p.A.

The 9,836 thousand Euro in "other income and costs, net" mainly consists of a 2,254 thousand Euro partial reimbursement of the cost of the seafaring personnel of the indirect subsidiary Bulkguasare de Venezuela S.A., 952 thousand Euro for non-operating income stemming from the positive outcome of work orders in the Trading Sector referring to previous periods, 213 thousand Euro in proceeds (313 thousand USD) entered by the Singaporean company CC Carbon (Pte) Ltd for non-operating income linked to penalties for trading contracts not carried out, and the rest in other accessory operating revenues.

Lastly, there is 4.6 million Euro in badwill resulting from the takeover of the Russian mining company OAO Kisk.

The net profit on derivative transactions is summarized in the following table:

	2008	2007
Changes in the fair value of derivatives outstanding at the reference date of the financial statements	(2,100)	295
Gains on financial instruments	23,966	0
Losses on derivatives	(18,375)	(2,363)
Net total	**3,491**	**(2,068)**

"Gains on financial instruments" amount to 23,966 thousand Euro and include the profits made on transactions carried out on the freight market (forward freight agreements) by the direct subsidiary Coeclerici Coal and Fuels S.p.A. (8,512 thousand Euro) and the indirect Swiss subsidiary Coeclerici Compagnie S.A. (15,454 thousand Euro). Their costs are described below in the item "losses on derivatives".

This item includes the net profit of about 1.6 million Euro (2.31 million USD) stemming from the termination of a few outstanding forward freight agreements with a counterpart by off-setting credit and debit positions. This agreement was reached on January 20, 2009, and regarded three outstanding contracts at December 31, 2008 that had increased in value by 2,361 thousand Euro, as described in "Note 28 – Information regarding financial instruments".

"Losses on derivatives" amount to 18,375 thousand Euro and reflect the final losses on transactions carried out on the freight market (forward freight agreements) by the subsidiaries Coeclerici Coal and Fuels S.p.A. and Coeclerici Compagnie S.A. (6,870 thousand Euro and 11,505 thousand Euro respectively).

"Changes in the fair value of derivatives" amount to 2,100 thousand Euro and refer to losses stemming from hedging transactions carried out by the direct subsidiary Coeclerici Coal and Fuels S.p.A. on the freight market (forward freight agreements) outstanding at December 31, 2008. These hedging transactions do not possess the characteristics laid down in the international accounting standards (IFRS) to be considered hedge accounting, as is more extensively explained in "Note 28 – Information regarding financial instruments".

The 4,811 thousand Euro in "release of provisions and other liabilities" consists of 4,788 thousand Euro for the release of provisions as described in "Note 11 – Provisions", 2 thousand Euro in release of provisions for bad debts as described in "Note 6 – Trade receivables" and 21 thousand Euro in release of provisions on payments on account to suppliers, as described in "Note 7 – Prepayments and other current receivables".

"Write-down of current assets" comes to 1,433 thousand Euro, up 366 thousand Euro on 2007, and includes the 72 thousand Euro allocated to the provisions for bad debts stemming mostly from the trading sector as described in "Note 6 – Trade receivables", and 1,361 thousand Euro in loss in value of pit coal inventories on account of alignment with market values deduced from the sale prices recorded in January 2009, as illustrated in "Note 5 – Inventories".

"Allocation to provisions for liabilities" amounts to 5,996 thousand Euro (1,730 thousand Euro at December 31, 2007). This item refers to the allocations made in the financial statements to cover losses connected with the operational characteristics of existing contracts, and 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).

Depreciation and amortization (Note 22)

This item consists of:

	2008	2007
Depreciation of tangible fixed assets	6,991	3,009
Amortization of intangible fixed assets	790	4,055
Write-down of tangible fixed assets	9,836	0
Total	**17,617**	**7,064**

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:

	2008	2007
Interest received	2,317	1,750
Dividends from equity investments in "other companies"	15	356
Total	**2,332**	**2,106**

"Interest received", entered at 2,317 thousand Euro, regards 1,670 thousand Euro in interest received from banks on current accounts and deposits (1,165 thousand Euro at December 31, 2007), 623 thousand Euro in interest received from holding companies (585 thousand Euro at December 31, 2007) relating completely to the 9,500 thousand Euro loan granted by the direct holding company Cocler S.p.A., and 24 thousand Euro in interest received from the indirect associated company Adang Bay Transportes Maritimos S.A.

The "dividends from equity investments in other companies" amount to 15 thousand Euro and refer to the dividends received from United Shippers Limited.

The financial charges consist of:

	2008	2007
Bank charges	1,074	786
Interest paid	4,357	1,655
Total	**5,431**	**2,441**

"Interest paid" amounts to a total of 4,220 thousand Euro (1,655 thousand Euro at December 31, 2007) and refers mainly to 3,713 thousand Euro in interest on loans, 351 thousand Euro in interest paid to other companies, and the rest to bank interest paid.

Lastly 138 thousand Euro has been entered as financial charges on the provisions for loss relating to reclaiming mining sites.

The increase in interest paid is mainly due to an increase in borrowing, despite the decrease in interest rates.

Exchange gains / losses (Note 24)

Besides the exchange differences stemming from aligning foreign currency payables and receivables outstanding at the end of the year with year-end rates, exchange differences that occur during the year are also included in this item.

Details of the realized and unrealized exchange differences at December 31, 2008 and 2007 are given in the table below (in thousands of Euro):

	31/12/2008			31/12/2007		
	Total	**Realized**	**Unrealized**	**Total**	**Realized**	**Unrealized**
Exchange gains	**34,491**	23,019	11,472	**12,794**	10,855	1,939
Exchange losses	**(40,239)**	(26,198)	(14,041)	**(12,364)**	(9,595)	(2,769)
Total	**(5,748)**	**(3,179)**	**(2,569)**	**430**	**1,260**	**(830)**

This item includes the results of the following transactions:

- 782 thousand Euro in revenues stemming from the hedging transaction carried out by the direct subsidiary Coeclerici Coal and Fuels S.p.A. on the foreign exchange market outstanding at December 31, 2008, to protect against the exchange rate risk connected with the loan for the takeover of the Russian mine.

- 1,199 thousand Euro concerning the loss stemming from the hedging transaction carried out by the indirect subsidiary CF Service S.A. on the foreign exchange market outstanding at December 31, 2008, to protect against the exchange rate risk connected with the 5 million USD loan, granted to finance the purchase of land adjacent to the mine.

- 12 thousand Euro concerning the loss stemming from the hedging transaction carried out by the direct subsidiary Coeclerici Coal and Fuels S.p.A. on the foreign exchange market outstanding at December 31, 2008, to protect against the exchange rate risk connected with the 1.7 million USD loan granted to the indirect Russian subsidiary OAO Kisk.

Income taxes (Note 25)

The tax burden for the year to December 31, 2008 comes to 2,811 thousand Euro. This was calculated according to the laws in force and taking exemptions, components subject to deferred taxation, and the effects of belonging to the consolidation for tax purposes drawn up by the indirect holding company Finanziaria Cocler S.A.p.A. into account.

The tax figure consists of:

	2008	2007
Current taxes	(5,243)	(5,592)
Deferred taxes	2,432	430
Total taxes	**(2,811)**	**(5,162)**

The provision for taxes includes deferred taxes stemming from allocations for positive and negative income items with deferred tax deductibility.

The figures in the table refer to the deferred taxes in the Group company statutory financial statements and the effects of consolidation entries.

Company	31/12/2007	Increases	Uses	Exchange difference	Change in consolidation area	31/12/2008
Provision for deferred taxes						
Coeclerici S.p.A.	**830**	55	(782)	0	**0**	**103**
Coeclerici Coal and Fuels S.p.A.	**3,355**	3,810	(4,316)	0	**0**	**2,849**
Coeclerici Compagnie S.A.	**1,203**	432	0	(48)	**0**	**1,587**
OAO Kisk	**0**	76	(4,028)	(163)	**7,797**	**3,682**
Coeclerici Logistics S.p.A.	**0**	19	0	0	**0**	**19**
Terminal Offshore Piombino S.p.A.	**72**	88	(26)	0	**0**	**134**
Bulkguasare de Venezuela S.A.	**141**	513	(51)	35	**0**	**638**
Total	**5,601**	**4,993**	**(9,203)**	**(176)**	**7,797**	**9,012**

The allocations to the provision for deferred taxes amount to 4,993 thousand Euro and are entered in the income statement. The uses of the provision for deferred taxes amount to 9,203 thousand Euro and are entirely entered in the income statement.

The provision for deferred taxes at December 31, 2008 includes 215 thousand Euro (3,437 thousand Euro at December 31, 2007) relating to the tax effect of the 782 thousand Euro in receivables (11,754 thousand Euro at December 31, 2007) entered in the financial statements for the fair value of the derivatives outstanding at the end of the period, as better described in "Note 28 – Information regarding financial instruments".

The provision at December 31, 2008 also includes 3.6 Euro in deferred taxes on the value of the coal reserves entered in the consolidated financial statements on account of the takeover of the subsidiary OAO Kisk, as well as deferred taxes on exchange rate differences and inventories.

"Deferred tax assets" mainly consist of provisions for risks set aside during the year and during previous years, which are not immediately tax deductible. The deferred tax assets at December 31, 2008 include 893 thousand Euro (3,286 thousand Euro at December 31, 2007) relating to the 3,311 thousand Euro in payables (11,274 thousand Euro at December 31, 2007) entered in the financial statements for the fair value of the derivatives outstanding at the end of the period, as better described in "Note 28 – Information regarding financial instruments".

The figures in the table refer to the deferred taxes in the Group company statutory financial statements and the effects of consolidation entries.

The changes in the item during the accounting period are shown below:

Company	31/12/2007	Increases	Releases	Exchange difference	Change in consolidation area	31/12/2008
Deferred tax assets						**Total**
Coeclerici S.p.A.	**2,026**	223	(732)	0	**0**	**1,517**
Coeclerici Coal and Fuels S.p.A.	**3,036**	2,118	(2,347)	0	**0**	**2,807**
Coeclerici Compagnie S.A.	**1,221**	0	(1,221)	0	**0**	**0**
CF Service S.A.	**0**	312	0	0	**0**	**312**
Delta Property	**0**	64	0	(7)	**0**	**57**
SCC Rozko	**0**	11	0	(1)	**0**	**10**
OAO Kisk	**0**	79	(215)	(7)	**227**	**84**
Coeclerici Logistics S.p.A.	**300**	76	(144)	0	**0**	**232**
Shipping Services S.r.l.	**3**	0	(3)	0	**0**	**0**
Bulkguasare de Venezuela S.A.	**75**	0	0	6	**0**	**81**
Total	**6,661**	**2,883**	**(4,662)**	**(9)**	**227**	**5,100**

The increases in deferred tax assets amount to 2,883 thousand Euro and are entered in the income statement. The releases of deferred tax assets amount to 4,166 thousand Euro and are entirely entered in the income statement.

The payables and receivables of the Group companies which were part of the group consolidation procedure at December 31, 2008 are shown below:

Company	Receivables	Payables	Total
Coeclerici Logistics S.p.A.	1,080	0	1,080
Coeclerici S.p.A.	124	0	124
Sud Est S.r.l. in liquidation	4	0	46
Coeclerici Coal and Fuels S.p.A.	963	0	976
Terminal Offshore Piombino S.p.A.	0	(317)	(317)
Shipping Services S.r.l.	0	(5)	(5)
Total receivables / payables to Finanziaria Cocler S.A.p.A.	**2,171**	**(322)**	**1,849**

Profit from discontinued operations (Note 26)

The 16,156 thousand Euro entered during 2007 refers to the partial demerger by the parent company of the shipping branch with transfer of a 65% stake in the subsidiary Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda to a recipient company. This took place on May 4, 2007.

The profits produced by Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda amount to 16,156 thousand Euro for the first four months of 2007, 10,501 thousand Euro of which are attributable to the Group.

Information by business sector and geographical area (Note 27)

As previously mentioned, the Group works in the coal trading and port logistics business sectors.

The information by business sector for the year to December 31, 2008 is summarized in the following table:

	Trading	Logistics	Holding/ Adjustments	Total
Income statement				
Revenues	520,364	20,211	(70)	**540,505**
Operating profit	19,867	2,955	(1,636)	**21,186**
Financial income and charges, net	(2,934)	(963)	798	**(3,099)**
Profit after tax from continuing operations	11,180	(275)	(1,377)	**9,528**
Balance sheet				
Total assets	154,454	56,161	27,279	**237,894**
Total equity	19,005	31,884	19,885	**70,774**
Total liabilities	135,449	24,277	7,394	**167,120**

The Group works internationally both in the Trading and Port Logistics Sectors. The information by geographical area is shown below with reference to revenues from sales and services.

	Trading	Logistics	Holding/ Adjustments	Total
Revenues				
The Americas	19,849	7,745	0	27,594
The European Union	339,665	6,422	(70)	346,017
Russia, Middle East and Africa	17,564	0	0	17,564
Asia and Australia	143,286	6,044	0	149,330
Total revenues	**520,364**	**20,211**	**(70)**	**540,505**
Assets				
The Americas	7,080	6,286	0	13,366
The European Union	102,215	32,771	27,279	162,265
Russia, Middle East and Africa	23,322	0	0	23,322
Asia and Australia	21,837	17,104	0	38,941
Total assets	**154,454**	**56,161**	**27,279**	**237,894**

Information regarding financial instruments (Note 28)

Balance sheet and income statement

Information on the financial assets and liabilities is provided in the previous notes; more specifically:

- 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 the receivable and payable interest on financial items;
- "Note 6 – Trade receivables" gives information concerning the maturity of trade receivables, and the total and changes in the provisions for bad debts.

All information on the derivatives used by the Group is provided below.

Derivatives relating to currency exchange transactions

The Group carries out hedging transactions (cash flow and fair value hedging) to protect against oscillations of the Euro / USD exchange rate. At the end of 2008, the outstanding forward sales contracts in particular were worth 1,700 thousand USD (12,150 thousand USD at the end of 2007), corresponding to a notional value of 1,211 thousand USD (8,442 thousand Euro at the end of 2007). At the end of 2008, the outstanding forward purchase contracts were worth 38,000 thousand USD, corresponding to a notional value of 26,545 thousand Euro.

Regarding the RUR/USD exchange rate, the outstanding forward sales contracts at the end of 2008 were worth 5,000 thousand USD, corresponding to a notional value of 122,603 thousand RUR.

The characteristics of the outstanding contracts at December 31, 2008 and 2007 are summarized in the following tables:

Outstanding contracts at December 31, 2007 (all classifiable as cash flow hedging):

Expiry	Amount (Usd/thousand)	Foreign currency forward contract per 1 Usd	Notional value (Euro/thousand)	Market value at 31/12/2007 (Euro/thousand)
Sales				
Q1 2008	4,650	0.685	3,186	28
Q2 2008	2,100	0.717	1,505	80
Q3 2008	2,700	0.694	1,874	39
Q4 2008	2,700	0.695	1,877	38
Total sales	**12,150**	**0.695**	**8,442**	**185**

The outstanding contracts at December 31, 2008 have the characteristics of fair value hedging and therefore changes in their fair value are entered in the income statement under “exchange gains / losses”:

Expiry	Amount (Usd/thousand)	Foreign currency forward contract per 1 Usd	Notional value (Euro/thousand)	Market value at 31/12/2008 (Euro/thousand)
Sales				
Q1 2009	1,700	0.712	1,211	(12)
Total sales	**1,700**	**0.712**	**1,211**	**(12)**
Purchases				
Q1 2009	38,000	0.699	26,545	782
Total purchases	**38,000**	**0.699**	**26,545**	**782**
Expiry	**Amount (Usd/thousand)**	**Foreign currency forward contract per 1 Usd**	**Notional value (Rur/thousand)**	**Market value at 31/12/2008 (Euro/thousand)**
Sales				
Q2 2010	5,000	24.521	122,603	(1,199)
Total sales	**5,000**	**24.521**	**122,603**	**(1,199)**
Net total				**(429)**

The forward purchase and sale contracts in USD against Euro that were settled during the period produced a net profit of 188 thousand Euro in 2008 (304 thousand Euro in 2007), entered in the income statement under “exchange gains / losses”.

Freight derivatives

During 2008, the Group carried out forward purchase and sales transactions on the freight market through forward freight agreements (FFA). These transactions were carried out with the aim of reducing the cost price of freight, and do not have the characteristics laid down in the international accounting standards (“IFRS”) to be classified as hedge accounting. Consequently, the changes in fair value of outstanding FFAs at the end of the period were entered in the income statement under “other income / expense, net”.

The characteristics of the outstanding agreements at December 31, 2007 are summarized in the following table:

Expiry	Amount Days	Forward price per day Usd	Notional value (Euro/thousand)	Market value at 31/12/2007 (Euro/thousand)
Sales				
Q1 2008	273	56,167	10,416	(2,168)
Q2 2008	273	56,167	10,416	(1,579)
Q3 2008	276	56,167	10,531	31
Q4 2008	276	56,167	10,531	701
Total sales	**1,098**		**41,894**	**(3,015)**
Purchases				
Q1 2008	273	52,583	(9,752)	2,833
Q2 2008	273	52,583	(9,752)	2,243
Q3 2008	276	48,750	(9,140)	1,359
Q4 2008	276	48,750	(9,140)	690
Total purchases	**1,098**		**(37,784)**	**7,125**
Net total				**4,110**

The characteristics of the outstanding agreements at December 31, 2008 are summarized in the following tables:

Expiry	Amount Days	Forward price per day Usd	Notional value (Euro/thousand)	Market value at 31/12/2008 (Euro/thousand)
Sales				
Q1 2009	90	57,000	3,686	2,918
Q2 2009	91	57,000	3,727	2,949
Q3 2009	92	57,000	3,768	2,981
Q4 2009	92	57,000	3,768	2,981
Total sales	**365**		**14,949**	**11,829**
Purchases				
Q1 2009	90	48,000	(3,104)	(2,335)
Q2 2009	91	48,000	(3,139)	(2,361)
Q3 2009	92	48,000	(3,173)	(2,386)
Q4 2009	92	48,000	(3,173)	(2,386)
Total purchases	**365**		**(12,589)**	**(9,468)**
Net total				**2,361**

In January 2009, the agreements mentioned above were settled, with a net positive fair value of 2,361 thousand Euro, through a transaction with the counterpart which led to collecting 1,570 thousand Euro (2,310 thousand USD). This was entered in the 2008 income statement, as described in “Note 21 - Other income / expense, net”.

Lastly, there are outstanding purchase and sales FFA drawn up with the same counterpart with a net negative fair value of 2.1 million Euro. This is entered in the 2008 income statement under “other income / expense, net”. The characteristics of these agreements are summarized in the following table:

Expiry	Amount Days	Forward price per day (USD)	Notional value (Euro/thousand)	Market value at 31/12/2008 (Euro/thousand)
Sales				
Q1 2009	45	11,750	380	(5)
Q2 2009	45	11,750	380	(5)
Q3 2009	45	11,750	380	(5)
Q4 2009	45	11,750	380	(5)
Total sales	**180**		**1,520**	**(20)**
Purchases				
Q1 2009	45	28,000	(905)	(520)
Q2 2009	45	28,000	(905)	(520)
Q3 2009	45	28,000	(905)	(520)
Q4 2009	45	28,000	(905)	(520)
Total purchases	**180**		**(3,620)**	**(2,080)**
Net total				**(2,100)**

Summary of fair value of derivatives

The changes in the fair value of derivatives are summarized in the following table:

	31/12/2006	Changes in net equity	Changes in income statement	31/12/2007	Changes in net equity	Changes in income statement	31/12/2008
Receivables from foreign exchange market transactions	119	66	0	185	(185)	782	782
Receivables from freight market transactions	0	0	11,569	11,569	0	(11,569)	0
Total receivables	**119**	**66**	**11,569**	**11,754**	**(185)**	**(10,787)**	**782**
Payables from foreign exchange market transactions	(72)	72	0	0	0	(1,211)	(1,211)
Payables from freight market transactions	0	0	(7,459)	(7,459)	0	5,359	(2,100)
Payables from coal market transactions	0	0	(3,815)	(3,815)	0	3,815	0
Total payables	**(72)**	**72**	**(11,274)**	**(11,274)**	**0**	**7,963**	**(3,311)**
Net total	**47**	**138**	**295**	**480**	**(185)**	**(2,824)**	**(2,529)**

The fair value of all derivatives is calculated on the basis of the forward market indexes on the reference date.

The equity reserve which records the fair value of the instruments is equal to minus 398 thousand Euro at December 31, 2008 (plus 135 thousand Euro at December 31, 2007) after removing the tax effect.

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 S.p.A. and its subsidiaries, are as follows:

Commodity risk

Business results are affected by changes in the prices of the products and services sold in the Trading Sector.

Volatile coal prices and freight rates generally lead to volatile operating profits and trading margins.

The risks connected to trading may be limited by:

- back-to-back transactions;
- underwriting assets relating to the purchase/sale of coal and transport services (freight) at values mainly pegged to the API2 and API4 indexes and partly to fixed values, limited over time; prior inspection and approval of transactions according to the corporate policy.

Trading risks are assessed through:

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

As regards sources of coal procurement, the Group depends less on suppliers after the takeover of the Russian mining site OAO Kisk.

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 Group's revenues and operating costs are expressed in US dollars. The Group manages the exchange rate risk through forward currency transactions and foreign currency loans. The Logistics division lays down clauses in long-term 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.

The Group policy is to cover a large part of the expected net foreign currency flows with forward foreign currency transactions over a time span which does not normally exceed 12 months.

Furthermore, the exposure to exchange rate risk connected with the 43 million USD loan, granted in order to finance the purchase of the Russian mine, has been reduced through a 38 million USD forward foreign currency purchase contract.

Lastly, the exposure to exchange rate risk connected with the 5 million USD loan granted in order to finance the purchase of a piece of land adjacent to the mine has been reduced through a forward foreign currency purchase contract of the same amount.

The outstanding forward foreign currency transactions at December 31, 2008 are described in “Note 28 – Information regarding financial instruments”.

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 long-term forecasts in order to make sure the financial charges are always sustainable. In the current market situation, the Group 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 practiced during the period would have had a negative effect of about 372 thousand Euro on the 2008 income statement and net equity.

Credit risk

Credit risk is the company's exposure to potential losses deriving from failure of counterparts (customers or suppliers who receive payments on account and advance payments on coal deliveries) to comply with their commitments.

The management of commercial credit 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 credit is monitored monthly by the Division Credit Committee, including periodic ex ante analysis of credit limits.

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

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

- confirmed letters of credit (bank guarantees) in the Trading Sector;
- credit insurance by a leading insurance company (SACE BT S.p.A.) in both sectors.

The Coeclerici Group has not recorded significant cases of loss on credits from counterparts.

Liquidity risk

Liquidity risk is the risk that financial resources may not be available or are only available at high cost.

Also thanks 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 the foreseeable financial needs both in the medium and long term. Furthermore, the 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 is for 150 million Euro, up on the previous agreed amount of 75 million Euro. This credit line will allow the Coeclerici Group to meet its cash needs.

It is necessary to finance current assets in the Trading Sector, and especially the down payments for the purchase of goods granted to Russian suppliers. This need is mainly met by short-term borrowing through bank loans.

The purchase of the Russian mine was financed using the resources of the syndicated credit line granted by a pool of banks led by Banca Carige S.p.A. Repayment of the uses of the syndicated credit line is foreseen in the medium/long term and, in any case, before 2014 (expiry of the line of credit) with resources that will be generated by Trading Sector operating activities. Debt restructuring cannot be excluded - if feasible and cost efficient - in order to find a new specific source of financing for the Russian mine investment.

As regards the Logistics Division, the investments to build units are normally 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.

The Group intends to finance the initial investments in property, plant and equipment for the development of new projects through the use of specific lines of credit being negotiated with banks. When the projects being developed are defined, the management intends to seek specific medium term loans structured according to the characteristics of the individual investment projects.

Political risk

The Coeclerici 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 S.p.A.

The investment insurance policy protects Group companies that form and hold shares in the capital of foreign companies or that make indirect investments through foreign companies controlled by the Italian company.

The policy covers the risk of losses in capital, revenues, interest and amounts owed to the Italian company in connection with the investment and caused by the following political events: expropriation and other acts of absolute power, currency restrictions and moratoria, force majeure events and civil unrest.

The percentage investment insurance cover ranges from a minimum of 95% to a maximum of 100%.

As regards the Trading sector, the policy covers risks concerning the investments in Russia.

In the framework described above, the Logistics Division has at present political risk hedging policies for the business carried out by the two subsidiaries in Venezuela.

Obligations and guarantees (Note 30)

At December 31, 2008, the Group had the following:

Obligations relating to derivatives

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

Obligations relating to new investments

During 2007, the Group undertook to purchase 3 million Euro in shares in the “Ambienta” collective investment scheme (remaining amount of 2.49 million Euro at December 31, 2008).

The “Ambienta” fund was set up and is managed by S.G.R. “Ambienta Società di Gestione del Risparmio S.p.A.”. 0.6 % of the share capital of this company, worth 9 thousand Euro at December 31, 2008, was bought. It is classified in the fixed assets under “other investments”. It is a private equity fund set up in 2007 with the aim of investing in the environment sector. During 2008, 510 thousand Euro in shares in the Ambienta fund were purchased. These are classified in the fixed assets under “financial assets available for sale”. This amount is not significantly different from the fair value of the shares owned, calculated on the basis of the information shown in the report on the fund for the year to December 31, 2008.

During 2007, the Group also undertook to underwrite the capital increases in the Luxembourgian company Value Secondary Investments S.I.C.A.R. amounting to a total of 1,750 thousand Euro.

The net investment made in Value Secondary Investments S.I.C.A.R. during the period was 1,053 thousand Euro, classified in the fixed assets under “assets available for sale”. 550 thousand Euro of this figure consists of contributions made in 2008 (in addition to the 655 Euro contributed in 2007) and 861 thousand Euro is the consequence of a transfer of shares from a third party, as well as a capital repayment of 358 thousand Euro decided by the Shareholders' meeting on December 16, 2008.

Value Secondary Investments S.I.C.A.R. is a fund set up in 2007 with the aim of investing in the private equity sector. The duration of the fund has been initially fixed at 5 years with the possibility of extension for a further year.

Further contributions are scheduled in the form of capital increases amounting to 934 thousand Euro, 389 thousand Euro of which stem from the transfer of shares from a third party, amounting to an overall commitment of 3 million Euro (1,750 thousand Euro at December 31, 2007).

During 2008, the Group undertook to purchase 1 million USD shares in the Hao Capital Fund II L.P. collective investment scheme.

The Hao Capital Fund II L.P. is a private equity fund. At December 31, 2008 this investment amounted to 250 thousand Euro and is classified in the fixed assets under “assets available for sale”.

During 2008, about 5 million Euro in commitments were undertaken with third party suppliers for the purchase of capital goods to be used to build the vessels for port logistics projects still being developed. During the first few months of 2009, further commitments worth about 7 million Euro were undertaken with material and capital goods suppliers again regarding ongoing projects.

Guarantees given in favour of consolidated subsidiaries

The guarantees given in favour of consolidated subsidiaries amount to an overall total of 2,003 thousand Euro.

The figure of 2,003 thousand Euro consists of a 210 thousand Euro surety bond issued by Citibank to the Preveza Law Courts (Greece) on behalf of the indirect subsidiary Capo Noli Transportes Maritimos Lda relating to the M/V Capo Noli sold in July 2007, a 42 thousand Euro bank guarantee issued by Monte dei Paschi of Siena to the Port of Genoa harbour office on behalf of the indirect subsidiary Capo Noli Transportes Maritimos Lda, a 719 thousand Euro performance bond issued by Banca Carige (1,000 thousand USD) to the Indonesian customer Kaltim Prima Coal to guarantees satisfactory completion of the contract with the indirect subsidiary Logconversion Transportes Maritimos Lda on behalf of Coeclerici Logistics S.p.A. (against which a surety bond was received), a 970 thousand Euro surety bond issued by Assicuratrice Edile S.p.A. to Enel Trade S.p.A. on behalf of the indirect subsidiary Mediterranean Bulk System N.V., a 62 thousand Euro guarantee (INR 4,221 thousand) issued by Barclays on behalf of the subsidiary CGU Logistic Limited to the supplier Bernhard Schulte Shipmanagement (India) Private Limited (called Eurasia International India until December 31, 2007) relating to the punctual payment of the fees of the seafaring staff and a guarantee with symbolic value of 1 Euro issued by the direct subsidiary Coeclerici Coal and Fuels S.p.A. to the Norwegian shipowner J.B. Ugland Dry Bulk A.S. in connection with performance of the profit sharing agreement regarding the M/V IVS Merlot.

Guarantees given in favour of third parties

The guarantees given in favour of third parties amount to an overall total of 1,752 thousand Euro.

This figure consists of a 431 thousand Euro surety bond issued by Citibank (600 thousand USD) to Carbones del Guasare – Maracaibo, Venezuela, a customer of the indirect subsidiary Bulkguasare de Venezuela S.A., a 153 thousand Euro surety bond issued by Banca Carige to SEB Immobilien Investment GmbH for the office building in 2 Via Della Chiusa, Milan, Italy, where the company has its offices, two guarantees for 9 thousand Euro issued to the owners of rented buildings by Banca Popolare di Bergamo, a 10 thousand Euro surety bond issued to the Port Authority of Piombino on behalf of the subsidiary Terminal Offshore Piombino S.p.A. and a potential liability of the indirect subsidiary CGU Logistic Limited to the Indian Port Authority worth 1,149 thousand euro (INR 77.7 million) 50% guaranteed by a 575 thousand Euro deposit described in "Note 7 – Prepayments and other current receivables" (INR 38.9 million) and the remaining 50% guaranteed through surety bonds issued on behalf of the minority shareholders of CGU Logistic Limited itself.

Lastly, there are guarantees issued to the owners of eleven ships (Red Lily, Red Iris, Bulk India, Bulk China, Red Gardenia, Bulk Singapore, Bulk Hong Kong, Red Jasmine, Red Lotus, Bulk Japan and Red Queen) purchased 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 Coeclerici Ceres Bulk Carriers Transportes Maritimos Lda which was part of the Group until the beginning of May 2007.

Following the demerger mentioned above, the group received a 14,371 thousand Euro surety bond (20 million USD) issued by Unicredit Banca d'impresa on behalf of the beneficiary of the demerger Uno Shipping S.r.l. to cover its exposure towards the shipowners for the obligations stemming from the time charter contracts, since the Group is no longer the beneficiary of the time charter contracts concerned.

On March 25, 2009, the following guarantees were released with issue of letters of discharge from the respective owners:
- Ever Bright Shipping S.A., owner of the MV Red Gardenia;
- Southern Route Maritime S.A. owner of the MV Red Jasmine, Bulk India and Bulk Hong Kong;
- Pear Gemini Pte. Ltd. owner of the MV Bulk Singapore.

Guarantees received

The Group has received guarantees worth 15,926 thousand Euro.

This figure consists of a 14,371 thousand Euro surety bond (20 million USD) issued by Unicredit Banca d'impresa on behalf of Uno Shipping S.r.l. to Coeclerici S.p.A., mentioned above as part of the extraordinary demerger of the shipping business; a 745 thousand Euro guarantee issued by Cargotec Corporation to Coeclerici Logistics S.p.A. on behalf of MacGREGOR Bulk AB (SEK 8,100 thousand), as part of a contract for the supply of a conveyor belt purchased in expectation of a contract still to be definitively assigned, but for which it was necessary to make an immediate purchase given the long delivery period.

There is also an outstanding 36 thousand Euro guarantee to the indirect subsidiary Bulkguasare de Venezuela S.A. (50 thousand USD) issued by Seguros Catacumbo on behalf of Zulia Towing And Barge CO C.A. mainly for towing and staff carrying services, a 611 thousand Euro mortgage (850 thousand USD) to the indirect subsidiary Bulkguayana S.A. issued by the Notaria Publica de Maracaibo on behalf of Zulia Towing And Barge CO C.A. to guarantee satisfactory completion of a bare boat contract concerning the use of launches, and two guarantees received by the direct subsidiary Coeclerici Logistics S.p.A. worth 163 thousand Euro (one for 106 thousand Euro and the other for 57 thousand Euro corresponding to 80 thousand USD) issued by Cassa di Risparmio di Padova on behalf of Bedeschi S.p.A.

Lastly a pledge on shares has been entered referring to a loan granted to the Russian partner Energougol.

Related parties transactions (Note 31)

As described in the previous notes, the related parties transactions are with:

- Cocler S.p.A., the controlling shareholder, as regards the 9,500 thousand Euro loan at December 31, 2008 described in "Note 7 – Prepayments and other current receivables";

- Finanziaria Cocler S.A.p.a., the indirect Holding Company, as regards the credit items amounting to 1,862 thousand Euro, since it is the consolidating company in the Group tax consolidation procedure as described in "Note 7 – Prepayments and other current receivables".

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

The Chairman of the Board of Directors and Managing Director of Coeclerici S.p.A. is also the Group's controlling shareholder.

Other information (Note 32)

Personnel costs

The personnel costs during 2008 amounted to 17,781 thousand Euro (14,568 thousand Euro in 2007), of which 6,200 thousand Euro was for seafaring personnel (5,030 thousand Euro in 2007), 2,622 thousand Euro for miners and 8,959 thousand Euro for staff (9,538 thousand Euro in 2007).

The average number of employees was:

	2008	2007
Executives	24	12
White-collar	196	90
Seafaring staff	145	146
Miners	382	0
TOTAL	**747**	**248**

The increase in the number of staff is mainly attributable to the takeover of the Russian mining company OAO Kisk: in detail, 12 new executives, 99 white-collar workers and 382 miners, making a total of 493 staff members, as described in the annual report (refer to report for further details).

For further information refer to "Note 18 – Selling, general, and administrative expenses".

Cash outflow for the purchase of consolidated investments

The 24,140 thousand Euro, shown in the 2008 cash flow statement as cash outflow for the purchase of consolidated investments, refers partly (2,228 thousand Euro) to the purchase of a further 25% stake in the already controlled Singaporean company CC Carbon (Pte) Ltd and partly (21,912 thousand Euro) to the purchase of 100% of the Russian mining company OAO Kisk.

The fair value of the assets and liabilities belonging to OAO Kisk purchased on March 31, 2008 are summarized here below:

Cash at banks and in hand	52
Inventories	1,675
Trade receivables	132
Other current assets	552
Fixed Assets	36,509
Other non-current assets	227
Long term payables	(2,882)
Other non-current liabilities	(7,796)
Trade payables	(211)
Other current liabilities	(1,744)
	26,514
Deducted: cash at banks and in hand	(52)
	26,462
Greater value of the company taken over compared to takeover price	(4,550)
Takeover cash flows less acquired cash at banks and in hand	**21,912**

Events after accounting period closure (Note 33)

Purchase of a stake in an American trading company is being assessed for the Trading Sector with the aim of commercially penetrating the United States market with the possibility of also expanding into the Logistics Sector.

As regards the Logistics Division, the subsidiary Coeclerici Logistics S.p.A. underwrote a capital increase in its Indian subsidiary CGU Logistic Limited in the first few months of the new year. On account of one of the minority shareholders failing to subscribe to this increase, Coeclerici Logistics S.p.A. agreed to step in and take the share reserved to them, consequently increasing its stake from an initial 55% to 63.41%.

During the first quarter of 2009, business contacts continued to define the remunerative use of the M/V Bulk Kremi (Ukraine) and Bulk Prosperity (India) and to define new port logistics projects in order to come to a rapid agreement and stipulate contracts with end customers.

Annexes

Annexe n. 1
List of companies consolidated using the line-by-line consolidation method

Name	Offices	Currency	Share capital	Equity investment
Sud Est S.r.l.	Brindisi, Italy	Euro	100,000	100.00%
CC Steel Shipping and Logistics AD	Bulgaria	Bgl	50,000	51.00%
New Sea Logistics EAD	Bulgaria	Bgl	50,000	100.00%
CGU Logistic Limited	India	Inr	310,000,000	55.00%
Coeclerici Logistics (India) Ltd in liquidation	India	Inr	500,700	100.00%
PT. CC Carbon INDO	Indonesia	Usd	250,000	85.00%
Swansea Marine Limited	UK	Gbp	1	100.00%
Coeclerici Coal and Fuels S.p.A.	Milan, Italy	Euro	5,000,000	100.00%
Coeclerici Logistics S.p.A.	Milan, Italy	Euro	10,000,000	100.00%
Shipping Services S.r.l.	Milan, Italy	Euro	45,000	100.00%
Terminal Offshore Piombino S.p.A.	Milan, Italy	Euro	4,500,000	80.00%
Somocar International N.V.	The Netherlands	Euro	60,602	100.00%
Bourgas Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Capo Noli Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
CC Coal and Fuel Asia Consultoria Economica Lda	Portugal	Euro	5,000	100.00%
Kyla Charter Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Log Service - Transportes Maritimos Lda	Portugal	Euro	5,000	100.00%
Logconversion Transportes Maritimos Lda	Portugal	Euro	2,300,000	70.00%
Llc Scc-Rozko	Russia	Rur	13,381,000	100.00%
OAO Kuznetskaya investitsionno - stroitelnaya compania (“Kisk”)	Russia	Rur	80,000	100.00%
OOO Obshestvo s ogranichennoj otvetsvennost’ju Delta Property	Russia	Rur	10,000	49.00%
OOO Razrez Korciakolskij	Russia	Rur	10,000	100.00%
OOO Yuzhno - Kuzbasskoe promyshlenno - transportnoe upravlenie (“Ptu”)	Russia	Rur	10,000	100.00%
Selskohozyaistvennoe predpriyatie Taylepskoe(*)	Russia	Rur	123,600,000	49.00%
CC Carbon (Pte) Ltd	Singapore	Sgd	3,000,000	85.00%
Newport Trading & Services LLC	U.S.A.	Usd	10,000	100.00%
CF Service S.A.	Switzerland	Chf	1,000,000	100.00%
Coeclerici Compagnie S.A.	Switzerland	Chf	12,000,000	100.00%
Bulkguasare de Venezuela S.A.	Venezuela	Bsv	2,408,000,000	90.00%
Bulkguayana S.A.	Venezuela	Bsv	10,071,025,000	90.00%

(*) Selskohozyaistvennoe predpriyatie Taylepskoe is 100% controlled by OOO Obshestvo s ogranichennoj otvetsvennost’ju Delta Property.

List of companies consolidated using the net equity method

Name	Offices	Currency	Share capital	Equity investment
Viannlog Consultoria Economica Lda	Portugal	Euro	5,000	50.00%
Mediterranean Bulk System N.V. (*)	The Netherlands	Euro	45,378	50.00%
Kidecrane Transportes Maritimos Lda	Portugal	Euro	5,000	50.00%
Adang Bay Transportes Maritimos S.A. (**)	Portugal	Euro	50,000	50.00%

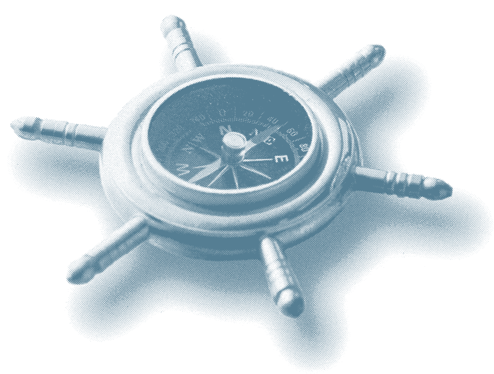
(*) Mediterranean Bulk System N.V. is 100% controlled by Viannlog Consultoria Economica Lda.
(**) Adang Bay Transportes Maritimos S.A. is 100% controlled by Kidecrane Transportes Maritimos Lda.

Annexe n. 2
Comparison between the Net Equity of Coeclerici S.p.A. and the Group

(Thousands of Euro)

	Net income (loss) Increases/(Decreases)	Net equity
Coeclerici S.p.A. at December 31, 2008	**7,322**	**58,169**
Group's share of consolidated companies' net equity and profit for the year	30,680	(3,109)
Net equity and period profit of the associated companies measured using the net equity method	(53)	1,649
Effects of application of the IAS/IFRS international accounting standards on the parent and consolidated companies	(15,357)	9,014
Elimination of intercompany dividends paid	(12,951)	0
Coeclerici Group at December 31, 2008	**9,640**	**65,722**

Independent Auditors' Report



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AUDITORS' REPORT
PURSUANT TO ARTICLE 2409 - ter OF THE CIVIL CODE

To the Shareholders of
COECLERICI S.p.A.

1. We have audited the consolidated financial statements of Coeclerici S.p.A. and subsidiaries (the "Coeclerici Group") which comprise the balance sheet as at December 31, 2008, and the income statement, 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 are the responsibility of the Company's Directors. prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in Italy. 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 audit of the financial statements of subsidiaries and associates, which statements reflect total assets representing 3,9% of consolidated total assets and revenues representing 1,4% of consolidated revenues, is the responsibility of other auditors.

   For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes as required by law, reference should be made to our auditors' report issued on May 12, 2008.

3. In our opinion, the consolidated financial statements present fairly the financial position of the Coeclerici Group as of December 31, 2008, and the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

4. The directors of Coeclerici S.p.A. are responsible for the preparation of the Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by art. 2409-ter, paragraph 2, letter e), of the Italian Civil Code. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the Report on Operations is consistent with the consolidated financial statements of the Coeclerici Group as of December 31, 2008.

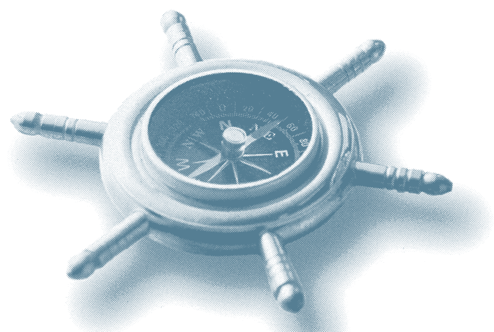
DELOITTE & TOUCHE S.p.A.

Signed by
Fabrizio Fagnola
Partner

Genoa, Italy
April 1, 2009

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

Board of Statutory Auditors' Report



Report of the Board of Statutory Auditors

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

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

Dear Shareholder,

With regard to the supervisory activity requested ex article 2403 et. seq. of the Civil Code, we would like to point out the following:

-We have taken part in the meetings held by the Board of Directors and the Executive Board. In our opinion, the resolutions passed were in accordance with the Articles of Association and the provisions of the law and always in compliance with the principles of Good Administration. During said meetings we received useful information on the general company management and relative expected trend as well as on the major transactions performed by the company from the point of view of the dimension or nature of the transaction itself.

-We have become acquainted with and checked the efficiency and correct operation of the organizational, administrative and accounting structure of the company with respect to the characteristics and size of the Company.

-We held a meeting with the auditing firm Deloitte & Touche S.p.A. in order to exchange data and information. On the basis of the auditing carried out by said company we could evaluate the reliability of the administrative accounting system to represent the company management.

No significant aspects emerged from the aforesaid supervisory activity so as to be included in the present report.

As regards the financial statement as at and for the year ended 31st December 2008 and the consolidated financial statement of the Group as at and for the year ended 31st December 2008, 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. No particular information need to be highlighted in this respect.

We have also checked compliance of management report with the provisions of the law in force and no special remark need to be made in this respect.

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.

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.

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 2008, as prepared by Directors.

In the city of Milan, this first day of the month of April of the year two thousand and nine.

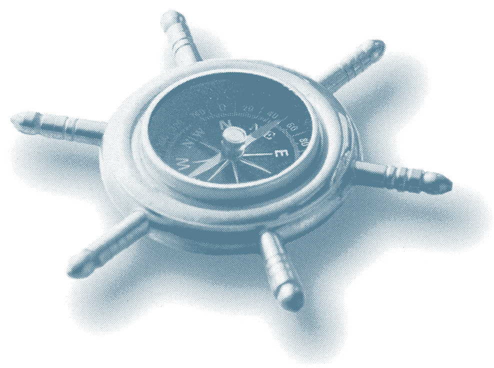
In the city of Milan, this twelfth day of the month of May of the year two thousand and eight.

The Board of Statutory Auditors

Signed by
Mr. Guglielmo Calderari
Mr. Ettore Cavo
Mr. Giorgio Carbone

Coeclerici Offices

at December 31, 2008



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