



SAVINO DEL BENE S.p.A.

INTERNATIONAL FREIGHT FORWARDERS – SHIPPING AGENT

**CONSOLIDATED IFRS FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

Board of Directors Report on the Group for the year 2007

Directors Report on the consolidated financial statements as of 31st December 2007

1. FOREWORD

The consolidated financial statements shown below have been prepared in accordance with the International Reporting Standards (hereafter referred to as IFRS or “International reporting standards”) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with Article No. 6 of EC Regulation No. 1606/2002 issued by the European Parliament and Council dated 19th July 2002. The date of transition from Italian accounting standards to international standards is the first of January 2005. These financial statements are comprised of :

- Consolidated Balance Sheet
- Consolidated Income Statement
- Statement of Consolidated Cash Flows
- Schedule of Movements in Consolidated Net Equity
- Explanatory Notes to the Consolidated Financial Statements for the years 2005, 2006 and 2007.

2. VOLUME OF TRAFFIC

The Group shipped a total of No. 285,206 TEUS by sea during the year 2007, compared to No. 255,894 TEUS during the year 2006, representing an increase of 11.45% with respect to the previous year.

The table below shows the analysis (in percentage terms) by geographical area of the total TEUS shipped:

| | 31.12.2007 | % | 31.12.2006 | % | % Variation 2006/2007 |
|--|----------------|----------------|----------------|----------------|--------------------------|
| EUROPE | 203,127 | 71.22% | 197,116 | 77.03% | 3.05% |
| NORTH AMERICA | 12,838 | 4.50% | 9,344 | 3.65% | 37.39% |
| ASIA - OCEANIA | 35,394 | 12.41% | 18,974 | 7.42% | 86.54% |
| MIDDLE EAST - AFRICA CENTRAL-SOUTH AMERICA | 1,590 | 0.56% | 1,278 | 0.50% | 24.41% |
| | 32,257 | 11.31% | 29,182 | 11.40% | 10.54% |
| TOTAL SDB GROUP | 285,206 | 100.00% | 255,894 | 100.00% | 11.45% |

The principal destination of goods shipped remains North America, even if international traffic is continually expanding to include new routes; sea traffic towards South America, the Far East and Europe has increased while traffic towards the other destinations has remained relatively stable.

The air traffic sector showed the following results: the number of kilos shipped by the Group amounted to No. 46,712 thousand at 31.12.2007 against No. 40,176 thousand at 31.12.2006, representing an increase of 16.27% with respect to the year 2006.

In particular, the table below shows the analysis in percentage terms of the total number of kilos shipped in the various geographical areas:

| <i>(in thousands)</i> | 31.12.2007 | % | 31.12.2006 | % | % Variation 2006/2007 |
|--|-------------------|----------------|-------------------|----------------|----------------------------------|
| EUROPE | 32,375 | 69.31% | 28,798 | 71.68% | 12.42% |
| NORTH AMERICA | 6,974 | 14.93% | 4,458 | 11.10% | 56.43% |
| ASIA - OCEANIA | 5,048 | 10.81% | 5,242 | 13.05% | -3.71% |
| MIDDLE EAST - AFRICA CENTRAL-SOUTH AMERICA | 713 | 1.52% | 302 | 0.75% | 135.97% |
| | 1,603 | 3.43% | 1,376 | 3.42% | 16.51% |
| TOTAL SDB GROUP | 46,712 | 100.00% | 40,176 | 100.00% | 16.27% |

It shows a significant increase in traffic towards North America and the Middle East and a decrease in traffic towards Asia and Oceania.

The parent company Savino del Bene SpA on its own shipped a total of No. 65,129 TEUS by sea during the year 2007, compared to No. 64,271 TEUS during the year 2006, representing an increase of 1.33% with respect to the year 2006.

| | 31.12.2007 | 31.12.2006 | % Variation 2006/2007 |
|----------------------------|-------------------|-------------------|----------------------------------|
| SAVINO DEL BENE SpA | 65,129 | 64,271 | 1.33% |

The volume of kilos shipped by air by the parent company Savino del Bene SpA amounted to No. 17,304 thousand for the year ended 31st December 2007 compared to No.15,938 thousand during 2006 representing an increase of 8.57 % with respect to the year 2006.

| | 31.12.2007 | 31.12.2006 | % Variation 2006/2007 |
|----------------------------|-------------------|-------------------|----------------------------------|
| SAVINO DEL BENE SpA | 17,304 | 15,938 | 8.57% |

3. SUMMARISED CONSOLIDATED INCOME STATEMENT

| <i>(in thousands of Euro)</i> | 31.12.2007 | % | 31.12.2006 | % | 31.12.2005 | % | Variation 2007- 2006 | Variation 2006- 2005 |
|--|----------------|----------------|-----------------|----------------|----------------|----------------|----------------------------|----------------------------|
| Sales revenue | 808,309 | 99.20% | 782,291 | 99.08% | 686,812 | 99.44% | 3.33% | 13.90% |
| Other income and revenues | <u>6,500</u> | 0.80% | <u>7,261</u> | 0.92% | <u>3,860</u> | 0.56% | -10.48% | 88.11% |
| TOTAL REVENUES | 814,809 | 100.00% | 789,552 | 100.00% | 690,672 | 100.00% | 3.20% | 14.32% |
| Cost of raw materials and consumables | (1,939) | -0.24% | (2,023) | -0.26% | (1,821) | -0.26% | -4.15% | 11.09% |
| Costs for services | (685,220) | -84.10% | (660,748) | -83.69% | (581,420) | -84.18% | 3.70% | 13.64% |
| ADDED VALUE | 127,650 | 15.67% | 126,781 | 15.56% | 107,431 | 13.18% | 0.69% | 18.01% |
| Personnel costs | (87,435) | -10.73% | (77,158) | -9.77% | (68,131) | -9.86% | 13.32% | 13.25% |
| Other operating costs | (5,770) | -0.71% | (5,671) | -0.72% | (8,550) | -1.24% | 1.75% | -33.67% |
| Amortisation and depreciation | (5,678) | -0.70% | (5,061) | -0.64% | (4,937) | -0.71% | 12.19% | 2.51% |
| Provisions and writedowns | <u>(632)</u> | -0.08% | <u>(366)</u> | -0.05% | <u>(689)</u> | -0.10% | 72.68% | -46.88% |
| OPERATING PROFIT/(LOSS) | 28,135 | 3.45% | 38,525 | 4.88% | 25,124 | 3.64% | -26.97% | 53.34% |
| GROSS OPERATING MARGIN | 34,445 | 4.23% | 43,952 | 5.57% | 30,750 | 4.45% | -21.63% | 42.93% |
| Income from associated companies valued at net equity | 0 | 0.00% | 52 | 0.01% | 0 | 0.00% | -100.00% | |
| Financial charges | (13,781) | -1.69% | (10,412) | -1.32% | (7,501) | -1.09% | 32.36% | 38.81% |
| Financial income | <u>1,228</u> | 0.15% | <u>911</u> | 0.12% | <u>1,014</u> | 0.15% | 34.80% | -10.16% |
| INCOME BEFORE TAXATION | 15,582 | 1.91% | 29,076 | 3.68% | 18,637 | 2.70% | -46.41% | 56.01% |
| Tax charge for the year | <u>(6,048)</u> | -0.74% | <u>(14,389)</u> | -1.82% | <u>(9,348)</u> | -1.35% | -57.97% | 53.93% |
| NET INCOME FOR THE YEAR | 9,534 | 1.17% | 14,687 | 1.86% | 9,289 | 1.34% | -35.09% | 58.11% |

During the year ended on 31st December 2007, the Group realised a consolidated turnover of Euro 815 million, an added value of Euro 128 million and a gross operating margin of Euro 34 million.

Net operating profit amounted to Euro 28 million, after amortisation, depreciation and provisions for Euro 6.3 million.

The incidence of gross operating margin on total revenues amounts to 4.23% at 31st December 2007, against 5.57% at 31st December 2006, representing a decrease of 1.34%. The reduction in this ratio is due principally to the increase in personnel costs in comparison with the previous year (+13.32%).

4. CONSOLIDATED NET FINANCIAL POSITION

| <i>(In thousands of Euro)</i> | 31.12.2007 | 31.12.2006 | 31.12.2005 | Variation 2007-2006 | Variation 2006-2005 |
|-------------------------------|------------------|-----------------|-----------------|------------------------|------------------------|
| Cash and cash equivalents | 30,534 | 40,970 | 30,626 | -25.47% | 33.78% |
| Current financial assets | 1,345 | 993 | 5,013 | 35.46% | -80.20% |
| Medium/long-term loans | (72,862) | (62,637) | (54,861) | 16.32% | 14.17% |
| Financial liabilities | (77,429) | (63,075) | (56,405) | 22.56% | 11.82% |
| Net financial position | (118,412) | (83,748) | (75,627) | 41.24% | 10.74% |

The consolidated net financial position of the Group at 31.12.2007 showed a negative balance of Euro 118 million, compared to a negative balance of Euro 84 million at 31.12.2006.

The consolidated net financial position is clearly influenced by the medium/long term debt contracted by the Parent company in order to finance the TOB which took place during the year 2003 and by the debts acquired during the year 2007 as a result of the inverse merger operation between the Parent company and the company Cargo Venture S.p.A. The Board of Directors has approved an economic-financial budget plan for the Group which foresees a substantial reduction in net indebtedness in future years. The congruity of this budget plan has also been confirmed by an independent expert appointed by the Court of Florence.

This shall be possible due both to the achievement of improved consolidated results and to an expected reduction in the collection time for trade receivables.

5. COVENANTS

Covenants are contractual clauses upon which the continuation of the loan depends; these clauses are often linked to financial/equity ratios or to company economic results which, if not met, render the loan immediately reimbursable. During the year 2007 the Parent company has stipulated three new mortgage contracts with covenants containing the following clauses:

Unicredit Banca:

- a ratio between net financial debt and net equity of 2.5 or less;
- a ratio between net financial debt and gross operating margin of 5 or less.

Mediocredito Centrale:

- a ratio between net financial debt and net equity of 2.5 or less.

As regards Unicredit, in the event of the failure to meet both of the abovementioned parameters, the bank reserves the right to apply a step up clause of 15 basis points per annum for those years in which the parameters are not met. While for Mediocredito Centrale, the failure to meet even one of the contractual obligations (covenants and disclosure obligations) gives the bank the right to cancel the contract except where, at the company's justified request, the bank consents to continue the loan.

Monte dei Paschi di Siena, specifies the obligation to deposit with the bank at least 6% of the inward cash flows deriving from the collection of receivables. The eventual occurrence of the hypothesis foreseen by Article No. 1186 of the Italian Civil Code gives the bank the right to cancel the contract.

All of the above Covenants have been fulfilled as of 31st December 2007

6. CAPITAL INVESTMENT

Fixed assets (intangible, tangible and financial) have undergone certain changes, due to commercial operations carried as part of the Group's ongoing strategy of expansion on all of the principal markets, and of a greater globalisation and internationalisation of its activities.

The principal operations carried out by the Group during the year 2007 are listed below:

- The incorporation, in February 2007, of the company Albatrans Limited Hong Kong, by the subsidiary Albatrans S.p.A.;
- The incorporation, in October 2007, of the company Albatrans Robert Group Inc, with registered offices in Montreal (Canada), by the subsidiary Albatrans S.p.A. which subscribed 51% of the share capital;
- The acquisition in August 2007, by SDB Finanziaria S.A., at a cost of Euro 600 thousand, of 100% of the share capital of the company Cross Trade Austria, which in turn owns 100% of the share capital of the company Cross Trade Ukraine and 70% of the share capital of the company Cross Trade USA. In October 2007 the remaining 30% of the company Cross Trade USA was acquired directly by SDB Finanziaria at a cost of Euro 50 thousand, thus bringing the total Group share in Cross Trade USA to 100%. The company Cross Trade Austria subsequently sold its 70% holding in Cross Trade USA to SDB Finanziaria S.A. which thus became the owner of 100% of the company, which it then sold to Savino Del Bene USA;
- The sale by Savino Del Bene SPA of its 5% equity investment in the company Savitransport New York, to the company Savitransport SPA which thus became 100% owner of Savitransport New York. The Group's shareholding in the US company has passed from 53.45% to 51%;
- The merger by incorporation during the year 2007 of the company Savitransport Chicago into Savitransport New York;
- The acquisition by Savino Del Bene S.L. (Spain) in July 2007 of 100% of the share capital of the company Fx Coughlin which held 98% of the share capital of the company ACS and of 2% directly in the share capital of ACS. The total cost of this operation amounted to Euro 1,460 thousand. The two companies were incorporated by Savino Del Bene S.L. (Spain) in December 2007;
- The merger, in September 2007, of the company Savino Del Bene S.L. (Bilbao) into Savino Del Bene S.L. (Alicante). This company was already 100% owned by the Group at 31st December 2006;
- Merger of the company Serla into General Noli S.L.; this company was already 100% owned by the Group at 31st December 2006;
- The acquisition, in August 2007 by SDB Finanziaria S.A. of 50% of the company World Wide Cargo CV, with registered offices in Holland, at a cost of US\$ 600 thousand. This latter company owns 100% of the company Multimodal Cargo Venezuela;

- The acquisition, in December 2007, by Savino Del Bene SPA of a further 5% shareholding in the company DOCA Srl at a cost of Euro 141 thousand, thus increasing the percentage owned by the Group therein from 62.40% to 67.40%;
- The sale, in June 2007, by Savino Del Bene SPA of 40% of its investment in the company CSI. Therefore the percentage owned by the Group decreased to 60%;
- The acquisition, in November 2007, by Albatrans SpA of the remaining 50% of the company Albatrans Kayser GmbH at a cost of Euro 100 thousand. Therefore the percentage owned by the Group rose to 100%;
- The acquisition, in November 2007, by the company Do.Ca S.r.l. of the remaining 49% of the company Do.Ca Venezuela at a cost of US\$ 230 thousand. The percentage owned by the Group therein rose from 31.82% at 31st December 2006 to 67.40% at 31st December 2007.

In addition, during the first quarter of the year 2007, the companies Trans Solutions Guadalajara S.A. de C.V., Trans Solutions Queretaro S.A. and Trans Solutions Monterrey S.A., belonging to the Mexican shipping group Trans Solution and purchased in December 2006 by SDB Finanziaria S.A., were incorporated into Savino Del Bene Mexico S.A. At the same time, the companies Trans Solution Costa Rica and Trans Solution Panama changed their name to Savino Del Bene Costa Rica and Savino Del Bene Panama respectively. We would also underline that:

- in February 2007, Savino Del Bene SPA acquired SDB Finanziaria S.A.'s 100% investment in the company Arimar International at a cost of Euro 2,006 thousand;
- the percentage held by the Parent company in the company Savino Del Bene Japan rose from 76.20% to 89.58%, while the percentage held therein by SDB Finanziaria fell from 23.80% to 10.42%; therefore the percentage owned by the Group remains unchanged.

7. RELATED PARTY TRANSACTIONS

These are disclosed in detail in the appropriate section of the Explanatory Notes to the consolidated financial statements.

8. SIGNIFICANT POST BALANCE SHEET EVENTS

In January 2008 the company SDB Vietnam was incorporated with registered offices in Hochiminh City (Vietnam); Savino del Bene Finanziaria has subscribed 35% of the share capital of this new company for US\$ 105,000; the remaining share capital has been underwritten in equal measure by two local companies (Sotrans Logistics and Daco Logistics) already present in Hochiminh.

In March 2008 the company Albatrans China Limited was incorporated with registered offices in Shanghai (China); the company Albatrans SpA has subscribed 50% of the share capital of this new company, equivalent to HK\$ 500,000.

9. RESEARCH AND DEVELOPMENT ACTIVITY

The new management and accounting software developed by the subsidiary SDB Information Technology S.r.l. was implemented even further during the year 2007.

In addition, work is continuing for the training and constant updating of personnel for the diffusion of standardised methods and for the use of office automation programmes. Work is also continuing for the diffusion amongst Group companies of the B2B applications, customised for our principal customers, realised on the WEB in order to consent the interconnection between the IT systems of certain Group companies and those of its customers.

10. OUTLOOK FOR THE COMING YEAR

The Company is continuing the corporate reorganisation necessary for the proposed Stock Exchange listing.

The Group's performance during the year 2008 and in subsequent years shall be dependent upon the development and expansion of its strategy of globalisation and diversification into new markets, which should lead to a significant growth in traffic towards destinations other than the USA.

Although the Group's traditional "core business" remains North America, over time however it has assumed an increasingly international dimension, as evidenced by its presence with over 80 companies all over the world, with more than 2000 employees and by the growth in traffic between different foreign countries, mainly on the South American/Far Eastern/Indian routes.

Obviously, an eventual worsening of the US economic situation and a further strengthening of the Euro against the US dollar would lead to a drop in exports from Europe towards the

USA and therefore an inevitable reduction in intermediation activity in the international transport sector.

It is also equally evident however, that the widening of the Group's operational base following the ever-increasing internationalisation of traffic should consent a sufficient coverage of new areas and market segments to offset a possible reduction in traffic towards the USA.

The strategy of globalisation and internationalisation towards new markets is in continuous evolution both through the broadening of our commercial base and the expansion of exports from the USA towards Europe and the rest of the world. This objective is being pursued through the strengthening of the Group's American offices and through the search for potential commercial partners with a high level of expertise and experience in this type of business. Should this expansion programme produce the effects desired, all of the foreign offices, and not only the American offices, shall undergo a significant expansion which shall in turn produce significant effects on their turnover towards the rest of the world and on their profit levels, thus increasing both their contribution towards consolidated net income and their capacity to self-finance further expansion projects.

The Group is also particularly active in developing logistic and organisational solutions with a high technological content which enable it to serve even the most demanding and varied customers with highly specialised logistics services with a high added value, in addition to providing more timely flows of information.

Study is also underway for projects for expansion in the IT area, linked to the office automation and business intelligence sector which shall be tackled on a worldwide basis and shall produce a high added value in terms of the acquisition, gathering and analysis of information, thus permitting a significant increase in productivity.

Of the various geographic areas of growth other than the USA, particular attention is being dedicated to China, the South American market, the Far East and Australia, where important development and expansion projects are already underway. Eastern Europe is also particularly interesting, as there are significant opportunities to carry out remunerative business in this area. The low cost of labour is drawing numerous foreign businesses into this area, thus creating the conditions necessary for an increase in goods traffic both in and out of the area.

The Group has placed great emphasis on the globalisation of traffic, gradually building up a vast international network, which has played a primary role in its growth; and Savino del Bene

is now one of the leading operators in all sectors of international transport as it is able to offer its customers all of the advantages and synergies deriving from an international network.

Scandicci, 26th March 2008

On behalf of the Board of Directors,

Paolo Nocentini - Chairman