

TREVI - Finanziaria Industriale S.p.A.

Half Year Financial Report at 30 June 2013

TREVIGroup



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Half Year Financial Report at 30 June 2013

TREVI – Finanziaria Industriale S.p.A.
Registered Office in Cesena (FC) – Via Larga 201 – Italy
Paid in Share Capital Euro 35,097,150
Forlì – Cesena Chamber of Commerce Business Register No. 201,271
Tax code, VAT no. and Forlì-Cesena business registry: 01547370401
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CONTENTS

8	KEY FINANCIAL DATA
9	Board of Directors' Review of Operations for the first semester 2013
25	HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2013
	Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows
29	Explanatory Notes to the Half-Year Condensed Consolidated Financial Statements
55	Attachments to the Explanatory Notes
62	Declaration pursuant to Article 154-bis of the Consolidated Finance Act of Legislative Decree 58/98
63	Report of the Independent Auditors

BOARD OF DIRECTORS

Chairman	Directors	Board of Statutory Auditors:
Davide Trevisani	Guglielmo Antonio Claudio Moscato	Statutory Auditors
Managing Directors	Cristina Finocchi Mahne	Adolfo Leonardi (Presidente)
Gianluigi Trevisani	Monica Mondardini	Roberta De Simone
Cesare Trevisani	Riccardo Pinza	Giancarlo Poletti
Stefano Trevisani	Cristiano Schena	Supplementary Auditors
		Silvia Caporali
		Stefano Leardini

Committee for Internal Control, Remuneration and Related-Party Transactions

Riccardo Pinza (Chairman)
Cristina Finocchi Mahne
Cristiano Schena

Lead Independent Director

Monica Mondardini

Appointments Committee

The responsibility of the entire Board of Directors under the direction of the Chairman

Independent Auditors

Reconta Ernst & Young S.p.A.
(Appointed on 29 April 2008 with a mandate lasting until the Shareholders' Meeting called to approve the financial statements to 31 December 2016)

Group Chief Financial Officer

Daniele Forti
Appointed by the Board of Directors on 14 May 2007 as the Manager responsible for preparing the company accounts

CEO & Key People

TREVI Group



Davide Trevisani

TREVI Fin. & Ind. S.p.A.
Chairman & CEO



Gianluigi Trevisani

TREVI Fin. & Ind. S.p.A.
Vice President & CEO



Cesare Trevisani

TREVI Fin. & Ind. S.p.A.
CEO & Director



Stefano Trevisani

TREVI Fin. & Ind. S.p.A.
CEO & Director

CEO & Key People

TREVI Group



Simone Trevisani
SOILMEC DRILLMEC
CEO & Director

Daniele Forti
Group CFO

Claudio Cicognani
DRILLMEC
President & CEO

Pio Franchini
Human Resources

Leonardo Biserna
TREVI
International Dpt.

Antonio Arienti
TREVI
Domestic Dpt.

Marco Casadei
SOILMEC
International Dpt.

Fabio Marcellini
PETREVEN
General Manager

Daniele Vanni
TREVI
Design R&D

Federico Pagliacci
SOILMEC
Marketing & R&D

KEY FIGURES

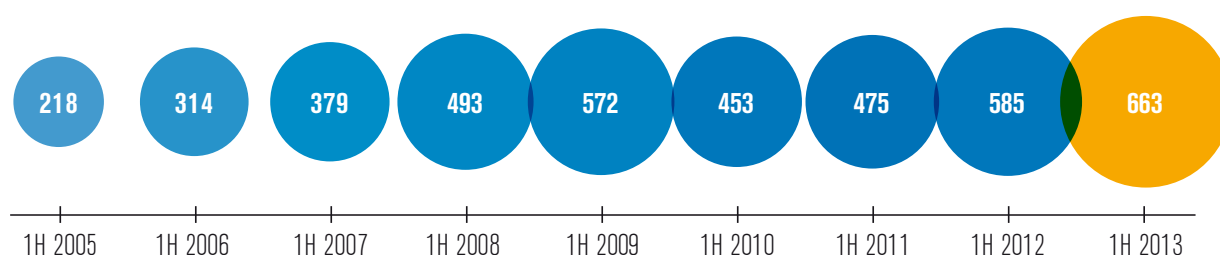
(Euro '000)

	30/06/2013	30/06/2012(*)	change
Value of production	677,578	608,613	11.3%
Total revenues	663,460	584,740	13.5%
Value added	190,238	165,489	15.0%
as % of Total revenues	28.7%	28.3%	
Gross operating profit	75,552	56,124	34.6%
as % of Total revenues	11.39%	9.60%	
Operating profit	43,415	28,940	50.0%
as % of Total revenues	6.54%	4.95%	
Group net profit	10,946	12,033	-9.0%
as % of Total revenues	1.6%	2.1%	
Gross technical investments	37,602	30,456	23.5%
Net invested capital	907,681	874,958	3.7%
Net debt	(462,132)	(425,605)	-8.6%
Total net equity	444,761	448,792	-0.9%
Group net equity	422,839	436,625	-3.2%
Non-controlling interests	21,922	12,167	80.2%
Employees (no.)	7,493	6,123	
Order portfolio	931,192	929,260	0.2%
Earnings per share (Euro)	0.156	0.172	
Diluted earnings per share (Euro)	0.156	0.172	
Net operating profit/Net invested capital (R.O.I.)	(1) 9.57%	6.62%	
Net profit/Net equity (R.O.E.)	(1) 4.92%	5.36%	
Net operating profit/Total revenues (R.O.S.)	6.54%	4.95%	
Net debt/EBITDA	(1) 3.06	3.79	
EBITDA/Net financial income (costs)	5.72	5.79	
Net debt/Total net equity (Net debt/Equity)	1.04	0.95	

(1) The figures for the first semester 2013 and 2012 are annualised.

(*) The 2012 figures have been restated due to the application of IAS 19 revised

TOTAL REVENUES (Euro/mln) at 30/06/2013



BOARD OF DIRECTORS REVIEW OF OPERATIONS FOR THE FIRST HALF OF 2013

I am delighted to present the TREVI Group results for the first semester 2013. The period under review showed continuous growth in consolidated total revenues. These rose approximately 13.5% to Euro 663.5 million in the first semester 2013 from Euro 584.7 million in the first semester of 2012, an increase in absolute terms of Euro 78.7 million.

The mechanical engineering activities generated an average increase in revenues of 15% which was primarily attributable to special foundation activity and to the sale of oil and gas drilling equipment. The production of the first off-shore equipment for the Gulf of Mexico and the Caspian Sea is at an advanced stage in the US and Italian production facilities. This marks a change from the past that is reflected in the revenues and will also be reflected in future profit margins. The operating result doubled year-on-year.

The services sector also experienced a significant increase in revenues (+11.3%), which was even more important as there was a decline in the use of goods and services provided by third parties.

The operating result increased over 20%.

Net debt was Euro 462 million and Euro 5 million lower than the figure of Euro 467 million at 31 March 2013.

TREVI GROUP

RESULTS FOR THE FIRST QUARTER, THE SECOND
QUARTER AND THE FIRST HALF AT 30 JUNE 2013
(Euro '000)

	1Q 2013	2Q 2013	30/06/2013
TOTAL REVENUES	299,662	363,799	663,460
Changes in inventories of finished and semi-finished products	7,214	812	8,026
Increase in fixed assets for internal use	2,458	3,633	6,091
Other non-ordinary operating revenues	0	0	0
VALUE OF PRODUCTION	309,334	368,244	677,578
Raw materials and external services	214,645	264,598	479,243
Other operating costs	6,333	1,763	8,096
VALUE ADDED	88,356	101,883	190,238
Personnel expenses	55,631	59,055	114,686
GROSS OPERATING PROFIT	32,724	42,828	75,552
% of total revenues	10.9%	11.8%	11.4%
Depreciation	13,183	12,570	25,753
Provisions and write-downs	2,139	4,245	6,384
OPERATING PROFIT	17,403	26,013	43,415
% of total revenues	5.8%	7.2%	6.5%
Financial revenues (expenses)	(6,119)	(7,088)	(13,206)
Exchange rate gains / (losses)	(2,572)	(3,998)	(6,570)
Profit / (loss) from associates	0	(152)	(152)
PRE-TAX PROFIT	8,713	14,774	23,487
% of total revenues	2.9%	4.1%	3.5%

In the first half of 2013, the acquisition of medium-size orders, particularly in the drilling and special foundations services division, resulted in a significant order portfolio of Euro 931 million. As is normal for the Group, the vast majority of the orders acquired were from international markets. Including those orders received after the end of the period under review and those orders that should be acquired as a result of negotiations already underway, the Group is certain that the second semester of the current financial year should see business volumes remain high. In business for over fifty years, the Group is now considered the primary international and integrated supplier of drilling and special foundations machinery, as well as specialised services in ground consolidation and drilling for oil, gas and water; Group products and services have proved winners in all emerging markets that have used infrastructure projects as the main way of exiting the economic crisis. The USA is a market that offers sales growth of over 30% for some divisions and is also the location of two industrial sites which offer stable employment to over five hundred employees. Our range of oil, water and gas drilling equipment and services continues to provide us with increased opportunities for strategic development.

The Half-Year Consolidated Financial Statements at 30 June 2013 show total revenues of Euro 663.5 million (Euro 584.7 million at 30 June 2012) and Group net profit of Euro 11 million (Euro 12 million at 30 June 2012); earnings per share declined compared to the same period in the last financial year, from Euro 0.17 to Euro 0.156. Diluted earnings per share was also Euro 0.156. The value of production went from Euro 608.6 million to Euro 677.6 million, in part due to a Euro 6 million increase in fixed assets for internal use: this was drilling and special foundations equipment for use by the service companies of the Group and for expenses linked to the development of new products and new operating systems; there was also a Euro 8 million increase in inventories of finished products to be sold.

TREVI GROUP**RECLASSIFIED CONSOLIDATED INCOME STATEMENT**

(Euro '000)

	1H 30/06/13	1H 30/06/12 (*)	change	%
TOTAL REVENUES ⁽¹⁾	663,460	584,740	78,720	13.5%
Changes in inventories of finished and semi-finished products	8,026	12,736	(4,710)	
Increase in fixed assets for internal use	6,091	11,137	(5,046)	
Other non-ordinary operating revenues	0	0	0	
VALUE OF PRODUCTION ⁽²⁾	677,578	608,613	68,965	11.3%
Raw materials and external services ⁽³⁾	479,243	436,127	43,116	
Other operating costs ⁽⁴⁾	8,096	6,997	1,099	
VALUE ADDED ⁽⁵⁾	190,238	165,489	24,750	15.0%
Personnel expenses	114,686	109,365	5,322	
GROSS OPERATING PROFIT ⁽⁶⁾	75,552	56,124	19,428	34.6%
% of total revenues		11.4%	9.6%	
Depreciation	25,753	23,076	2,677	
Provisions and write-downs	6,384	4,108	2,276	
OPERATING PROFIT ⁽⁷⁾	43,415	28,940	14,475	50.0%
% of total revenues	6.5%	4.9%		
Financial revenue (expenses)	(13,206)	(9,702)	(3,505)	
Gains/ (losses) on exchange rates	(6,570)	2,801	(9,371)	
Profit/ (loss) from associates	(152)	0	(152)	
PRE-TAX PROFIT	23,487	22,039	1,448	6.6%
Tax	9,994	10,047	(53)	
Non controlling interests	2,547	(41)	2,588	
GROUP NET PROFIT	10,946	12,033	(1,087)	-9.0%
% of total revenues	1.6%	2.1%		

The Income Statement above, referred to in the notes, is a reclassified summary of the Consolidated Income Statement.

(*)The 2012 figures have been restated due to the application of IAS 19 revised.

The value added rose from Euro 165 million to Euro 190 million and was 28.7% of total revenues. The gross operating profit was Euro 75.6 million, 11.4% of revenues; at 30 June 2012, it was Euro 56.1 million, 9.6% of revenues. After depreciation of Euro 25.8 million and provisions of Euro 6.4 million, the operating profit was Euro 43.4 million (approximately 6.5% of total revenues); at 30 June 2012, the operating profit was Euro 28.9 million (4.9% of total revenues).

¹ Total revenues include the following items: revenues from sales and services and other operating revenues, excluding those of a non-recurring nature.

² Value of production includes the following items: revenues from sales and services, increases in fixed assets for internal use, other operating revenues, changes in inventories of finished and semi-finished products.

³ The entry, Consumption of raw materials and external services, includes the following items: raw materials, changes in inventory of raw materials, consumables and finished goods, and other miscellaneous operating costs not included in other operating costs.

⁴ For further details on the item Other operating costs, see Note 22 of the Consolidated Income Statement

⁵ Value added is the sum of the value of production, raw material costs and external services, and other operating costs.

⁶ EBITDA (gross operating profit) is an economic indicator not defined by IFRS, adopted by the TREVI Group beginning with the Consolidated Financial Statements at 31 December 2005. EBITDA is a measure used by Trevi's management to monitor and evaluate the operating performance of the Group. The management believes that EBITDA is an important parameter for the measurement of Group performance insofar as it is not influenced by the volatility generated by the various factors used in determining taxable income, by the amount and nature of capital employed and by depreciation policies. At the current date (in the absence of more detail concerning the evolution of alternative corporate performance measurement criteria), EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined by Trevi as profit/loss for the period gross of depreciation and amortisation of tangible and intangible fixed assets, provisions and write-downs, financial income and expenses, and income taxes.

⁷ EBIT (operating profit) is an economic indicator not defined by IFRS, adopted by TREVI Group beginning with the Consolidated Financial Statements at 31 December 2005. EBIT is one of the measures used by Trevi's management to monitor and evaluate the operating performance of the Group. The management believes that EBIT is an important parameter for the measurement of Group performance insofar as it not influenced by the volatility generated by the impact of various factors used in determining taxable income and the amount and nature of capital employed. EBIT (earnings before interest and taxes) is defined by Trevi as profit/loss for the period before financial income and expenses and taxes.

Net financial costs were Euro 13.2 million, an increase of Euro 3.5 million compared to the figure at the end of the first semester 2012, and reflected higher interest rates charged by financial institutions. Net exchange rate losses were Euro 6.6 million (in the same semester of the previous financial year there were net exchange rate gains of Euro 2.8 million), and were mainly due to the devaluation of the Venezuelan Bolivar.

Pre-tax profit was Euro 23.5 million, which, net of current-year, deferred and pre-paid taxes, gave Group net profit of Euro 11 million.

The Group's strong presence in international markets is one of its major strengths; the percentage of foreign sales was approximately 93.7% of total revenues. Of particular note were the 34.1% increase in revenues generated in Europe, the 42.5% in Latin America and the 40.9% in the Middle East and Asia. Italy accounted for 6.3% of total Group revenues in the first semester, a slight decline compared to the figure of 10.2% in the first semester of the previous financial year.

Geographic area	30/06/2013	%	30/06/2012	%	change
Italy	41.653	6,3%	59.701	10,2%	(18.048) -30,2%
Europe (ex-Italy)	110.086	16,6%	82.117	14,0%	27.968 34,1%
USA and Canada	56.248	8,5%	95.259	16,3%	(39.011) -41,0%
Latin America	195.561	29,5%	137.205	23,5%	58.356 42,5%
Africa	65.390	9,9%	54.688	9,4%	10.702 19,6%
Middle East and Asia	159.839	24,1%	113.453	19,4%	46.386 40,9%
Far East and Rest of the world	34.683	5,2%	42.316	7,2%	(7.633) -18,0%
TOTAL REVENUES	663.460	100%	584.740	100%	78.720 13,5%

At 30 June 2013, the order portfolio was Euro 931 million, of which approximately 52% is due for completion in 2013.

TREVI GROUP**RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Euro '000)

31/12/2012		30/06/2013	30/06/2012	change	%
	A) Fixed Assets				
339.471	- Tangible fixed assets ⁽⁸⁾	347,906	346,833	1,074	
28.025	- Intangible fixed assets	30,980	24,616	6,363	
8.479	- Financial fixed assets ⁽⁹⁾	6,622	9,517	(2,895)	
375.974		385,509	380,966	4,542	1.2%
	B) Net working capital				
493.317	- Inventories	602,231	492,848	109,382	
345.840	- Trade receivables ⁽¹⁰⁾	400,153	349,316	50,838	
(209.701)	- Trade payables (-) ⁽¹¹⁾	(300,527)	(242,133)	(58,394)	
(153.221)	- Pre-payments (-) ⁽¹²⁾	(167,383)	(68,851)	(98,531)	
12.380	- Other assets/ (liabilities) ⁽¹³⁾	7,834	(17,522)	25,356	
488.615		542,308	513,657	28,651	6%
864.590	C) Invested capital less liabilities for the period (A+B)	927,817	894,624	33,193	3.7%
(19.335)	D) Post-employment benefits (-)	(20,136)	(19,666)	(470)	2%
845.255	E) NET INVESTED CAPITAL (C+D)	907,680	874,958	32,722	3.7%
	Financed by:				
419.339	F) Group net shareholders' funds	422,839	436,625	(13,785)	-3.2%
12.549	G) Non-controlling interests	21,922	12,167	9,755	
413.367	H) Net debt ⁽¹⁴⁾	462,919	426,167	36,753	9%
845.255	I) TOTAL SOURCES OF FINANCING (F+G+H)	907,680	874,958	32,722	3.7%

The Statement of Financial Position, referred to in the notes, is a reclassified summary of the Consolidated Statement of Financial Position.

⁸ The entry for tangible fixed assets also includes non-strategic investment property.

⁹ The entry for financial fixed assets includes investments (note 3) and other non-current financial receivables.

¹⁰ Net trade receivables includes: non-current (note 6) and current (note 8) trade receivables and current receivables from subsidiaries (note 8).

¹¹ Net trade payables includes: current payables to suppliers (note 15), current payables to subsidiaries (note 15).

¹² Advances include both non-current pre-payments and current pre-payments (note 15).

¹³ Other assets/ (liabilities) includes: other receivables/ (payables), accruals/ (pre-payments), tax receivables/ (payables), both non-current and current risk provisions (notes 8-9-14-15).

¹⁴ The net debt, used as an indicator of financial indebtedness, is the sum of the following positive and negative Statement of Financial Position items: current and non-current positive items: cash and cash equivalents (cash, bank drafts and bank assets); readily realizable investments in working capital, financial credits. current and non-current negative items: bank debt, payables to other financial entities, leasing and factoring companies; payables to associates for financing. For more detail on this item, please refer to the relevant table in the Notes to the Accounts.

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

(Euro '000)

Net working capital	30/06/2013	IAS 11 ⁽¹⁵⁾	30/06/2013
- Inventories	602,231	(239,422)	362,809
- Trade receivables	400,153	121,923	522,076
- Trade payables (-)	(300,527)		(300,527)
- Pre-payments (-)	(167,383)	117,388	(49,995)
- Other assets/ (liabilities)	7,834	111	7,945
Total	542,308	()	542,308

Net invested capital was approximately Euro 907.7 million; the increase of 3.5%, compared to the figure at 31 December 2012, was primarily due to an increase in working capital. Trade receivables increased by approximately Euro 54.3 million compared to the previous financial year. Inventories rose to Euro 602.2 million from the figure of Euro 550.7 million at 31 March 2013. Other assets also declined mainly as a result of the sale of VAT receivables in the semester under review.

TREVI GROUP**CONSOLIDATED STATEMENT OF NET FINANCIAL POSITION**

(Euro '000)

31/12/2012	30/06/2013	30/06/2012	change
(332,854) _ Current debt	(351,066)	(324,633)	(26,433)
(28,477) _ Payables for other current financing	(28,452)	(40,688)	12,236
30 _ Current financial derivatives	245	32	213
189,925 _ Cash and cash equivalents	173,809	168,248	5,561
(171,376) _ Total current financing	(205,464)	(197,041)	(8,423)
(188,888) _ Non-current debt	(206,224)	(171,583)	(34,641)
(50,684) _ Payables for other non-current financing	(49,677)	(55,978)	6,301
(2,418) _ Non-current financial derivatives	(1,553)	(1,564)	11
(241,991) _ Total non-current financing	(257,454)	(229,126)	(28,328)
(413,367) _ Net debt	(462,918)	(426,167)	(36,751)
519 _ Treasury stock	787	562	225
(412,848) _ Total net debt	(462,132)	(425,605)	(36,527)

¹⁵ The figures differ from those previously published as the entries for inventories, pre-payments, trade receivables and other assets (liabilities) have been adjusted so that the value of inventories of products ordered respect the classification required by Italian accounting standards under which inventories are shown gross of pre-payments received from clients and of the provision for bad and doubtful accounts.

In the first semester 2013, current net debt rose by approximately Euro 34 million compared to the figure at 31 December 2012, moving from Euro 171 million to Euro 205 million; over the same period, non-current net debt rose from Euro 242 million to Euro 257 million, an increase of Euro 15 million. Total net debt increased by approximately Euro 49.3 million in the first semester 2013 compared to the figure at 31 December 2012. The Net debt/Equity ratio was 1.04x (0.96x at the end of the previous financial year), whilst Net debt/EBITDA was 3.06x (3.65x at the end of the previous financial year); the ratio of EBITDA/Net financial costs went from 5.23x at year-end 2012 to 5.72x at 30 June 2013.

In order to support its business activities, the Group has significant credit lines, particularly non-current credit lines, with financial operators in the domestic and international markets. It has met all its financial covenants.

The Group had negative free cash flow of approximately Euro 33 million in the semester under review (positive for Euro 26.7 million at 31 December 2012), due to increases of approximately Euro 53.7 million in working capital and Euro 35.6 million in capital expenditure.

Investments

TREVI Group's gross investments in tangible fixed assets in the first semester 2013 totalled Euro 37.6 million due to the purchase of plant and equipment primarily destined for the engineering and oil drilling services divisions. These were mostly investments made in Europe, in particular for the acquisition of the Belarusian company Seismotekhnika operating in the mechanical engineering sector, and investments in the United States, Latin America and Africa. Divestments totalled Euro 6.7 million at historic cost for assets that had been almost completely depreciated. Depreciation of tangible fixed assets was Euro 22.3 million. The net value of tangible fixed assets of Euro 347.9 million at 30 June 2013 was affected by Euro 0.267 million of negative translation effects generated by the difference in historic exchange rates and those of 30 June 2013.

Quarterly results

TREVI Group managed to maintain net debt almost unchanged in the second quarter of the year; in fact, there was a slight improvement from Euro 467 million in the first quarter to Euro 462 million.

Total revenues in the second quarter 2013 were Euro 363.8 million compared to Euro 276.9 million in the second quarter of 2012.

The gross operating profit was Euro 42.8 million, 11.8% of total revenues; in the second quarter 2012, the gross operating profit was Euro 24.5 million (8.8% of total revenues). In the same period, the operating profit was Euro 26 million, 7.2% of total revenues.

TREVI GROUP**COMPARISON OF SECOND QUARTERS 2012 AND 2013**

(Euro '000)

	2Q 2012	2Q 2013	change
TOTAL REVENUES	276,921	363,799	86,877
Changes in inventories of finished and semi-finished products	1,980	812	(1,168)
Increase in fixed assets for internal use	4,087	3,633	(454)
Other non-ordinary operating revenues	0	0	0
VALUE OF PRODUCTION	282,989	368,244	85,255
Raw materials and external services	198,291	264,598	66,307
Other operating costs	3,196	1,763	(1,433)
VALUE ADDED	81,502	101,883	20,381
Personnel expenses	57,000	59,055	2,055
GROSS OPERATING PROFIT	24,502	42,828	18,325
% of total revenues	8.8%	11.8%	
Depreciation	12,254	12,570	316
Provisions and write-downs	2,313	4,245	1,932
OPERATING PROFIT	9,935	26,013	16,077
% of total revenues	3.6%	7.2%	
Financial revenue/ (expenses)	(5,685)	(7,088)	(1,403)
Gains/ (losses) on exchange rates	5,167	(3,998)	(9,165)
Revenues / (expenses) from associates	0	(153)	(153)
PRE-TAX PROFIT	9,417	14,774	5,357
% of total revenues	3.4%	4.1%	
Tax	5,311	5,601	290
Non-controlling interests	273	951	678
NET PROFIT	3,833	8,222	4,389

SECTOR REVIEW**Parent Company Performance**

In the first semester 2013, the Parent Company had revenues from sales and services of Euro 6.3 million (Euro 6.9 million in the first semester 2012), and net profit of Euro 2.0 million (Euro 8.4 million in the first semester 2012). As in previous financial periods, the Parent Company revenues were mainly derived from services carried out on behalf of the subsidiaries, to the hire out of equipment and to the financial management activity, which is primarily interest payments received on financial loans to subsidiaries and commissions on guarantees given. The operating result was negative for Euro 0.5 million, compared to a negative figure of Euro 0.07 million in the first semester 2012. During the semester under review land and buildings were acquired both directly and through a property company; the land is adjacent to the manufacturing facilities in Cesena and is important to the organic development of the latter.

At 30 June 2013, the Company held 128,400 treasury stock. No purchase or sale of treasury stock was made in the semester under review.

Division for special foundations and drilling services

The special foundations and drilling services division had total revenues of Euro 303.2 million, an increase of 11.3% compared to the figure for the first semester of the previous financial year. Value added was 43.7% of revenues. The gross operating profit was Euro 55 million (18.1% of revenues). After depreciation of approximately Euro 18.8 million and provisions of Euro 5.3 million, the operating profit was Euro 30.9 million, approximately 10.2% of revenues. This Division had net debt of approximately Euro 127 million, a figure that was almost unchanged on that at the end of the previous financial year.

In the first semester 2013, the revenues of Trevi in **Italy** were approximately Euro 37 million.

It was a negative period for the domestic unit although it managed to have just a small loss following an improvement in margins in the second quarter. The poor business environment reflects the downward trend in normal business activity and margins as clients have little available liquidity due to the credit restrictions imposed by the banking system.

However, the results do show several positive aspects: the order portfolio remains strong and the orders required to ensure that the target

figures for 2013 production are reached have almost all been acquired. Further improvements should come in the next few months from acceleration in the rationalisation of systems and personnel. It is management's aim to return this business to profit within the following year.

In first semester 2013, the revenues of Trevi in **North America** were Euro 28 million, approximately 9.3% of the total consolidated revenues of the special foundations and drilling services segment. The American business unit is involved almost exclusively in infrastructure works and, in particular, in the extraordinary maintenance project of the Wolf Creek Dam in Kentucky, which is in its final year. It is also carrying out civil engineering works in New England.

In **Latin America**, the special foundations services division of the TREVI Group is carrying out contracts in Argentina, Venezuela, Colombia and Panama for a total of approximately Euro 39 million. In Argentina, the business trend improved in the second quarter due to work carried out in some ports and the geothermal project in the Andes. In Central America, the Trevi division is involved in the consolidation and foundation work for the Panama Canal. There was also a positive business trend in Colombia with the acquisition of several infrastructure project contracts; this was evident also in neighbouring countries. The work at Puerto La Cruz in Venezuela continues, as does that on the subway systems of Los Teques and Valencia, as well as on some private contracts. In Brazil work has started on the foundations of a river bridge.

The oil drilling services in Venezuela, Peru, Argentina, Chile and Colombia on behalf of Petrobras, Repsol YPF, Chevron Texaco and PDVSA brought in total revenues of approximately Euro 63.4 million in the first semester of 2013, an increase of approximately 41% compared to the first semester of the previous financial year. The Petreven division operates fourteen oil drill rigs for the aforementioned clients on multi-year contracts, which gives it an order portfolio in excess of Euro 300 million.

In **Africa** the TREVI Group had revenues totalling approximately Euro 56.4 million (+48.6%). In West Africa it is constructing foundations for new railway lines and for new ports.

In Algeria, the Group continued working with its longstanding clients to build part of Line 1 of the Hai El Badr - Ain Naadja underground system in Algiers and the last stretch of the East-West motorway. There are also new opportunities in the railway sector (the first section of the new "Oued-Tlélat" railway line) and in consolidation work (the Great Mosque of Algiers). The outlook remains positive given the leadership position that the Group has acquired through almost fifteen years of continuous presence in the country.

The notable dynamism of business in **Asia** differentiates this region from many other areas worldwide. The Group, with its excellent knowledge of the Asia region acquired since the 1980s and its consolidated position in the Philippines and in Hong Kong, has intensified its efforts to revitalise and diversify its presence in other Asian markets, such as Malaysia, Indonesia and Vietnam.

In the Philippines the leadership position was further consolidated giving rise to strong optimism on the full-year results due to the expected completion of several important infrastructure projects for bridges and viaducts.

In Thailand, a contract for a section of the Bangkok underground is about to be successfully completed. This contract has taken approximately eighteen months during which the diaphragm walls and jet grouting for the Wang Burapha station were completed and two ventilation shafts built. All these initiatives are part of Trevi's strategy to increase its presence in South-East Asia.

In the first semester 2013, the TREVI Group generated revenues of almost Euro 31.5 million in the **Middle East** (Euro 45.5 million in the first semester 2012). Business in the United Arab Emirates has improved compared to the same period of the previous financial year as some airport contracts were acquired. There are also expected to be some important opportunities in Qatar due to investments in the maritime transport and underground sectors. In Saudi Arabia, despite considerable market movement, contracts are slow to be awarded and clients are suffering from cash flow problems.

Revenues from **Europe** (excluding Italy) were Euro 30 million and mainly reflected the contracts for the consolidation and special foundations work for the CITYRINGEN METRO PROJECT in Copenhagen for the Copenhagen Metro Team, which is implementing one of the most modern and technically advanced urban transport infrastructures in the world. The contract is for special foundation work for the seventeen stations on the new stretch of the Metro.

Special machinery for foundations and drilling

The Mechanical Engineering Division closed the first semester 2013 with total revenues of Euro 372.7 million, an increase of 15% compared to the same period of the previous financial year. The gross operating profit was Euro 21.8 million (+57.9% year-on-year), a margin of 5.9%. The operating profit was Euro 13.7 million, 3.7% of total revenues (+114% year-on-year).

These figures are the net result of the decline in the manufacture of foundation equipment by the Soilmecc Division, which had a 22.2% year-on-year drop in revenues, and the 36.8% increase in revenues from the manufacture of oil, gas and water drilling equipment by the

Drillmec division.

Although Soilmec suffered a slowdown in sales in the Indian and Chinese markets, it managed to continue to generate good sales in North America and Europe. The best-selling equipment continues to be the mid-size rotary drilling rigs. Machinery for micropiles and cranes also continued to sell well.

Overall, availability of equipment remains a problem: Soilmec's clients have ever-increasing difficulties in scheduling works and therefore require the immediate delivery of equipment. In addition, many strategic components required to manufacture the plant and equipment have long lead times. In these difficult conditions management is focused on containing and cutting inventories and overall working capital.

The revenues in the first semester were higher than expected due to the important contribution made by the North American subsidiary Drillmec Inc and to the strong growth in revenues of Drillmec S.p.A. In the second quarter, revenues were up approximately 60% quarter-on-quarter. However, despite the increase in sales, there was no improvement in the low profitability due to strong competition which affected the margins of certain contracts. In the first semester, the Euro/US dollar exchange rate continued to increase and this led to negative exchange rate differences.

In the next few months important commercial negotiations already underway in the Middle East and South America are expected to be completed; these should have a beneficial effect on inventories and, therefore, on the working capital of this division.

The current order portfolio covers a large part of the production of the second semester 2013. Market conditions remain difficult with few projects of significant size on the international market and with ever-increasing competition; particular efforts will have to be made also in the second semester to win the contracts necessary to meet the production targets for 2013 and to provide continued work in 2014.

Group related-party transactions with non-consolidated subsidiaries, associated and controlling companies, companies controlled by the latter, and with other related parties

TREVI – Finanziaria Industriale S.p.A. has limited relations with SOFITRE S.r.l., a company 100% controlled by the Trevisani family, and the companies it controls, which are mainly involved in the construction and management of car parks. Transactions with related companies are done at normal market conditions. There are no financial or capital relations with the parent company Trevi Holding SE. Related-party transactions are the subject of Note 29 - Related-party transactions of the explanatory notes to the Half-year Condensed Consolidated Financial Statements.

Main risks and uncertainties pertaining to the second semester 2013

Regarding the requirements of the rule on the "description of main risks and uncertainties pertaining to the remaining months of the financial year", it should be pointed out that currently there are no particular circumstances that could have a significant impact on the operational and financial performance of the Group in the second semester of 2013.

The macroeconomic outlook and that of the reference sectors require the following points, which are the focus of close attention by the Group, to be highlighted:

- in the recent past there was an increase in competition for components manufactured in Europe and used by the Soilmec and Drillmec Divisions in the production of their drilling and foundation equipment; as the international economic environment changes, this increase has slowed with a beneficial effect on purchase prices and on inventory levels.
- financial markets are in a critical situation in terms of credit restrictions, increased costs of borrowing and the volatility of exchange rates. In prior financial years, the Group began to position its debt more towards the medium/long-term and contained the increase in the cost of borrowing through a careful interest rate hedging policy and by protecting the Company through appropriate exchange rate hedging operations. The Group expects the US dollar to strengthen against the Euro in the second semester with a consequent benefit to exports and margins.
- in the second semester, the special foundations and drilling activities are again concentrated in the sector of large infrastructure projects worldwide; the Group favours projects where there is adequate financial cover and which are priority projects within the domestic investment policies of State and private entities.

Aims, management and identification of financial risks

The Finance Department of the Parent Company and the financial officers of the individual companies of the Group manage the financial risks to which the Group is exposed following the guidelines laid down in the Group's Treasury Risks Policy.

The financial assets of the Group are mainly cash and short-term deposits linked directly to the operating activities.

The financial liabilities include financing from banks, indirect bond loans and leasing agreements which are primarily to finance operating activities.

The risks associated with these financial instruments are interest rate, exchange rate, liquidity and credit risk.

The TREVI Group constantly monitors the aforementioned financial risks, intervening, if necessary, also through the use of derivative instruments, to reduce the risks to a minimum. Financial derivative instruments are used to manage exchange rate risk on instruments denominated in currencies other than the Euro and to manage interest rate risk on floating rate financing.

Decisions on the optimum ratio of fixed rate and floating rate debt within total debt are made at the consolidated level.

The Parent Company and sub-holding companies normally manage exchange rate risk; each operating company within the Group is required to manage its own credit risk.

Interest rate risk

Exposure to interest rate risk is linked to floating rate current and non-current financing.

It is Company policy to conclude floating rate financing agreements and then evaluate the need to cover the interest rate risk by exchanging the exposure to a floating rate to one with a fixed rate using a derivative contract. To do this it has taken out Interest Rate Swap contracts whereby the Company agrees to exchange, at pre-fixed intervals, the difference between the fixed rate and a floating rate calculated on a pre-determined notional capital.

Exchange rate risk

The Group is exposed to the risk of fluctuations in exchange rates, which can impact the economic and financial results of the Group. The exchange rate exposure is:

- **Transaction related:** exchange rate fluctuations deriving from movements in exchange rates occurring between when a financial undertaking with counterparts becomes highly likely and/or certain and the settlement date of the undertaking; these movements cause a variation between the expected cash flows and the effective cash flows;
- **Translation:** exchange rate fluctuations generate a variation in the items of the financial statements when an item in another currency is consolidated into the financial statements using the functional currency of the Parent Company (the Euro). These exchange rate differences do not result in an immediate variation in expected and effective cash flows but only an accounting impact on the consolidated equity of the Group. The impact on cash flows is only evident in the case of transactions involving the equity of any Group company that prepares its accounts in a foreign currency.

The Company regularly assesses its exposure to exchange rate risks; the instruments it uses are instruments that correlate the cash flows in foreign currency but with a contrasting positive or negative sign, finance contracts in foreign currencies, and forward sales of currency and derivative instruments. The Company does not use speculative instruments to cover its exchange rate risk; where the derivative instruments do not meet the conditions required for the accounting of derivative instruments under IAS 39, the changes in their fair value are recognized in profit or loss as financial income/expenses.

The Company manages transaction-related risk. Exposure to exchange rate risk is due to the Group operating in many countries and in exchange rates other than the Euro, in particular the US dollar and exchange rates linked to the US dollar. Given its significant operations in US dollar countries, the financial statements of the Group may be significantly affected by fluctuations in the EUR/USD exchange rate.

During the semester under review, the Group signed numerous fixed term hedging contracts with leading financial counterparts to protect itself from exchange rate fluctuations.

Liquidity risk

Liquidity risk is the risk that available financial resources will be inadequate to meet maturing obligations. At the current date, the Company maintains that its cash flow generation, its wide range of financial resources and the availability of credit lines in all the technical forms necessary for the execution of its business, are sufficient to meet its budgeted financial requirements.

The Company controls liquidity risk by sourcing an appropriate mix of financing, which permits the Company and Group to maintain a balanced capital structure (financial debt/equity) and debt structure (non-current debt to current debt), as well as balancing the maturities of its debt financing and the diversity of the sources of financing. In addition to the constant monitoring of liquidity, all the Group companies

prepare rolling periodic and estimated cash flow statements which are then consolidated and analysed by the Parent Company. In order to be adequately prepared for any possible liquidity risk, the Group had significant unutilised committed revolving credit lines at 30 June 2013. These lines have been arranged with leading financial institutions. In addition to these credit lines, other existing non-current financing and guarantee limits, the Group has significant credit lines available for commercial and financial transactions both with Italian financial and international counterparts. Funding activities are mainly carried out by the Parent Company and by the sub-holding companies; some operations require financial contracts to be taken out by individual operating companies within the Group.

Credit risk

The Group is subject to the risk that a financial or trade counterparty becomes insolvent. Due to the nature of its activities in diverse segments, the strong geographical diversification of its production units and the high number of countries in which it sells its plant and equipment (approximately 80), the credit risk of the Group is not concentrated on a few clients or in a small number of countries and its credit exposure is spread over numerous counterparts and clients. The credit risk linked to normal commercial transactions is monitored both by the individual companies and by the central Group finance department. The aim is to minimise counterparty risk by maintaining exposure within limits that are in line with an analysis of the creditworthiness of each counterparty carried out by the various credit managers of the Group using historical data on the default rates of the counterparty. The Mechanical Engineering Division of the Group sells its products mainly outside Italy and uses financial instruments available on the market to cover its credit risk exposure, in particular, letters of credit. The Special Foundations and Services Division uses pre-payments, letters of credit, SACE S.p.A. policies and buyer's credit for projects of a significant size. The Group also makes limited use of non-recourse spot sales of receivables. Credit risk on financial instruments is not an issue as these are comprised of cash and cash equivalents and current bank and postal accounts.

Information on derivative instruments

For derivative instruments recognised in the Statement of Financial Position at fair value, IFRS 7 requires that these values are classified according to a fair value hierarchy which reflects the significance of the inputs used to determine the fair value. The fair value hierarchy is composed of three levels:

- Level 1: quoted prices for similar instruments;
- Level 2: directly observable market inputs other than Level 1 inputs;
- Level 3: inputs not based on observable market data.

IAS 39 categories and abbreviations

Loans and Receivables	L&R
Held-to-Maturity financial assets	HtM
Available-for-Sale financial assets	AfS
Held for Trading assets and liabilities at fair value in profit or loss	FAHfT and FLHfT
Financial Liabilities at Amortised Cost	FLAC
Hedge Derivatives	HD
Not applicable	n.a.

The following table gives additional information on derivative instruments under IFRS 7:

Carrying amounts under IAS 39								
	IAS 39 classes	Note	30/06/2013	Amortised cost	Cost	Fair value to equity	Fair Value in profit or loss	Effect on profit or loss
ASSETS								
Non-current financial assets								
Investments	HTM	3	2,327		2,327			
Other non-current financial receivables	LaR		4,296	4,356				
Total non-current financial assets			6,622	4,356	2,327			
Current financial assets								
Current financial derivatives	HD	5	324			324		
Cash and cash equivalents	LaR	10	173,809					192
Total current financial assets			174,133			324		192
Total financial assets			180,755	4,356	2,327	324		192
LIABILITIES								
Non-current financial liabilities								
Non-current financing	LaR	12	206,224	206,224				(5,048)
Payables for other non-current financing	LaR	12	49,677	49,677				(1,356)
Non-current financial derivative instruments	HD	5	1,553			1,553		
Total non-current financial liabilities			257,454	255,902		1,553		(6,404)
Current financial liabilities								
Current financing	LaR	17	351,066	351,066				(6,779)
Payables for other current financing	LaR	17	28,452	28,452				(1,033)
Current financial derivative instruments	FLHFT	5	79			79		
Total current financial liabilities			379,598	379,518		79		(7,812)
Total financial liabilities			637,052	635,420		1,632		(14,216)

Carrying amounts under IAS 39								
	IAS 39 classes	Note	31/12/2012	Amortised cost	Cost	Fair value to equity	Fair Value in profit or loss	Effect on profit or loss
ASSETS								
Non-current financial assets								
Investments	HTM	3	4,123		4,123			
Financial assets held to maturity	HTM		200	200				
Other non-current financial receivables	LaR		4,356	4,356				
Total non-current financial assets			8,679	4,556	4,123			
Current financial assets								
Current financial derivatives	HD	5	76			76		
Cash and cash equivalents	LaR	10	189,925					478
Total current financial assets			190,001			76		478
Total financial assets			198,680	4,556	4,123	76		478
LIABILITIES								
Non-current financial liabilities								
Non-current financing	LaR	12	188,888	188,888				(9,407)
Payables for other non-current financing	LaR	12	50,684	50,684				(2,889)
Non-current financial derivative instruments	HD	5	2,418			2,418		
Total non-current financial liabilities			241,990	239,572		2,418		(12,296)
Current financial liabilities								
Current financing	LaR	17	332,854	332,854				(13,014)
Payables for other current financing	LaR	17	28,478	28,478				(1,948)
Current financial derivative instruments	FLHfT	5	45			45		4
Total current financial liabilities			361,377	361,332		45		(14,958)
Total financial liabilities			603,367	600,904		2,463		(27,254)

Assets and liabilities shown at fair value at 30 June 2013 are shown in the following table according to the fair value hierarchy.

Fair Value Hierarchy						
IAS 39 classes	Note	30/06/2013	Level 1	Level 2	Level 3	
ASSETS						
Current financial assets						
Current financial derivative instruments	HD	5	324	324		
Total current financial assets						
Total financial assets			324	324		
LIABILITIES						
Non-current financial liabilities						
Non-current financial derivative instruments	HD	5	1,553	1,553		
Total non-current financial liabilities			1,553	1,553		
Current financial liabilities						
Current financial derivative instruments	FLHfT	5	79	79		
Total current financial liabilities			79	79		
Total financial liabilities			1,632	1,632		

Capital Management

The main objective of the Group in managing its own resources is to maintain a high credit rating and a correct equity structure to support the core business and maximize shareholder value.

The resources available to the Group are managed according to the reference economic environment. The main measurement used to monitor the financial position is the debt/equity ratio. Net debt is calculated as the total exposure to financial institutions less cash and cash equivalents and current financial receivables.

Net equity is all the components of capital and reserves.

Other information

Purchase of treasury stock

The Shareholders' Meeting of 29 April 2013 authorised the Board of Directors to continue the buy-back/ disposal of treasury shares for a maximum of 2,000,000 shares, equal to 2.85% of the share capital; the mandate for the buy-back lasts until 30 April 2014 and the maximum amount that may be paid for the shares is Euro 20 per share.

Corporate governance and decisions taken in the period under review

The dividend of approximately Euro 9.1 million (Euro 0.13 per share) payable for the 2012 financial year, approved by the Shareholders' Meeting of 29 April 2013, was paid; the ex-dividend date was 8 July 2013 and payment was on 11 July 2013.

The Shareholders' Meeting of 29 April 2013:

- authorised the Board of Directors to continue the buy-back/ disposal of treasury shares for a maximum of 2,000,000 shares, equal to 2.85% of the share capital; the mandate for the buy-back lasts until 30 April 2014 and the maximum amount that may be paid for the shares is Euro 20 per share.
- appointed the Board of Directors and the Board of Statutory Auditors for the financial years 2013 – 2014 – 2015.

At the following Board Meeting on 14 May 2013, the company positions and responsibilities were allocated to the Managing Directors and the Committees within the Board, as well as the Lead Independent Director and the Director responsible for the internal control system and risk management, were appointed.

Probable trend in operations

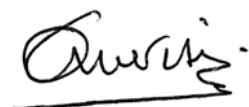
The value and quality of the order portfolio at 30 June 2013, to which should be added the aforementioned new contracts and the opportunities linked to contract negotiations currently under way, confirm the validity of the Group business model even in the current complex market environment. Given this, we believe that total revenues for the full financial year should be well in excess of Euro 1 billion.

Significant events subsequent to the end of the first semester

Following the approval granted at the Shareholders' Meeting of 29 April 2013, the Company has begun a share buy-back programme. There were no other significant events subsequent to the end of the first semester.

Cesena, 28 August 2013

For the Board of Directors
The Chairman
Mr Davide Trevisani



HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2013

TREVI GROUP

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro '000)

ASSETS	Note	30/06/2013	31/12/2012
Non-current assets			
Tangible fixed assets			
Land and buildings		98,703	87,370
Plant and machinery		200,587	202,356
Industrial and commercial equipment		24,998	24,407
Other assets		20,905	21,993
Fixed assets under construction and pre-payments		2,713	3,345
Total tangible fixed assets	(1)	347,907	339,471
Intangible fixed assets			
Development costs		9,765	10,066
Industrial patents and use of intellectual property		832	824
Concessions, licences, brands		789	799
Goodwill		6,001	6,001
Fixed assets under construction and pre-payments		7,823	7,338
Other intangible fixed assets		5,770	2,996
Total Intangible Fixed Assets	(2)	30,980	28,025
Investments	(3)	2,327	4,123
- Investments in associates and under joint control valued at equity		1,278	1,388
- Other investments		1,049	2,734
Tax receivables for pre-paid taxes	(4)	22,294	22,475
Non-current financial derivatives	(5)	-	-
Financial assets held to maturity		-	200
Other non-current financial receivables		4,296	4,356
- of which with related parties	(29)	2,588	2,545
Trade receivables and other non-current assets	(6)	19,655	15,806
Total financial fixed assets		48,572	46,959
Total non-current assets		427,458	414,455
Current assets			
Inventories	(7)	362,809	352,322
Trade receivables and other current assets	(8)	573,797	461,743
- of which with related parties	(29)	16,105	17,496
Tax receivables for current taxes	(9)	38,336	43,580
Current financial derivatives and held for trading investments at fair value	(5)	324	76
Cash and cash equivalents	(10)	173,809	189,925
Total current assets		1,149,075	1,047,645
TOTAL ASSETS		1,576,533	1,462,100

TREVI GROUP**HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Euro '000)

Net Shareholders' Funds	Note	30/06/2013	31/12/2012
Share capital and reserves			
Share capital		35,033	35,033
Other reserves		109,425	106,196
Accumulated profit		278,382	278,111
Group net equity	(11)	422,839	419,339
Non-controlling interests		21,922	12,549
Total net shareholders' funds		444,761	431,888
LIABILITIES			
Non-current liabilities			
Non-current financing	(12)	206,224	188,888
Other non-current financing	(12)	49,677	50,684
Non-current financial derivatives	(5)	1,553	2,418
Tax payables for deferred taxes	(4)	29,839	30,362
Post-employment benefits	(13)	20,136	19,335
Non-current provisions	(14)	10,593	11,494
Other non-current liabilities		81	22
Total non-current liabilities		318,103	303,202
Current liabilities			
Trade payables and other current liabilities	(15)	409,311	335,615
- of which with related parties	(29)	12,018	6,644
Tax payables for current taxes	(16)	24,672	29,979
Current financing	(17)	351,066	332,854
Payables for other current financing	(17)	28,452	28,477
Current financial derivatives	(5)	79	45
Current provisions		88	38
Total current liabilities		813,668	727,009
TOTAL LIABILITIES		1,131,772	1,030,211
TOTAL NET SHAREHOLDERS' FUNDS AND LIABILITIES		1,576,533	1,462,100

TREVI GROUP**HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
CONSOLIDATED INCOME STATEMENT

(Euro '000)

	Note	30/06/2013	30/06/2012(*)
Revenues from sales and services	(20)	647,573	568,081
- of which with related parties	(29)	5,560	3,350
Other operating revenues	(20)	15,887	16,659
Sub-total of Total Revenues		663,460	584,741
Raw materials		329,074	284,239
Change in inventories of raw materials, consumables and goods		(1,276)	16,211
Personnel expenses	(21)	114,686	109,365
Other operating expenses	(22)	159,541	142,674
- of which with related parties	(29)	5,830	275
Depreciation	(1)-(2)	25,753	23,076
Provisions and write-downs	(23)	6,384	4,108
Increase in fixed assets for internal use		(6,091)	(11,137)
Change in inventories of finished and semi-finished products		(8,026)	(12,735)
Operating profit		43,415	28,940
Financial revenue	(24)	1,067	6,613
(Financial expenses)	(25)	(14,274)	(16,315)
Exchange rate gains/(losses)	(26)	(6,569)	2,801
Sub-total of financial revenue /(expenses) & exchange rate gains/(losses)		(19,776)	(6,901)
Revenues/(costs) from associates		(152)	0
Pre-tax profit		23,487	22,039
Taxes	(27)	9,994	10,047
Net profit		13,493	11,992
Attributable to:			
Parent Company shareholders		10,946	12,033
Non-controlling interests		2,547	-41
		13,493	11,992
Group earnings per share (Euro):	(28)	0.156	0.172
Diluted Group earnings per share (Euro):	(28)	0.156	0.172

(*) The 2012 figures have been restated due to the application of IAS19 revised.

TREVI GROUP

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro '000)

	30/06/2013	30/06/2012(*)
Profit (loss) for the period	13,493	11,992
Other items of comprehensive income subsequently recycled to profit/(loss) for the period		
Cash flow hedge reserve	856	(469)
Tax	(274)	156
Change in the cash flow hedge reserve	582	(313)
Translation reserve	2,561	8,685
Total of other items of comprehensive income subsequently recycled to profit/(loss) for the period net of tax	3,143	8,372
Other items of comprehensive income that will not subsequently be recycled profit/(loss) for the period:		
Actuarial gains/ (losses)	148	51
Tax	(32)	(11)
Total of other items of comprehensive income that will not subsequently be recycled to profit/(loss) for the period net of tax	116	40
Comprehensive profit net of tax	16,752	20,404
Parent Company shareholders	14,226	19,994
Non-controlling interests	2,526	410

(*)The 2012 figures have been reclassified due to the application of IAS19 revised.

TREVI GROUP

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

(Euro '000)

Description	Share capital	Other reserves	Accumulated profits	Group Total	Share of Non-controlling interests	Total Net Equity
Balance at 01/01/2013	35,033	106,195	278,111	419,338	12,549	431,888
Net profit for the period			10,946	10,946	2,547	13,493
Actuarial gains/ (losses)		116		116		116
Other comprehensive profit/ (loss)		3,163		3,163	(20)	3,143
Total comprehensive profit/ (loss)	0	3,279	10,946	14,225	2,526	16,751
Allocation of 2012 net profit and dividend distribution		(49)	(9,076)	(9,125)	(455)	(9,580)
Changes in the area of consolidation			(1,599)	(1,599)	7,302	5,702
Balance at 30/06/2013	35,033	109,425	278,382	422,839	21,922	444,761
Balance at 01/01/2012	35,040	110,301	280,471	425,812	12,076	437,888
Net profit for the period			12,033	12,033	(41)	11,992
Actuarial gains/ (losses)		40		40		40
Other comprehensive profit/ (loss)		7,922		7,922	451	8,373
Total comprehensive profit/ (loss)	0	7,962	12,033	19,995	410	20,405
Allocation of 2011 net profit and dividend distribution		4,280	(13,405)	(9,125)	(319)	(9,444)
Sale /(purchase) of treasury stock	(7)	(50)		(57)		(57)
Balance at 30/06/2012(*)	35,033	122,493	279,099	436,625	12,167	448,792

(*)The 2012 figures have been reclassified due to the application of IAS19 revised.

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro '000)

	Note	Six months to 30/06/2013	Six months to 30/06/2012(*)
Net income for the year		13,493	11,992
Income taxes for the year	(27)	9,994	10,047
Pre-tax profit		23,487	22,039
Depreciation	(1)	25,753	23,076
Financial (revenue)/ expenses	(24)-(25)	13,206	9,702
Movements in the provisions for post-employment benefits	(13)-(14)	(49)	2,699
(Profit)/ loss from associates		152	(0)
(Gains) / losses from sale or write-downs of fixed assets	(20)-(22)	174	741
(A) Cash Flow from Operations before Changes in Working Capital		62,723	58,257
(Increase)/Decrease in trade receivables	(6)-(8)	(110,429)	61,917
(Increase)/Decrease in inventories	(7)	(10,485)	3,463
(Increase)/Decrease in other assets		210	23,511
(Increase)/Decrease in trade payables	(15)	90,827	(96,687)
(Increase)/Decrease in other payables		(33,863)	(23,359)
(B) Changes in working capital		(63,740)	(31,155)
(C) Interest payable and other payables	(24)-(25)	(13,206)	(9,702)
(D) Cash out for taxes	(10)	(8,159)	(8,734)
(E) Cash Flow generated (absorbed) by operations (A+B+C+D)		(22,382)	8,666
Investments			
Operating (investments)	(1)	(44,251)	(37,630)
Operating divestments	(1)	6,666	7,713
Net change in financial assets	(3)	1,645	(487)
(F) Cash Flow generated (absorbed) by investments		(35,940)	(30,404)
Financing activities			
Increase/(Decrease) in share capital for purchase of treasury shares	(11)	(0)	(7)
Other changes including those in non-controlling interests	(11)	8,772	55
Increase/(Decrease) in debt, financing and derivative instruments	(12)-(17)	31,228	3,990
Increase/(Decrease) in leasing liabilities and other financing	(12)-(17)	(1,031)	22,495
(G) Cash Flow generated (absorbed) by investments		38,969	26,533
(H) Net increase/(decrease) in cash flow (E+F+G)		(19,353)	4,795
Opening Balance of Net Liquid Funds		183,218	161,648
Net Changes in Liquid Funds		(19,354)	4,795
Closing Balance of Net Liquid Funds		163,864	166,443

Note: the entry Closing Balance of Net Liquid Funds includes cash and cash equivalents (note 10), net of bank overdrafts (note 17)

Description	Nota	Six months to 30/06/2013	Six months to 30/06/2012
Cash and cash equivalents	(10)	173,809	168,248
Bank overdrafts	(17)	(9,945)	(1,805)
Cash and cash equivalents net of bank overdrafts		163,864	166,443

(*)The 2012 figures have been have been restated due to the application of IAS19 revised.

The explanatory notes are an integral part of the Consolidated Financial Statements

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013

Foreword

Profile and Business of the Group

TREVI - Finanziaria Industriale S.p.A. (hereinafter "the Company") and the companies it controls (hereinafter known as "TREVI Group" or "the Group") is active in the following two sectors:

- Foundation engineering services for civil works and infrastructure projects and oil drilling services (hereinafter "Special Foundations and Drilling Services Division");
- Manufacture of equipment for special foundations and drilling rigs for the extraction of hydrocarbons and water exploration (hereinafter the "Mechanical Engineering Division").

These business sectors are organised within the four main operating companies of the Group:

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

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

These Half-Year Condensed Consolidated Financial Statements were approved by the Board of Directors on 28 August 2013.

Information on the business areas in which the Group operates is given in the Board of Directors' Review of Operations. Given the trend in its operating sectors and the geographical diversification of the Group's operations, the Half-Year Consolidated Financial Statements as of 30 June 2013 are not subject to seasonality.

Use of estimates

For a description of the use of estimates, reference should be made to the Annual Financial Statements.

Accounting standards and criteria used to draw up the Half-Year Condensed Consolidated Financial Statements as of 30 June 2013

The present Half-Year Condensed Consolidated Financial Statements are for the six-month period to 30 June 2013 and have been prepared in accordance with Article 154-ter paragraphs 2 and 3 of the Consolidated Finance Act and in accordance with the International Accounting Standard relating to interim financial reporting (IAS 34).

IAS 34 permits the publication of condensed financial statements containing a minimum content that is significantly lower than that required by the International Financial Reporting Standards (hereafter "IFRS"), as long as complete financial statements prepared in accordance with IFRS have previously been made publicly available. The current Half-Year Condensed Consolidated Financial Statements are condensed and must, therefore, be read in conjunction with the Group Consolidated Financial Statements for the financial year to December 2012, which were prepared in accordance with the IFRSs endorsed by the European Union; these should be referred to for a more complete understanding of the accounting standards and criteria used.

The publication of interim financial reports in accordance with IAS 34 – Interim Financial Reporting requires judgements, estimates and assumptions to be made which have an effect on the assets, liabilities costs and revenues. The final figures could prove different from those obtained by using the aforementioned estimates.

The Half-Year Condensed Consolidated Financial Statements are made up of the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Net Equity and the present integral Explanatory Notes to the Accounts. The income statement figures, those for the changes in net equity and the cash flow figures for the semester to 30 June 2013 are shown with the comparative figures for the semester to 30 June 2012, which have been restated due to the application of IAS 19 Revised. The balance sheet figures at 30 June 2013 are given with the comparative figures for 31 December 2012 (the most recent full-year consolidated financial statements). The Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Net Equity and the Consolidated Statement of Cash Flows are given in full. The presentation currency of the Consolidated Financial Statements is Euro since this is the currency that is most prevalent in the economies in which the companies of the TREVI Group operate; all figures in the tables are shown in thousands of Euro except where otherwise indicated. It should be noted that the Half-Year Condensed Consolidated Financial Statements as of 30 June 2013 are subject to limited auditing as permitted under Consob Ruling no. 10867 of 31 July 1997.

Accounting principles, amendments and interpretations applied from 1 January 2013

The accounting principles used in the preparation of the Half-Year Condensed Consolidated Financial Statements are the same as those used to prepare the Consolidated Financial Statements to 31 December 2012, except for international accounting standards that were applicable from 1 January 2013 and which are described in the section, "Accounting standards, amendments and interpretations not yet effective and which have not been applied early by the Company", in the Financial Statements at 31 December 2012 to which reference should be made. The application of these standards had no effect on the financial statements of the Company except for the revised version of IAS 19 – Employee Benefits, which was endorsed by the European Commission with Regulation 475/2012 issued on 5 June 2012. The revised version of this standard, applicable from 1 January 2013, necessitated the restatement of assets and liabilities at 1 January 2012 and at 31 December 2012 and of income statement figures at 31 December 2012.

For the Half-Year Condensed Consolidated Financial Statements, the taxes for the semester of each entity consolidated are based on the best estimates possible derived from available information and on reasonable assumptions for the remainder of the year and the end of the tax period.

New Standards and interpretations endorsed by the EU and applicable from 1 January 2013

The Group has adopted for the first time standards and amendments which have necessitated the reclassification of previous financial statements: these include IAS 19 (revised) – Employee Benefits, IFRS 13 – Fair Value Measurement and the amendments to IAS 1 – Presentation of Financial Statements. The nature and effects of these changes are described below in accordance with the requirements of IAS 34.

Several other new standards and amendments were applicable for the first time in 2013 but these had no impact on the Consolidated Financial Statements or the Half-Year Condensed Consolidated Financial Statements of the TREVI Group.

The nature and impact of each standard or amendment are given below:

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income

The amendment to IAS 1 requires entities to group together all the items of other comprehensive income that may be recycled to profit or loss in the future (for example, net profit on hedging of net investments, foreign exchange gains and losses arising from translations of financial statements of a foreign operation, net gains/ losses on cash flow hedges and net profit/loss from available for sale financial assets). These items must now be shown separately from those items that will not be recycled (for example, actuarial gains/losses on defined benefit plans and revaluation gains on property, plant and equipment). The amendment affected only the presentation of the financial statements and had no effect on the financial position of the Group or on its results.

IFRS 7 Financial Instruments: Disclosures – Offsetting financial assets and financial liabilities – Amendments to IFRS 7

These amendments require entities to disclose information in their financial statements about rights of set-off and related arrangements (such as collateral agreements). The disclosures enable users of the financial statements to evaluate the effect of such rights and arrangements on an entity's financial position. The new disclosures are required for all financial instruments that are set off in accordance with IAS 32 – Financial Instruments: Presentation. These disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments had no effect on the financial position of the Group or on its results.

IAS 19 (2011) - Employee Benefits (IAS 19R)

IAS 19R comprises numerous amendments to the recognition of defined benefit plans. Actuarial gains and losses are now required to be recognised in other comprehensive income and are excluded permanently from profit and loss. Expected returns from plan assets will no longer be recognised in profit or loss. Expected returns are replaced by recording interest income on the net liabilities (assets) of the plan in profit or loss, which is calculated using the discount rate used to measure the present value of the defined benefit obligation. Unvested past service costs can no longer be deferred and recognised over the future vesting period. Instead, all past service costs will be recognised in profit or loss at the earlier of i) when the plan amendment/curtailment occurs or ii) when the entity recognises related restructuring costs or termination benefits. Other changes include the requirement for disclosure on, for example, the sensitivity of the defined benefit plan obligation to qualitative information.

The transition to IAS 19R required the Group to reclassify Euro 0.700 million to the reserve for actuarial gains/(losses).

IFRS 13 Fair Value Measurement

IFRS 13 provides guidance on how to measure fair value under IFRS. IFRS 13 does not change when fair value is used but rather describes how to measure fair value when fair value is required or permitted by IFRS. The application of IFRS 13 had no significant effect on the fair value measurements made by the Group.

IFRS 13 also requires specific disclosures regarding fair value and some of these replace the disclosure requirements under other accounting standards, including IFRS 7 – Financial Instruments: Disclosures. Some of this information is specifically requested for financial instruments under IAS 34.16A(j) and, therefore, affected the Half-Year Condensed Consolidated Financial Statements.

The Group has not applied any new standards, interpretations or amendments which have been published but are not yet effective.

Exchange rates used by the Group

The exchange rates used for the conversion of foreign currencies in the first semester 2013 and the comparative exchange rates for 2012 are as follows:

Currency		1H 2013 average exchange rate	Exchange rate on 30/06/13	1H 2012 average exchange rate	Exchange rate on 30/06/12
Sterling	GBP	0.851	0.857	0.822	0.807
Japanese Yen	JPY	125.466	129.390	103.367	100.130
US Dollar	USD	1.313	1.308	1.297	1.259
Turkish Lira	TRL	2.382	2.521	2.336	2.283
Argentine Peso	ARS	6.733	7.040	5.693	5.643
Venezuelan Bolivar Fuerte	VEF	7.553	8.230	5.569	5.407
Nigerian Naira	NGN	207.77	212.23	206.57	205.22
Singapore Dollar	SGD	1.633	1.655	1.639	1.597
Philippine Peso	PHP	54.21	56.45	55.64	53.06
Chinese Renmimbi	CNY	8.129	8.028	8.192	8.001
Malaysian Ringgit	MYR	4.042	4.134	4.003	3.996
UAE Dirham	AED	4.824	4.804	4.763	4.624
Algerian Dinar	DZD	103.23	103.83	97.71	99.81
Hong Kong Dollar	HKD	10.191	10.148	10.064	9.766
Australian Dollar	AUD	1.297	1.417	1.256	1.234
Libyan Dinar	LYD	1.673	1.672	1.630	1.583
Saudi Arabian Rial	SAR	4.926	4.905	4.863	4.722
Indian Rupee	INR	72.31	77.72	67.61	70.12
Brazilian Real	BRL	2.669	2.890	2.415	2.579
Danish Krone	DKK	7.457	7.459	7.435	7.433
Kuwaiti Dinar	KWD	0.373	0.373	0.361	0.353
Thai Baht	THB	39.203	40.613	40.374	39.873
Colombian Peso	COP	2,400.1	2,522.9	2,324.57	2,275.45
Mozambique Metical	MZN	39.33	39.06	35.66	35.15
Russian Rouble	RUB	40.76	42.85	39.70	41.37
Belarusian Rouble	BYR	11,356.75	11,497.32	10,652.97	10,437.1

Area of Consolidation

The area of consolidation at 30 June 2013 has varied in respect of 31 December 2012 as follows:

- OJSC Seismotekhnika, a Belarusian company, 51% controlled by Drillemec S.p.A., has been consolidated following the acquisition of a further 32% in the company that was added to the 19% of the company already held by the Group at 31 December 2012.
- Foundation Construction Ltd, a Nigerian company, was constituted; it is 80.32% controlled by Trevi Contractors B.V.
- Trevi Australia Pty, was constituted with a registered office in Australia; it is 100% owned by Trevi Construction Hong Kong Ltd.
- Immobiliare SIAB S.r.l., with its registered office in Italy, was acquired and is 100% owned by TREVI - Finanziaria Industriale S.p.A.

The area of consolidation at 30 June 2013 varied with respect to that at 30 June 2012 as follows:

- HYPER Serviços de Perfuração S.A. was constituted; it is 51% controlled by Petreven do Brasil Ltda and is fully consolidated;
- Galante Cimentaciones SA was constituted with a registered office in Peru; it is 99.96% controlled by Galante SA and 0.04% by Trevi Panamericana SA.

In the first semester 2013, the newly constituted companies and those fully consolidated for the first time generated total revenues of approximately Euro 44.7 million.

The Attachments to the present Explanatory Notes to the Accounts include a chart of the Group structure and a list of companies consolidated at 30 June 2013.

(1) Tangible fixed assets:

Tangible fixed assets at 30 June 2013 were Euro 347.906 million, an increase of Euro 8.435 million compared to the figure at 31 December 2012.

Changes relating to the first semester 2013 were as follows:

Description	Historic cost 31/12/12	Accumulated depreciation 31/12/12	Net value at 31/12/12	Incr.	Decr.	Depr.	Use of reserves	Other changes	Exchange rate differences	Historic cost at 30/06/13	Accumulated depreciation 30/06/13	Net value at 30/06/13
Land	21,822	0	21,822	3,970	0	0	0	0	(7)	25,785	0	25,785
Buildings	89,894	(24,346)	65,548	11,985	(6)	(1,782)	2	(2,651)	(178)	99,044	(26,126)	72,918
Plant and machinery	387,093	(184,737)	202,356	12,665	(10,013)	(13,488)	5,364	3,309	394	393,448	(192,861)	200,587
Industrial and commercial equipment	70,793	(46,387)	24,406	3,683	(819)	(3,512)	416	983	(159)	74,481	(49,483)	24,998
Other assets	70,635	(48,642)	21,993	4,038	(1,983)	(3,487)	371	308	(334)	72,664	(51,758)	20,905
Fixed assets under construction & prepayments	3,345	0	3,345	1,261	0	0	0	(1,910)	17	2,712	0	2,713
TOTAL	643,582	(304,112)	339,471	37,602	(12,821)	(22,269)	6,153	39	(267)	668,135	(320,228)	347,907

The gross increase in the period was Euro 37.602 million (of which Euro 6.091 million related to increases in internal work for equipment manufactured by the companies of the Mechanical Engineering Division and used by the companies of the Special Foundations and Drilling Services Division), whilst the decreases totalled Euro 12.820 million. The changes reflect the normal substitution of plant and equipment.

Exchange rate losses totalled Euro 0.267 million in the period under review.

Some fixed assets are mortgaged as part of financing agreements as described under the entry for Payables.

(2) Intangible fixed assets:

At 30 June 2013, intangible fixed assets were Euro 30.980 million and almost unchanged compared to the figure at 31 December 2012.

Changes relating to the first-half 2013 were as follows:

Description	Historical Cost at 31/12/2012	Accumulated depreciation 31/12/2012	Net value at 31/12/2012	Increase	Decrease	Depreciation.	Historical Cost at 30/06/2013	Accumulated depreciation 30/06/2013	Net value at 30/06/2013
Goodwill	6,001	0	6,001				6,001	0	6,001
Development costs	28,538	(18,472)	10,066	1,607		(1,908)	30,145	(20,380)	9,765
Industrial patents & use of intellectual property	5,760	(4,936)	824	245		(238)	6,005	(5,173)	832
Concessions, licences, brands & other similar rights	2,720	(1,920)	800	129		(140)	2,849	(2,060)	789
Fixed assets under construction & prepayments	7,338	0	7,338	485			7,823	0	7,823
Other fixed assets	8,838	(5,842)	2,996	3,974		(1,199)	12,812	(7,041)	5,771
TOTAL	59,195	(31,170)	28,025	6,440	0	(3,484)	65,635	(34,654)	30,980

The net value of development costs to 30 June 2013 was Euro 9.765 million (Euro 10.066 million at 31 December 2012) and were capitalized costs for the development of technology and equipment for the foundation and drilling sectors in the subsidiaries Soilmec S.p.A. and Trevi S.p.A.; these costs, in accordance with IAS 38, were capitalized and subsequently depreciated from the start of production over the average economic life of the relevant equipment, estimated at five years.

Recurring research and development costs sustained in first semester 2013 and charged to the Income Statement totalled Euro 7.422 million. The item intangible fixed assets under construction and pre-payments refers to the expenses incurred by Trevi Energy S.p.A for the development of an innovative wind energy plant.

The effects of the consolidation of Foundation Construction Ltd, which was initially accounted for using the figures available at the acquisition date and at 30 June 2013, were recognised in the item plant and machinery (Euro 1.9 million) and approximately Euro 3 million was recognised in other intangible fixed assets.

During the semester there were no indications of impairment that required adjustments to be made to the figures for research and development costs in the Financial Statements and, therefore, no impairment tests were carried out.

(3) Investments:

Investments totalled Euro 2.327 million. A summary of changes in investments in first half 2013 is given in the following table:

Description	Balance at 31/12/12	Increase	Decrease	Write-down	Balance at 30/06/13
Associates	1,389		(110)		1,278
Other companies	2,734	73	(1,607)	(152)	1,049
TOTAL	4,123	73	(1,717)	(152)	2,327

The decrease in the entry for other companies is primarily due to the full consolidation of Seismotekhnika.

Attachment 1a contains a list of associated company holdings while Attachment 1c is a list of shareholdings in other companies, held directly and indirectly, giving the currency denomination, the location of the registered office, the share capital, the amount held and the carrying value of each company.

(4) Tax assets for pre-paid taxes and tax liabilities for deferred taxes:

This entry is for the timing differences deriving mainly from the tax benefit relating to the elimination of infragroup profits. At 30 June 2013, these totalled Euro 22.294 million, a decrease of Euro 0.181 million compared to the figure at 31 December 2012.

Tax liabilities for deferred taxes derive from the difference in the values of the assets and liabilities shown in the Consolidated Statement of Financial Position and the corresponding values fiscally recognised in countries in which the Group operates. At 30 June 2013, these totalled Euro 29.839 million, a decrease of Euro 0.523 million compared to the figure at 31 December 2012.

(5) Derivative instruments:

At 30 June 2013, derivative instruments were as follows:

Description	Assets 30/06/2013	Liabilities 30/06/2013	Assets 31/12/2012	Liabilities 31/12/2012
Interest Rate Swap (non-current)				
- Cash Flow Hedge		(1,583)		(2,418)
Exchange Rate Hedges (current) - at Fair Value through Profit and Loss	324	(49)	76	(45)
TOTAL	324	(1,633)	76	(2,463)

The values shown are the fair value of interest rate and exchange rate derivative contracts, mainly on the US dollar, taken out with leading financial institutions.

(6) Trade receivables and other non-current assets:

Trade receivables and other non-current assets are shown below:

Description	30/06/2013	31/12/2012	change
Trade receivables	18,041	15,538	2,503
Accrued income and pre-paid expenses	1,615	268	1,347
TOTAL	19,656	15,806	3,850

Non-current receivables from clients were exclusively trade receivables due beyond one year; they relate for Euro 2.820 million to the subsidiary Swissboring Overseas Piling Corporation and for Euro 15.221 million to the subsidiary Soilmecc S.p.A. Trade receivables have been discounted to give the net present value of the future cash-in and payments.

(7) Inventories

Inventories were Euro 362.809 million at 30 June 2013 and the breakdown was as follows:

Description	30/06/2013	31/12/2012	change
Raw materials, ancillary materials and consumables	174,446	167,091	7,355
Work in progress and semi-finished goods	52,807	48,766	4,042
Finished goods and products	131,831	132,832	(1,001)
Pre-payments	3,724	3,633	91
TOTAL INVENTORIES	362,809	352,322	10,487

Inventories decreased by Euro 10.487 million compared to the figure at 31 December 2012. Inventories are shown net of an impairment fund of Euro 6.145 million (Euro 5.927 million at 31 December 2012). The decrease was mainly in the Mechanical Engineering Division and reflects the normal procurement required for production.

(8) Trade receivables and other current receivables

At 30 June 2013, these totalled Euro 573.797 million and the breakdown was as follows:

Description	30/06/2013	31/12/2012	change
Trade receivables	366,004	312,805	53,198
Receivables due from clients	121,923	65,807	56,117
Sub-total of trade receivables	487,927	378,612	109,315
Receivables from associates	16,108	17,496	(1,388)
Receivables from the Tax Authority for VAT	20,233	25,632	(5,399)
Other receivables	37,433	28,629	8,804
Accrued income and pre-paid expenses	12,096	11,374	721
TOTAL	573,797	461,743	112,053

The entry, trade receivables, is net of the non-recourse sale of receivables through factoring operations.

At 30 June 2013, non-recourse sales of receivables to factoring companies totalled Euro 135.474 million (Euro 145.790 million at 31 December 2012).

The decrease of Euro 5.399 million in VAT receivables mainly reflects the non-recourse sale of VAT receivables made in the semester under review.

Details of receivables from associates, which were Euro 16.108 million at 30 June 2013, are given in Note 29 on related-party transactions.

The item, total due from clients, of Euro 121.923 million, is contract work in progress net of any related pre-payments; this analysis is carried out for each contract and where there is a positive difference (contract work in progress greater than pre-payments received) it is included in current assets under the entry, trade receivables from clients, as a sum due from clients; if the difference is negative, the figure is included under current liabilities in the entry, other payables, as it is a sum owed to the client. The following table shows the composition of these entries:

(Euro '000)			
Description	30/06/2013	31/12/2012	change
Current assets:			
Contract work in progress	231,354	121,233	110,121
Write-down provision	(3,000)	(3,000)	0
Total contract work in progress	228,354	118,233	110,121
Pre-payments	(106,431)	(52,426)	(54,005)
Total due from clients	121,923	65,807	56,117
Current liabilities:			
Contract work in progress	208,476	270,745	(62,269)
Pre-payments	(223,435)	(287,529)	64,093
Total due to clients	(14,959)	(16,783)	1,824

Trade receivables are net of provisions of Euro 21.879 million. Changes in these provisions were as follows:

Description	Balance at 31/12/12	Provisions	Write-backs	Other changes	Balance at 30/06/13
Provision for doubtful accounts	16,768	5,278	(279)	30	21,797
Provision for interest on arrears	82	0		0	82
TOTAL	16,850	5,278	(279)	30	21,879

Provisions of Euro 5.278 million (Euro 7.338 million at 31 December 2012) arose from individual valuations of receivables, based on a specific analysis of each situation where there may be a payment risk. The entry for other changes includes exchange rate differences.

Accrued income and pre-paid expenses

This was mainly accruals and the breakdown was as follows:

Description	30/06/2013	30/06/2012	change
Pre-payment of insurance premiums	2,605	4,126	(1,521)
Pre-paid rental liabilities	1,367	1,142	225
Interest (under the Sabatini Law)	196	125	71
Commission on bank guarantees	144	389	(245)
Other	7,784	5,591	2,193
TOTAL	12,096	11,374	723

The breakdown of other receivables was as follows:

Description	30/06/2013	31/12/2012	change
Receivables from employees	2,507	2,191	316
Pre-payments to suppliers	19,627	10,334	9,293
Receivables from factoring companies	7,123	8,495	(1,372)
Other	7,174	7,609	(435)
TOTAL	36,431	28,629	7,802

(9) Tax assets for current taxes

Tax receivables from the Tax Authority totalled Euro 38.335 million and were mainly direct tax credits and tax pre-payments.

(10) Cash and cash equivalents

This item was composed as follows:

Description	30/06/2013	31/12/2012	change
Bank and post office deposits	172,603	188,462	(15,859)
Cash and cash equivalents	1,206	1,463	(257)
TOTAL	173,809	189,925	(16,116)

An analysis of the net financial position and the cash and cash equivalents of the TREVI Group is given in the Board of Directors' Review of Operations and the Statement of Cash Flows.

(11) SHAREHOLDERS' FUNDS

Net equity at 30 June 2013 was made up as follows:

Share capital

At 30 June 2012, the fully issued and paid up share capital of the Company was Euro 35,097,150 composed of no. 70,194,300 ordinary shares each of nominal value Euro 0.50; as a result of the 128,400 treasury shares held, the share capital shown in the Financial Statements is Euro 35,032,950.

Share premium reserve:

This was Euro 76.264 million at 30 June 2013, the same as at 31 December 2012.

Other reserves:

These were as follows:

Fair value reserve:

The fair value reserve reflects the valuation of cash flow hedges as required by IAS 39.

IFRS reserve

At 30 June 2013, this reserve was Euro 13.789 million and comprised all the adjustments made for the transition to IAS/IFRS accounting, which was adopted from 1 January 2004.

Translation reserve:

This reserve, which was negative for Euro 7.708 million at 30 June 2013, reflects the exchange rate differences deriving from the translation of financial statements prepared in currencies other than the Euro; the appreciation of the US dollar against the Euro in the semester under review had a positive impact of Euro 2.581 million on this reserve.

Reserve for actuarial gains/(losses)

This reserve is the recognition of actuarial gains/(losses) on defined benefit plans as required by IAS 19 Revised.

Accumulated profits:

This entry includes the consolidated profits generated in previous financial years, which have not been distributed as dividends to shareholders and, following the revision of IAS 1 on the presentation of financial statements, the net profit for the period attributable to the Parent Company.

(12) Bank financing and other non-current financing

Description	30/06/2013	31/12/2012	change
Bank payables	206,225	188,888	17,337
Payables to leasing companies	32,669	32,990	(321)
Other financial payables	17,008	17,694	(686)
Financial derivatives	1,553	2,418	(866)
TOTAL	257,455	241,991	15,464

The breakdown of non-current bank payables by maturity was as follows:

Description	From 1 to 5 years	Beyond 5 years	Total
Bank payables	188,225	18,000	206,225
TOTAL	188,225	18,000	206,225

Non-current payables to leasing companies by maturity were as follows:

Description	From 1 to 5 years	Beyond 5 years	Total
Payables to leasing companies	22,795	9,874	32,669
TOTAL	22,795	9,874	32,669

The main components of the Group financing are as follows:

- The residual non-current part of the variable rate financing originally for Euro 50,000,000 is Euro 44,666,667; this financing is payable in twenty six-monthly instalments with final payment on 03/11/2020. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing for Euro 10,000,000 is Euro 1,301,340; this mortgage is payable in sixteen quarterly instalments with final payment on 29/12/2014. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 9,000,000 is Euro 4,500,000; this mortgage is payable in ten six-monthly instalments with final payment on 31/07/2016. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 17,000,000 is Euro 2,833,333; this mortgage is payable in six six-monthly instalments with final payment on 11/12/2014. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 50,000,000 is Euro 25,000,000; this financing is payable in ten six-monthly instalments with final payment on 28/11/2016. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 30,000,000 is Euro 10,000,000; this mortgage is payable in five annual instalments with final payment on 30/12/2015. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 10,000,000 is Euro 4,000,000; this mortgage is payable in five six-monthly instalments with final payment on 06/02/2015. Interest payable is Euribor plus a spread.
- The residual non-current part of the variable rate financing originally for Euro 25,000,000 is Euro 18,500,000; this mortgage is payable in four six-monthly instalments with final payment on 13/05/2016. Interest payable is Euribor plus a spread.

Some of these financing agreements contain covenants which require the maintenance of certain financial ratios calculated on the Consolidated Financial Statements as follows:

- EBITDA/ Net Financial Charges: an indicator of the weight of interest charges calculated as the ratio of EBITDA to interest charges;
- Net Financial Position/ EBITDA: an indicator of indebtedness, calculated as the ratio of net financial debt to EBITDA;
- Net Financial Position/ Net Equity: an indicator of indebtedness, calculated as the ratio of net debt to net equity;

The contracts allow for a cure period should the Company fail to respect these covenants; should the failure to respect the covenants continue beyond the cure period, the banks that have granted the financing can call in the financing or renegotiate the terms of the financing.

At 30 June 2013, all the financial covenants listed above had been met.

Total debt to leasing companies was Euro 42.975 million, which was also the fair value since all debt carries interest at floating rates.

Other non-current payables for financing totalled Euro 17.008 million, a figure that was in line with that of 31 December 2012. This entry is mainly comprised of residual payables for the acquisition of non-controlling interests in Group companies in South America and the Far East.

Further details on financial derivatives are given in Note 5 on Derivative Instruments.

(13) Post-employment benefits

At 30 June 2013, the employee termination indemnity fund (TFR) and pension funds were Euro 20.136 million and comprised the indemnities accrued at year-end by employees of Italian companies, as required under the law, and provisions made by foreign companies to cover accrued liabilities towards employees.

These are calculated as the present value of the defined benefit obligation adjusted for any actuarial gains and losses. They were determined by an independent external actuary using the projected unit credit actuarial costs method.

Changes in this fund in the first semester 2013 were as follows:

Description	Balance at 31/12/12	Provisions	Indemnities and advances paid	Other movements	Balance at 30/06/13
Employee termination indemnities	10,127	371	(326)	(126)	10,047
Retirement fund and similar liabilities	9,209	4,246	(3,152)	(214)	10,089
TOTAL	19,337	4,616	(3,478)	(340)	20,136

Other changes in the pension funds are due to exchange rate translation effects deriving from foreign subsidiaries.

The TREVI Group has calculated the accounting impact of the modifications to the Staff-leaving Indemnity Fund stipulated in Law No. 296 of 27 December 2006 (the Finance Law 2007) and subsequent Laws and Rulings that were issued in early 2007.

	30/06/2013	31/12/2012
Opening balance	10,127	9,793
Operating expenses for services	134	261
Liabilities for new employees	0	13
Interest expenses	162	368
Actuarial gains (losses)	0	700
Indemnities paid	(377)	(1,133)
Movements to pension funds and tax	0	125
Closing balance	10,046	10,127

The main economic and financial assumptions made by the actuaries were:

	30/06/2013	31/12/2012
Actualisation technical yearly rate	3.25%	3.25%
Annual inflation rate	2.0%	2.0%
Annual rate of total salary increases	2.5%	2.5%
Annual rate of increase in TFR	3.0%	3.0%

(14) Provisions for risks and costs

Provisions for risks and costs were made up of the following entries:

Description	30/06/2013	31/12/2012	change
Warranty reserve	2.212	2.292	(80)
Provision for losses from associates	742	742	0
Legal disputes	293	236	57
Other	7.345	8.223	(878)
Total non-current provisions for risks and costs	10.592	11.494	(902)
Other provisions for risks	88	38	50
Total current provisions for risks and costs	88	38	50
TOTAL	10.681	11.532	(852)

The warranty reserve of Euro 2.212 million consists of provisions to cover technical warranties on products under guarantee by Group companies in the Mechanical Engineering Division.

The Euro 0.742 million provision to cover losses of associates relates entirely to the joint-venture Rodio-Trevi-Arab Contractor.

The reserve for legal disputes totalled Euro 0.293 million and is mainly attributable to the subsidiaries in South America and in Italy. This reserve is the best estimate by management of the liabilities regarding:

- Legal disputes arising from the normal business;
- Legal disputes involving the fiscal and tax authorities.

Other risk provisions include those made by the management for various probable liabilities arising from the current difficult economic environment.

(15) Trade payables and other short-term payables

Description	30/06/2013	31/12/2012	change
Trade payables	288,496	203,041	85,455
Pre-payments	42,653	72,271	(29,619)
Pre-payments from clients	14,959	16,783	(1,824)
Payables to associates	12,018	6,644	5,374
Payables to National Insurance & Social Security institutions	6,191	7,541	(1,350)
Accrued liabilities and deferred charges	4,813	4,938	(125)
Other current liabilities	33,308	20,668	12,640
VAT payables	6,873	3,731	3,142
TOTAL	409,311	335,616	73,693

The increase in trade payables was Euro 73.693 million and was mainly attributable to the Mechanical Engineering Division. It reflected the production supply policy required to meet current contracts.

Details of pre-payments from clients are given in Note 8 - Trade receivables and other current assets.

Details of payables to associate companies, which totalled Euro 12.018 million, are given in Note 29 - Related-party transactions.

Other liabilities:

This entry is made up as follows:

Description	30/06/2013	31/12/2012	change
Payables to employees	18,891	16,183	2,708
Other	14,417	4,485	9,932
TOTAL	33,308	20,668	12,640

Payables to employees relate to salaries and wages and to provisions for holidays due but not taken.

Other payables include liabilities to shareholders for dividends totalling Euro 9.1 million.

(16) Tax payables for current taxes:

At 30 June 2013, tax liabilities totalled Euro 24.672 million, a decrease of Euro 5.307 million compared to the figure at 31 December 2012.

The figure at 30 June 2013 includes the estimated tax payable in the first semester 2013.

(17) Other current financial payables:

The breakdown of other current financial payables was as follows:

Description	30/06/2013	31/12/2012	change
Bank overdrafts	9,945	6,705	3,240
Trade pre-payments	110,630	104,523	6,107
Bank debt	130,893	81,033	51,529
Portion of mortgages and financing maturing within twelve months	99,597	140,593	(42,664)
TOTAL Current financial payables	351,066	332,854	18,212

Description	30/06/2013	31/12/2012	change
Payables to leasing companies	10,306	12,238	(1,932)
Payables for other current financing	18,146	16,239	1,907
TOTAL Other financial payables	28,452	28,477	(25)

Current financing includes bank payables and the current portion of non-current loans; it also includes mortgages and financing with guarantees and, in particular, the financing given to the subsidiary Drillmec Inc., which totalled approximately Euro 2.925 million at 30 June 2013 and which is guaranteed by a primary mortgage deed.

Payables to leasing companies refer to capital repayments due within the next twelve months.

Net debt

Details of net debt are given in the following table:

TREVI GROUP**NET DEBT**

(Euro '000)

	Note	30/06/2013	31/12/2012	change
A Cash	(10)	1,206	1,463	(257)
B Cash equivalents	(10)	172,603	188,462	(15,859)
C Investments held for trading		0	0	0
D Liquidity (A+B+C)		173,809	189,925	(16,116)
E Current financial receivables	(5)	245	30	214
F Current bank debt	(17)	251,469	192,261	60,876
G Current portion of non-current debt	(17)	99,597	140,593	(42,664)
H Other current financial liabilities	(5) (17)	28,452	28,477	(25)
I Current financial debt (F+G+H)		379,518	361,331	18,187
J Current net debt (I-E-D)		205,464	171,376	34,089
K Non-current bank debt	(12)	206,224	188,888	17,336
L Other non-current payables	(12) (5)	51,230	53,102	(1,872)
M Non-current financial debt (K+L)		257,454	241,990	15,464
N Net debt (J+M)		462,918	413,366	49,553

GUARANTEES:

Description	30/06/2013	31/12/2012	change
Guarantees given to credit institutions and others	467,446	457,740	9,706
Guarantees given to insurance companies	39,951	68,514	(28,563)
Hire contracts expiring	61,672	64,070	(2,398)
Third-party assets held on deposit	18,980	18,125	855
Goods with third parties	15,942	15,028	914
TOTAL	603,991	623,477	(19,486)

Guarantees given to credit institutions

This item includes guarantees given by Group companies to credit institutions for work carried out and for the correct and punctual supply of equipment for a total of Euro 467.446 million (Euro 457.740 million at 31 December 2012).

Guarantees given to insurance companies

At 30 June 2013, this item was Euro 39.951 million (Euro 68.514 million at 31 December 2012).

Hire contracts expiring

These guarantees were Euro 61.672 million at 30 June 2013 (Euro 64.070 million at 31 December 2012) and were the total of future payments on operating lease contracts.

Description	Within 12 months	Within 1 – 5 years	Beyond 5 years
Hire contracts expiring	15,012	46,661	-

Third-party assets on deposit

The amount of third-party assets held by companies of the TREVI Group was equal to Euro 18.980 million.

Assets held by third parties

These totalled Euro 15.942 million.

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED INCOME STATEMENT

Some details and information on the 2013 Half-Year Condensed Consolidated Financial Statements are given below. A more detailed account of the Group performance is given in the Board of Directors' Review of Operations.

OPERATING REVENUES

(20) Revenues from sales and services and other revenues

These totalled Euro 663.460 million compared to Euro 584.740 million at 30 June 2012, an increase of Euro 78.720 million. The Group operates in various business sectors and geographical regions.

The breakdown of revenues from sales and services and other revenues was as follows:

(Euro '000)

Geographic area	30/06/2013	%	30/06/2012	%	change	%
Italy	41,653	6,3%	59,701	10,2%	(18,048)	-30,2%
Europe (ex-Italy)	110,086	16,6%	82,117	14,0%	27,969	34,1%
USA and Canada	56,248	8,5%	95,259	16,3%	(39,011)	-41,0%
Latin America	195,561	29,5%	137,205	23,5%	58,356	42,5%
Africa	65,390	9,9%	54,688	9,4%	10,702	19,6%
Middle East and Asia	159,839	24,1%	113,453	19,4%	46,386	40,9%
Far East and Rest of the World	34,683	5,2%	42,317	7,2%	(7,633)	-18,0%
TOTAL REVENUES	663,460	100%	584,740	100%	78,720	13,5%

Compared to the first semester 2012, there was an increase in revenues in the Middle Eastern and Asian areas mainly due to the Mechanical Engineering Division.

Revenues generated in the United States, which declined compared to the same period of the previous financial year, were mainly due to the Mechanical Engineering Division and to the companies operating in special foundations.

The increase in revenues in Africa mainly reflected revenues for special foundations contracts in West Africa and in the Maghreb region. In Latin America there was a good performance from the mechanical engineering companies whilst those in special foundations and drilling had results in line with those of the same period of the previous financial year. This entry also comprises the economic operating benefits generated in Venezuela through the translation of amounts, originally in currencies other than the Euro, used by clients to meet their contractual obligations.

In Europe the increase in revenues was due to the special foundation work carried out in northern Europe and to the activity of the mechanical engineering sector in East Europe; particularly noteworthy was the contribution made by the newly acquired company, Seismotekhnika, in Belarus.

There was a marked improvement in special foundations revenues from Trevi Foundation Philippines compared to the first semester of the previous financial year.

The breakdown of Group revenues by business sector was as follows:

	30/06/2013	%	30/06/2012	%	change	Var.%
Special foundation services	241,581	36%	229,865	39%	11,716	5.1%
Drilling services	63,440	10%	44,993	8%	18,447	41.0%
Interdivision eliminations and adjustments	(1,776)		(2,343)		567	
Sub-total of the Foundations and Drilling Services Division	303,245	46%	272,515	47%	30,730	11.3%
Manufacture of special foundations machinery	95,094	14%	122,160	21%	(27,066)	-22.2%
Oil, gas and water drilling equipment	277,944	42%	203,167	35%	74,777	36.8%
Interdivision eliminations and adjustments	(370)		(1,272)		902	
Sub-total of the Mechanical Engineering Division	372,668	56%	324,055	55%	48,613	15.0%
Parent Company	7,254		6,927		327	4.7%
Interdivision and Parent Company eliminations	(19,706)		(18,757)		(950)	
TREVI GROUP	663,460	100%	584,740	100%	78,720	13.5%

Other operating revenues

Other operating revenues totalled Euro 15.887 million at 30 June 2013, a year-on-year decrease of Euro 0.772 million. The breakdown was as follows:

Description	30/06/2013	30/06/2012	change
Grants for current expenses	40	79	(39)
Expense recoveries and reallocations to consortia	6,903	9,605	(2,702)
Write-backs of provisions	3,455	38	3,417
Sales of spare-parts	1,597	968	629
Gains on disposal of operating assets	816	538	278
Reimbursement for damages	95	421	(326)
Rents received	932	1,605	(673)
Out-of-period income	840	549	291
Other	1,209	2,856	(1,647)
Total	15,887	16,659	(772)

OPERATING EXPENSES

Operating expenses totalled Euro 631.798 million compared to Euro 579.618 million in the first semester 2012. The breakdown of the main entries was as follows.

(21) Personnel expenses:

These were Euro 114.686 million, an increase of Euro 5.377 million compared to the same period of the previous financial year.

Description	30/06/2013	30/06/2012	change
Salaries and wages	88,605	83,643	4,962
Social Security expenses	17,939	17,675	264
Staff-leaving indemnity fund	371	761	(390)
Provisions for pension liabilities	4,246	4,266	(20)
Other expenses	3,525	2,965	561
Total	114,686	109,310	5,377

The breakdown of employees and changes compared to the first semester 2012 are shown in the following table:

Description	30/06/2013	31/12/2012	change	Media
Managers	90	93	(3)	92
Qualified staff	2,121	1,887	234	2,046
Blue collar workers	5,282	4,709	573	5,105
Total employees	7,493	6,689	804	7,244

The increase in personnel expenses was due to the change in the geographical distribution of the Group's workforce between the first semester 2012 and the first semester 2013.

(22) Other operating expenses

Description	30/06/2013	30/06/2012	change
Costs for services	128,385	112,677	15,708
Expenses for use of third-party assets	23,062	23,000	62
Other operating expenses	8,096	6,997	1,099
Total	159,543	142,674	16,869

Other operating expenses totalled Euro 159.543 million, an increase of Euro 16.869 million compared to the same semester of the previous financial year. Greater detail is given below.

Costs for services:

These were Euro 128.385 million compared to Euro 112.677 million at 30 June 2012. This entry includes the following:

Description	30/06/2013	30/06/2012	change
External services	15,281	11,046	4,235
Technical assistance	6,888	2,886	4,002
Machine power	783	722	61
Subcontractors	16,036	16,104	(68)
Administrative services	2,081	1,574	507
Marketing services	365	575	(210)
Technical, legal and tax consultants	12,857	9,767	3,090
Maintenance and repair	8,839	6,848	1,990
Insurance	5,611	6,687	(1,076)
Shipping and customs expenses	20,151	24,143	(3,992)
Energy, telephone, gas, water and postal expenses	3,715	2,877	838
Commissions and related expenses	9,127	8,615	512
Travel and subsistence expenses	13,955	10,737	3,218
Advertising and promotion	2,303	1,577	726
Bank charges	2,938	2,216	721
Other	7,455	6,303	1,152
Total	128,385	112,677	15,708

The increase in the above entries was in line with the increase in revenues.

Expenses for use of third-party assets:

These were Euro 23.062 million, broadly in line with the figure for the first semester of 2012. They were as follows:

Description	30/06/2013	30/06/2012	change
Equipment hire	17,110	17,097	13
Rents	5,952	5,903	49
Total	23,062	23,000	62

Equipment hire includes the cost of equipment to fulfil current contracts.

Other operating expenses:

These totalled Euro 8.096 million, a year-on-year increase of Euro 1.099 million, and were as follows:

Description	30/06/2013	30/06/2012	change
Taxes other than income taxes	5,269	4,251	1,018
Losses on disposal of assets	989	1,278	(289)
Out of period expenses	938	993	(54)
Other	899	474	425
Total	8,096	6,997	1,099

Taxes other than income taxes are mainly attributable to the companies operating in Latin America.

(23) Provisions and write-downs:

Description	30/06/2013	30/06/2012	change
Provisions for risks	1,108	2,777	(1,669)
Write-down of receivables	5,263	1,331	3,932
Losses on receivables	12	0	12
Total	6,383	4,108	2,275

Risk provisions:

These were Euro 1.108 million and were mainly linked to the European subsidiaries.

Write-down of receivables included in working capital:

The amount of Euro 5.263 million were provisions for doubtful receivables within the subsidiaries.

(24) Financial revenue:

The breakdown of financial revenue was as follows:

Description	30/06/2013	30/06/2012	change
Bank interest	192	529	(337)
Interest charged to customers	264	14	250
Other financial revenues	611	6,070	(5,459)
Total	1,067	6,613	(5,546)

The decrease in other financial revenues reflects the absence of revenues stemming from the non-recourse sale of some non-current receivables in the Mechanical Engineering Division made in the first semester of 2012. As a result of this transaction the bank discounting charges shown in the following table also decreased year-on-year in the first semester 2013.

(25) Financial expenses:

Financial expenses were as follows:

Description	30/06/2013	30/06/2012	change
Bank interest charges	9,374	9,463	(89)
Bank commission and charges	1,176	988	188
Loan-related interest charges	1,277	989	288
Leasing company interest charges	725	662	63
Bank discounting charges	56	3,300	(3,243)
Interest on other financing	1,664	913	751
Total	14,274	16,315	(2,042)

(26) Exchange rate gains/ (losses) from transactions in foreign currencies:

At 30 June 2013, realised and unrealised net exchange rate differences were negative for Euro 6.570 million (in the same period of the previous financial year they were positive for Euro 2.801 million) and were due to the payment and receipt of payables and receivables in foreign currencies.

	30/06/2013	30/06/2012	change
Realised exchange rate gains	11,115	9,246	1,869
Realised exchange rate losses	(13,671)	(7,362)	(6,309)
Sub-total of realised rate gains/(losses)	(2,556)	1,884	(4,440)
Unrealised exchange rate gains	12,755	6,290	6,465
Unrealised exchange rate losses	(16,769)	(5,373)	(11,396)
Sub-total of unrealised gains/(losses)	(4,014)	917	(4,931)
Exchange rate gains/ losses	(6,570)	2,801	(9,371)

(27) Income taxes for the period:

The main components of income taxes in the Half-Year Condensed Consolidated Financial Statements were:

Description	30/06/2013	30/06/2012	change
Current taxes :			
- I.R.A.P.	1,501	1,796	(295)
- Income taxes	9,363	8,882	481
Deferred taxes	155	598	(443)
Pre-paid taxes	(1,025)	(1,214)	189
Total	9,994	10,062	(69)

Taxes for the period have been calculated using the best estimate of the average weighted tax rate for the full financial year as required by IAS 34.

(28) Group earnings per share:

The assumptions underlying the calculation of basic and diluted earnings per share are as follows:

Description	30/06/2013	30/06/2012
A Net profit for the period (Euro '000)	10.946	12.073
B Weighted average number of ordinary shares used to calculate basic earnings per share	70.065.900	70.073.635
C Basic earnings per share: (A*1000)/B (Euro)	0,156	0,172
D Net profit adjusted for dilution analysis (Euro '000)	10.946	12.073
E Weighted average number of ordinary shares used to calculate diluted earnings per share (B)	70.065.900	70.073.635
F Diluted earnings per share: (D*1000)/E (Euro)	0,156	0,172

(29) Related party transactions:

Related party transactions are done in the normal course of operations and at market conditions.

The related party transactions of the TREVI Group are mainly commercial transactions between Trevi S.p.A. and other companies in the Group done at market conditions.

The most significant items of non-current receivables at 30 June 2013 and at 31 December 2012 are shown in the following table:

Description	30/06/2013	31/12/2012	change
Porto Messina S.c.a.r.l.	720	720	0
Filippella S.c.a.r.l.	605	605	0
Pescara Park S.r.l.	938	938	0
Other	325	282	43
TOTAL	2,588	2,545	43

The most significant items of current receivables at 30 June 2013 and at 31 December 2012, which are recognised in trade receivables and other current assets, are shown in the following table.

Total receivables from related parties were Euro 16.105 million, a year-on-year decrease of Euro 1.388 million.

Description	30/06/2013	31/12/2012	change
Parcheggi S.p.A.	890	992	(102)
Roma Park Srl	2,080	2,029	51
IFIT S.r.l.	100	100	0
IFC Ltd	78	78	0
Parma Park Srl	601	601	0
T-Power	31	86	(54)
Sub-total	3,780	3,888	(106)
Porto di Messina S.c.a.r.l.	1,005	1,005	0
Bologna Park S.c.a.r.l.	2	0	2
Consorzio Principe Amedeo	314	314	0
Consorzio Trevi Adanti	5	5	0
Filippella S.c.a.r.l.	195	195	0
Nuova Darsena S.c.a.r.l.	691	2,396	(1,705)
Trevi S.G.F. Inc. S.c.a.r.l.	3,632	3,771	(139)
Soilmec Far East Pte Ltd	4,806	4,728	78
Edra S.r.l.	82	82	0
Drillmec Engineering & Co. Ltd.	63	63	0
Arge Baugrube Q110	331	331	0
Trevi Park PLC	165	165	0
Other	1,034	553	481
Sub-total	12,325	13,609	(1,284)
TOTAL	16,105	17,496	(1,388)
% of consolidated trade receivables	3.2%	4.4%	-1.2%

Group revenues from related parties were as follows:

Description	30/06/2013	30/06/2012	change
Roma Park Srl	43	1,821	(1,779)
Parcheggi S.p.A.	131	95	36
Parma Park Srl	0	74	(74)
T-Power	49	51	(2)
Sub-total	222	2,042	(1,820)
Hercules Foundation AB	8	0	8
Bologna Park S.c.a.r.l.	2	0	2
Nuova Darsena S.c.a.r.l.	921	0	921
Soilmec Far East Pte Ltd	3,594	484	3,109
Drillmec Eng. & co.	0	31	(31)
Trevi S.G.F. Inc. S.c.a.r.l.	66	412	(346)
Other	747	382	365
Sub-total	5,337	1,309	4,028
TOTAL	5,560	3,351	2,208
% of consolidated revenues from sales and services	0.8%	0.6%	0.3%

The most significant amounts under trade payables to related parties at 30 June 2013 and 31 December 2012, which were recognised in trade payables and other current payables, are shown in the following table:

Description	30/06/2013	31/12/2012	change
Parcheggi S.p.A.	0	14	(14)
Roma Park Srl	34	33	1
IFC Ltd	3,605	55	3,550
Sofitre S.r.l.	(6)	1	(7)
Sub-total	3,633	102	3,531
Principe Amedeo	122	122	0
Filippella S.c.a.r.l.	196	195	1
Trevi Adanti	3	3	0
So.Co.Via S.c.r.l.	3,102	1,077	2,025
Nuova Darsena S.c.a.r.l.	2,529	2,672	(143)
Porto di Messina S.c.a.r.l.	320	305	15
Trevi S.G.F. Inc. S.c.a.r.l.	5	27	(22)
Dach-Arghe Markt Leipzig	489	489	0
Trevi Park PLC	100	100	0
Drillmec Eng. & co.	33	33	0
Other	1,485	1,518	(33)
Sub-total	8,384	6,541	1,843
TOTAL	12,018	6,644	5,374
% of consolidated trade payables	3.4%	2.2%	1.1%

Expenses sustained by the Group with related parties were as follows:

Description	30/06/2013	30/06/2012	change
Roma Park Srl	2	2	(0)
Sofitre Srl	33	39	(5)
Sub-total	35	41	(6)
Porto di Messina S.c.a.r.l.	15	0	15
Trevi S.G.F. Inc. S.c.a.r.l.	5	122	(117)
Filippella S.c.a.r.l.	1	0	1
Nuova Darsena S.c.a.r.l.	3,695	0	3,695
So.co.Via. S.c.a.r.l.	1,852	0	1,852
Soilmec Far East Pte Ltd	128	1	126
Other	99	11	88
Sub-total	5,795	135	5,660
TOTAL	5,830	175	5,654
% of consolidated consumption of raw materials and third-party services	1.2%	0.0%	1.2%

As the tables above show, the TREVI Group did some minor transactions with the companies headed by Sofitre S.r.l., the company that is 100% owned by the Trevisani family. Transactions with companies that are part of the Sofitre group (which qualify for recognition because the shareholders controlling both it and the TREVI Group are the Trevisani family) in the first semester 2013 were done at normal market conditions and are summarised in the tables above in the section on related companies. The tables also show that the amounts involved are not meaningful in the context of the consolidated Group figures. These transactions include the acquisitions of the property company Immobiliare Siab and of Foundation Construction Ltd, which were finalised in the first semester 2013.

There were no economic transactions between the companies of the TREVI Group and TREVI Holding SE the Italian company that controls TREVI – Finanziaria Industriale S.p.A..

(30) Segment reporting

The Group has identified that financial data by business sector is the primary segment for disclosure of further economic and financial information about the Group (segment reporting). This shows the organisation of the business of the Group and the internal reporting structure since the risks and returns accruing to the Group are affected by the sectors in which it operates.

The identification of the operating segments was done on the basis of internal accounts used by the key management of the company to allocate resources to sectors and to evaluate their respective performances. The sector performance is valued according to the operating profit or loss, which, as the tables below show, in certain ways is measured differently from the operating profits and losses of the Consolidated Financial Statements.

The segment Statement of Financial Position and Income Statement figures at 30 June 2013 are given below. A comment on the economic performance of the two divisions is given in the Board of Directors' Review of Operations:

SPECIAL FOUNDATIONS AND DRILLING SERVICES DIVISION

Summary Statement of Financial Position

(Euro '000)

	30/06/2013	31/12/2012
A) Fixed assets	261,969	265,199
B) Net working capital		
- Inventories	126,622	107,454
- Trade receivables	198,536	206,107
- Trade payables (-)	(126,489)	(119,342)
- Pre-payments (-)	(49,086)	(54,286)
- Other assets (liabilities)	(1,482)	(10,595)
	148,101	129,338
C) Invested capital less liabilities for the period (A+B)	410,070	394,537
D) Post-employment benefits (-)	(14,002)	(13,240)
E) NET INVESTED CAPITAL (C+D)	396,068	381,297
Financed by:		
F) Group net equity	260,611	247,328
G) Non-controlling interests	8,152	7,127
H) Net debt	127,305	126,841
I) TOTAL SOURCES OF FINANCING (F+G+H)	396,068	381,297

MECHANICAL ENGINEERING DIVISION

Summary Statement of Financial Position

(Euro '000)

	30/06/2013	31/12/2012
A) Fixed assets	105,941	96,113
B) Net working capital		
- Inventories	475,609	385,862
- Trade receivables	233,536	177,691
- Trade payables (-)	(213,022)	(129,427)
- Pre-payments (-)	(114,394)	(96,271)
- Other assets (liabilities)	5,001	5,568
	386,730	343,424
C) Invested capital less liabilities for the period (A+B)	492,671	439,537
D) Post-employment benefits (-)	(5,035)	(5,039)
E) NET INVESTED CAPITAL (C+D)	487,636	434,498
Financed by:		
F) Group net equity	145,379	146,528
G) Non-controlling interests	12,370	4,088
H) Net debt	329,886	283,882
I) TOTAL SOURCES OF FINANCING (F+G+H)	487,636	434,498

SPECIAL FOUNDATIONS AND DRILLING SERVICES DIVISION

Summary Income Statement

(Euro '000)

	30/06/2013	30/06/2012	change	% change
TOTAL REVENUES	303,245	272,515	30,729	11.3%
of which inter-divisional	5,384	1,287	4,097	
Changes in inventories of work in progress, semi-finished and finished goods	917	0	917	
Increase in fixed assets for internal use	3,352	4,837	(1,485)	
Other operating revenues	0	0	0	
VALUE OF PRODUCTION	307,513	277,352	30,161	10.9%
Raw materials and external services	168,268	151,404	16,864	11.1%
Other operating expenses	6,738	5,501	1,236	
VALUE ADDED	132,507	120,446	12,061	10.0%
% on Total revenues	43.7%	44.2%		
Personnel expenses	77,488	75,700	1,788	
GROSS OPERATING PROFIT	55,020	44,746	10,273	23.0%
% on Total revenues	18.1%	16.4%		
Depreciation	18,756	16,595	2,161	
Provisions and write-downs	5,285	3,081	2,204	
OPERATING RESULT	30,978	25,070	5,908	23.6%
% on Total revenues	10.2%	9.2%		

MECHANICAL ENGINEERING DIVISION**Summary Income Statement**

(Euro '000)

	30/06/2013	30/06/2012	change	% change
TOTAL REVENUES	372,668	324,055	48,613	15.0%
of which inter-divisional	6,207	8,488	(2,281)	
Changes in inventories of work in progress, semi-finished and finished goods	7,110	12,736	(5,626)	
Increase in fixed assets for internal use	1,145	638	507	
Other operating revenues	0	0	0	
VALUE OF PRODUCTION	380,923	337,429	43,494	12.9%
Raw materials and external services	323,198	291,798	31,400	10.8%
Other operating expenses	1,627	1,100	527	
VALUE ADDED	56,098	44,532	11,567	26%
% on Total revenues	15.1%	13.7%		
Personnel expenses	34,277	30,710	3,567	
GROSS OPERATING PROFIT	21,821	13,821	8,000	57.9%
% on Total revenues	5.9%	4.3%		
Depreciation	6,962	6,346	616	
Provisions and write-downs	1,128	1,063	65	
OPERATING RESULT	13,731	6,413	7,318	114.1%
% on Total revenues	3.7%	2.0%		

Management believes business segments are the primary segment disclosure for understanding the business of the Group whilst geographical segment disclosure is the secondary segment; for a comment on the summary data disclosed in this note on segment reporting, please refer to the Board of Directors' Review of Operations.

RECONCILIATION STATEMENT AT 30 JUNE 2013**Summary Group Income Statement**

(Euro '000)

	Special Foundations & Drilling Services Division	Mechanical Engineering Division	TREVI-Fin. Ind.S.p.A	Adjustments	TREVI Group
TOTAL REVENUES	303,245	372,668	7,254	(19,707)	663,460
Changes in inventories of work in progress, semi-finished and finished goods	917	7,110	0	()	8,026
Increase in fixed assets for internal use	3,352	1,145	0	1,595	6,091
Other operating revenues	0	0	0	0	0
VALUE OF PRODUCTION	307,513	380,923	7,254	(18,113)	677,578
Raw materials and external services	168,268	323,198	4,132	(16,354)	479,244
Other operating expenses	6,738	1,627	329	(598)	8,096
VALUE ADDED	132,507	56,098	2,793	(1,161)	190,238
Personnel expenses	77,488	34,277	2,435	486	114,686
GROSS OPERATING PROFIT	55,020	21,821	358	(1,647)	75,552
Depreciation	18,756	6,962	847	(811)	25,753
Provisions and write-downs	5,285	1,128	0	(30)	6,384
OPERATING RESULT	30,978	13,731	(489)	(806)	43,415

Summary Statement of Financial Position

(Euro '000)

	Special Foundations & Drilling Services Division	Mechanical Engineering Division	TREVI-Fin. Ind.S.p.A	Adjustments	TREVI Group
A) Fixed assets	261,969	105,941	144,184	(126,585)	385,509
B) Net working capital					
- Inventories	126,622	475,609	0	0	602,231
- Trade receivables	198,536	233,536	15,781	(47,699)	400,153
- Trade payables (-)	(126,489)	(213,022)	(13,429)	52,413	(300,527)
- Pre-payments (-)	(49,086)	(114,394)	0	(3,903)	(167,383)
- Other assets (liabilities)	(1,482)	5,001	(3,675)	7,990	7,834
	148,101	386,730	(1,324)	8,801	542,308
C) Invested capital less liabilities for the period (A+B)	410,070	492,671	142,860	(117,784)	927,817
D) Post-employment benefits (-)	(14,002)	(5,035)	(999)	(101)	(20,136)
E) NET INVESTED CAPITAL (C+D)	396,068	487,636	141,861	(117,885)	907,680
Financed by:					
F) Group net equity	260,611	145,379	141,665	(124,816)	422,839
G) Non-controlling interests	8,152	12,370	0	1,400	21,922
H) Net debt	127,305	329,886	196	5,531	462,919
I) TOTAL SOURCES OF FINANCING (F+G+H)	396,068	487,636	141,861	(117,885)	907,680

In the column for adjustments, fixed assets are adjusted for investments and non-current intercompany financial receivables; trade receivables and payables are adjusted for the remaining intercompany eliminations; and Group net equity is adjusted for the balancing item for the elimination of investments.

RECONCILIATION STATEMENT AT 31 DECEMBER 2012**Summary Statement of Financial Position**

(Euro '000)

	Special Foundations & Drilling Services Division	Mechanical Engineering Division	TREVI-Fin. Ind.S.p.A	Adjustments	TREVI Group
A) Fixed assets	265,199	96,113	139,883	(125,221)	375,974
B) Net working capital					
- Inventories	107,454	385,862	0	1	493,317
- Trade receivables	206,106	177,691	11,728	(49,686)	345,839
- Trade payables (-)	(119,343)	(129,427)	(10,191)	49,259	(209,702)
- Pre-payments (-)	(54,286)	(96,271)	0	(2,664)	(153,221)
- Other assets (liabilities)	(10,593)	5,568	5,091	12,315	12,382
	129,338	343,424	6,628	9,225	488,615
C) Invested capital less liabilities for the period (A+B)	394,537	439,537	146,511	(115,996)	864,590
D) Post-employment benefits (-)	(13,240)	(5,039)	(956)	(99)	(19,335)
E) NET INVESTED CAPITAL (C+D)	381,297	434,498	145,555	(116,095)	845,255
Financed by:					
F) Group net equity	247,328	146,528	148,266	(122,783)	419,339
G) Non-controlling interests	7,127	4,088	0	1,334	12,549
H) Net debt	126,841	283,882	(2,711)	5,354	413,367
I) TOTAL SOURCES OF FINANCING (F+G+H)	381,297	434,498	145,555	(116,095)	845,255

RECONCILIATION STATEMENT AT 30 JUNE 2012 (*)**Summary Group Income Statement**

(Euro '000)

	Special Foundations & Drilling Services Division	Mechanical Engineering Division	TREVI-Fin. Ind.S.p.A	Adjustments	TREVI Group
TOTAL REVENUES	272.515	324.055	6.927	(18.757)	584.740
Changes in inventories of work in progress, semi-finished and finished goods	0	12.736	0	()	12.735
Increase in fixed assets for internal use	4.837	638	0	5.662	11.137
VALUE OF PRODUCTION	277.352	337.429	6.927	(13.095)	608.613
Raw materials and external services	151.404	291.798	3.437	(10.512)	436.127
Other operating expenses	5.501	1.100	282	114	6.997
VALUE ADDED	120.446	44.532	3.209	(2.698)	165.488
Personnel expenses	75.696	30.710	2.410	548	109.365
GROSS OPERATING PROFIT	44.750	13.821	799	(3.246)	56.124
Depreciation	16.595	6.346	875	(740)	23.076
Provisions and write-downs	3.081	1.063	0	(36)	4.108
OPERATING RESULT	25.074	6.413	(77)	(2.470)	28.940

(*) The 2012 figures have been restated due to the application of IAS19 revised.

Information on the geographic areas in which the Group operates is given in Note 20 - Revenues.

(31) Significant non-recurring events and transactions

In accordance with Consob ruling no. DEM/6064293 of 28 July 2006, it is declared that no significant non-recurring transactions were made by the TREVI Group in the first semester 2013.

(32) Transactions deriving from extraordinary non-recurring operations

In accordance with Consob ruling no. DEM/6064293 of 28 July 2006, it is declared that the TREVI Group undertook no transactions in the first semester 2013 that could be defined as extraordinary and/or unusual as defined by the Consob ruling.

(33) Significant events after the end of the reporting period

Significant events after the period under review are described in the section on significant events subsequent to the end of the first semester in the Director's Report on Operations for the semester.

ATTACHMENTS

The following attachments supplement the information contained in the Explanatory Notes to the Accounts, of which they form an integral part.

- 1 Companies consolidated in the Financial Statements at 30 June 2013 on a line-by-line basis.
- 1a Companies consolidated in the Financial Statements at 30 June 2013 using the equity method.
- 1b Companies consolidated in the Financial Statements at 30 June 2013 using the proportional method.
- 1c Companies and consortia consolidated in the Financial Statements at 30 June 2013 and carried at cost.
- 2 Group organizational chart.

Attachment 1

COMPANIES CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2013 ON A LINE-BY-LINE BASIS

	COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	% HELD BY THE GROUP
1	TREVI – Finanziaria Industriale S.p.A.	Italy	Euro	35,097,150	Parent Company
2	Soilmec S.p.A.	Italy	Euro	25,155,000	99.9%
3	Soilmec U.K. Ltd	UK	Sterling	150,000	79.9%
4	Soilmec Japan Co. Ltd	Japan	Yen	45,000,000	92.9%
5	Soilmec France S.a.S.	France	Euro	1,100,000	97.9%
6	Soilmec International B.V.	Holland	Euro	18,151	99.9%
7	Drillmec S.p.A.	Italy	Euro	5,000,000	99.9%
8	Soilmec H.K. Ltd.	Hong Kong	H.K. Dollar	44,743	99.9%
9	Drillmec Inc. USA	U.S.A.	U.S. Dollar	6,846,776	99.9%
10	I.D.T. S.r.L.	Republic of San Marino	Euro	25,500	99.9%
11	Pilotes Trevi S.a.c.i.m.s.	Argentina	Peso	1,650,000	98.9%
12	Cifuven C.A.	Venezuela	Bolivar	300,000,000	99.8%
13	Petreven C.A.	Venezuela	Bolivar	16,044,700,000	84.03%
14	Trevi S.p.A.	Italy	Euro	32,300,000	99.8%
15	R.C.T. S.r.L.	Italy	Euro	500,000	99.8%
16	Treviicos Corporation	U.S.A.	U.S. Dollar	23,500	99.8%
17	Trevi Foundations Canada Inc.	Canada	Canadian Dollar	10	99.8%
18	Trevi Cimentaciones C.A.	Venezuela	Bolivar	14,676,000,000	99.8%
19	Trevi Construction Co. Ltd.	Hong Kong	U.S. Dollar	2,051,668	99.8%
20	Trevi Foundations Nigeria Ltd.	Nigeria	Naira	335,462,400	59.9%
21	Trevi Contractors B.V.	Holland	Euro	907,600	99.8%
22	Trevi Foundations Philippines Inc.	Philippines	Philippine Peso	27,300,000	99.8%
23	Swissboring Overseas Piling Corporation	Switzerland	Swiss Franc	100,000	99.8%
24	Swissboring & Co. LLC.	Oman	Omani Rial	150,000	99.8%
25	Swissboring Qatar WLL	Qatar	Qatar Rial	250,000	99.8%
26	Idt Fzco	United Arab Emirates	Dirham	1,000,000	99.8%
27	Treviicos South Inc.	U.S.A.	U.S. Dollar	500,000	99.8%
28	Wagner Constructions Joint-Venture	U.S.A.	U.S. Dollar	-	98.8%
29	Wagner Constructions L.L.C.	U.S.A.	U.S. Dollar	5,200,000	99.8%
30	Trevi Algeria E.U.R.L.	Algeria	Dinar	53,000,000	99.8%
31	Borde Seco	Venezuela	Bolivar	-	94.9%
32	Trevi Insaat Ve Muhendislik A.S.	Turkey	Turkish Lira	777,600	99.8%
33	Petreven S.A.	Argentina	Peso	9,615	99.9%
34	Petreven – U TE – Argentina	Argentina	Peso		99.8%
35	Penboro S.A.	Uruguay	Peso	155,720	99.8%
36	Gomec S.r.l.	Italy	Euro	50,000	99.9%
37	Soilmec F. Equipment Pvt. Ltd.	India	Indian Rupee	500,000	79.9%
38	PSM S.r.l.	Italy	Euro	110,000	69.9%

39	Trevi Energy S.p.A.	Italy	Euro	1,000,000	100%
40	Trevi Austria Ges.m.b.H.	Austria	Euro	100,000	99.8%
41	Trevi Panamericana S.A.	Republic of Panama	Balboa	10,000	99.8 %
42	Soilmec North America	U.S.A.	U.S. Dollar	10	79.9%
43	Soilmec Deutschland GmbH	Germania	Euro	100,000	99.9%
44	Soilmec Investment Pty Ltd.	Australia	Australian Dollar	100	99.9%
45	Soilmec Australia Pty Ltd.	Australia	Australian Dollar	100	99.9%
46	Soilmec WuJiang Co. Ltd.	China	Renmimbi	-	51%
47	Soilmec do Brasil S/A	Brazil	Brazilian Real	5,500,000	38.2%
48	Trevi Asasat J.V.	Libya	Libyan Dinar	300,000	64.9%
49	Watson Inc. USA	U.S.A.	U.S. Dollar	37,500	79.9%
50	Arabian Soil Contractors	Saudi Arabia	Saudi Rial	1,000,000	84.83%
51	Galante Foundations S.A.	Republic of Panama	Balboa	10,000	99.8%
52	Galante S.A.	Colombia	Colombian peso	233,500,000	69.8%
53	Trevi Galante S.A.	Republic of Panama	Balboa	10,000	69.8%
54	Petreven S.p.A.	Italy	Euro	4,000,000	99.9%
55	Idt Llc	United Arab Emirates	Dirham	1,000,000	99.8%
56	Idt Llc Fzc	United Arab Emirates	Dirham	6,000,000	99.8%
57	Soilmec Algeria	Algeria	Algerian Dinar	1,000,000	68.55%
58	Drillmec OOC	Russia	Russian Rouble	153,062	99.9%
59	Drillmec International Sales Inc.	U.S.A.	U.S. Dollar	2,500	99.9%
60	Watson International Sales Inc.	U.S.A.	U.S. Dollar	2,500	79.9%
61	Perforazioni Trevi Energie B.V.	Holland	Euro	90,000	99.9%
62	Trevi Drilling Services	Saudi Arabia	Saudi Rial	7,500,000	51%
63	Trevi Foundations Saudi Arabia Co. Ltd.	Saudi Arabia	Saudi Rial	500,000	99.78%
64	Treviicos BV	Holland	Euro	20,000	99.78%
65	Petreven Perú SA	Peru	Nuevo Sol	1,499,265	99.95%
66	Petreven Chile S.p.A.	Chile	Chilean Peso	300,000	99.95%
67	Trevi Foundations Kuwait	Kuwait	Kuwaiti Dinar	100,000	99.78%
68	Trevi Foundations Denmark	Denmark	Danish Krone	1,000,000	99.78%
69	Trevi Fundacoes Angola Lda	Angola	Kwanza	800,000	99.78%
70	Trevi ITT JV	Thailand	Baht	-	94.9%
72	Soilmec Colombia Sas	Colombia	Colombian peso	180,000,000	99.92
73	Petreven do Brasil Ltd	Brazil	Brazilian Real	1,000,000	99.953%
74	Galante Cimentaciones Sa	Peru	Nuevo Sol	3,000	99.78
75	Trevi SpezialTiefbau GmbH	Germany	Euro	50,000	99.78
76	Profuro Intern. L.d.a.	Mozambique	Metical	19,800,000	99.3%
77	Hyper Servicos de Perfuracao AS	Brazil	Brazilian Real	25,000	50.98%
78	Immobiliare SIAB S.r.l.	Italy	Euro	80,000	100%
79	Foundation Construction	Nigeria	Naira	28,006,440	80.15%
80	OJSC Seismotekhnika	Belarus	Belarusian Rouble	120,628,375,819	50.999%
81	Trevi Australia Pty Ltd	Australia	Australian Dollar	10	99.78%

Attachment 1a**COMPANIES CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2013 USING THE EQUITY METHOD**

COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL(*)	% HELD BY THE GROUP	CARRYING VALUE (Euro'000)
J.V. Rodio-Trevi-Arab Contractor	Switzerland	U.S. Dollar.	100,000	17.3 %	-
Cons. El Palito	Venezuela	Bolivar	26,075	14.85%	-
TROFEA UTE	Argentina	Peso	36,707	49.2 %	2
Cartel-Trevi UTE – (ChoconI)	Argentina	Peso	6,056	39.6 %	-
Cartel.-Trevi-Solet. UTE- (Chocon II)	Argentina	Peso	438,019	36.1%	-
Cartellone-Pilotes Trevi Sacims – Trevi S.p.A.- Soletanche U.T.E.	Argentina	Peso		33%	-
Pilotes Trevi Sacims –C.C.M. U.T.E.	Argentina	Peso		49.7%	-
Pilotes Trevi Sacims-ECAS U.T.E	Argentina	Peso		49.7%	6
Pilotes Trevi.- Copersa - Molinos UTE	Argentina	Peso		49.9%	-
Dragados y Obras Portuarias S A Pilotes Trevi SACIMS Obring S A UTE	Argentina	Peso		19.9%	
Fundaciones Especiales S A Pilotes Trevi SACIMS UTE	Argentina	Peso		49.9%	433
Dragados y Obras Portuarias S A Pilotes Trevi SACIMS UTE	Argentina	Peso		49.9%	67
Trevi San Diego Gea U.T.E	Argentina	Peso		49.7%	-
VPP Pilotes Trevi SACIMS Fesa UTE	Argentina	Peso		49.9%	768
STRYA UTE	Argentina	Peso	19,435	17.3%	2
Petreven Mexico. S.de R.L. de C.V.	Mexico	Mexican Peso	3,000	99.95%	-
Petreven Servicios. S.de R.L. de C.V.	Mexico	Mexican Peso	3,000	99.95%	
TOTAL					1,278

(*) For consortia in Argentina, the figure given is the value of net equity

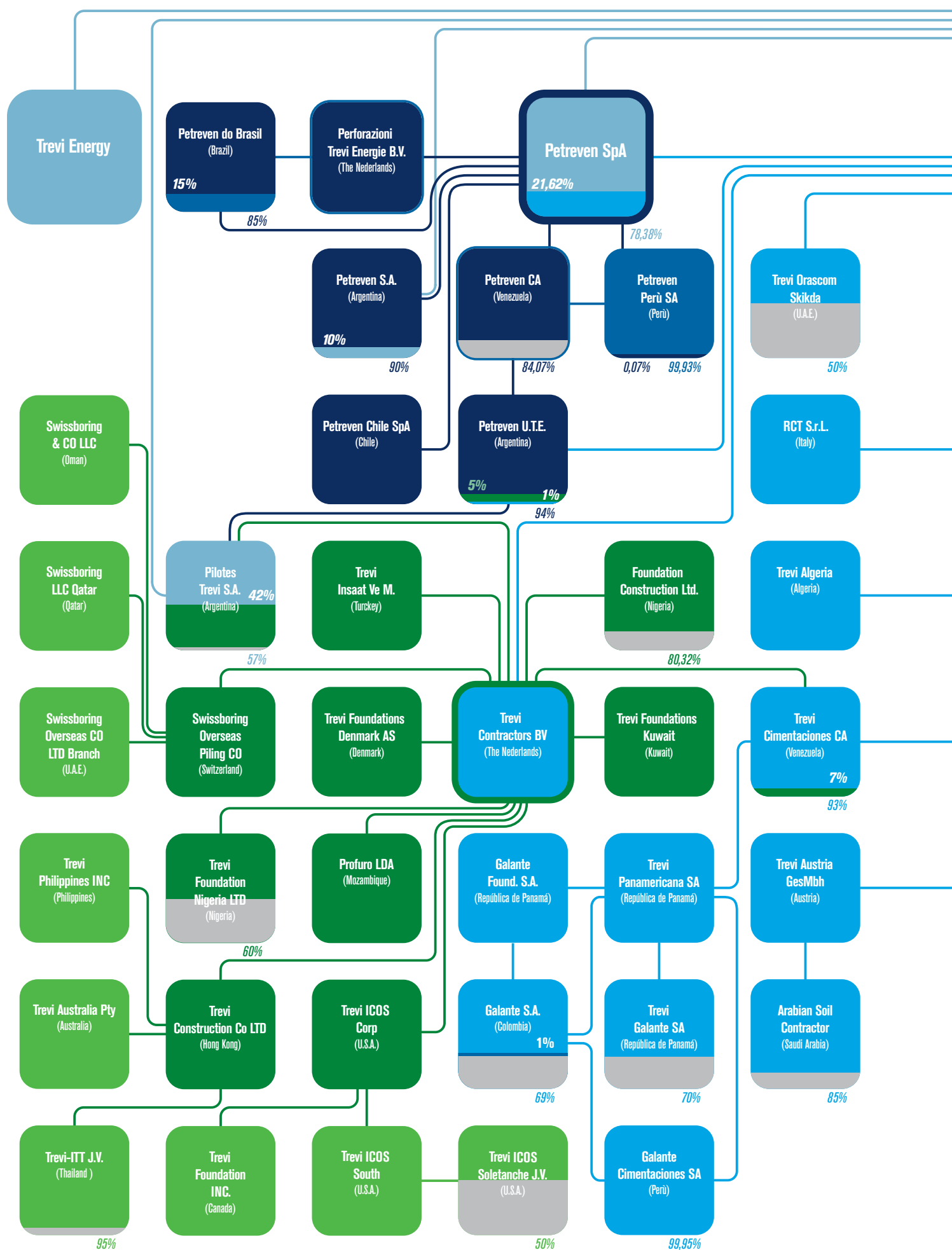
Attachment 1b**COMPANIES CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2013 USING THE PROPORTIONAL METHOD**

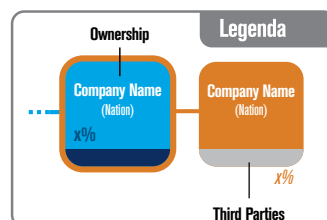
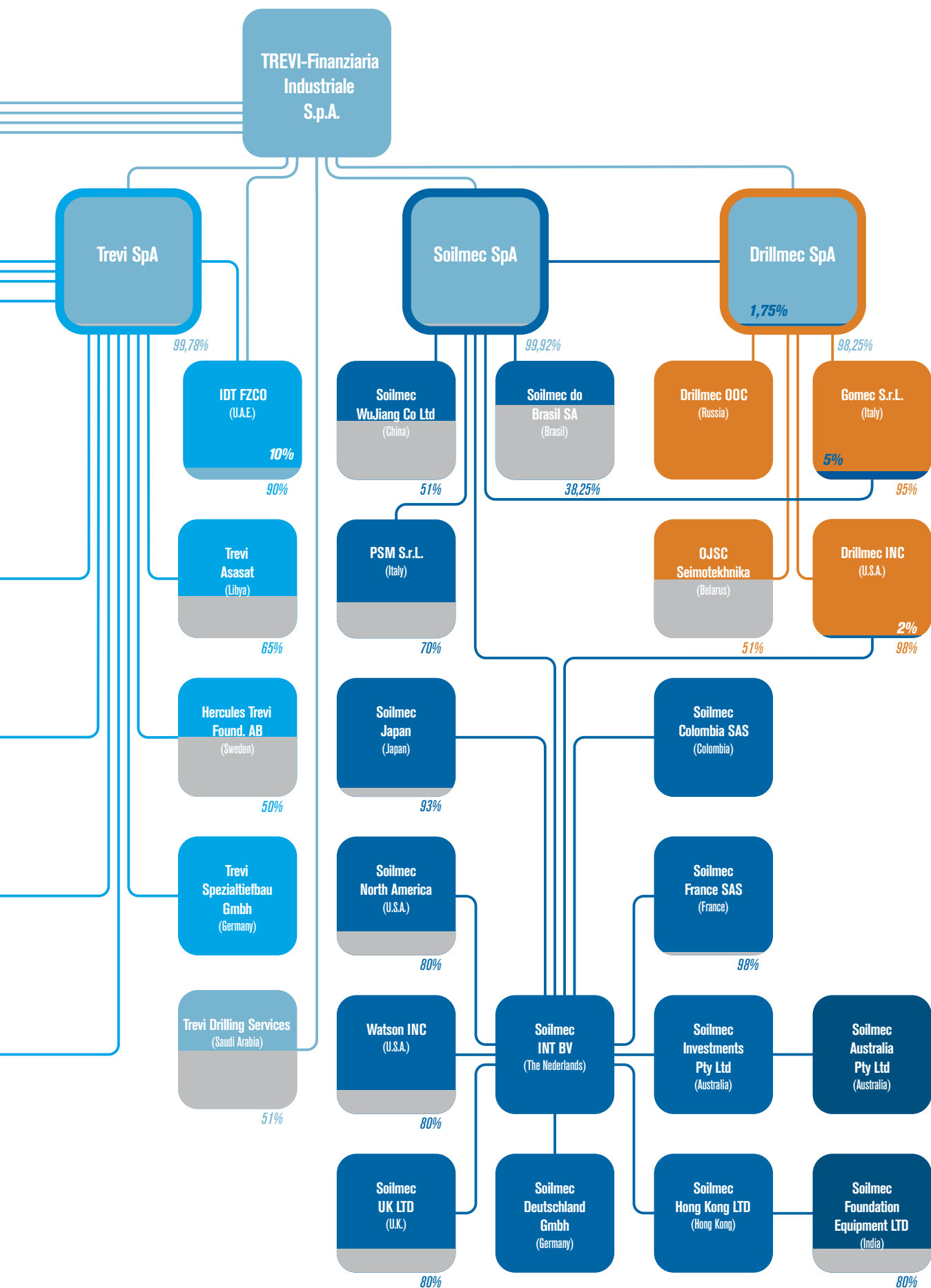
COMPANY NAME	REGISTERED OFFICE	CURRENCY	TOTAL NET EQUITY (local currency)	% HELD BY THE GROUP
DC Slurry partners	U.S.A.	U.S. Dollar	1,391,709	49.89%
Trevi/Orascom				
Skikda Ltd.	United Arab Emirates	Euro	492,225	49.89%
Trevi Icos Soletanche J.V.	U.S.A.	U.S. Dollar	32,209,580	49.89%
Consorzio GSG	Colombia	U.S. Dollar		23.27%
Consorzio GS	Colombia	U.S. Dollar		34.9%

Attachment 1c

COMPANIES AND CONSORTIA CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2013 AND CARRIED AT COST

COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	% HELD BY THE GROUP	CARRYING VALUE (Euro'000)
CONSORTIUM COMPANIES AND CONSORTIA					
Consorzio Progetto Torre di Pisa	Italy	Euro	30,987	24.7%	8
Consorzio Romagna Iniziative	Italy	Euro	41,317	12%	5
Consorzio Trevi Adanti	Italy	Euro	10,329	48.6%	5
Trevi S.G.F Inc. S.c.a.r.l.	Italy	Euro		54.4%	5
Pescara Park S.r.l.	Italy	Euro		24.7%	11
Consorzio Fondav	Italy	Euro	25,823	25.7%	10
Consorzio Fondav II	Italy	Euro	25,000	36.92%	10
Principe Amedeo S.c.a.r.l.	Italy	Euro	10,329	49.50%	0
Filippella S.c.a.r.l.	Italy	Euro	10,000	59.9%	8
Porto di Messina S.c.a.r.l.	Italy	Euro	10,329	79.2%	8
Consorzio Water Alliance	Italy	Euro	60,000	64.86%	39
Parma Park Srl	Italy	Euro		29.9%	60
Compagnia del Sacro Cuore S.r.l.	Italy	Euro			150
SO.CO.VIA S.c.a.r.l.	Italy	Euro			4
Consorzio NIM-A	Italy	Euro	60,000	65.6%	40
Cermet	Italy	Euro	420,396	0.46%	2
Centuria S.c.a.r.l.	Italy	Euro	308,000	1.58%	5
Idroenergia S.c.a.r.l.	Italy	Euro			-
Soilmec Arabia	Saudi Arabia	Saudi Rial		24.25%	44
- OTHER COMPANIES					
Comex S.p.A.	Italy	Euro	2,606,427	0.82%	24
Banca di Cesena S.p.A.	Italy	Euro			1
Bologna Park S.r.l.	Italy	Euro			23
Trevi Park P.l.c.	United Kingdom	U.K. sterling	4,236,98	29.7%	-
Italthai Trevi	Thailand	Baht	80,000,000	2.19%	134
Drillmec Eng.Sudan Ltd.	Sudan	Sudanese Sterling		19.99%	46
Drillmec India	India	Indian Rupee			73
Hercules Trevi Foundation A.B.	Sweden	Krona	100,000	49.5%	103
Japan Foundations	Japan	Yen	5,907,978,000	0.001%	96
Soilmec Far East Pte Ltd.	Singapore	Singapore Dollar	4.500.000	10%	135
I.F.C.	Hong Kong	Dollaro U.S.A.	18.933	0,10%	-
TOTAL					1,049






Declaration relating to the Summary Consolidated First-Half Financial Statements in accordance with Article 154-bis of Legislative Decree 58/98 and of Article 81-ter of Consob Ruling no. 11971 of 14 May 1999 and subsequent modifications and additions

1. The undersigned Davide Trevisani, Chairman and Managing Director; Gianluigi Trevisani, Managing Director; Cesare Trevisani, Managing Director; Stefano Trevisani, Managing Director; and Daniele Forti, Group Chief Financial Officer and in his capacity as Manager responsible for drawing up the financial statements of the Trevi Group, declare, taking note of the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree of 24 February 1998, no. 58:
 - the appropriateness in relation to the characteristics of the business; and
 - the effective applicationof the administrative and accounting procedures for the preparation of the Summary Consolidated First-Half Financial Statements for the first semester of 2013.
2. It is also declared that:
 - 2.1 The Summary Consolidated First-Half Financial Statements at 30 June 2013:
 - a) have been prepared in accordance with the applicable International Accounting Standards recognised by the European Community in accordance with EC Regulation no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002;
 - b) correspond to the results contained in the accounting records and documents;
 - c) provide a true and fair view of the capital, economic and financial position of the issuer and of the businesses included in the area of consolidation.
 - 2.2 The review of operations includes information on significant events that occurred in the course of the first six months of the financial year and of their impact on the Summary Consolidated First-Half Financial Statements, together with a description of the main risks and uncertainties of the remaining six months of the financial year, and information concerning material related party transactions.

Cesena, 28 August 2013



Davide Trevisani
Chairman and Managing Director



Gianluigi Trevisani
Managing Director



Cesare Trevisani
Managing Director



Stefano Trevisani
Managing Director



Daniele Forti
Group Chief Financial Officer

Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Trevi Finanziaria Industriale S.p.A.

1. We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes, of Trevi Finanziaria Industriale S.p.A. and its subsidiaries (the "Trevi Group") as of June 30, 2013. Management of Trevi Finanziaria Industriale S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.
2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we expressed on the annual consolidated financial statements.

With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on April 6, 2013 and on August 29, 2012, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Trevi Group as of June 30, 2013 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 28, 2013

Reconta Ernst & Young S.p.A.
Signed by: Andrea Nobili, Partner

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

