

## **SAVINO DEL BENE S.p.A.**

### **DIRECTORS' REPORT ON THE STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2001**

To the Shareholders,

The financial statements for the year ended 31st December 2001 presented herein for your approval comprise the Balance Sheet, Income Statement and Explanatory Notes, together with the Board of Directors' Report thereon and a statement of cash flows.

We would remind you that these financial statements have been audited by the independent audit firm Reconta Ernst & Young S.p.A. following their appointment for the audit and certification of the statutory and consolidated financial statements for the three-year period from 2001 to 2003, as resolved by the Shareholders' meeting of 2nd May 2001.

In accordance with the requirements of Article No. 25 onwards of Law No. 127 of 9.4.1991, and also in order to show the results of the Savino Del Bene Group as a whole, the Company has prepared consolidated financial statements as of 31st December 2001.

The Board of Directors was nominated by the Shareholders' meeting of 29th June 1999 and is made up of four members whose appointment expires on the approval of these financial statements as of 31st December 2001.

The Board of Directors is comprised of the following members:

Paolo Nocentini (Chairman), Giuliano Macucci (Vice-chairman), Silvano Brandani (Managing Director) and Francesca Lapi (Director).

The Company's Statute nominates the Chairman of the Board of Directors as its legal representative and grants him the authority and responsibility for all of the Company's ordinary and extraordinary administration, with the exception of actions for which the Board of Directors' authorisation is specifically required by law and actions of significant economic importance such as the purchase and sale of real estate, of companies and investments and the granting of guarantees for an amount in excess of Lire 300 million.

The Vice-chairman's responsibilities are the same as those attributed to the Chairman, to be carried out by the Vice-chairman in the Chairman's absence or impediment.

The Managing Director has the responsibility for the logistic organisation of the Company, the control and management of the Livorno branch and the co-ordination of relations with the American subsidiaries.

The Board of Statutory Auditors was appointed by the same Shareholders' meeting which nominated the Board of Directors and their appointment also expires on the approval of the financial statements as of 31st December 2001. The Board of Statutory Auditors is comprised of

the following members: Annibale Viscomi – Chairman of the Board of Statutory Auditors, Luca Porciani – Acting Auditor, Roberto Zaffina - Acting Auditor and two supplementary auditors (Franco Vannucchi and Muzio Clementi).

All figures are stated in euro, unless otherwise specified.

In order to better appreciate the Company's performance during the year, the world economic situation, summarised below, should be taken into consideration.

### **World Economy**

The year 2001 was characterised by a recession in the world economy due principally to the sharp decline in the US economy, which had already begun during the first half of the year but which was seriously aggravated by the events of 11th September 2001: the weak American economic situation, which was already evident during the second quarter of the year 2001, worsened during the third quarter. During the period July-September 2001 the GNP showed a decrease for the first time in ten years, due to the significant reduction in investments. However, there would appear to be an inversion in this trend during the last quarter of the year .

Japan has not yet succeeded in overcoming the economic crisis which has now been in progress for more than two years and does not show any significant signs of growth in its GNP.

The euro area underwent a slowing down during the last part of the year 2001 (with a drop of -0.2% in the GNP). The average growth in the countries adhering to the single European currency amounted to only +1.5% for the entire year 2001, almost two percentage points below that of the year 2000 (+3.4%), due mainly to the significant slowing down in the German economy (+0.6%), while France (+2.0%) showed the greatest results. Spain saw a very gradual slowing down in its economy during the first half of the year, which became more marked during the second half. In Italy the average growth in GNP (+1.8%) fell by more than one percent with respect to the excellent performance of the year 2000 (+2.9%), and the fourth quarter of the year actually showed a negative variation (-0.2%) compared to the previous period.

During the second half of the year 2001 production as a whole slowed down in the developing countries, due to the effects of the weakness in demand from the industrialised countries. In Asia, production and exportation, which had fallen during the first three quarters of the year, stabilised towards the end of the year, due in part to the signs of an inversion in the investment cycle in the information technology and equipment sector in the USA, which privileged exports from many Asian countries and Taiwan in particular and, to a lesser extent, Singapore, the Philippines and Malaysia. In South Korea, where the recovery in the export of electronic products succeeded only in limiting the extent of the drop in total exports, this growth was sustained mainly by internal demand. India, and China in particular, contributed towards sustaining international production activity levels.

The weak international demand has continued to weigh heavily upon the prices of non-utility raw materials, which fell by 7.4% overall in the final quarter of the year with respect to the corresponding

quarter of the previous year; in particular, the price of metal, which is extremely sensitive to cyclical market trends, fell by -15%.

Following a slight decrease (-1.3% on an annual basis) during the third quarter of the year 2001 the US GNP showed a slight growth in the last quarter of the year (+1.4%), thanks to the support deriving from the significant growth in consumption (+6.0%) and in public sector expenditure (+10.1%). The growth in demand is attributable mainly to the exceptional increase in the expenditure on durable goods (+39.2%) encouraged by the introduction in October of financial incentives for the acquisition of motor vehicles. Consumption of non-durable goods and services has also grown, although at a lesser rate (2.4% and 1.8% respectively). The figures for the first months of the year 2002 confirm the expectations of recovery: in the USA, thanks also to the positive trend in consumption during the month of January, the increase in GNP during the current quarter could reach approximately 3% (on an annual basis) with respect to the previous year. We estimate a growth of between 1.6% and 2.7% for the year 2002 as a whole.

The euro area also showed certain positive signs during the final part of the year 2001 and the first part of the year 2002, which, while less marked and widespread than those of the USA, could indicate a stabilisation of the negative phase during the first months of the current year and could lead to a more consistent recovery during the course of the year 2002.

## Company Performance

The financial statements for the year ended 31st December 2001 show a net income after tax of € 6,737,928, representing a decrease of 23.46% (- €2,064,516) with respect to the previous year.

Net financial income amounts to € 3,740,376, due principally to net exchange gains of € 1,173,090 (- € 526,187 with respect to the year 2000) and to dividends received for € 3,377,341 (+ € 1,513,463 with respect to the year 2000). Net extraordinary income amounts to € 567,321 (- € 374,601 with respect to the year 2000), due mainly to non-recurring income deriving from the settlement in favour of the Company of a legal dispute in course.

As regards the Company's performance, the following table shows the decrease in economic results with respect to the previous year:

(in thousands of euro)	<b>2001</b>	<b>2000</b>	<b>Diff.</b>	<b>% Diff.</b>
Sales revenue	184,050	198,712	-14,662	-7.38%
Gross operating margin	10,605	15,333	-4,726	-30.82%
Net operating income	8,074	12,719	-4,643	-36.51%
Net income for the period	6,738	8,802	-2,064	-23.45%

In particular, the economic and financial performance for the year has generated the following variation in the principal financial and economic ratios:

	<b>2001</b>	<b>2000</b>	<b>1999</b>
Gross operating margin/ Total sales revenue	5.8	7.7	7.2
Net operating income/Total sales revenue (ROS)	4.4	6.4	5.9

Return on equity (ROE)	14.6	20.4	17
Return on investment (ROI)	11.8	17.3	14.1
Debt Ratio : net liquidity(indebtedness)/capital invested	-0.6	17.1	8.4

Sales revenue amounted to € 184,049,829, against € 198,711,380 in the year 2000; the following table shows an analysis of sales revenue by sector, showing the variations that have taken place with respect to the previous year:

(in thousands of euro)	2001	2000	Diff.	% Diff.
By sea	112,158	121,033	-8,875	-7.33%
By air	56,465	58,363	-1,898	-3.25%
By land	5,459	6,788	-1,329	-19.58%
Importation and customs clearing services	9,760	12,295	-2,535	-20.62%
Other revenues	208	232	-24	-10.34%
<b>Total</b>	<b>184,050</b>	<b>198,711</b>	<b>-14,661</b>	<b>-7.38%</b>

For the purposes of further information, the following table shows an analysis of total sales revenue by geographic area of the customer invoiced for the service :

(in thousands of euro)	2001	%
North America	89,520	48.64%
Central America	645	0.35%
South America	3,807	2.07%
Europe	75,014	40.76%
Africa	275	0.15%
Middle East	2,386	1.30%
Far East	11,299	6.14%
Australia and the South Pacific	1,104	0.60%
<b>Total</b>	<b>184,050</b>	<b>100%</b>

The decrease in costs during the year was proportionally greater than the corresponding decrease in revenues. In particular, the following variations took place:

(in thousands of euro)	2001	2000	Diff.	% Diff.
Freight charges	100,363	108,058	-7,695	-7.12%
Haulage charges	16,155	18,097	-1,942	-10.73%
Customs charges	4,279	6,656	-2,377	-35.71%
Cost of haulage, portorage and storage	4,368	4,574	-206	-4.50%
Cost of insuring goods	559	451	108	23.95%
Cost of visas and fees to customs operators	66	47	19	40.43%
Agents and correspondents' fees and charges	21,209	21,709	-500	-2.30%
Cost of shipping carried out by authorised third parties	300	235	65	27.66%
<b>Total</b>	<b>147,299</b>	<b>159,827</b>	<b>-12,528</b>	<b>-7.8%</b>

Less significant variations in the other components of costs have enabled us to reduce the overall variation in costs for consumption of materials and services from 7.8% to 6.93%.

#### Shipments by sea

The revenues from shipments by sea amounted to € 112,157,925, against € 121,032,602 in the year 2000.

The analysis of revenue by geographical area is shown below:

(in thousands of euro)	<b>2001</b>	<b>%</b>
North America	63,142	56.30%
Central America	513	0.46%
South America	2,467	2.20%
Europe	37,612	33.53%
Africa	162	0.14%
Middle East	2,319	2.07%
Far East	4,991	4.45%
Australia and the South Pacific	952	0.85%
<b>Total</b>	<b>112,158</b>	<b>100.00%</b>

The decrease in the volume of goods shipped by sea applied mainly to the North American route (-14,13%) and reflects the trend in the US economy, particularly during the final part of the year. Conversely, almost all of the other destinations registered a growth in volume, which succeeded in reducing the number of TEUS lost on the Atlantic route by fifty per cent in overall terms. In particular, we would mention the increase registered in the volume of shipments towards Africa (+681 TEUS: Standard 20 Feet Containers), and the Far East (+843 TEUS). This latter area represented the second principal destination, after North America, for the goods shipped by the Company during the year 2001. The volume of goods shipped by air registered an even greater decrease, involving all of the principal destinations, due both to the general slowing down in the economic situation and to the effects of the restrictions and the strict security measures introduced following the terrorist attack of 11th September .

The table below shows the variation, with respect to the year 2000, of the goods shipped by sea towards the following destinations (figures expressed in number of Teus shipped):

	<b>2001</b>	<b>2000</b>	<b>Diff.</b>	<b>% Diff.</b>
North America	37,980	44,232	-6,252	-14.13%
Central America	791	466	325	69.74%
South America	2,149	1,630	519	31.84%
Europe	546	633	-87	-13.74%
Africa	1,696	1,015	681	67.09%
Middle East	1,337	1,161	176	15.16%
Far East	3,548	2,705	843	31.16%
Australia and the South Pacific	945	200	745	372.50%
<b>Total</b>	<b>48,992</b>	<b>52,042</b>	<b>-3,050</b>	<b>-5.86%</b>

In the analysis of Teus shipped by sea from the various branches and offices of the Company, and shown in the table below, the excellent performance of the new Genoa office merits special mention; this office has only been operational as from the second half of the year 2001 and yet it already represents one of the Company's most important offices as regards shipments by sea (figures expressed in number of Teus shipped):

	<b>2001</b>	<b>%</b>	<b>2000</b>	<b>%</b>	<b>Diff</b>	<b>% Diff.</b>
Florence	22,470	45.86%	26.898	51.69%	-4,428	-16.46%

Bologna	926	1.89%	1.524	2.93%	-598	-39.24%
Genoa	2,952	6.03%	0	0	2,952	=
Segrate (Milan)	1,708	3.49%	1.503	2.89%	205	13.64%
Montecosaro	262	0.53%	248	0.48%	14	5.65%
Naples	6,284	12.83%	6.204	11.92%	80	1.29%
Pisa	46	0.09%	28	0.05%	18	64.29%
Montemurlo	431	0.88%	445	0.86%	-14	-3.15%
Santacroce Sull'Arno	1,244	2.54%	1.040	2.00%	204	19.62%
Treviso	6,554	13.38%	7.984	15.34%	-1,430	-17.91%
Verona	1,249	2.55%	1.316	2.53%	-67	-5.09%
Padova	584	1.19%	0	0.00%	584	=
Vicenza	3,072	6.27%	3.849	7.40%	-777	-20.19%
Livorno	1,210	2.47%	1.003	1.93%	207	20.64%
<b>Total</b>	<b>48,992</b>	<b>100%</b>	<b>52.042</b>	<b>100%</b>	<b>-3,050</b>	<b>-5.86%</b>

### **Shipments by air**

Revenue from the air sector amounted to €56,465,308, against €58,363,211 in the year 2000.

The following table shows the analysis of revenue by the geographic area of the customer invoiced for the service :

(in thousands of euro)	<b>2001</b>	<b>%</b>
North America	25,701	45.52%
Central America	128	0.23%
South America	1,334	2.36%
Europe	22,756	40.30%
Africa	89	0.16%
Middle East	65	0.12%
Far East	6,242	11.05%
Australia and the South Pacific	150	0.27%
<b>Total</b>	<b>56,465</b>	<b>100.00%</b>

The air sector registered a decrease of 10% in the volume of goods transported. This decrease is due not only to the negative trend in the economic situation in North America, but also to the consequences of the terrorist attacks of 11th September. In fact, the volume of goods shipped towards North America fell by 14%. However, the Company saw a growth in the volume of shipments towards new markets such as the Middle East and South America, which has become our third most important destination area.

The following table shows the variations in shipments by air with respect to the year 2000 (figures expressed in thousands of Kg.) :

	<b>2001</b>	<b>2000</b>	<b>Diff.</b>	<b>% Diff.</b>
North America	11,580	13,534	-1,954	-14.44%
Central America	127	176	-49	-27.84%
South America	731	536	195	36.38%
Europe	153	157	-4	-2.55%
Africa	268	181	87	48.07%
Middle East	421	213	208	97.65%

Far East	4,227	4,853	-626	-12.90%
Australia and the South Pacific	57	50	7	14.00%
<b>Total</b>	<b>17,564</b>	<b>19,700</b>	<b>-2,136</b>	<b>-10.84%</b>

In the analysis of the quantities shipped by air by point of despatch, shown in the table below, the results achieved by the Montemurlo branch stand out for excellence. We would remind you that our performance during the last quarter of the year 2001 was heavily penalised as a result of the difficulties encountered by air traffic over New York, which remains our principal arrival point in the USA. The direct presence in the destination markets for Italian exports is becoming increasingly important in the acquisition and maintaining of customers, due to the growing use of the FOB clause, or indeed free to factory (franco fabbrica). The table below shows the quantities shipped by air by point of despatch (figures expressed in thousands of Kg.):

	<b>2001</b>	<b>2000</b>	<b>Diff.</b>	<b>% Diff.</b>
Florence	5,561	6,054	-493	-8.14%
Bologna	205	113	92	81.42%
Segrate (Milan)	4,202	5,407	-1,205	-22.29%
Montecosaro	1,388	1,283	105	8.18%
Naples	87	62	25	40.32%
Pisa	791	732	59	8.06%
Montemurlo	737	529	208	39.32%
Santacroce sull'Arno	1,389	1,604	-215	-13.40%
Treviso	488	759	-271	-35.70%
Verona	257	256	1	0.39%
Padova	51	0	51	=
Vicenza	2,408	2,901	-493	-16.99%
<b>Total</b>	<b>17,564</b>	<b>19,700</b>	<b>-2,136</b>	<b>-10.84%</b>

#### Shipments by land

The revenues from land transport amounted to €5,458,615, against €6,788,147 in the previous year. The table below shows an analysis of revenue by geographic area of the customer invoiced for the service:

(in thousands of euro)	<b>2001</b>	<b>%</b>
North America	12	0.22%
Central America	0	0.00%
South America	0	0.00%
Europe	5,425	99.38%
Africa	22	0.40%
Middle East	0	0.00%
Far East	0	0.00%
Australia and the South Pacific	0	0.00%
<b>Total</b>	<b>5,459</b>	<b>100.00%</b>

The volume of goods transported overland has fallen by 24%, from 25,189 Kg in the year 2000 to 19,086 Kg in the year 2001. This sector suffered from the effects of the reduction in the volumes of traffic with the European subsidiaries and also the abandonment of road haulage activities by the UK subsidiary. While the overland transport sector is considered complementary to the Group's strategic

core business and does not enter within the Company's strategic development and expansion plans, it is still of fundamental importance as it enables the Savino Del Bene Group to offer its customers a complete and fully integrated transport service.

An analysis of goods transported overland in Europe by point of despatch is given below (thousands of Kg shipped):

	<b>2000</b>	<b>2001</b>	<b>Diff.</b>	<b>% Diff.</b>
Florence	301	127	-174	-57.81%
Livorno	0	125	125	=
Montecosaro	7,970	7,172	-798	-10.01%
Santacroce sull'Arno	7,640	5,606	-2,034	-26.62%
Verona	30	17	-13	-43.33%
Vicenza	9,248	6,039	-3,209	-34.70%
<b>Total</b>	<b>25,189</b>	<b>19,086</b>	<b>-6,103</b>	<b>-24.23%</b>

#### **Importation and customs clearing activity**

Revenues from importation and customs clearing activities amounted to € 9,759,731 against € 12,294,724 in the previous year. The table below shows an analysis of revenue by invoice area:

(in thousands of euro)	<b>2001</b>	<b>%</b>
North America	494	5.06%
Central America	2	0.02%
South America	1	0.01%
Europe	9,212	94.39%
Africa	1	0.01%
Middle East	0	0.00%
Far East	50	0.51%
Australia and the South Pacific	0	0.00%
<b>Total</b>	<b>9,760</b>	<b>100.00%</b>

Given that the principal departure area for goods imported remains North America, the company's importation business has also suffered from the negative economic situation and from the other difficulties encountered by traffic to and from North America. The Savino Del Bene Group main aim is the development and expansion of activity on new routes, other than those utilised in the past, and particular emphasis is placed on the acquisition of significant market shares on the opposite routes from those outwards from Italy. The presence of Group companies on foreign markets also serves to gather custom for traffic towards Italy. The most active offices in this sector, in addition obviously to the head office, are those of Pisa and Segrate.

The number of import shipments per Italian branch is shown below:

	<b>2000</b>	<b>2001</b>	<b>Diff.</b>	<b>% Diff.</b>
Florence	1,467	1,236	-231	-15.75%
Bologna		117	117	
Livorno	58	0	-58	=
Segrate (Milan)	690	1,164	474	68.70%
Montecosaro	464	435	-29	-6.25%
Naples	71	107	36	50.70%
Pisa	975	963	-12	-1.23%

Santacroce sull'Arno	487	386	-101	-20.74 <sup>c</sup>
Treviso	485	227	-258	=
Verona	47	36	-11	-23.40 <sup>c</sup>
Vicenza	647	493	-154	-23.80 <sup>c</sup>
<b>Total</b>	<b>5,391</b>	<b>5,164</b>	<b>-227</b>	<b>-4.21<sup>9</sup></b>

### **Company performance**

The Company's performance during the year 2001 can be seen from the summarised income statement shown below:

	<b>2001</b>	<b>2000</b>	<b>Diff.</b>	<b>% Diff.</b>
(+) Sales revenue	184,050	198,712	-14,662	-7.38%
(+) Other income and revenues	1,796	1,489	307	20.62%
<b>A. VALUE OF PRODUCTION</b>	<b>185,846</b>	<b>200,201</b>	<b>-14,355</b>	<b>-7.17%</b>
(-) Goods and services consumed	-157,919	-169,675	11,756	-6.93%
<b>B. ADDED VALUE</b>	<b>27,927</b>	<b>30,526</b>	<b>-2,599</b>	<b>-8.51%</b>
(-) Labour costs	-16,697	-14,626	-2,071	14.16%
(-) Sundry costs	-625	-567	-58	10.23%
<b>C. GROSS OPERATING MARGIN</b>	<b>10,605</b>	<b>15,333</b>	<b>-4,728</b>	<b>-30.84%</b>
(-) Amortisation, depreciation and write-down of fixed as:	-1,850	-1,761	-89	5.05%
(-) Write-down of current assets	-486	-616	130	-21.10%
(-) Provisions for risks	-195	-237	42	-17.72%
<b>D. NET OPERATING INCOME</b>	<b>8,074</b>	<b>12,719</b>	<b>-4,645</b>	<b>-36.52%</b>
+ (-) Financial income (expenses)	363	416	-53	-12.74%
+ Dividends and tax credits	3,377	1,866	1,511	80.98%
(+/-) Adjustments to value of financial assets	-284	-185	-99	53.51%
<b>E. INCOME BEFORE TAXES AND EXTRAORDINARY ITEI</b>	<b>11,530</b>	<b>14,816</b>	<b>-3,286</b>	<b>-22.18%</b>
+ (-) Extraordinary income (expenses)	567	942	-375	-39.81%
<b>F. INCOME BEFORE TAXES</b>	<b>12,097</b>	<b>15,758</b>	<b>-3,661</b>	<b>-23.23%</b>
Income tax for the period	-5,359	-6,956	1,597	-22.96%
<b>G. NET INCOME FOR THE PERIOD</b>	<b>6,738</b>	<b>8,802</b>	<b>-2,064</b>	<b>-23.45%</b>

The gross operating margin has fallen from € 15,333 thousand in the year 2000 to € 10,605 thousand in the year 2001, representing a decrease of 30.8%. Labour costs have risen from 14,626 thousand in the year 2000 to € 16,697 thousand in the year 2001. The incidence of labour costs on sales revenue shows an increase, rising from 7.4% to 9%; the turnover per employee has fallen from € 561 thousand in the year 2000 to € 503 thousand in the year 2001.

Amortisation, depreciation and write-down of fixed assets amount to € 1,850 thousand, representing an increase of € 89 thousand with respect to the year 2000.

The accrual for doubtful debts in order to adjust receivables to their estimated realisable value amounted to € 486 thousand against € 616 thousand in the previous year. The provision to the reserve for sundry risks and charges amounts to € 195 thousand and relates to the reserve for

litigation and disputes for € 37 thousand, to the reserve for the coverage of losses in subsidiary companies for € 28 thousand and to the reserve for taxation for € 130 thousand.

Net financial income amounted to € 3,740 thousand , against € 2,282 thousand in the year 2000, as detailed below:

(in thousands of euro)	2001	2000	Diff.
Dividends and tax credits	3,377	1,866	1,511
Income (expenses) for the purchase and sale shares	-288	-73	-215
Net exchange gain (loss)	1,173	917	256
Other financial income (expenses)	-522	-428	-94
<b>Result of financial operations</b>	<b>3,740</b>	<b>2,282</b>	<b>1,458</b>

Value adjustments amounted to - € 284 thousand and represent the net balance between the income deriving from the restoral to historical value of investments in subsidiary companies for € 41 thousand and the costs of write-downs in investments and other securities for a total of € 325 thousand.

Extraordinary net income amounts to € 567 thousand, and is comprised principally of non-recurring income arising on the settlement of a legal dispute regarding the violation of a non-competition agreement.

The tax charge for the year amounts to € 5,359 thousand, against € 6,956 thousand in the year 2000 and has benefited from the effects of the recording of advance taxation for the year of € 261 thousand.

### **Equity and financial situation**

Further information relative to the Company's equity and financial position may be obtained from the following reclassified balance sheet:

#### **RECLASSIFIED BALANCE SHEET**

(in thousands of euro)	2001	2000	Diff.	%Diff.
<b>A FIXED ASSETS</b>				
Intangible fixed assets	539	405	134	33.09%
Tangible fixed assets	14,155	13,847	308	2.22%
Financial fixed assets	19,931	13,014	6,917	53.15%
<b>Total</b>	<b>34,625</b>	<b>27,266</b>	<b>7,359</b>	<b>26.99%</b>
<b>B NET WORKING CAPITAL</b>				
Trade receivables	52,070	52,761	-691	-1.31%
Other assets	8,114	7,580	534	7.04%
Trade payables	-28,287	-32,256	3,969	-12.30%
Provisions for risks and charges	-1,590	-1,397	-193	13.82%
Other liabilities	-13,123	-12,322	-800	6.50%
<b>Total</b>	<b>17,184</b>	<b>14,366</b>	<b>2,818</b>	<b>19.62%</b>
<b>C CAPITAL INVESTED LESS OPERATING LIABILITIES (A+B)</b>	<b>51,809</b>	<b>41,632</b>	<b>10,177</b>	<b>24.45%</b>

<b>D</b>	<b>EMPLOYEE TERMINATION INDEMNITY</b>	<b>-5,421</b>	<b>-4,815</b>	<b>-606</b>	<b>12.59%</b>
<b>E</b>	<b>NET CAPITAL INVESTED (C-D)</b>	<b>46,388</b>	<b>36,817</b>	<b>9,571</b>	<b>26.00%</b>
	Financed by:				
<b>F</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>46,098</b>	<b>43,112</b>	<b>2,986</b>	<b>6.93%</b>
<b>G</b>	<b>NET FINANCIAL INDEBTEDNESS (LIQUIDITY)</b>				
	Medium and long term financial debt	0	0	0	0.00%
	Long term financial receivables	0	0	0	0.00%
	Net medium and long term debt (liquidity)	0	0	0	0.00%
	Short term financial debt	10,766	7,795	2,971	38.11%
	Liquidity and short term receivables	-10,476	-14,090	3,614	-25.65%
	Net short term debt (liquidity)	290	-6,295	6,585	-104.61%
	<b>Total net indebtedness (liquidity)</b>	<b>290</b>	<b>-6,295</b>	<b>6,585</b>	<b>-104.61%</b>
<b>H</b>	<b>TOTAL SOURCES OF FINANCE (F+G)</b>	<b>46,388</b>	<b>36,817</b>	<b>9,571</b>	<b>26.00%</b>

Fixed assets show an increase of € 7,359 thousand, rising from € 27,266 thousand in the year 2000 to € 34,625 thousand in the year 2001.

In particular, the principal movements regard the following:

**Intangible fixed assets** show a net increase of € 134 thousand, resulting from additions of € 327 thousand relative to costs for statutory changes (€ 3 thousand), to software (€ 9 thousand), to improvements to buildings held in leasing (€ 162 thousand) and to beneficiary rights on shares and other deferred charges (€ 154 thousand) and from a decrease of € 193 thousand, representing the amortisation charge for the year.

**Tangible fixed assets** show a net increase of € 308 thousand, rising from € 13,847 thousand in the year 2000 to € 14,155 thousand in the year 2001. The movements therein are summarised below :

(in thousands of euro)	<u>Gross book value</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Balance at 31.12.00	33,275	-19,428	13,847
Additions and advances to suppliers	2,084	0	2,084
Disposals due to sales	-459	340	- 119
Depreciation	0	-1,657	-1,657
<b>Balance at 31.12.01</b>	<b>34,900</b>	<b>-20,745</b>	<b>14,155</b>

The additions regarded the following fixed asset categories:

(in thousands of euro)	<b>2001</b>	<b>2000</b>
Commercial buildings	195	155
Light construction	27	42
Equipment	168	151
Trucks	68	90
Motor vehicles	336	262
Electronic machinery	570	852
Plant, furniture and fittings	298	341

Advances to suppliers	422	62
<b>Total</b>	<b>2,084</b>	<b>1,955</b>

**Financial fixed assets** show a net increase of € 6,917 thousand due to an increase in investments in subsidiary and associated companies (+ € 9,976 thousand) and a decrease in receivables (- € 3,059 thousand).

The following movements took place in investments in subsidiary and associated companies:

(in thousands of euro)	Gross book value	Write-downs	Net book value
<b>Balance at 31.12.00</b>	<b>10,579</b>	<b>-1,032</b>	<b>9,547</b>
Increases due to :			
- acquisitions	10,625	0	10,625
- reinstatement of historical cost	0	41	41
Decreases due to:			
- reclassification	-387	0	- 387
- sales	-12	0	- 12
- reimbursements	-163	6	- 157
- w rite-downs	0	-134	- 134
<b>Balance at 31.12.01</b>	<b>20,642</b>	<b>-1,119</b>	<b>19,523</b>

The acquisitions of € 10,625 thousand relate principally to the acquisition of 53% of the share capital of the company Leonardi & C. S.p.A. for € 4,434 thousand, to the non-interest bearing loan under the form of advance payment for future share capital increases of the company Savino Del Bene International S.A. (Luxembourg) for € 3,099 thousand and to the acquisition of 23.22% of the share capital of the company Do.Ca. S.r.l. for € 574 thousand.

The reinstatement of historical cost for € 41 thousand relates to the investment in the company Fashion Transport S.r.l.. This company recorded a net profit in the year 2001 and therefore the previous losses are no longer considered as being of a permanent nature.

The disposals of € 12 thousand (at gross book value) related to the sale of 2% of the share capital of the subsidiary company Lulli S.r.l. as part of a staff-incentive scheme.

The reimbursement of € 157 thousand relates to the net refund of the share capital of the company Schiassi S.r.l. to the shareholder following the repartition of the closing liquidation financial statements as at 31st December 2000, which entail the attribution to the shareholder of assets for a total of € 220 thousand and the assumption of liabilities for a total of € 63 thousand, for a net value equivalent to the book value in the financial statements.

The write-downs of € 134 thousand relate to the investments in the companies Cavallino S.r.l. (€ 133,346) and Albatrans Inc. of New York (€ 792). These writedowns were covered by the utilisation of the specific provision for the coverage of subsidiary and associated company losses included in the Provision for Risks and Charges at 31st December 2000 for a total of € 134 thousand.

**Net working capital** amounts to € 17,184 thousand against € 14,366 thousand in the year 2000. The increase is due mainly to the decrease in trade payables, which fell from € 32,256 thousand to € 28,287 thousand (- € 3,969 thousand).

**Net equity** amounts to € 46,098 thousand, against € 43,112 thousand in the year 2000. The net increase of € 2,986 thousand is due principally to the net income of € 6,738 thousand for the year 2001 and to the distribution of dividends for a total of € 3,752 thousand, as resolved by the shareholders' meeting of 2.5.2001.

**Net financial position** passed from a net liquidity of € 6,295 thousand in the year 2000 to a net indebtedness of € 290 thousand, due to the significant investments sustained for the expansion of the Savino del Bene Group and carried out principally through the acquisition of equity investments in companies in the same sector of activity. The short-term financial debt of € 10,766 thousand is comprised of bank overdrafts of € 837,951 (approximately € 487 thousand in the year 2000) and of short-term advances on exports and imports of € 9,929 thousand (approximately € 7,308 thousand in the year 2000). Financial liquidity of € 10,476 thousand is comprised of equity investments, own shares and securities for € 2,112 thousand (€ 2,259 thousand in the year 2000), bank deposits for € 7,074 thousand (€ 11,334 thousand in the year 2000) and cash and cheques on hand at the year end for € 1,290 thousand (€ 497 thousand in the year 2000).

The Statement of Cash Flows for the period ended on 31st December 2001 attached to these explanatory notes shows a decrease in net working capital, taking account of trade payables and receivables, of - € 3.575 thousand against + € 4.319 thousand in the year 2000. In particular, operations have generated financial resources for € 9,817 thousand, with respect to € 11,916 thousand in the previous year, demonstrating once again the Company's high capacity for auto-financing.

### ***The Single European Currency (Euro)***

The Company has already converted its share capital into euros, with the resolution of the extraordinary shareholders' meeting of 28th April 2000.

Furthermore, in collaboration with the subsidiary company Lulli Srl, as from 1.11.2001 the Company adopted the Euro as its accounting currency. The costs relative to the switchover to euro currency, amounting to a total of approximately € 60 thousand, have been charged entirely to the income statement for the period.

### ***Transactions With Subsidiary, Associated and Parent Companies and Other Related Parties.***

In accordance with the recommendations contained in the Consob circular No. DAC/98015375 dated 27th February 1998, we would point out that during the period the Company carried out transactions with subsidiary and associated companies, as disclosed below in the course of this report. The infra-group operations, related to transactions carried out with subsidiary companies, relative to shipping and other operations of a financial nature, were carried out on an arms' length basis, i.e. at normal market terms. As regards transactions between other Group companies and

other related parties, reference should be made to the Directors' Report on the consolidated financial statements.

The Company's income statement included the following transactions with subsidiary companies:

- income of € 81,715 thousand, against € 86,402 thousand in the previous year, for services related principally to shipping in favour of subsidiary and associated companies;
- rental income from subsidiary companies of € 122 thousand, against € 106 thousand in the previous year;
- income of € 61 thousand, against € 44 thousand in the previous year, for payroll preparation services to subsidiary companies ;
- financial income of € 3,376 thousand, against € 1,863 thousand in the previous year, for dividends and relative tax credits received from the subsidiary companies Savitransport S.p.A., Sacid S.r.l., Fiorino Shipping S.r.l., Lulli S.r.l., General Noli S.p.A. and Albatrans S.p.A.;
- income of approximately € 41 thousand for the reinstatement of historical cost of the investment in the subsidiary Fashion Transport S.r.l., written down in the previous year;
- costs of € 26,806 thousand, against € 27,226 thousand in the previous year, principally for shipping services received from subsidiary and associated companies;
- rental charges of € 443 thousand, against € 434 thousand in the previous year, from subsidiary companies ;
- costs of € 28 thousand for the provision for the coverage of losses sustained by subsidiary companies;
- costs of € 308 thousand, against € 271 thousand in the previous year, for the write-down of investments in subsidiary and associated companies.

In general the Savino Del Bene Group is organised in such a way as to form a network of subsidiary and associated companies, all co-ordinated on an operational and financial basis. This structure has the strategic objective of guaranteeing the Group's presence on all markets for both the departure point and destination of goods shipped and also to enable it to offer its customers a high quality personalised service tailored to their individual requirements thanks to the specialised services and expertise offered by certain of the Group's companies. Within the scope of operational co-ordination carried out by the parent company the individual subsidiaries have the power to operate autonomously and therefore the decision as to which geographic areas to operate in lies entirely with the respective management.

Detail of the results of the principal subsidiary companies is given below:

***General Noli Spedizioni Internazionali S.p.A.***

During the year 2001 this company realised a net income of € 1,058 thousand, against € 2,106 thousand in the year 2000. The subsidiary registered an increase of 11.6% in total revenues, which rose

from € 40,527 thousand to € 45,257 thousand. This increase regarded principally goods shipped by sea (+12%), while revenues from goods shipped by air fell by - 1.2%. The volume of goods shipped by sea has increased by 7.9% , rising from No. 17,416 Teus to No. 18,799 Teus. The increase in the shipment of tiles towards the East Coast of the USA, Canada and South America, due in part to the opening of a subsidiary company in Brazil, was particularly significant. Traffic on the routes towards the West Coast of the USA registered a decrease however. The volume of goods shipped by air has fallen by 5%, dropping from 679 thousand kg to 645 thousand kg. The principal air traffic routes remain those of the Middle East and North America.

General Noli S.p.A. holds investments in the following companies:

		Share of net equity at 31/12/01	Result for the year 31/12/01	Book value recorded in financial statements
General Freight Inc. Canada	100%	141,944	35,920	63
General Freight Inc. New York	100%	160,130	15,412	6,535
General Noli do Brasil Ltda	98%	170,889	-52,262	233,178
General Noli S.L.	51%	824,451	609,035	1,503

We believe that the level of traffic towards South America may be expanded even further during the year 2002 thus strengthening the equity value of the newly-constituted subsidiary General Noli do Brasil Ltda.

During the year General Noli S.p.A. carried out investments in tangible fixed assets for a total of € 224,974. The average number of employees amounted to No.41, compared to No. 30 in the previous year .

#### **Albatrans S.p.A.**

This company achieved a net income of € 587,927 against € 728,919 in the previous year. Total sales revenue rose from € 18,051 thousand to € 20,741 thousand, representing an increase of 14.9%. Revenue from sea traffic, which represents the company's principal sector of activity, grew by 15.1%, rising from € 9,161 thousand to € 10,548 thousand, while the No. of Teus shipped decreased by 7.6%, from No. 6,637 Teus in the year 2000 to No. 6,130 Teus in the year 2001. Revenue from air traffic showed an increase of 13.2%, rising from € 8,717 thousand to € 9,866 thousand in the year 2000. This sector registered an increase in the volume of goods shipped, which rose from 2,603 thousand kg to 2,828 thousand kg in the year 2001. The sectors which showed the best performance were those of wines and spirits in general, particularly during the first part of the year. The principal destination area for goods shipped both by sea and by air remains North America, with 98.2% and 95.6% respectively of total goods shipped.

This subsidiary controls the following companies:

		Share of net equity at 31/12/01	Result for the year 31/12/01	Book value recorded in financial statements
Albatrans Inc. New York (USA)	80%	-226,914	-401,511	0
Albatrans Spain S.a. Barcelona (E)	80%	68,271	31,434	48,081
Albatrans France S.a.r.l. Bordeaux (F)	80%	50,196	33,701	6,098

The American subsidiary Albatrans Inc. of New York, after having obtained a Custom House Broker's licence from the US customs authorities, has begun a territorial expansion programme involving the opening of new activities and the acquisition of business segments which shall require a certain amount of reorganisation and the sustaining of significant goodwill costs .

During the year this company invested in fixed assets for a total of € 103,086 and employed an average of No. 25 persons during the year , against No.22 in the previous year.

#### **Savitransport S.p.A.**

This company closed the year 2001 with a net income of € 793,599 against € 514,204 in the year 2000. Total revenues have increased by 13.3%, rising from € 18,520 thousand to € 20,980 thousand. Revenues from shipments by sea increased by 17.2%, rising from €6,816 thousand to € 7,988 thousand. Revenues from shipments by air, which represent the company's main business sector, increased by 13%, rising from €11,005 thousand to €12,434 thousand. The volume of goods shipped by sea has decreased by 8.4% falling from No. 4,908 to No. 4,495 TEUS. The volume of goods shipped by air The volume of goods shipped by air amounted to 3,526 thousand Kg, against 3,359 thousand Kg in the year 2000, an increase of 5%.

Savitransport S.p.A. controls the following companies:

		Share of net equity at 31/12/01	Result for the year ended 31/12/01	Book value recorded in the financial statements
Savitransport Inc. Chicago (USA)	95%	142,926	32,626	795
Savitransport Inc. New York (USA)	95%	144,285	29,449	753
Savitransport Triveneto S.r.l.	51%	68,916	49,091	52,415

Savitransport S.p.A. invested in fixed assets for a total of € 208,811 and employed an average of No. 46 persons during the year , against No.43 in the previous year.

#### **Leonardi & C. S.p.A.**

This 53%-owned subsidiary company was acquired during the year. The company specialises in the shipment by sea of tiles and masonry products in general. This company closed the year 2001 with a net income of € 1,054,646 against € 668,680 in the year 2000. Total sales revenues show a decrease of 11%, dropping from €60,806 thousand to €54,114 thousand. The principal reasons for this result are ascribable to the economies of scale generated by the company's belonging to the Savino Del Bene Group, as the shipping companies with whom the Company deals have extended the same terms and conditions to all of the subsidiary companies, and to the decrease in the sea freight charges. Revenues from shipments by sea amounted to €52,093 thousand, representing a decrease of 11% with respect to the previous year, while revenues from shipments by air decreased by 1.2%, falling from € 1,910 thousand to € 1,876 thousand. The volume of goods shipped by sea has decreased by 9.8%, dropping from No. 32,694 to No. 29,491 TEUS. The volume of goods shipped by air amounted to

811 thousand kg, against 879 thousand kg del 2000, representing a decrease of 7.8%.

Leonardi & C. S.p.A. controls the following companies:

		Share of net equity at 31/12/01	Result for the year ended 31/12/01	Book value recorded in the financial statements
Leonardi & Co Inc. (USA)	100%	43,821	34,940	1,826
Leonardi Iberia S.A.	100%	194,740	107,204	162,342

The company invested in fixed assets for a total of € 89,081 and employed an average of No. 50 persons during the year.

#### ***Fiorino Shipping S.r.l.***

This subsidiary company realised a net income of € 132,147 against € 143,409 in the previous year. Total sales revenue fell from € 6,977 thousand to € 6,283 thousand, representing a decrease of 10%. The volume of goods shipped by sea showed an increase of 6.3% to arrive at a total of No. 855 Teus. The principal destination of this traffic was North America (89%) and the Far East (4.6%). The volume of goods transported by air showed a decrease of 13.2%, dropping from 991 thousand kg to 860 thousand kg. The principal markets for the air sector were also North America (72.6%) and the Far East (22.9%).

The company invested in fixed assets for a total of € 73,782 and employed an average of No 9 persons during the year , against No.8 in the previous year.

#### ***Do.Ca. S.r.l.***

This company realised a net income of € 430,138 in the year 2001, against € 33,675 in the previous year. Total sales revenue amounted to € 23,751 thousand, against € 18,211 thousand in the year 2000, representing a growth of 31%. The company specialises in shipments by sea, with a total volume shipped of No. 9,730 Teus, against No. 8,367 Teus in the previous year. The principal destination of this traffic was North America (55.9%) and South America (23.4%).

#### ***Fashion Transport S.r.l.***

This subsidiary company realised a net income of € 140,972 against a loss of € 75,024 in the previous year. Total sales revenue rose from € 5,264 thousand to € 6,088 thousand, representing an increase of 15.6%. The principal activity regards shipments by air, which registered a total sales revenue of € 4,942 thousand and goods shipped for € 858 thousand. The principal air traffic routes are North America (94.7%), South America (3.5%) and Central America (1.6%).

The company invested in fixed assets for a total of € 19,140 and employed an average of No 12 persons during the year , against No.9 in the previous year.

#### ***Savino Del Bene USA Inc.***

This company, which is held indirectly through Savino Del Bene Finanziaria S.A., carries out the function of a sub-holding of the American subsidiary companies and of co-ordination and support for the American subsidiaries' operations.

Furthermore, as from the year 2001 the company opened an operative branch in Philadelphia (Pennsylvania) which carries out traditional shipping activity. The net equity value of this company amounts to € 1,357,661, inclusive of the loss for the year of € 70 thousand against a net income of € 48 thousand in the year 2000. During the year 2001 this company recorded total revenue from services of € 1,224 thousand. The company had an average of No. 9 employees during the year, No. 5 of whom at the head office and No. 4 at the Philadelphia branch. Despite the losses deriving from the normal problems involved in the starting-up phase of a business, the operating branch has managed to develop a discreet level of traffic from both Europe and South America, and also from India.

#### ***Savino Del Bene Inc. New York***

This company, which is held indirectly through Savino Del Bene USA Inc., realised a net income of € 127,667 against € 169,194 in the year 2000. Total sales revenue amounted to € 8,345 thousand, showing a decrease of approximately 3.5%. Revenues from air imports fell from US\$ 2.38million to US\$ 2.04million, representing a decrease of 14.5%. Revenues for shipments from the USA have decreased by 10.8%, dropping from \$ 2.5 million to \$2.3 million. Revenues from sea imports showed an increase of 10.7%, rising from \$ 2.7 million to \$3.04 million. The average number of employees during the year amounted to No. 32, against No. 27 in the previous year.

#### ***Savino Del Bene International Freight Forward Inc. Chicago***

This company, which is owned indirectly through Savino Del Bene USA Inc., recorded a net income of € 10,303 against € 69,725 in the year 2000. The company's turnover increased by approximately 13% with respect to the previous year, rising well above \$6.5 million, despite the difficult economic situation in the USA during the latter part of the year. The acquisition of new customers has led to a growth in imports by sea, the revenues from which have risen by 32%, while the revenues from air imports fell by 10%. Export activity has seen an opposite trend, with a doubling of revenues deriving from air imports against a drop of 9% in sea traffic. The company has expanded its export traffic from South America and the Far East, while, at the same time consolidating its traffic to and from Europe. The availability of an extensive warehouse has enabled it to offer new services with a high added value which shall begin to show significant returns as from first six months of the year 2002, thanks to the acquisition of a major new customer. Despite the slowing down in activity following 11th September 2001, the company expects to achieve a growth in turnover of at least 10% during the year 2002. The average number of employees during the year amounted to No. 31 persons.

#### ***Savino Del Bene Inc. Los Angeles***

This company, which is owned indirectly through Savino Del Bene USA Inc., registered a

loss of \$ 254,481 against a loss of \$ 66,900 in the previous year. The company operates from two separate offices; one in Los Angeles and the other in San Francisco. The Los Angeles office recorded a loss for the year of \$ 103,788 while San Francisco recorded a loss \$ 150,693.

The Los Angeles office achieved an increase in turnover of 32%, bringing its total sales revenue up to \$ 2,264 thousand. This office showed a drop in operating margin and an increase in general expenses, which rose from \$ 1,692 thousand to \$ 2,085 thousand, due mainly to labour costs, rental charges and consultancy costs. The San Francisco office recorded an increase of 66% in sales revenue, which rose to \$ 2,169 thousand. Again, the loss for the period is due to the same factors as those which caused the loss of the Los Angeles office. The growth in this office's sales revenue is due mainly to its customs clearing services and to its sea import activities.

#### ***Savino Del Bene Inc. Georgia***

This company, which is owned indirectly through Savino Del Bene USA Inc, recorded a loss of \$89 thousand against a net income of \$21 thousand in the year 2000. Turnover remained at the same levels as in the previous year (\$1,234 thousand, against \$1,232 thousand) due partly to the expansion of the traffic out of Egypt and Turkey. Shipments by air registered a growth in both imports and exports. However shipments by sea, while maintaining imports at the same level as the previous year, registered a significant decrease in exports.

#### ***Savino Del Bene (Texas) Inc.***

This company, which is owned indirectly through Savino Del Bene USA Inc, closed the year 2001 with a loss of \$225 thousand, against a loss of \$40,657 in the year 2000. Revenues fell by 18%, from \$7,611 thousand to \$6,221 thousand. The principal decrease regarded imports by air, which fell by 80%. However, the decrease in revenues from imports by sea, which represents the subsidiaries main area of activity, was much slighter (-6%). The company has been significantly affected by the slowing down in the American economy following the events of 11th September 2001 and has carried out staff reduction programme, resulting in a drop from No. 23 employees at the beginning of the year to No. 15 employees at the year end. The average number of employees during the year amounted to No. 19 persons. The drop in sales revenue, particularly during the last part of the year, is due not to the loss of customers, who have in fact increased in number, leading us to expect a profitable year 2002, but rather to the reduction in the volumes of goods shipped by the majority of its customers.

#### ***Savino Del Bene Inc. Charlotte***

This company, which is owned indirectly through Savino Del Bene USA Inc., recorded a loss of \$127 thousand for the year 2001, against a loss of \$74 thousand in the year 2000. Total revenues amounted to \$385 thousand, against \$569 thousand in the year 2000, representing a decrease of 32%. Carolina has suffered more than other areas from the economic recession and the imports of machinery have fallen drastically. Revenues from air imports showed the greatest decrease both in absolute and in percentage terms, while revenues from sea imports showed a smaller decrease. The

company expects to expand its activities during the year 2002 thanks to the new traffic generated by the South American group companies and to a slight recovery which took place during the first part of the year 2002 , despite the fact that the manufacturing sector in North Carolina saw the closure of numerous businesses. The average number of employees during the year amounted to No. 3 persons.

***Savino Del Bene Inc. Massachusetts***

This company, which is owned indirectly through Savino Del Bene USA Inc., recorded a loss of \$123 thousand for the year 2001, against a loss of \$38 thousand in the year 2000 Total revenues amounted to \$840 thousand, against \$1,348 thousand in the year 2000, representing a decrease of 38%. Revenues from air imports fell by 36% while revenues from sea imports fell by 43%. Revenues from export activity have risen by 9.6%, but are not yet at a sufficient level to have any significant effect on the company's results. During the latter part of the year and in the first part of the year 2002 the company acquired important new customers who should enable it to recover both revenue and profitability. The average number of employees during the year amounted to No. 9 persons. An important factor is the opening of new routes, as a result of the synergies developed with the South American and Indian associated companies of the SDB Group for the development and expansion of new routes for the shipment of goods.

***Savino Del Bene Inc. Miami***

This company, which is owned indirectly through Savino Del Bene USA Inc., closed the year 2001 more or less in a break-even situation, having recorded a loss of \$1.2 thousand, against \$16 thousand in the year 2000. Total sales revenues amounted to more than \$1,639 thousand, against \$1,212 thousand in the previous year, representing an increase of 35%. The principal sectors of activity show a considerable growth in revenue, however the greatest difference is due to the importation and customs clearing activities which generated revenue for \$332 thousand, against \$59 thousand in the year 2000 and to the increase in imports by sea which generated an extra \$228 thousand of revenue with respect to the previous year., On the basis of the orders received from its customers, the company expects activity to increase even further during the year 2002. Furthermore, during the last quarter of the year 2001 and the first months of the year 2002 the company acquired new customers, particularly for shipments towards Turkey, China and Brazil and we expect to see a further significant growth in revenues from the importation and customs clearing services which the company is proposing to both its old and new customers. The company employed an average of No. 9 staff during the year.

***Fashion Distribution Service Inc.***

This company, which is owned indirectly through Savino Del Bene USA Inc., recorded a net income of \$203 thousand, against \$202 thousand in the previous year. The company mainly carries out storage and distribution activities on behalf of third parties. Total revenues amounted to \$5.48 thousand against \$5,610 thousand in the year 2000. the company's principal activity is that of the handling and distribution of clothing on hangers. The average number of employees during the year amounted to No.

19, although the company used temporary staff for the running of its warehouse (on average No. 22). The company expects to achieve similar results for the year 2002 as those of the year 2001, both in terms of revenues and of profit.

#### ***Superb Custom Brokers Inc.***

This company, which is owned indirectly through Savino Del Bene USA Inc., mainly carries out customs brokerage activities in the State of New York and recorded a loss of \$4 thousand for the year 2001, against a net income of \$35 thousand in the previous year. The company suffered greatly from the effects of the events of 11th September 2001 and, in fact, total revenues, net of recharges to customers, amounted to \$1,721 thousand compared to \$2,287 thousand in the year 2000, a decrease of more than 24%. The number of customs operations processed during the year 2001 amounted to No. 10,327 against No. 15,080 in the year 2000. The average number of employees during the year amounted to No. 16.

#### ***Savino Del Bene S.L. Spain***

This company achieved a net income of €154 thousand in the year 2001, against a net income of € 509 thousand in the year 2000. Total sales revenue amounted to €16,682 thousand, against €17,367 thousand in the previous year. Exports by air showed a decrease of 8% in the shipment of complete containers (FCL) and of 46% in "groupage" traffic. We would point out that the drop in the number of FCL shipped is concentrated on the North American route, while shipments towards South America and the Far East show an increase. Exports by land show a very slight decrease (-1%), and amounted to 5,748 thousand kg compared to 5,815 thousand kg in the year 2000. Exports by air show a significant decrease (-21%), with a total volume of 986 thousand kg. Once more the most significant decrease regarded the traffic towards North America, due to the difficult economic situation in the USA and to the events of 11th September 2001, while traffic towards South America, Australia and the South Pacific and South East Asia show an increase. Goods imported overland have decreased by 14%, dropping from 10,762 thousand kg. to 9,239 thousand kg. In addition to its head office in Alicante, the company also has an office in Barcelona and another in Madrid. The company expects to maintain its current level of road haulage traffic for the year 2002 and hopes to recover, at least in part, its air and sea traffic towards North America and to increase its traffic on other routes. The average number of employees amounted to No. 34 persons.

#### ***Savino Del Bene Ltd. UK***

During the year 2001 this company underwent a radical reconversion of its activity. Up until the first six months of the year 2001 the company operated mainly in the road haulage sector. As from May 2001 onwards the entire road haulage activity was abandoned and the company converted to air and sea shipping activities. The company realised a gain of more than UK£ 97 thousand as a result of this reconversion and closed the year with a net income of UK £ 13,759, compared to a loss of

UK £ 6,249 in the previous year. Total sales revenue is not comparable with that of the previous year due to the elimination of the company's road haulage activity. Nevertheless, we would point out that revenues from the sea-shipping sector (both imports and exports) have doubled and revenues from air traffic have grown by 5%. The restructuring of the company led to a significant reduction in the number of employees who fell from No. 19 persons at the beginning of the year to No. 7 at December 2001. The company expects to see a further expansion in shipments by sea during the year 2002, particularly on the routes to and from South East Asia and Australia.

#### ***Savino Del Bene L.d.a. Portugal***

The company recorded a net income of € 6.4 thousand for the year 2001, against €206 thousand in the year 2000. Total revenues fell by 8%. The volume of goods shipped by sea fell by 8% in terms of number of Teus (FCL), and by 40% in terms of groupage. Road haulage activity also registered a drop in revenues of 12%. While, on the other hand, revenues from air exports rose by 18%. The drop in net income is due more to the higher incidence of labour costs (with an average workforce of No 38 employees) than to the drop in revenue. This subsidiary expects to see a growth in activity in the year 2002 once the US economy recommences growth. In addition, it has plans for significant acquisition of customers on the Far Eastern and South American (Brazil) markets.

#### ***Savino Del Bene France S.A.***

This company closed the year 2001 with a loss of FF 1,005 thousand, against a net income of FF205 thousand in the previous year, due principally to the higher incidence of general expenses, which have grown proportionally higher than turnover. In fact, total revenues have grown by approximately 10%, to reach FF47,508 thousand, due to the increase in shipments by sea, both of FCL and, particularly, of groupage. The volume of goods shipped by air has fallen, partly due to a shift towards shipments by sea, and partly to the difficult US economic situation and the events of 11th September 2001. The relocation to larger premises during the previous year was the main reason for the higher incidence of general expenses. During the last quarter of the year 2001 and the first months of the year 2002 the company acquired several important new customers, and therefore we expect a growth in activity levels. The average number of employees amounted to No. 22 persons.

#### ***Novibrama S.r.l.***

The company is based in Livorno and carries out principally international road haulage and container storage activities. During the year 2001 the company recorded a loss of € 14,984, against a net income of € 32,437 in the previous year. Total sales revenues amounted to € 3,977 thousand against € 5,846 thousand in the previous year. The company also realised sales revenue of € 188 thousand from the hiring out of trucks and lorries for the transport of goods. The average number of employees during the year amounted to No. 6, against No. 7 employees during the year 2000.

**Sacid S.r.l.**

This company operates mainly in the customs brokerage and import sector and its activities are centred on the Fiumicino Airport in Rome. The company recorded a loss of €1,069 against a net income of €69,707 in the previous year. Total sales revenues have increased by 14.5%, rising from €2,238 thousand in the year 2000 to €2,563 thousand in the year 2001. Goods shipped by air showed an increase of 31.7% while goods shipped by sea increased by 18.4%. The principal destinations of the company's traffic are the Far East and North America. The average number of employees amounted to No. 9, against No. 7 in the year 2000.

**Centro Spedizioni Internazionali S.p.A.**

This company operates mainly in the road haulage sector (groupage) within Europe. During the year 2001 the company recorded a loss of €143 thousand against a loss of €85 thousand in the previous year. Turnover amounted to €3,858 thousand against €3,713 thousand in the year 2000. The volume of goods shipped by sea shows an increase of 50% in terms of number of Teus shipped, rising from No. 403 in the year 2000 to No. 606. The volume of goods shipped by air shows a decrease of 30%, dropping from 126 thousand Kg in the year 2000 to 88 thousand kg in the year 2001. This subsidiary employed an average of No. 18 employees during the year, against an average of No. 19 employees during the year 2000.

**Lulli S.r.l.**

This company realised a net income for the year 2001 of €158 thousand, against €113 thousand in the previous year. This company provides computer support to other Group companies and is responsible for the development of software and the running and maintenance of the hardware within the Savino Del Bene Group. The company employed an average of No. 14 employees during the year 2001, against an average of No. 9 employees during the year 2000.

**Cavallino S.r.l.**

This company realised a net income of €58 thousand, against a loss, due to extraordinary expenses, of €333 thousand in the year 2000. This company's main activity is the real estate management of its property, which has been rented to Savino Del Bene S.p.A. The company has no employees.

**Savino del Bene Internationale S.A. and Savino Del Bene Finanziaria S.A.**

These two companies provide financial services to the Savino Del Bene Group. Savino del Bene Internationale S.A. achieved a net income of €768 thousand in the year 2001 from its the management of the Group's financial resources and from treasury services to the Group, while Savino Del Bene Finanziaria S.A., which provides administrative and tax consultancy and data gathering services to many of the Group's foreign companies, recorded a loss of €151 thousand.

***Hani Transport Co. Ltd.***

This subsidiary company recorded a net income of €43 thousand, against a loss of €77 thousand in the year 2000. Turnover fell by 4%, due mainly to the reduction in the quantity of air traffic. Shipments by sea registered an increase of 34%, due mainly to the revenues from groupage activity. After the year end the company obtained important commercial contracts which lead us to be optimistic as regards future activity. The average number of employees during the year amounted to No.22 persons, against No. 23 in the year 2000.

***Savino Del Bene Japan Co. Ltd.***

This company recorded a loss of €14 thousand, against a loss of €385 thousand in the year 2000. The company's turnover amounted to Yen 119,741 thousand, representing a significant increase with respect to the year 2000. The company's operating activity has grown thanks to the acquisition of highly qualified staff and has led to a greater increase in air traffic for the Osaka office. The company's commercial strategy is based mainly upon the acquisition of important customers and the development and expansion of traffic to and from China. The average number of employees during the year amounted to No. 8 against No. 10 in the year 2000.

***PT Savino Del Bene (Indonesia) Ltd.***

This company achieved a net income of €10 thousand during the year 2001, against a net income of €6 thousand in the year 2000. Total sales revenue amounted to \$173,870 principally, generated principally by sea exports (57.7%) which showed a decrease of 22%, dropping from Rp 1,278 million to Rp 1,047 million. The only sector which showed an increase was that of exports by air (+191%), which reached a total of Rp 373 million. During the first months of the year 2002 the company opened a new office in Surabaya specialising in air shipments towards Australia and has commenced export activities from various Indonesian cities. The company employed an average of No. 7 staff during the year, against No.10 in the year 2000.

***Savino Del Bene China Ltd.***

This company, with head offices in Hong Kong, closed the year 2001 with a net income of €84 thousand against €230 thousand in the previous year. This company's turnover increased by 23.7%, to reach a total of HK\$ 45,292 against HK\$ 36,625 thousand in the previous year. The sea exports sector showed the greatest increase, growing five-fold (HK\$ 21,085 thousand) with respect to the figures for the year 2000 following the acquisition of an important new customer. This should lead to an estimated increase of 60% during the year 2002 in the quantities exported by sea on routes towards Los Angeles and Chicago. The company employed an average of No. 17 staff during the year, against No.13 in the year 2000.

**Significant post balance sheet events and forecast for the coming year**

After the year end, the Company sold its equity investment in the company Tavoni Arimar S.p.A. for a total sale price of €80,000, as this investment was no longer considered profitable due to the negative performance of the subsidiary company, which acquired the shipping business segment of the company Tavoni International S.p.A. during the course of the year 2001.

On 20th March 2002 the Company purchased a commercial building in Via delle Cateratte, No. 45/47, in Livorno for a price of €387,342. This building is destined for office and warehouse use. No other significant events took place after the year-end that could have had a significant effect on the equity, financial and economic situation shown in these financial statements.

During the first two months of the year 2002, the volume of shipments by sea have increased by approximately 18% with respect to the corresponding period in the year 2001, however, due to the decrease in freight charges and in the shipping rates charged to customers, there has not been a corresponding increase in sales revenue, which, on the contrary, registered a decrease of approximately 0.9%. The air sector presents a rather complex situation during the first two months of the year 2002, due to the fact that, as a result of the terrorist attacks of 11th September 2001 and of the consequent economic difficulties encountered by the principal air carriers, there has not been any significant reduction in air freight charges, despite the drop in the demand for air space. The high level of costs for shipments by air in a situation of falling traffic levels has therefore led to an even greater decrease in the quantities shipped and of the revenues therefrom (approximately -21%).

On the whole, revenues for the first two months of the year 2002 show a decrease of 9.8% with respect to the corresponding period of the year 2001, as can be seen from the table below:

(thousands of euro)	01-02/02	01-02/01	Diff.	% Diff.
Revenues by sea	14,215	14,341	-126	-0.88%
Revenues by air	6,993	8,820	-1,827	-20.71%
Revenues by land	796	1,086	-290	-26.70%
Revenues from imports and customs operations	1,289	1,429	-140	-9.80%
<b>Total</b>	<b>23,293</b>	<b>25,676</b>	<b>-2,383</b>	<b>-9.28%</b>

As regards the current year, the economic recovery in the USA, strengthened by the growth in the volume of goods shipped by sea registered not only by the parent company but also by its main subsidiaries, lead us to expect a further increase in the total volume of traffic which should lead to a recovery in shipments by air.

#### **Research and Development Activities**

During the year 2001 the Company, through its subsidiary company Lulli S.r.l., commenced a feasibility study aimed towards the realisation and implementation of a new management and accounting software to be introduced throughout all of the companies throughout the Group in order to improve the availability of data and to better integrate the procedures with the Savino Del Bene Group's intranet network. Lulli is currently preparing a preliminary draft of the project and of the relative specifications. The level of capital investment involved is extremely limited, due to the fact that the entire project is being carried out in-house. The Company is continuing its personnel

training activities in order to improve the acquisition by personnel of standardised methods and of computer skills. In addition, it is also continuing the upgrade and improvement of the customised B2B applications on the WEB for our principal customers, in order to permit the interconnection between the information systems of certain Group companies and those of its customers.

### **Own shares**

The financial statements as of 31st December 2001 include own shares for a total value of € 529,332, against € 773,237 at the previous year-end, with a nominal value of € 128,656, representing No. 247,415 shares with a nominal value of € 0.52 per share. These represent approximately 0.7% of total share capital. During the year No. 500,730 own shares were purchased at a cost of € 1,095 thousand and No. 583,375 shares with a value of € 1,051 thousand were sold. This has given rise to a gain of € 8 thousand and a loss of € 297 thousand. The trading in own shares was carried out to uphold the quoted value of the Company's shares and also to comply with the stock option plan resolved by the Board of Directors on 10th January 2000 in favour of the Group's managers. On 14th November 2001 the Board of Directors resolved an incentive programme for the years 2002 and 2003, involving a stock option plan aimed at the managers of the Group in order to increase staff loyalty among key personnel, subject to the approval of the shareholders' meeting.

We would point out that, as required by Article No. 2357 of the Italian Civil Code, a non-distributable reserve of € 1,549,371 has been created in the Company's financial statements. With regard to the latter, the Board of Directors submits for your approval the authorisation of the purchase and sale of own shares for a further 18-month period, maintaining the non-distributable reserve of € 1,549,371.

### **Investments held by Directors, Statutory Auditors and Chief Executive Officers**

In accordance with Article 79, with the criteria established in Appendix 3C of the Consob Regulation No. 11971 of 14th May 1999, relative to Law No. 58 of 24th February 1998, the schedules attached as an appendix to this report disclose the investments held by the directors and statutory auditors in the Company Savino Del Bene S.p.A. and in any of its subsidiary and associated companies, including investments held by their spouses and children, directly or indirectly through subsidiary companies, trust companies or proxies, resulting from the shareholders' register, from communications received or from other information received from the said directors, statutory auditors and executive officers.

### **List of Secondary Offices and Operative Branches**

The Company also has secondary offices and operative branches in the following towns and cities:

a) secondary offices and operative branches :

- Segrate (Milan), Via Cuneo No. 18;
- Prato, Via fonda di Mezzana No. 61/E;
- Livorno, Via delle Cateratte No. 116/118;
- Pisa, Aeroporto Galileo Galilei, goods tower;
- S. Croce sull'Arno (Pisa), Via Donica No. 37/ter;
- Sesto Fiorentino (Florence), Frazione Osmannoro, Via Schiapparelli No. 38.
- Montecosaro Scalo (MC), Contrada Maggiola No. 1;
- Naples, Vico II, S. Nicola alla Dogana No. 9;
- Vicenza, Via della Siderurgia No. 97/99;

b) operating branches:

- Genoa, Via Corsica No. 8/3;
- Treviso, Via Felissent No. 82/A;
- Verona, Via Sommacampagna No. 59/C;
- Bologna, Via della salute No. 16;
- Ponte San Niccolò (Padova), Viale Europa No. 1;

### **Conclusion and Board of Directors' Proposals**

To the Shareholders,

We confirm that the financial statements as of 31st December 2001, comprising Balance Sheet, Income Statement and Explanatory Notes, together with the Directors' Report thereon, presented herein for your approval give a true and fair view of the equity and financial position of the Company and of its results for the year and we propose the following allocation of the net income for the year of €6,737,927.82 :

- € 336,896.4 (Euro three-hundred and thirty-six thousand, eight hundred and ninety-six point four) to the legal reserve, representing 5% of net income for the year;
- € 88,062.00 (Euro eighty-eight thousand and sixty-two) to the reserve for employee profit sharing ;
- eight euro-cents of dividend per share for each of the ordinary shares with a par value of Euro 0.52 each, to be paid only to those shares with dividend rights at the payment date and that is with the exclusion of own shares held by the Company at the time of payment of the dividend. The payment date has been set for 23rd May 2002 (The coupons for the above dividends shall be issued on 20th May 2002);
- The remainder to be allocated to extraordinary reserves.

We would point out that the proposed dividend carries a tax credit of 56.25%.

We conclude our report thanking all of those who contributed to the Company's results with their hard work and dedication throughout the year.