



TREVI – Finanziaria Industriale S.p.A.

## **INTERIM MANAGEMENT REPORT**

**First Quarter 2015**

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](http://www.trevifin.com)

## **MEMBERS OF THE CORPORATE BODIES**

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Davide Trevisani

### **EXECUTIVE DEPUTY CHAIRMAN**

Gianluigi Trevisani

### **DEPUTY CHAIRMAN**

Cesare Trevisani

### **DIRECTORS**

Umberto della Sala (Non-executive and independent director)

Gaudiana Giusti (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)

Stefano Trevisani

Simone Trevisani

### **BOARD OF STATUTORY AUDITORS**

#### **Standing Statutory Auditors**

Adolfo Leonardi (Chairperson)

Milena Motta

Giancarlo Poletti

#### **Supplementary Statutory Auditors**

Valeria Vegni

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)

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The Interim Management Report has not been audited.

# KEY FINANCIAL DATA

(Euro '000)

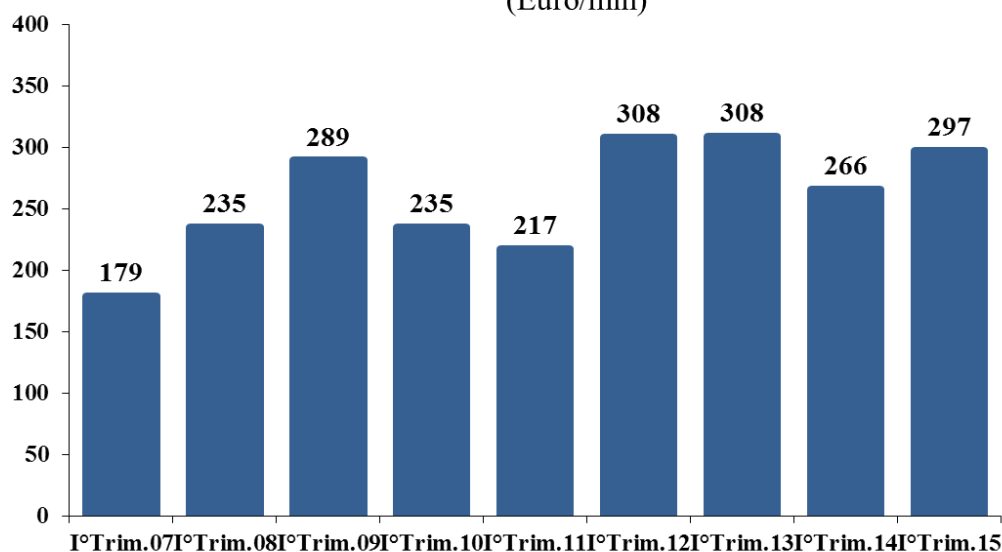
31/12/2014		31/03/2015	31/03/2014	change
1,283,065	Value of production	309,704	267,534	15.8%
<b>1,250,699</b>	<b>Total revenues</b>	<b>297,009</b>	<b>265,716</b>	<b>11.8%</b>
362,607	Value added	84,106	86,591	-2.9%
29.0%	as % of Total revenues	28.3%	32.6%	
<b>126,357</b>	<b>Gross operating profit</b>	<b>21,336</b>	<b>31,064</b>	<b>-31.3%</b>
10.10%	as % of Total revenues	7.18%	11.69%	
<b>62,578</b>	<b>Operating profit</b>	<b>5,008</b>	<b>16,994</b>	<b>-70.5%</b>
5.00%	as % of Total revenues	1.69%	6.40%	
<b>24,415</b>	<b>Group net profit</b>	<b>1,883</b>	<b>(252)</b>	
2.0%	as % of Total revenues	0.6%	-0.1%	
136,894	Gross technical investments	18,777	17,382	8.0%
1,046,374	Net invested capital	1,216,264	1,004,097	21.1%
<b>(379,265)</b>	<b>Net debt</b>	<b>(499,732)</b>	<b>(574,138)</b>	<b>13.0%</b>
666,746	Shareholders' equity	716,161	428,915	67.0%
648,802	Shareholders' equity attributable to the owners of the Parent Company	699,705	405,193	72.7%
17,944	Net equity attributable to non-controlling interests	16,456	23,722	-30.6%
7,493	Employees (no.)	7,653	7,187	
1,107,447	Order portfolio	1,121,129	1,091,852	2.7%
0.296	Basic earnings per share (Euro)	0.011	n.a.	
0.296	Diluted earnings per share (Euro)	0.011	n.a.	
5.98%	Net operating profit/ Net invested capital (ROI) (1)	1.65%	6.77%	
3.66%	Net profit/ Net equity (ROE) (1)	1.05%	-0.24%	
5.00%	Net operating profit/ Total revenues (ROS)	1.69%	6.40%	
3.0	Net debt/EBITDA (2)	4.3	4.2	
4.0	EBITDA /Net financial income (costs)	3.8	4.1	
0.6	Net debt/ Total net equity (Debt/Equity)	0.7	1.3	

(1) The figures for the first quarters to 30 March 2015 and 2014 are calculated on an annual basis.

(2) Ebitda on a rolling basis

## TOTAL REVENUES AT 31/03/2015

(Euro/mln)



# MANAGEMENT REPORT FOR THE QUARTER

## Profile and business of the Group

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 (“Special Foundations – (the Core Business)”);
- Construction of drill rigs for the extraction of hydrocarbons and water exploration and oil drilling services (“Oil & Gas”).

These businesses 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;
- Drillmec S.p.A., which manufactures and sells drilling equipment for the extraction of hydrocarbons and water exploration.

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

Information on the business areas in which the Group operates, on related party transactions and on events subsequent to the end of the first quarter 2015 are given in the Management Report below.

## General presentation criteria

The Interim Report for the first quarter is prepared on a consolidated basis since the Company is required to prepare consolidated accounts.

Pursuant to EC Regulation no. 1606/2002 of 19 July 2002, the Consolidated Financial Statements of the Group for the first quarter 2015 have been prepared and presented in accordance with the International Accounting Standards issued by the IASB – International Accounting Standards Board and adopted by the European Commission (henceforth singly IAS or IFRS, together IFRS) and according to SIC/IFRIC interpretive standards, and using the same accounting standards, consolidation methods and translation criteria for items in foreign currencies used to draw up the Financial Statements at 31 December 2014, with some adjustments for the peculiarities of reporting for a portion of the year limited to a period of three months.

The data are not normally 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 expected tax charge for the full financial year. The Interim Report for the First Quarter has not been audited.

The consolidation area at 31 March 2015 is unchanged on that at 31 December 2014.

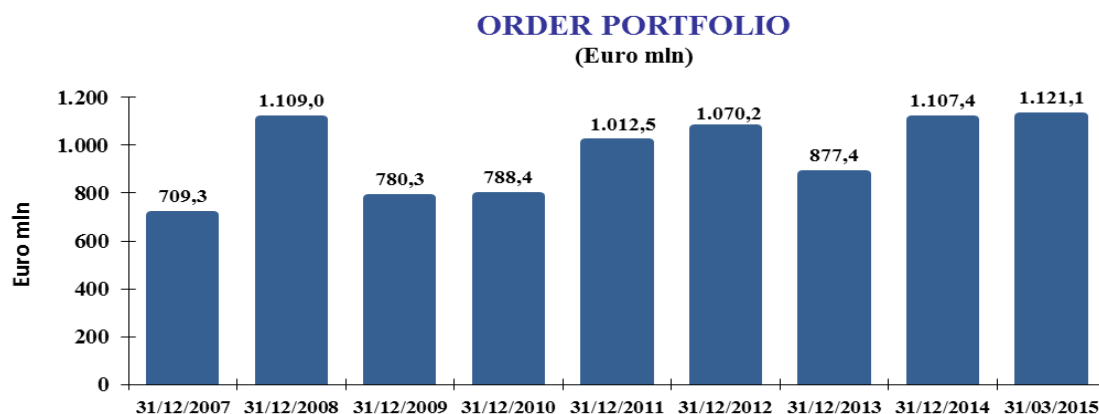
## **First quarter performance**

Total consolidated revenues in the first quarter of the current financial year were Euro 297 million; the consolidated net profit was Euro 1.88 million. Revenues grew 11.8% compared to the figure of Euro 265.7 million for the first quarter of 2014. The Group believes that it will generate significant revenues over the next three quarters given its substantial order portfolio of Euro 1,121 million and the important negotiations for new contracts that are expected to be agreed in the near future. The results for the quarter are ahead of the Company forecasts. The appreciation of the US dollar against the Euro had a significant impact on the results and exchange rate gains added to profitability.

The general trend in international construction markets, and particularly for infrastructure projects, is positive; new infrastructure demand in emerging markets was a source of very satisfying revenue growth of over 18% year-on-year in the Special Foundations division (Trevi). This segment acquired important contracts worth approximately Euro 197 million in the first quarter that were concentrated in the Middle East and West Africa. Soilmec was also a beneficiary of the positive trend in its reference sector and had revenue growth of almost 24% year-on-year. Overall the Special Foundations Division (the Core Business) had year-on-year revenue growth of almost 20%. The gross operating profit of the Division was Euro 17.5 million (a margin of 9.3%).

The global Oil & Gas production markets and demand for on-shore and off-shore production plant has stalled due to the low oil price. We believe this situation could continue with some increases and decreases until the price of Brent oil remains stable above USD 70 per barrel. As a result of this difficult scenario, the revenues of this Division increased just 1.5% year-on-year. Drillmec managed to maintain its order portfolio at around Euro 363 million. The margin of the orders in the portfolio has shown a general improvement due to the strengthening of the US Dollar against the Euro and greater operating efficiency. In Latin America there was a delay in the delivery of two off-shore plants to a Mexican client; one of these has been installed with final testing carried out since April while the timing and means of delivery of the second has yet to be decided. This has involved extra transport and off-shore installation costs which are not currently covered by changes made to the original contract with the client. In the first quarter 2015, the Piacenza manufacturing facility was active in the first phase of production of the oil rigs to be exported to Algeria. Designs were drawn up, orders given to suppliers and sub-contractors, and components manufactured. This resulted in an increase in the inventories and net debt position, in particular, of Drillmec. A large part of the

deliveries will be made between June and November of this year. Payment for these, which is guaranteed by letters of credit, will be received in the same period, as well as interim payments for the other contracts. Four drill rigs belonging to Petreven were inactive for part of the period under review. The gross operating profit of the Oil & Gas segment fell to Euro 4.4 million in the first quarter 2015 (a margin of 3.8%). Petreven suffered net exchange rate losses of almost Euro 2 million due to the weakness of the Venezuelan Bolivar.



### Key data from the statement of financial position

Net invested capital was Euro 1,216.3 million, an increase compared to the figure at 31 December 2014 (Euro 1,046.4 million), and Euro 212.2 million higher than in the same period of the previous year. Gross investments in property, plant and equipment were Euro 18.8 million for the period (Euro 17.4 million at 31 March 2014, an increase of 8%) and were mainly for machinery and equipment for contracts begun during the quarter or to be carried out in subsequent quarters.

At 31 March 2015, inventories totalled Euro 809.4 million (of which Euro 479 million was for contract work in progress), which was Euro 240.4 million higher than at 31 March 2014. The increase in inventories reflected the planning of production and deliveries in the Mechanical Engineering Division and, in particular, at Drillemec, which accounted for Euro 423 million of contract work in progress.

Total net debt was Euro 499.7 million, a decrease of 13% compared to the figure at 31 March 2014 but an increase of 31.8% compared to the figure at 31 December 2014. Net debt was Euro 490 million before the negative impact of Euro 9.7 million from interest rate swaps; the negative effect of the interest rate swaps was due to the expiry of derivative contracts covering the long-term US Dollar exposure of some sizeable projects. The Company hedging policy is to neutralise exposure to the US Dollar by renewing interest rate swaps that normally have a maturity of twelve months. Some of the interest rate swaps expired before receipt of the underlying amount causing a negative effect; however, all the relative cash impacts will be neutralised over the length of the contract and negative impact of Euro 9.7 million in the first quarter 2015

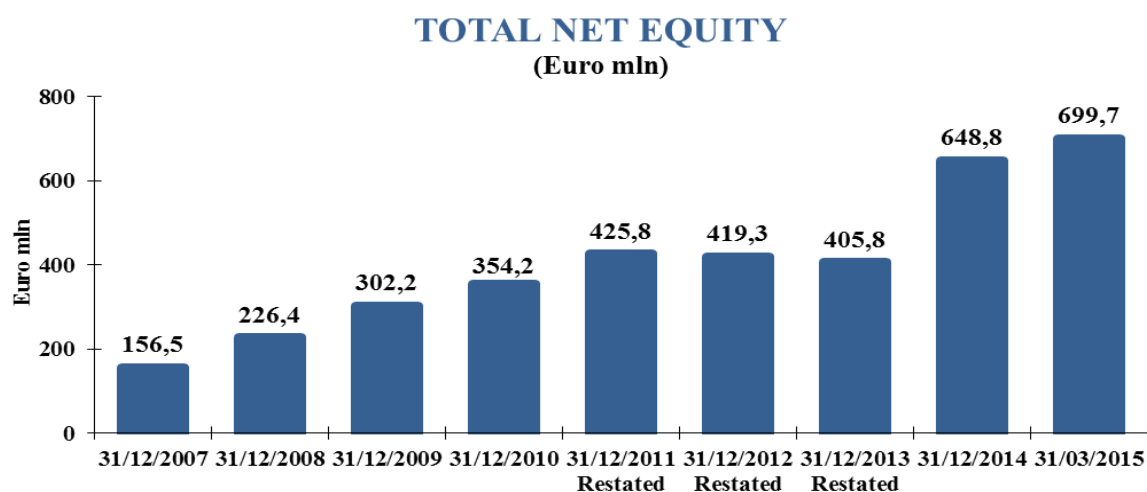
will be completely recouped over the length of the project as the cash flows from this project will benefit from the strength of the US Dollar.

There should be an improvement in the net financial position in the second semester of the current financial year due to the cash-in from some significant contracts and the recovery of some receivables from some important Oil & Gas clients.

Group net equity was Euro 699.7 million (Euro 405.2 million in the same period of the preceding financial year). There was a positive impact of almost Euro 50 million from the translation reserve that reflected the revaluation of assets denominated in US Dollars.

The main financial ratios were as follows: Net Debt /Equity of 0.7x (0.6x at 31 December 2014) and Net Debt /EBITDA of 4.3x (3.0x at 31 December 2014).

The table below shows the trend in Group net equity:

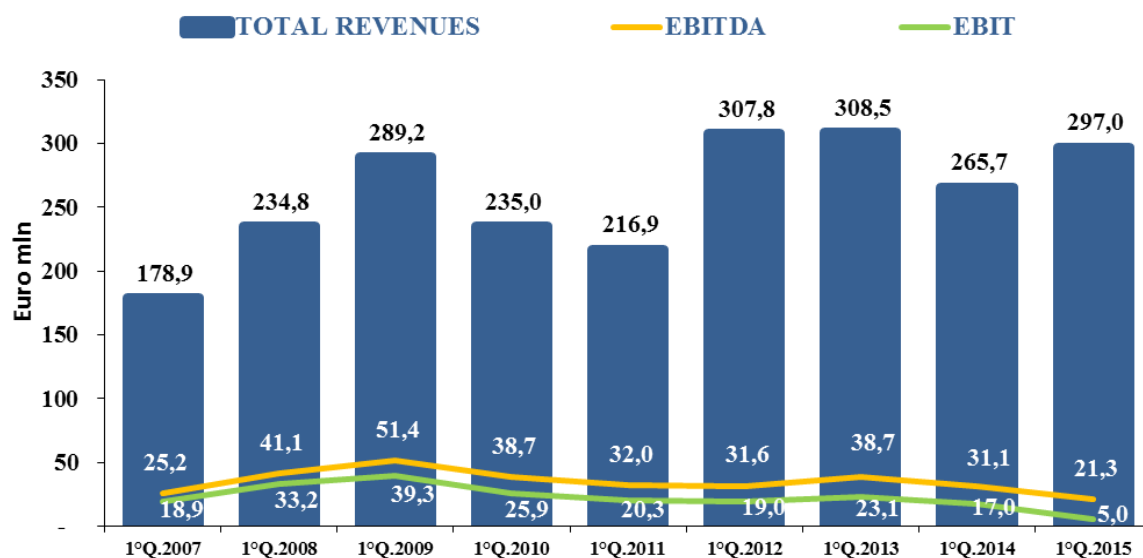


### Key Income Statement data

Total consolidated revenues went from Euro 265.7 million in the first quarter of 2014 to Euro 297 million in the quarter under review (+11.8%). The gross operating profit was Euro 21.3 million representing a margin of 7.2% on revenues; in the first quarter of 2014, the gross operating profit was Euro 31 million, a margin of 11.7%. After depreciation and amortisation of Euro 15.2 million and risk provisions of Euro 1.1 million, the operating profit was Euro 5 million (1.7% of total revenues); in the first quarter of 2014, the operating profit was Euro 17 million (6.4% of total revenues).

Net financial expenses were Euro 5.6 million and net exchange rate gains totalled Euro 3.6 million.



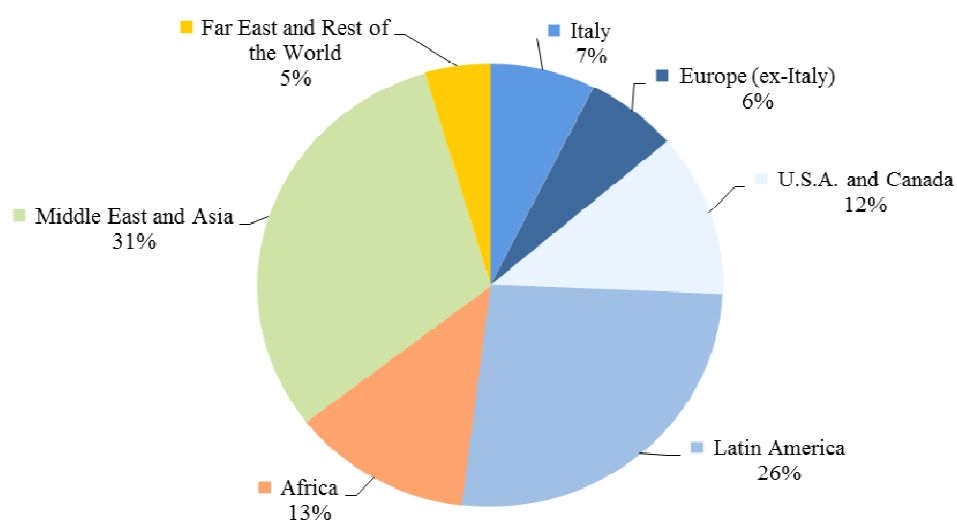


### Geographical breakdown of revenues

The international character of the Group is evident in the following table that shows the breakdown of revenues by geographic area:

(Euro '000)

Geographic area	31/03/2015	%	31/03/2014	%	change	%
Italy	21,748	7.3%	22,870	8.6%	(1,121)	-4.9%
Europe (ex-Italy)	19,072	6.4%	37,095	14.0%	(18,023)	-48.6%
USA and Canada	35,353	11.9%	37,383	14.1%	(2,031)	-5.4%
Latin America	78,251	26.3%	65,994	24.8%	12,257	18.6%
Africa	37,092	12.5%	31,046	11.7%	6,046	19.5%
Middle East and Asia	92,118	31.0%	55,798	21.0%	36,320	65.1%
Far East and Rest of the World	13,375	4.5%	15,531	5.8%	(2,156)	-13.9%
<b>TOTAL REVENUES</b>	<b>297,009</b>	<b>100%</b>	<b>265,717</b>	<b>100%</b>	<b>31,292</b>	<b>11.8%</b>



The improvement in the Middle East and Asia is mainly attributable to the good performance of the subsidiaries in the Special Foundations Division present in this geographic area.

Revenues in the United States were at the same level as those of the same period of the previous financial year. The slight decline is attributable to the completion of some contracts in both the Oil & Gas Division and in that for Special Foundations.

The improvement in revenues in South America was due to the activities of both the Oil & Gas and Special Foundations Divisions.

Revenues fell in Europe compared to the first quarter of the previous financial year as some Special Foundations contracts were completed in Northern Europe.

### Breakdown by segment

The breakdown of revenues by the main Group segments in the first quarter of 2015 was as follows:

*(Euro'000)*

	31/03/2015	%	31/03/2014	%	change	% change
Manufacture of machinery for oil, gas and water drilling	79,753	27%	84,243	32%	(4,489)	-5.3%
Drilling services	34,330	12%	29,283	11%	5,046	17.2%
Interdivisional eliminations and adjustments	(499)		(1,582)		1,083	
<b>Sub-total Oil &amp; Gas Division</b>	<b>113,584</b>	<b>38%</b>	<b>111,944</b>	<b>42%</b>	<b>1,640</b>	<b>1.5%</b>
Special foundations services	137,165	46%	115,641	44%	21,524	18.6%
Manufacture of machinery for special foundations work	55,115	19%	44,468	17%	10,647	23.9%
Interdivisional eliminations and adjustments	(3,963)		(2,704)		(1,259)	
<b>Sub-total Special Foundations Division (core business)</b>	<b>188,317</b>	<b>63%</b>	<b>157,404</b>	<b>59%</b>	<b>30,913</b>	<b>19.6%</b>
<b>Parent Company</b>	6,032		4,073		1,959	48.1%
Interdivisional and Parent Company eliminations	(10,924)		(7,705)		(3,219)	
<b>TREVI GROUP</b>	<b>297,009</b>	<b>100%</b>	<b>265,717</b>	<b>100%</b>	<b>31,292</b>	<b>11.8%</b>

## Significant events subsequent to the end of the reporting period

1. The Shareholders' Meeting of TREVI – Finanziaria Industriale S.p.A. was held in first convocation on 30 April and approved the Financial Statements for the 2014 financial year and also a dividend of Euro 0.07 per share with an ex-dividend date of 6 July 2015 and payment from 8 July 2015. The same Shareholders' Meeting extended the mandate for the buy-back of treasury shares until 30 April 2016.
2. At the end of the first quarter, the Group had an order portfolio of approximately Euro 1,121 million (+1.24% compared to that at 31 December 2014). The Special Foundations Division accounted for Euro 593 million of this portfolio and the Oil & Gas Division accounted for Euro 528 million. The Group is currently involved in numerous negotiations that are important both in terms of technological profile and/or size and which could have an impact on the results of the current financial year.

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)

	31/03/2015	31/03/2014	change	%
<b>TOTAL REVENUES</b>	<b>297,009</b>	<b>265,716</b>	<b>31,293</b>	<b>11.8%</b>
Change in inventories of finished and semi-finished products	7,385	(2,333)	9,718	
Increase in property, plant and equipment for internal use	5,311	4,151	1,160	
<b>VALUE OF PRODUCTION</b>	<b>309,704</b>	<b>267,534</b>	<b>42,171</b>	<b>15.8%</b>
Raw materials and cost of services	222,484	177,946	44,538	
Other operating costs	3,114	2,996	117	
<b>VALUE ADDED</b>	<b>84,106</b>	<b>86,591</b>	<b>(2,484)</b>	<b>-2.9%</b>
Personnel expenses	62,771	55,527	7,244	
<b>GROSS OPERATING PROFIT</b>	<b>21,336</b>	<b>31,064</b>	<b>(9,728)</b>	<b>-31.3%</b>
% on total revenues	7.2%	11.7%		
Depreciation and amortisation	15,205	13,822	1,383	
Provisions for risks and charges and write-downs	1,122	248	875	
<b>OPERATING PROFIT</b>	<b>5,008</b>	<b>16,994</b>	<b>(11,986)</b>	<b>-70.5%</b>
% on total revenues	1.7%	6.4%		
Financial income / (expenses)	(5,638)	(7,565)	1,927	
Gains/ (losses) on exchange rates	3,567	(3,403)	6,971	
Impairment of financial assets	()	594	(595)	
<b>PROFIT BEFORE TAXES</b>	<b>2,937</b>	<b>6,620</b>	<b>(3,683)</b>	<b>-55.6%</b>
Income taxes	734	1,655	(921)	
Result attributable to non-controlling interests	320	5,217	(4,897)	
<b>GROUP NET PROFIT</b>	<b>1,883</b>	<b>(252)</b>	<b>2,135</b>	
% on total revenues	0.6%	-0.1%		
<b>Tax rate</b>	<b>25%</b>	<b>25%</b>		

## TREVI GROUP

### Consolidated Statement of Financial Position

(Euro '000)

31/12/2014		31/03/2015	31/03/2014	change	%
	<b>A) Non-current assets</b>				
386,861	- Property, plant and equipment	406,533	352,822	53,711	
80,010	- Intangible assets	86,116	49,094	37,022	
6,562	- Financial assets	9,157	5,553	3,605	
<b>473,434</b>		<b>501,807</b>	<b>407,469</b>	<b>94,338</b>	23.2%
	<b>B) Net working capital</b>				
709,173	- Inventories	809,424	568,971	240,453	
428,196	- Trade receivables	458,906	392,570	66,336	
(304,858)	- Trade payables (-)	(289,937)	(250,341)	(39,596)	
(256,355)	- Advance payments (-)	(309,827)	(139,383)	(170,444)	
20,791	- Other assets (liabilities)	67,163	45,475	21,687	
<b>596,946</b>		<b>735,728</b>	<b>617,292</b>	<b>118,436</b>	19%
<b>1,070,380</b>	<b>C) Invested capital less liabilities (A+B)</b>	<b>1,237,535</b>	<b>1,024,761</b>	<b>212,774</b>	20.8%
<b>(24,005)</b>	<b>D) Post-employment benefits (-)</b>	<b>(21.271)</b>	<b>(20,664)</b>	<b>(608)</b>	3%
<b>1,046,374</b>	<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>1,216,264</b>	<b>1,004,097</b>	<b>212,167</b>	21.1%
	<i>Financed by:</i>				
<b>648,802</b>	<b>F) Group shareholders' equity</b>	<b>699,705</b>	<b>405,193</b>	<b>294,512</b>	72.7%
17,944	G) Non-controlling interests	16,456	23,722	(7,266)	
<b>379,629</b>	<b>H) Net debt</b>	<b>500,103</b>	<b>575,182</b>	<b>(75,079)</b>	-13%
<b>1,046,374</b>	<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>1,216,264</b>	<b>1,004,097</b>	<b>212,167</b>	21.1%

## TREVI GROUP

### Consolidated Net Financial Position

(Euro '000)

31/12/2014		31/03/2015	31/03/2014	change
(319,320)	Current financing	(374,408)	(443,518)	69,110
(37,756)	Payables for other current financing	(20,553)	(38,500)	17,947
(12)	Current financial derivative instruments	(9,793)	(85)	(9,708)
0	Tradable securities at fair value	0	565	(565)
244,468	Cash and cash equivalents	200,476	131,649	68,827
<b>(112,619)</b>	<b>Total current liabilities</b>	<b>(204,278)</b>	<b>(349,889)</b>	<b>145,612</b>
(221,904)	Non-current financing	(251,385)	(180,767)	(70,618)
(43,192)	Payables for other non-current financing	(42,506)	(42,837)	331
(1,914)	Non-current financial derivative instruments	(1,935)	(1,689)	(246)
<b>(267,009)</b>	<b>Total non-current liabilities</b>	<b>(295,825)</b>	<b>(225,293)</b>	<b>(70,533)</b>
<b>(379,629)</b>	<b>Net debt</b>	<b>(500,103)</b>	<b>(575,182)</b>	<b>75,079</b>
<b>363</b>	Treasury shares	<b>371</b>	<b>1,045</b>	<b>(674)</b>
<b>(379,265)</b>	<b>Total net debt</b>	<b>(499,732)</b>	<b>(574,138)</b>	<b>74,405</b>

## Consolidated Statement of Financial Position

(Euro '000)

ASSETS	31/03/2015	31/12/2014
<b>Non-current Assets</b>		
Property, plant and equipment	406,533	386,861
Intangible assets	86,116	80,010
Investments	1,860	1,287
Deferred tax assets	45,272	38,221
Trade receivables and other non-current assets	33,243	26,345
<b>Total non-current Assets</b>	<b>573,024</b>	<b>532,724</b>
<b>Current Assets</b>		
Inventories	330,467	310,539
Trade receivables and other current assets	780,368	714,764
Current tax receivables	50,213	50,341
Current financial derivatives and financial assets held for trading at fair value	0	0
Cash and cash equivalents	200,476	244,468
<b>Total Current Assets</b>	<b>1,361,524</b>	<b>1,320,112</b>
<b>TOTAL ASSETS</b>	<b>1,934,548</b>	<b>1,852,836</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>31/03/2015</b>	<b>31/12/2014</b>
<b>Share Capital and Reserves</b>		
Share capital	82,328	82,328
Other reserves	321,117	272,088
Retained earnings	296,260	294,386
Shareholders' equity attributable to owners of the Parent Company	<b>699,705</b>	<b>648,802</b>
Non-controlling interests	<b>16,456</b>	<b>17,944</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>716,161</b>	<b>666,746</b>
<b>Non-current liabilities</b>		
Non-current financing	293,890	265,096
Non-current financial derivative instruments	1,935	1,914
Deferred taxes	46,754	36,096
Post-employment benefits	21,271	24,005
Non-current provisions for risks and charges	3,974	4,135
Other non-current liabilities	67	103
<b>Total Non-current Liabilities</b>	<b>367,892</b>	<b>331,348</b>
<b>Current Liabilities</b>		
Trade payables and other current liabilities	418,046	464,249
Tax liabilities for current taxes	25,424	31,100
Current financing	394,960	357,076
Current provisions for risks and charges	2,271	2,306
Current financial derivative instruments	9,793	12
<b>Total Current Liabilities</b>	<b>850,495</b>	<b>854,743</b>
<b>TOTAL LIABILITIES</b>	<b>1,218,387</b>	<b>1,186,091</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,934,548</b>	<b>1,852,836</b>

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

(Euro '000)

Net working capital	31/12/2014	IAS 11	31/12/2014	31/03/2015	IAS 11	31/03/2015
- Inventories	709,173	(398,633)	310,540	809,424	(478,956)	330,468
- Trade receivables	428,196	214,659	642,855	458,906	225,312	684,218
- Trade payables (-)			(304,858)	(289,937)		(289,937)
- Pre-payments (-)	(256,355)	183,981	(72,374)	(309,827)	253,071	(56,756)
- Other assets (liabilities)		(7)	20,783	67,163	574	67,736
<b>Total</b>	<b>596,946</b>	<b>0</b>	<b>596,946</b>	<b>735,728</b>	<b>0</b>	<b>735,728</b>

## 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
<b>Balance at 01/01/14</b>	<b>35,033</b>	<b>88,885</b>	<b>281,878</b>	<b>405,796</b>	<b>25,065</b>	<b>430,861</b>
Profit for the period			(252)	(252)	5,217	4,966
Actuarial gains/ (losses)						
Other comprehensive income/ (loss)		(351)	0	(351)	(399)	(750)
<b>Total comprehensive income/ (loss)</b>		<b>(351)</b>	<b>(252)</b>	<b>(603)</b>	<b>4,819</b>	<b>4,216</b>
Allocation of profit for 2013 and dividend distribution					(5,340)	(5,340)
Change in area of consolidation					(822)	(822)
Acquisition of non-controlling interests						
Sales/(Acquisition) of treasury shares						
<b>Balance at 31/03/14</b>	<b>35,033</b>	<b>88,534</b>	<b>281,626</b>	<b>405,193</b>	<b>23,722</b>	<b>428,914</b>
<b>Balance at 01/01/15</b>	<b>82,328</b>	<b>272,091</b>	<b>294,386</b>	<b>648,804</b>	<b>17,942</b>	<b>666,746</b>
Profit for the period			1,882	1,882	320	2,202
Actuarial gains/(losses)						
Other comprehensive income/ (loss)		49,027		49,027	(1,806)	47,221
<b>Total comprehensive income/ (loss)</b>	<b>0</b>	<b>49,027</b>	<b>1,882</b>	<b>50,909</b>	<b>(1,486)</b>	<b>49,423</b>
Allocation of profit for 2014 and dividend distribution			(8)	(8)		(8)
Change in area of consolidation						
Acquisition of non-controlling interests						
Sales/(Acquisition) of treasury shares						
<b>Balance at 31/03/15</b>	<b>82,328</b>	<b>321,117</b>	<b>296,260</b>	<b>699,705</b>	<b>16,457</b>	<b>716,161</b>

## Consolidated Statement of Comprehensive Income

(Euro '000)

	31/03/2015	31/03/2014
Net Profit/ (loss) for the period	<b>2,203</b>	<b>4,965</b>
<b>Other items of comprehensive income subsequently recycled to profit or loss for the period:</b>		
Cash flow hedge reserve	(37)	(293)
Tax	7	96
<b>Change in cash flow hedge reserve</b>	<b>(30)</b>	<b>(197)</b>
Translation reserve	<b>47,251</b>	<b>(553)</b>
<b>Total of other comprehensive income that may subsequently be recycled to profit or loss net of tax</b>	<b>47,221</b>	<b>(750)</b>
<b>Other items of comprehensive income that will not subsequently be recycled to profit or loss for the period:</b>		
Actuarial gains/(losses)	-	32
Tax	-	(32)
<b>Total of other items of comprehensive income that will not subsequently be recycled to profit/(loss) for the period net of tax</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income net of tax</b>	<b>49,423</b>	<b>4,215</b>
Parent Company shareholders	50,909	(604)
Non-controlling interests	(1,486)	4,819

## Consolidated Statement of Cash Flows

(Euro '000)

	31/03/2015	31/03/2014
Net income for the year	2,203	4,965
Income taxes for the year	734	1,655
<b>Profit before taxes</b>	<b>2,937</b>	<b>6,620</b>
Depreciation and amortization	15,205	13,822
Net financial expenses	5,638	7,565
Changes in reserves for risks and costs, and for post-employment benefits	(2,930)	(4,901)
Impairment of financial assets	0	(594)
(Gains) / losses from sale or impairment of fixed asset	82	17
<b>(A) Cash Flow from Operations before changes in net working capital</b>	<b>20,933</b>	<b>22,529</b>
(Increase)/Decrease trade receivables	(41,363)	(84,092)
(Increase)/Decrease inventories	(19,928)	34,559
(Increase)/Decrease other current assets	(38,062)	(24,390)
Increase/(Decrease) trade payables	(14,921)	(52,683)
Increase/(Decrease) other current payables	(24,505)	(2,879)
<b>(B) Changes in net working capital</b>	<b>(138,778)</b>	<b>(129,485)</b>
<b>(C) Interest payable and other payables</b>	<b>(5,638)</b>	<b>(7,565)</b>
<b>(D) Cash out for taxes</b>	<b>(2,565)</b>	<b>(2,957)</b>
<b>(E) Cash Flow generated (absorbed) by operations (A+B+C+D)</b>	<b>(126,049)</b>	<b>(117,477)</b>
<b>Investments</b>		
Operational (investments)	(18,858)	(17,767)
Operational divestments	8,130	9,132
Net change in financial assets	(573)	701
<b>(F) Cash Flow generated (absorbed) by investments</b>	<b>(11,302)</b>	<b>(7,933)</b>
<b>Financing activities</b>		
Increase/(Decrease) in share capital for purchase of treasury shares	-	-
Other changes including those in non-controlling interests	16,876	(6,128)
Increase/(Decrease) in debt, financing and derivative instruments	93,183	42,605
Increase/(Decrease) in leasing liabilities	(17,889)	2,464
<b>(G) Cash Flow generated (absorbed) from financing activities</b>	<b>92,170</b>	<b>38,941</b>
<b>(H) Net Change in Cash Flows (E+F+G)</b>	<b>(45,181)</b>	<b>(86,469)</b>
<b>Opening Balance of Net Liquid Funds</b>	<b>236,328</b>	<b>211,938</b>
<b>Net Changes in Liquid Funds</b>	<b>(45,181)</b>	<b>(86,469)</b>
<b>Closing Balance of Net Liquid Funds</b>	<b>191,147</b>	<b>125,469</b>
<b>Description</b>	<b>31/03/2015</b>	<b>31/03/2014</b>
Cash and cash equivalents	200,476	131,649
Bank overdrafts	(9,329)	(6,181)
<b>Cash and cash equivalents net of bank overdrafts</b>	<b>191,147</b>	<b>125,469</b>



**SPECIAL FOUNDATIONS DIVISION (CORE BUSINESS) (\*\*)****Summary Income Statement***(Euro '000)*

	31/03/2015	31/03/2014	change	% change
<b>TOTAL REVENUES</b>	<b>188,317</b>	<b>157,404</b>	<b>30,913</b>	<b>19.6%</b>
Changes in inventories of work in progress, semi-finished and finished goods	1,392	(779)	2,171	
Increase in plant, machinery and equipment for internal use	4,448	3,756	692	
<b>VALUE OF PRODUCTION</b>	<b>194,157</b>	<b>160,381</b>	<b>33,776</b>	<b>21.1%</b>
Raw materials and cost of services	136,593	97,274	39,319	40.4%
Other operating expenses	1,719	1,612	108	
<b>VALUE ADDED</b>	<b>55,844</b>	<b>61,495</b>	<b>(5,650)</b>	<b>-9.2%</b>
<i>% of Total revenues</i>	<b>29.7%</b>	<b>39.1%</b>		
Personnel expenses	38,393	36,170	2,223	
<b>GROSS OPERATING PROFIT</b>	<b>17,452</b>	<b>25,325</b>	<b>(7,873)</b>	<b>-31.1%</b>
<i>% of Total revenues</i>	<b>9.3%</b>	<b>16.1%</b>		
Depreciation and amortisation	11,236	10,461	775	
Provisions for risks and charges and write-downs	1,131	148	983	
<b>OPERATING RESULT</b>	<b>5,085</b>	<b>14,716</b>	<b>(9,632)</b>	<b>-65.4%</b>
<i>% of Total revenues</i>	<b>2.7%</b>	<b>9.3%</b>		

**OIL & GAS DIVISION (\*\*)****Summary income statement***(Euro '000)*

	31/03/2015	31/03/2014	change	% change
<b>TOTAL REVENUES</b>	<b>113,584</b>	<b>111,944</b>	<b>1,640</b>	<b>1.5%</b>
Changes in inventories of work in progress, semi-finished and finished goods	3,453	(1,582)	5,034	
Increase in plant, machinery and equipment for internal use	853	380	473	
<b>VALUE OF PRODUCTION</b>	<b>117,890</b>	<b>110,742</b>	<b>7,147</b>	<b>6.5%</b>
Raw materials and cost of services	88,998	85,298	3,700	4.3%
Other operating expenses	1,400	1,548	(149)	
<b>VALUE ADDED</b>	<b>27,492</b>	<b>23,897</b>	<b>3,596</b>	<b>15.0%</b>
<i>% of Total revenues</i>	<b>24.2%</b>	<b>21.3%</b>		
Personnel expenses	23,142	17,850	5,291	
<b>GROSS OPERATING PROFIT</b>	<b>4,351</b>	<b>6,046</b>	<b>(1,696)</b>	<b>-28.0%</b>
<i>% of Total revenues</i>	<b>3.8%</b>	<b>5.4%</b>		
Depreciation and amortisation	4,035	3,371	664	
Provisions for risks and charges and write-downs	0	98	(98)	
<b>OPERATING RESULT</b>	<b>316</b>	<b>2,577</b>	<b>(2,261)</b>	<b>-87.7%</b>
<i>% of Total revenues</i>	<b>0.3%</b>	<b>2.3%</b>		

*(\*\*)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)

	31/03/2015	31/12/2014	change
<b>A) Fixed assets</b>	<b>342,108</b>	<b>325,691</b>	<b>16,417</b>
<b>B) Net working capital</b>			
- Inventories	283,788	263,713	20,075
- Trade receivables	320,938	295,783	25,156
- Trade payables (-)	(216,859)	(199,831)	(17,029)
- Advance payments (-)	(56,923)	(65,773)	8,850
- Other assets (liabilities)	11,783	7,530	4,254
	<b>342,728</b>	<b>301,422</b>	<b>41,306</b>
<b>C) Invested capital less liabilities for the period (A+B)</b>	<b>684,836</b>	<b>627,114</b>	<b>57,722</b>
<b>D) Post-employment benefits (-)</b>	<b>(17,724)</b>	<b>(18,282)</b>	<b>558</b>
<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>667,112</b>	<b>608,832</b>	<b>58,280</b>
<i>Financed by:</i>			
<b>F) Shareholders' equity attributable to owners of the Parent Company</b>	<b>395,744</b>	<b>350,238</b>	<b>45,505</b>
G) Shareholders' equity attributable to non-controlling interests	12,588	13,036	(448)
<b>H) Net financial debt</b>	<b>258,780</b>	<b>245,557</b>	<b>13,223</b>
<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>667,112</b>	<b>608,832</b>	<b>58,280</b>

## OIL & GAS DIVISION

### Summary Statement of Financial Position

(Euro '000)

	31/03/2015	31/12/2014	change
<b>A) Fixed assets</b>	<b>146,340</b>	<b>134,100</b>	<b>12,241</b>
<b>B) Net working capital</b>			
- Inventories	536,379	456,152	80,227
- Trade receivables	208,952	204,187	4,764
- Trade payables (-)	(157,789)	(184,479)	26,690
- Advance payments (-)	(249,460)	(187,621)	(61,839)
- Other assets (liabilities)	25,527	(15,586)	41,114
	<b>363,610</b>	<b>272,654</b>	<b>90,956</b>
<b>C) Invested capital less liabilities for the period (A+B)</b>	<b>509,950</b>	<b>406,753</b>	<b>103,196</b>
<b>D) Post-employment benefits (-)</b>	<b>(2,529)</b>	<b>(4,510)</b>	<b>1,981</b>
<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>507,421</b>	<b>402,243</b>	<b>105,178</b>
<i>Financed by:</i>			
<b>F) Shareholders' equity attributable to owners of the Parent Company</b>	<b>107,225</b>	<b>105,597</b>	<b>1,628</b>
G) Shareholders' equity attributable to non-controlling interests	5,806	6,845	(1,039)
<b>H) Net financial debt</b>	<b>394,390</b>	<b>289,801</b>	<b>104,589</b>
<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>507,421</b>	<b>402,243</b>	<b>105,178</b>

