



TREVI – Finanziaria Industriale S.p.A.

Interim Management Report

Third Quarter 2016

TREVI – Finanziaria Industriale S.p.A.
Registered Office Cesena (Forlì-Cesena) – Via Larga 201 – Italy
Share capital Euro 82,391,632.50 fully paid-up
Forlì – Cesena Chamber of Commerce Business Register no. 201,271
Tax code, VAT no. and Forlì – Cesena Business Registry: 01547370401
Website: www.trevifin.com

CONTENTS

	<i>Page</i>
1 Key Figures	4
2 Management Report for the Quarter	5
Description of the Group	
Third quarter performance	
Comments on key data from the Statement of Financial Position	
Comments on the Income Statement	
Accounting policies and valuation criteria	
Significant events subsequent to the end of the reporting period	
3 Summary Group Consolidated Financial Statements	13
Consolidated Income Statement	
Consolidated Statement of Financial Position	
Consolidated Statement of Comprehensive Income	
Consolidated Statement of Changes in Net Equity	
Consolidated Statement of Cash Flows	
Appendices	

The Interim Management Report has not been audited.

MEMBERS OF THE CORPORATE BODIES

CHAIRMAN

Davide Trevisani

EXECUTIVE DEPUTY CHAIRMAN

Gianluigi Trevisani

DEPUTY CHAIRMAN

Cesare Trevisani

CHIEF EXECUTIVE OFFICER

Stefano Trevisani

DIRECTORS

Marta Dassù (Non-executive and Independent Director)

Umberto della Sala (Non-executive and Independent Director)

Cristina Finocchi Mahne (Non-executive and Independent Director)

Monica Mondardini (Non-executive and Independent Director)

Guido Rivolta (Non-executive Director)

Rita Rolli (Non-executive and Independent Director)

Simone Trevisani (Executive Director)

BOARD OF STATUTORY AUDITORS

Standing Statutory Auditors

Milena Motta (Chairperson)

Adolfo Leonardi

Giancarlo Poletti

Supplementary Statutory Auditors

Marta Maggi

Stefano Leardini

OTHER CORPORATE BODIES

Director responsible for the internal control system and risk management

Gianluigi Trevisani

Committee for the Appointment and Remuneration of Directors

Rita Rolli (Chairperson)

Umberto della Sala

Cristina Finocchi Mahne

Committee for Related-party Transactions

Rita Rolli (Chairperson)

Cristina Finocchi Mahne

Monica Mondardini

Risk Management Committee

Monica Mondardini (Chairperson)

Cristina Finocchi Mahne

Rita Rolli

Committee to Oversee the Organisational Model

Luca Moretti (Chairperson and internal member)

Floriana Francesconi

Enzo Spisni

Director of Administration, Finance and Control

Daniele Forti

Appointed Manager responsible for the preparation of company accounts by the Board of Directors on 14 May 2007

Lead Independent Director

Monica Mondardini

Audit Firm

Reconta Ernst & Young S.p.A.

(Appointed on 29 April 2008 and until the Shareholders' Meeting to approve the Financial Statements at 31 December 2016)

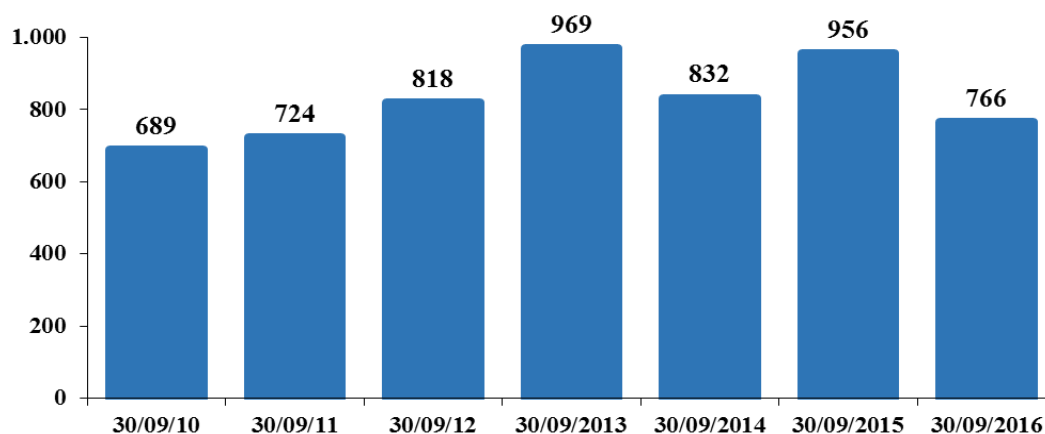
KEY FIGURES

(Euro '000)

	30/09/2016	30/09/2015	change	3Q 2016	3Q 2015
Value of production	808,239	990,981	-18.4%	250,336	363,493
Total revenues	766,014	956,336	-19.9%	246,763	355,222
Value added	242,729	180,105	34.8%	59,410	97,437
<i>as % of Total revenues</i>	31.7%	18.8%		24.1%	27.4%
Gross operating profit	63,125	(15,916)	n/a	789	32,843
<i>as % of Total revenues</i>	8.2%	-1.7%		0.32%	9.25%
Operating profit	(3,816)	(88,568)	n/a	-29,368	15,903
<i>as % of Total revenues</i>	-0.5%	-9.3%		-11.90%	4.48%
Group net profit	(59,554)	(131,429)	n/a	(35,978)	(3,339)
<i>as % of Total revenues</i>	-7.8%	-13.7%		-14.6%	-0.9%
Gross technical investments	27,583	85,657	-67.8%		
Net invested capital	982,332	1,083,631	-9.3%		
Net financial position	(488,796)	(532,844)	8.3%		
Shareholders' equity	493,286	550,595	-10.4%		
Shareholders' equity attributable to the owners of the Parent Company	483,729	537,727	-10.0%		
Net equity attributable to non-controlling interests	9,557	12,868	-25.7%		
Employees (no.)	7,311	7,887			
Order portfolio	968,082	1,117,159	-13.3%		
Basic earnings per share (Euro)	(0.361)	(0.798)			
Diluted earnings per share (Euro)	(0.361)	(0.798)			
Net operating profit/ Net invested capital (ROI) (1)	-0.52%	-10.90%			
Net profit/ Net equity (ROE) (1)	-16.10%	-31.83%			
Net operating profit/ Total revenues (ROS)	-0.50%	-9.26%			
Net debt/EBITDA (1)	5.56	n/a			
EBITDA /Net financial income (costs)	3.2	n/a			
Net debt/ Total net equity (Debt/Equity)	1.0	1.0			

(1) The figures for the third quarters to 30 September 2016 and 2015 are calculated on an annual basis.

TOTAL REVENUES 30/09/2016 (Euro/mln)



MANAGEMENT REPORT FOR THE QUARTER

Introduction

TREVI - Finanziaria Industriale S.p.A. (the “Company”) and its subsidiaries (the “TREVI Group” or “the Group”) operates in the two following sectors:

- Foundation engineering services for civil works and infrastructure projects and construction of equipment for special foundations (the “Special Foundations Division – (the Core Business)”);
- Construction of drill rigs for the extraction of hydrocarbons and water exploration and oil drilling services (the “Oil & Gas Division”).

These Divisions are organised within the four main companies of the Group:

- Trevi S.p.A., which heads the sector of foundation engineering;
- Petreven S.p.A., which operates in the drilling sector providing oil drilling services;
- Soilmec S.p.A., which heads the relative Division manufacturing and marketing plant and equipment for foundation engineering;
- Drilmec S.p.A., which manufactures and sells drilling equipment for the extraction of hydrocarbons and water exploration.

TREVI – Finanziaria Industriale S.p.A., controlled by Trevi Holding SE which, in turn, is controlled by I.F.I.T. S.r.l., has been listed on the Milan stock exchange since July 1999.

Third quarter performance

The results for the third quarter 2016 were below expectations.

The results of the Special Foundations Division in the first nine months of 2016 were significantly better than those for the same period of the previous financial year but, in the quarter under review, projects in South America, the Middle East and in Italy generated results below expectations mainly due to lower volumes of production and a slowdown in the initial phases of newly acquired contracts.

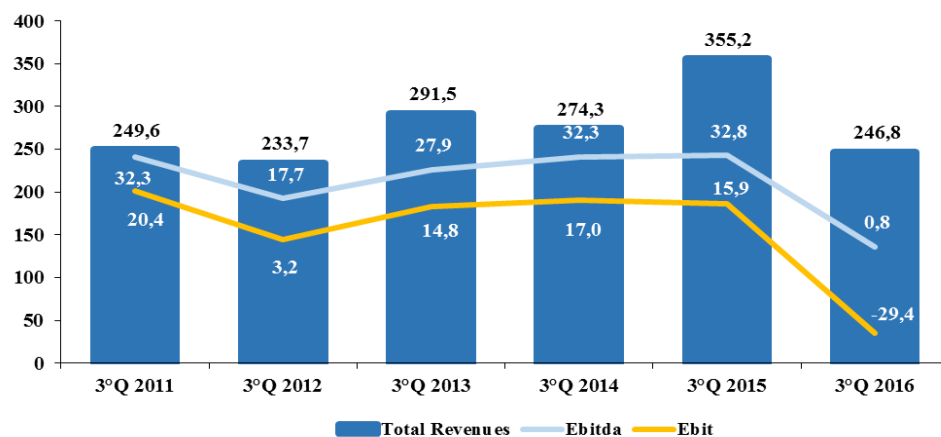
The performance of Soilmec differed from the rest of this sector as it had results that were ahead of forecasts made at the start of the year.

The stagnation in the Oil & Gas sector and the reduced marketing effort in the previous financial year resulted in a strong year-on-year decline in quarterly revenues which were lower than forecast for this sector. The Drilmec Division had a 56% year-on-year decline in revenues for the first nine months. The Petreven Division

had a less marked decline in revenues (-30%) with the third quarter showing an improvement in revenues compared to the two preceding quarters due to an increase in plant capacity utilisation. Despite a material decrease in fixed costs, the sector had a gross operating loss of Euro 11 million in the quarter under review. Given the ongoing deterioration in the outlook for this sector, additional prudential provisions for write-downs of approximately Euro 16 million were made and this impacted the quarterly net profit of Group companies in this sector.

Total Group revenues in the third quarter 2016 were Euro 246.8 million compared to Euro 355.2 million in the same quarter of the previous financial year. The gross operating profit was Euro 0.8 million, a margin of 0.3% of revenues; in the third quarter of 2015, the gross operating profit was Euro 32.8 million and the margin was 9.2%. After depreciation, amortisation and provisions for risks and charges totalling Euro 30.1 million, the operating loss was Euro 29.4 million (a margin of -11.9% on total revenues); in the third quarter of the previous financial year, the operating result was Euro 15.9 million (a margin of 4.5% on total revenues). Net financial expenses in the quarter were Euro 5.7 million (Euro 8.3 million in third quarter 2015) and net exchange rate losses were Euro 1.3 million (net exchange losses of Euro 7.6 million in third quarter 2015).

The figure attributable to the shareholders of the Parent Company net of income taxes and non-controlling interests was a loss of Euro 36 million.



Overview of the first nine months

In the first nine months of the financial year, TREVI Group had total revenues of Euro 766 million (Euro 956.3 million at 30 September 2015), an operating loss of Euro 3.8 million (an operating loss of Euro 88.6 million at 30 September 2015) and a consolidated net loss of Euro 59.5 million (a net loss of Euro 131.4 million at 30 September 2015).

At 30 September 2016, net debt was Euro 489 million.

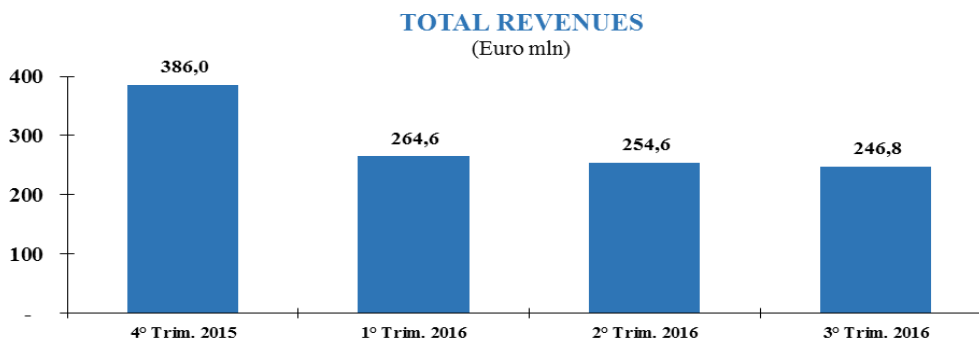
The total revenues of the Special Foundations Division, made up Trevi S.p.A. and Soilmec S.p.A and their respective subsidiaries, was Euro 592 million, a Euro 16 million decrease (-2.6%) on the same period of the

previous financial year. Value added was 32.7% of revenues. The gross operating profit was Euro 71.4 million. After depreciation and amortisation of Euro 31.7 million and provisions of Euro 1.8 million, the operating result was Euro 37.9 million, a margin of 6.4% of revenues.

During the quarter under review, the maintenance contract for the Herbert Hoover Dam in Florida, worth USD 18 million, was acquired. At 30 September 2016, total revenues in the Oil & Gas sector were Euro 192.8 million compared to Euro 374.3 million in the same period of the previous financial year (-48.5%). The gross operating loss was Euro 10 million. The operating loss was Euro 43.3 million.

Petreven signed a new contract in Peru to drill 66 wells for a total estimated value of USD 11 million.

The revenues of the last four quarters are shown in the following chart:



The value of production in the first nine months of the year went from Euro 991 million in 2015 to Euro 808.2 million in 2016. This item included Euro 5.7 million of increases in property, plant and equipment for internal use, which was drilling and special foundations plant and equipment to be used by the service companies and for development costs for new products and operating systems. There was a Euro 36.5 million increase in finished products for sale.

Value added for the first nine months rose from Euro 180.1 million in 2015 to Euro 242.7 million in 2016 and was 31.7% of total revenues.

TREVI GROUP

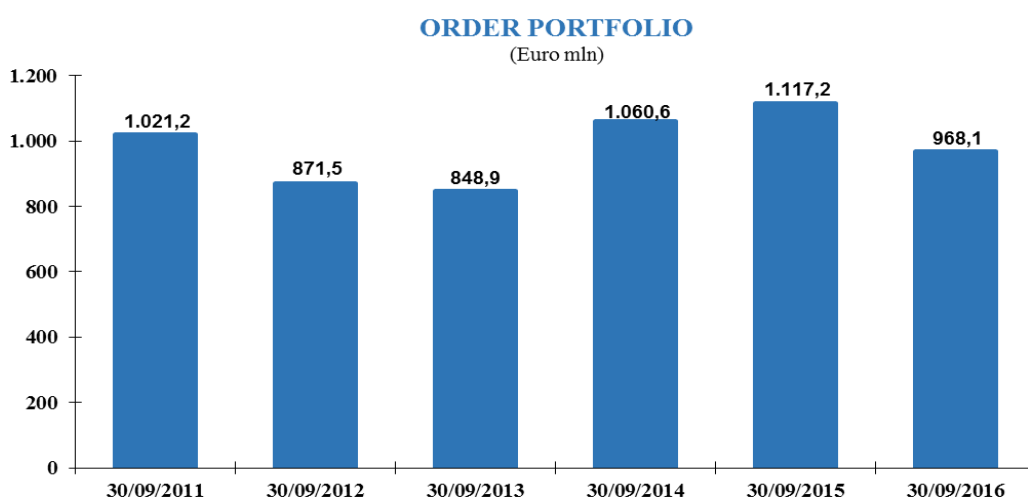
Quarterly breakdown at 30 September 2016

(Euro '000)

	1Q 2016	2Q 2016	3Q 2016	30/09/2016
TOTAL REVENUES	264,636	254,615	246,763	766,014
Change in inventories of finished products and work in progress	19,407	15,404	1,716	36,527
Increases in property, plant and equipment for internal use	2,037	1,803	1,857	5,698
VALUE OF PRODUCTION	286,081	271,822	250,336	808,239
Raw materials and external services	186,544	178,902	187,301	552,747
Other operating expenses	3,599	5,538	3,624	12,762
VALUE ADDED	95,938	87,381	59,410	242,729
Personnel expenses	60,244	60,739	58,621	179,604
GROSS OPERATING RESULT	35,694	26,642	789	63,125
<i>% on total revenues</i>	13.5%	10.5%	0.3%	8.2%
Depreciation and amortisation	16,222	16,422	13,926	46,570
Provisions for risks and charges and write-downs	871	3,269	16,231	20,371
OPERATING RESULT	18,601	6,951	(29,368)	(3,816)
<i>% on total revenues</i>	7.0%	2.7%	-11.9%	-0.5%

The gross operating profit for the first nine months of 2016 was Euro 63.1 million; in the same period of the preceding financial year, the gross operating loss was Euro 15.9 million. After depreciation and amortisation of Euro 46.5 million and provisions and impairment charges of Euro 20.4 million, the net operating loss was Euro 3.8 million; at 30 September 2015 the operating loss was Euro 88.6 million. Net financial expenses were Euro 19.8 million, a decrease of Euro 1.4 million compared to the figure at 30 September 2015 (Euro 21.3 million). Net exchange rate losses were Euro 18.4 million and were mainly due to the devaluation of the Venezuelan bolivar and the Belarusian rouble.

The loss before taxes was Euro 42.4 million, whilst the loss after taxes and non-controlling interests was Euro 59.5 million.

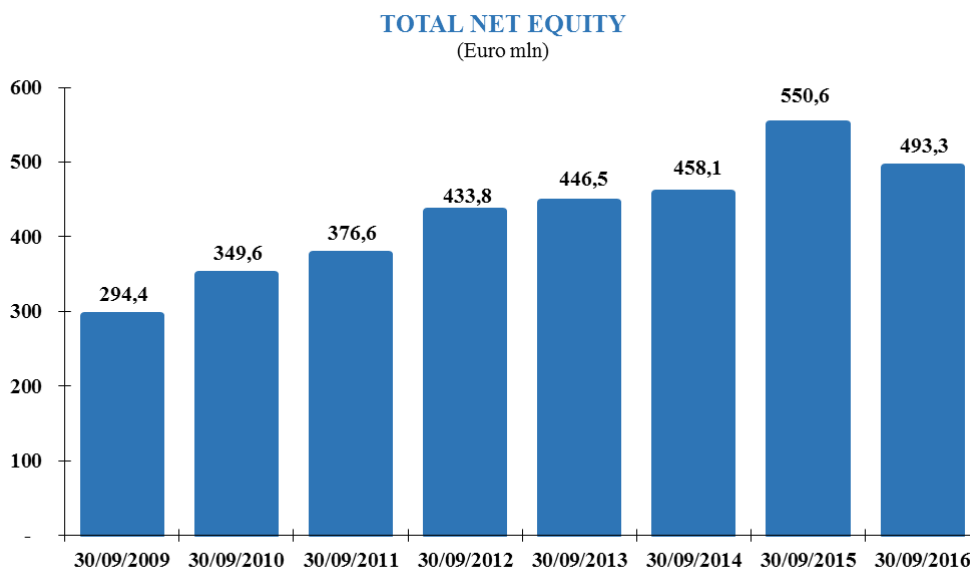


At 30 September 2016, the order portfolio was approximately Euro 968 million, (-13.3% compared to the figure at 30 September 2015).

Key data from the Statement of Financial Position

At 30 September 2016, net invested capital was Euro 982.3 million and had decreased by almost Euro 101 million compared to the figure at 30 September 2015. Gross investments in property, plant and equipment in the first nine months of the current financial year totalled approximately Euro 25.3 million (Euro 73. million at 30 September 2015) and were for machinery and equipment for contracts begun or to be carried out during the quarter.

At 30 September 2016, inventories totalled Euro 440.3 million (in line with the figure of Euro 476 million at 30 June 2016). Compared to the figure at 30 September 2015, the figure had decreased by Euro 168.7 million.



The weakness of the US Dollar and of the currencies linked to it resulted in a decrease in the translation reserve of approximately Euro 21.7 million. Total net debt of Euro 488.8 million at 30 September 2016 was Euro 44 million lower than the figure at 30 September 2015. Although it was higher than the figure of Euro 396 million at 30 June 2016, trade payments expected in the fourth quarter of this year should result in an improvement in net debt. At 30 September 2016, current financial debt had decreased by approximately Euro 4 million compared to the figure at the same date of the previous financial year whilst non-current financial debt had decreased by approximately Euro 39.8 million strengthening the Group's financial position.

The Group had a Net Debt /Equity ratio of 1x at 30 September 2016 (unchanged on the figure at 30 September 2015). The Group has adequate unused credit lines to cover its future projects.

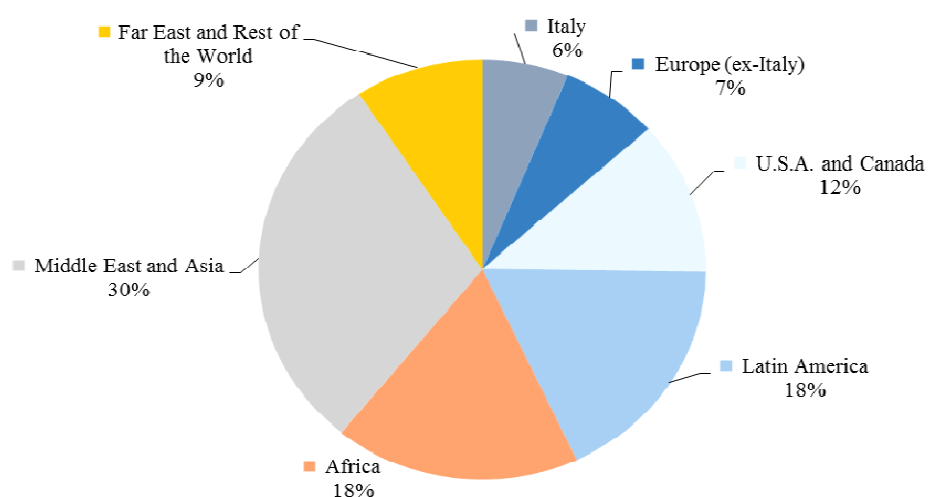
Geographical breakdown of revenues

Total revenues were Euro 766.014 million compared to Euro 956.336 million at 30 September 2015, a decrease of Euro 190 million (-19.9%).

The Group operates in various business sectors and in different geographic areas. The breakdown of sales and services and other revenues by geographic area is given in the following table:

(Euro '000)

Geographic area	Nine months ended 30 September 2016	%	Nine months ended 30 September 2015	%	change	%
Italy	47,730	6.2%	58,060	6.1%	(10,330)	-17.8%
Europe (ex-Italy)	54,566	7.1%	54,870	5.7%	(304)	-0.6%
USA and Canada	90,749	11.8%	98,354	10.3%	(7,606)	-7.7%
Latin America	136,734	17.9%	242,637	25.4%	(105,903)	-43.6%
Africa	136,358	17.8%	167,072	17.5%	(30,714)	-18.4%
Middle East & Asia	229,319	29.9%	279,373	29.2%	(50,054)	-17.9%
Far East and Rest of the World	70,558	9.2%	55,970	5.9%	14,588	26.1%
TOTAL REVENUES	766,014	100%	956,336	100%	(190,322)	-19.9%



The year-on-year decrease in revenues from South America, the Middle East and Asia, and Africa compared to the figure at 30 September 2015 was mainly due to the Oil & Gas Division.

Revenues in the United States fell compared to the same period of the previous financial year reflecting the slowdown in the Special Foundations Division.

In the Asia Pacific region there were higher revenues than in the same period of the previous financial year.

Breakdown by segment

The breakdown of revenues by the main Group segments at 30 September 2016 was as follows:

(Euro'000)	Nine months ended 30 September 2015	%	Nine months ended 30 September 2014	%	change	% change
Oil, gas and water drilling machinery	114,247	15%	261,811	27%	(147,564)	-56%
Drilling services	79,522	10%	114,018	12%	(34,496)	-30%
Interdivisional adjustments and eliminations	(992)		(1,546)		554	
Sub-total Oil & Gas Division	192,777	25%	374,283	39%	(181,506)	-48%
Special foundation services	424,805	55%	431,070	45%	(6,265)	-1%
Machinery for special foundations	182,661	24%	188,518	20%	(5,857)	-3%
Interdivisional adjustments and eliminations	(15,437)		(11,445)		(3,992)	
Sub-total Special Foundations Division (Core Business)	592,029	77%	608,144	64%	(16,115)	-3%
Parent Company	19,860		20,161		(301)	-1%
Interdivisional eliminations with the Parent Company	(38,651)		(46,251)		7,600	
TREVI GROUP	766,014	100%	956,336	100%	(190,322)	-20%

Accounting policies and valuation criteria

The Interim Report for the third quarter is prepared on a consolidated basis since the Company is obliged to prepare consolidated accounts. Pursuant to EC Regulation no. 1606/2002 of 19 July 2002, the Interim Consolidated Financial Statements of the Group for the third quarter 2016 have been prepared and presented using the International Accounting Standards issued by the IASB – International Accounting Standards Board - and endorsed by the European Commission (henceforth singly IAS or IFRS, together IFRSs) and according to SIC/IFRIC interpretive standards and using the same accounting policies, consolidation methods and translation criteria for items in foreign currencies used to prepare the Financial Statements for the year ended 31 December 2015, with some adjustments necessitated by the peculiarities of a part of the year limited to a period of nine months. The figures given have not been significantly influenced by estimates calculated differently from those used in the preparation of the consolidated annual and half-year financial statements.

The income tax charge is the best estimate of the weighted average tax charge expected for the full financial year.

The Interim Report for the Third Quarter has not been audited.

The consolidation area at 30 September 2016 is unchanged compared to that at 31 December 2015.

Significant events subsequent to the end of the reporting period

The Oil & Gas Division is negotiating several important contracts that it hopes to conclude by the end of the current financial year.

Cesena, 14 November 2016

On behalf of the Board of Directors

Mr Davide Trevisani

Chairman

The CFO, Daniele Forti, as Manager responsible for preparing the Company accounts, declares that, in accordance with paragraph 2 of article 154 *bis* of the Consolidated Finance Act, the accounting information contained in the present Interim Report corresponds to that in the Company accounting documents, books and accounting papers.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TREVI GROUP CONSOLIDATED INCOME STATEMENT

(Euro '000)

	3Q 2016	3Q 2015	First nine months 2016	First nine months 2015	change
TOTAL REVENUES	246,763	355,222	766,014	956,336	(190,322)
Change in inventories of finished and semi-finished products	1,716	3,301	36,527	16,434	20,093
Increase in property, plant and equipment for internal use	1,857	4,970	5,698	18,212	(12,514)
VALUE OF PRODUCTION	250,336	363,493	808,239	990,981	(182,742)
Raw materials and cost of services	187,301	261,898	552,747	798,151	(245,404)
Other operating costs	3,624	4,158	12,762	12,725	37
VALUE ADDED	59,410	97,437	242,729	180,105	62,624
Personnel expenses	58,621	64,594	179,604	196,021	(16,417)
GROSS OPERATING PROFIT	789	32,843	63,125	(15,916)	79,042
% on total revenues	0.3%	9.2%	8.2%	-1.7%	
Depreciation and amortisation	13,926	15,544	46,570	45,703	868
Provisions for risks and charges and write-downs	16,231	1,396	20,371	26,949	(6,578)
OPERATING RESULT	(29,368)	15,903	(3,816)	(88,568)	84,752
% on total revenues	-11.9%	4.5%	-0.5%	-9.3%	
Financial income / (expenses)	(5,757)	(8,331)	(19,853)	(21,285)	1,431
Gains/ (losses) on exchange rates	(1,266)	(7,586)	(18,431)	(14,592)	(3,838)
Impairment of financial assets	18	(2)	(285)	(2)	(284)
PROFIT BEFORE TAXES	(36,373)	(16)	(42,385)	(124,447)	82,061
Income taxes	(678)	3,807	14,649	8,643	6,006
Result attributable to non-controlling interests	283	(483)	2,519	(1,661)	4,180
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	(35,978)	(3,339)	(59,554)	(131,429)	71,875
% on total revenues	-14.6%	-0.9%	-7.8%	-13.7%	

TREVI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro '000)

31/12/2015		30/09/2016	30/09/2015	change
	A) Non-current assets			
399,877	- Property, plant and equipment	355,986	415,638	(59,652)
87,150	- Intangible assets	78,938	88,691	(9,753)
5,709	- Financial assets	5,775	6,565	(790)
492,736		440,699	510,894	(70,194)
	B) Net working capital			
522,736	- Inventories	440,276	609,018	(168,742)
447,976	- Trade receivables	421,136	488,755	(67,620)
(360,541)	- Trade payables (-)	(226,851)	(310,209)	83,358
(169,413)	- Advance payments (-)	(153,974)	(244,970)	90,996
87,485	- Other assets (liabilities)	80,843	52,443	28,400
528,242		561,429	595,037	(33,608)
1,020,978	C) Invested capital less liabilities (A+B)	1,002,128	1,105,930	(103,802)
(21,225)	D) Post-employment benefits (-)	(19,796)	(22,299)	2,503
999,753	E) NET INVESTED CAPITAL (C+D)	982,332	1,083,632	(101,300)
	<i>Financed by:</i>			
564,914	F) Group shareholders' equity	483,729	537,727	(53,998)
14,659	G) Non-controlling interests	9,557	12,868	(3,311)
420,180	H) Net debt	489,046	533,038	(43,992)
999,753	I) TOTAL SOURCES OF FINANCING (F+G+H)	982,332	1,083,632	(101,300)

TREVI GROUP CONSOLIDATED NET FINANCIAL POSITION

(Euro '000)

31/12/2015		30/09/2016	30/09/2015	change
(295,118)	Current bank financing	(317,343)	(378,360)	61,016
(34,111)	Payables for other current financing	(23,278)	(17,407)	(5,871)
471	Current financial derivative instruments	0	(774)	774
1,824	Current financial assets	0	0	0
296,861	Cash and cash equivalents	238,098	289,831	(51,733)
(30,074)	Total current liabilities	(102,524)	(106,710)	4,186
(338,240)	Non-current bank financing	(346,235)	(373,352)	27,117
(50,362)	Payables for other non-current financing	(38,938)	(51,339)	12,402
(1,504)	Non-current financial derivative instruments	(1,349)	(1,636)	287
(390,106)	Total non-current liabilities	(386,522)	(426,327)	39,805
(420,180)	Net debt	(489,046)	(533,038)	43,992
373	Treasury shares	250	194	56
(419,806)	Total net debt	(488,796)	(532,844)	44,048

TREVI GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro '000)

ASSETS	30/09/2016	31/12/2015
Non-current Assets		
Property, plant and equipment	355,986	399,877
Intangible assets	78,938	87,150
Investments	2,278	1,800
Deferred tax assets	102,750	95,101
Financial derivative instruments	0	0
Trade receivables and other non-current assets	22,539	30,764
Total non-current Assets	562,491	614,693
Current Assets		
Inventories	331,788	301,082
Trade receivables and other current assets	563,019	674,723
Current tax receivables	30,815	47,606
Financial derivative instruments	149	471
Other current financial assets	0	1,824
Cash and cash equivalents	238,098	296,861
Total Current Assets	1,163,869	1,322,567
TOTAL ASSETS	1,726,360	1,937,260
SHAREHOLDERS' EQUITY	30/09/2016	31/12/2015
Share Capital and Reserves		
Share capital	82,290	82,289
Other reserves	294,055	315,323
Retained earnings	107,383	167,302
Shareholders' equity attributable to owners of the Parent Company	483,729	564,914
Non-controlling interests	9,557	14,659
TOTAL SHAREHOLDERS' EQUITY	493,286	579,573
Non-current liabilities		
Non-current financing	385,172	388,602
Non-current financial derivative instruments	1,349	1,504
Deferred taxes	60,943	62,748
Post-employment benefits	19,796	21,225
Non-current provisions for risks and charges	5,479	6,952
Other non-current liabilities	32	324
Total Non-current Liabilities	472,772	481,355
Current Liabilities		
Trade payables and other current liabilities	389,036	515,933
Tax liabilities for current taxes	25,446	29,198
Current financing	340,622	329,230
Current provisions for risks and charges	5,048	1,970
Current financial derivative instruments	150	0
Total Current Liabilities	760,302	876,332
TOTAL LIABILITIES	1,233,074	1,357,687
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,726,360	1,937,260

Statement of reconciliation of the Reclassified Statement of Financial Position and the Consolidated Statement of Financial Position in accordance with IAS 11:

(Euro '000)

	30/09/2016	IAS 11	30/09/2016
Net working capital			
- Inventories	440,276	(108,487)	331,788
- Trade receivables	421,136	62,673	483,809
- Trade payables (-)	(226,851)	0	(226,851)
- Pre-payments (-)	(153,974)	82,934	(71,040)
- Other assets (liabilities)	80,843	(37,120)	43,723
Total	561,429	0	561,429

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro '000)

	30/09/2016	30/09/2015
Net Profit/ (loss) for the period	(57,034)	(133,090)
Other items of comprehensive income subsequently recycled to profit or loss for the period		
Cash flow hedge reserve	108	248
Tax	(51)	(92)
Change in cash flow hedge reserve	56	157
Translation reserve	(28,767)	30,743
Total of other comprehensive income that may subsequently be recycled to profit or loss of tax	(28,710)	30,900
Comprehensive income net of tax	(85,744)	(102,190)
Parent Company shareholders	(81,186)	(99,520)
Non-controlling interests	(4,558)	(2,670)

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

(Euro'000)

Description	Share capital	Other reserves	Retained earnings	Group share of capital and reserves	Non-controlling interests	Total Shareholders' Equity
Balance at 1 01/01/15	82,327	272,091	294,386	648,804	17,942	666,747
Profit for the period			(131,430)	(131,430)	(1,662)	(133,090)
Actuarial gains/ (losses)		0		0		0
Other comprehensive income/ (loss)		31,909		31,909	(1,009)	30,900
Total comprehensive income/ (loss)	0	31,909	(131,430)	(99,521)	(2,670)	(102,190)
Allocation of profit for 2014and dividend distribution		362	(11,896)	(11,534)	(2,404)	(13,938)
Sale/(Purchase) of treasury shares	(21)	0		(21)		(21)
Balance at 30/09/15	82,306	304,361	151,060	537,728	12,868	550,596
Balance at 01/01/16	82,290	315,322	167,302	564,914	14,658	579,572
Profit for the period			(59,555)	(59,555)	2,520	(57,034)
Actuarial gains/(losses)		0		0		0
Other comprehensive income/ (loss)		(21,632)		(21,632)	(7,079)	(28,710)
Total comprehensive income/ (loss)	0	(21,632)	(59,555)	(81,187)	(4,558)	(85,744)
Allocation of profit for 2015and dividend distribution		363	(363)	(0)	(542)	(542)
Sales/(Purchase) of treasury shares				0		0
Balance at 30/09/16	82,290	294,055	107,383	483,729	9,557	493,286

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro'000)

	30/09/16	30/09/15
Net income	(57,034)	(133,090)
Income taxes	14,649	8,643
Profit before taxes	(42,385)	(124,447)
Depreciation and amortisation	46,570	45,703
Financial (income)/expenses	19,853	21,285
Changes in reserves for risks and costs, and for post-employment benefits	177	(29)
Impairment of financial assets	285	2
(Gains) / losses from sale or impairment of fixed asset	358	(6,498)
(A) Cash Flow from Operations before changes in net working capital	24,859	(63,985)
(Increase)/Decrease trade receivables	118,445	(14,472)
(Increase)/Decrease inventories	(30,706)	(2,155)
(Increase)/Decrease other current assets	10,627	(31,084)
Increase/(Decrease) trade payables	(133,691)	5,351
Increase/(Decrease) other current payables	(12,668)	41,022
(B) Changes in net working capital	(47,993)	(1,336)
(C) Interest payable and other payables	(19,853)	(21,285)
(D) Cash out for taxes	(1,038)	(6,877)
(E) Cash Flow generated (absorbed) by operations (A+B+C+D)	(44,025)	(93,483)
Investments		
Operational (investments)	(27,939)	(79,202)
Operational divestments	8,352	18,771
Net change in financial assets	(764)	(204)
(F) Cash Flow generated (absorbed) by investments	(20,351)	(60,635)
Financing activities		
Increase/(Decrease) in share capital for purchase of treasury shares	-	(22)
Other changes including those in non-controlling interests	(3,949)	14,668
Increase/(Decrease) in debt, financing and derivative instruments	26,709	212,966
Increase/(Decrease) in leasing liabilities	(22,257)	(12,201)
Dividend distribution to Parent Company shareholders and non-controlling interests	(542)	(13,938)
(G) Cash Flow generated (absorbed) from financing activities	(39)	201,473
(H) Net Change in Cash Flows (E+F+G)	(64,415)	47,356
Opening Balance of Net Liquid Funds	290,490	236,328
Net Changes in Liquid Funds	(64,415)	47,356
Closing Balance of Net Liquid Funds	226,076	283,683
Description	30/09/2016	30/09/2015
Cash and cash equivalents	238,098	289,831
Bank overdrafts	(12,022)	(6,148)
Cash and cash equivalents net of bank overdrafts	226,076	283,683

Special Foundations Division (Core Business) Summary Income Statement

(Euro '000)

	30/09/2016	30/09/2015	change
TOTAL REVENUES	592,029	608,144	(16,115)
Changes in inventories of work in progress, semi-finished and finished goods	20,086	4,797	15,289
Increase in plant, machinery and equipment for internal use	4,270	13,610	(9,340)
VALUE OF PRODUCTION	616,385	626,551	(10,166)
Raw materials and cost of services	415,619	439,162	(23,543)
Other operating expenses	6,919	6,441	478
VALUE ADDED	193,847	180,948	12,899
<i>% of Total revenues</i>	32.7%	29.8%	
Personnel expenses	122,464	122,176	288
GROSS OPERATING PROFIT	71,383	58,772	12,611
<i>% of Total revenues</i>	12.1%	9.7%	
Depreciation and amortisation	31,698	33,387	(1,689)
Provisions for risks and charges and write-downs	1,826	5,688	(3,862)
OPERATING RESULT	37,860	19,697	18,163
<i>% of Total revenues</i>	6.4%	3.2%	

Oil & Gas Division Summary Income Statement

(Euro '000)

	30/09/2016	30/09/2015	change
TOTAL REVENUES	192,777	374,283	(181,506)
Changes in inventories of work in progress, semi-finished and finished goods	14,553	8,246	6,307
Increase in plant, machinery and equipment for internal use	1,428	3,762	(2,334)
VALUE OF PRODUCTION	208,758	386,291	(177,533)
Raw materials and cost of services	159,661	386,323	(226,663)
Other operating expenses	5,089	5,434	(344)
VALUE ADDED	44,008	(5,466)	49,474
<i>% of Total revenues</i>	22.8%	-1.5%	
Personnel expenses	54,042	70,180	(16,139)
GROSS OPERATING PROFIT	(10,034)	(75,647)	65,613
<i>% of Total revenues</i>	-5.2%	-20.2%	
Depreciation and amortisation	14,806	12,105	2,701
Provisions for risks and charges and write-downs	18,471	21,171	(2,700)
OPERATING RESULT	(43,311)	(108,923)	65,612
<i>% of Total revenues</i>	-22.5%	-29.1%	

The individual Income Statements above have not been adjusted for inter-divisional transactions; they do not include the Parent Company or Trevi Energy S.p.A

Special Foundations Division (Core Business) Summary Statement of Financial Position

(Euro '000)

	30/09/16	31/12/15	change
A) Fixed assets	284,341	327,469	(43,128)
B) Net working capital			
- Inventories	271,087	263,629	7,458
- Trade receivables	329,285	325,672	3,613
- Trade payables (-)	(225,666)	(222,107)	(3,559)
- Advance payments (-)	(114,296)	(77,655)	(36,642)
- Other assets (liabilities)	1,757	6,546	(4,789)
	262,166	296,084	(33,919)
C) Invested capital less liabilities for the period (A+B)	546,506	623,553	(77,047)
D) Post-employment benefits (-)	(16,829)	(17,409)	580
E) NET INVESTED CAPITAL (C+D)	529,678	606,144	(76,467)
<i>Financed by:</i>			
F) Shareholders' equity attributable to shareholders of the Parent Company	358,854	385,270	(26,415)
G) Shareholders' equity attributable to non-controlling interests	9,848	13,971	(4,123)
H) Net financial debt	160,975	206,903	(45,927)
I) TOTAL SOURCES OF FINANCING (F+G+H)	529,678	606,144	(76,467)

Oil & Gas Division Summary Statement of Financial Position

(Euro '000)

	30/09/16	31/12/15	change
A) Fixed assets	134,216	141,651	(7,435)
B) Net working capital			
- Inventories	175,269	267,907	(92,638)
- Trade receivables	174,837	193,962	(19,125)
- Trade payables (-)	(85,599)	(212,216)	126,617
- Advance payments (-)	(36,761)	(88,406)	51,645
- Other assets (liabilities)	41,066	44,085	(3,019)
	268,812	205,332	63,480
C) Invested capital less liabilities for the period (A+B)	403,028	346,982	56,045
D) Post-employment benefits (-)	(1,924)	(2,770)	846
E) NET INVESTED CAPITAL (C+D)	401,104	344,212	56,892
<i>Financed by:</i>			
F) Shareholders' equity attributable to shareholders of the Parent Company	25,199	83,224	(58,026)
G) Shareholders' equity attributable to non-controlling interests	932	2,488	(1,556)
H) Net financial debt	374,973	258,500	116,474
I) TOTAL SOURCES OF FINANCING (F+G+H)	401,104	344,212	56,892

TREVI-Finanziaria Industriale S.p.A.

