TREVI Finanziaria Industriale S.p.A.

ANNUAL REPORT AND ACCOUNTS

As at December 31, 2001

Registered office - Via Larga, 201 Cesena (FC)
Capital stock Euro 32,000,000 fully paid in
Member of the Business Register of Forlì - Cesena no. 01547370401
R.E.A. no. 201271 Forlì - Cesena Chamber of Commerce
Tax code and VAT reg. no: 01547370401
Web site: www.trevifin.com

BOARD OF DIRECTORS

Chairman
Cav. del Lavoro Davide Trevisani

Managing Directors
Gianluigi Trevisani
Cesare Trevisani

Board Members
Stefano Trevisani
Mario Amoroso
Moscato Guglielmo Antonio Claudio
Conte Teodorani Fabbri Pio
Pinza Roberto

BOARD OF STATUTORY AUDITORS

Statutory Auditors
Adolfo Leonardi (Chairman)
Giacinto Alessandri
Giancarlo Poletti

Alternate Statutory Auditors
Marco Alessandri
Giancarlo Daltri

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers S.p.A..

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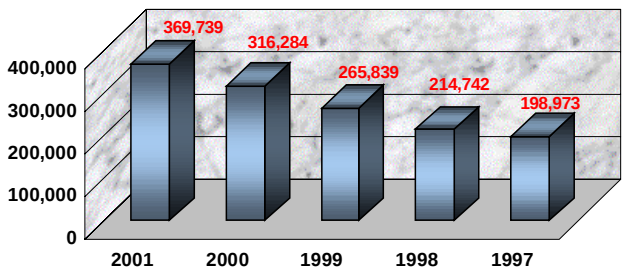
KEY FINANCIAL INFORMATION

12.31.1999		In thousands of Euro 12.31.2001	In thousands of Euro 12.31.2000	Changes
265,839	Production value	**369,739**	**316,284**	16.9%
262,999	Total revenues	**349,739**	**303,964**	15.1%
92,882	Added value	**104,530**	**104,007**	0.5%
35.3%	% on total revenues	***29.9%***	***34.2%***	
28,807	EBITDA	**19,819**	**24,847**	-20.2%
10.95%	% on total revenues	***5.67%***	***8.17%***	
15,921	Net Operating Income	**2,400**	**9,866**	-75.7%
6.05%	Net Operating Income/total revenues	***0.69%***	***3.25%***	
7,151	Net result of the Group	**(3,909)**	**2,227**	-275.5%
31,820	Gross technical investments	**42,739**	**31,659**	35.0%
126,430	Net invested capital	**205,565**	**157,393**	30.6%
(26,066)	Net financial position	**(103,116)**	**(48,892)**	110.9%
105,541	Total stockholders' equity	**102,449**	**108,501**	-5.6%
100,364	Group's net equity	**97,882**	**104,469**	-6.3%
5,177	Minority interests	**4,567**	**4,032**	13.3%
2,435	Nr. of employees (1)	**2,445**	**2,408**	
203,375	Works' portfolio	**317,669**	**245,596**	29.3%
12.59%	EBIT/Net invested capital (R.O.I.) Net income/	**1.17%**	**6.27%**	
7.13%	Net stockholders' equity (R.O.E.)		**2.13%**	
6.05%	EBIT/Total revenues (R.O.S.) Net financial position/	**0.69%**	**3.25%**	
0.25	Total net stockholders' equity (Debt/Equity)	**1.01**	**0.45**	

(1) Companies consolidated on a line-by-line basis.

VALUE OF PRODUCTION IN THOUSANDS OF EURO



CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended December 31, 2001

Ponte Calatrava – Buenos Aires Argentina
Calatrava Bridge – Buenos Aires Agentina

Stockholders,
We submit for your approval the consolidated financial statements of the Trevi - Finanziaria Industriale S.p.A. and its subsidiaries (Trevi Group) as of December 31, 2001.
The consolidated financial statements show a value of production of Euro 369.74 million and losses for the year of Euro 3.9 million, net of taxes and minority interests and after deducting amortization, depreciation and writedowns for Euro 17.4 million.

Key figures of the Group

(IN THOUSANDS OF EURO)			(in millions of Lire)
	12/31/2001	**12/31/2000**	**12/31/2001**
TOTAL REVENUES	349,739	303,964	677,189
Changes in inventories of work in progress, semifinished and finished products	2,936	7,775	5,685
Additions to fixed assets by internal production	17,064	4,545	33,041
VALUE OF PRODUCTION	**369,739**	**316,284**	**715,915**
Use of raw materials and outside services	260,766	208,854	504,913
Other operating expenses	4,443	3,423	8,603
VALUE ADDED	**104,530**	**104,007**	**202,398**
Payroll and related contributions	84,711	79,160	164,023
E.B.I.T.D.A.	**19,819**	**24,847**	**38,375**
Amortization, depreciation and writedowns	17,419	14,981	33,728
OPERATING INCOME	**2,400**	**9,866**	**4,647**
Financial Income (expenses)	(8,587)	(5,477)	(16,627)
Adjustments to financial assets	123	(555)	238
Extraordinary income (expenses)	537	1,587	1,040
PRE-TAX RESULT	**(5,527)**	**5,421**	**(10,702)**
Income taxes for the year	(2,076)	3,336	(4,020)
Minority interests	458	(142)	887
CONSOLIDATED INCOME	**(3,909)**	**2,227**	**(7,569)**

Group companies have recorded substantial increases in business volumes, as outlined in the budget. The total value of production, at just under Euro 370 million, is an all-time high in the expansion of the Trevi Group's activities. The increase of 16.9% over the figure in 2000 comes on top of the 19% increase achieved in 1999, significantly higher than the average growth rate of 15% in the previous five years.

The consolidated net result for the year went from a profit of Euro 2,227 thousand in 2000 to a loss of Euro 3,909 thousand,

resulting from the protraction and deterioration of certain situations, which began the previous year:

- in the United States, the Company suffered substantial losses on two jobs carried out in the Mid-Atlantic region;
- in Turkey, the earthquake and the collapse of the banking system triggered an acute downturn in business activity, while the Turkish lire lost more than 50% of its value.

These matters are described in greater detail later in this report. Note that in spite of the fact that many of the events that have caused profits to fall compared with a year ago involve activities that are needed to ensure future growth in profitability.

Tax increases in Italy were relatively low as most of the Italian companies in the Group were able to benefit from the tax incentives granted under the so-called “Tremonti bis” law.

Gross operating income was Euro 19,819 thousand against Euro 24,847 thousand the previous year.

Looking at operational aspects, note that foreign markets still offer the most potential for the Group, thanks to the favorable trend in the dollar during 2001.

Group expansion on a global scale (which can be seen in the breakdown of revenues by geographical area and by industry sector, reported in the Explanatory Notes) is shown in the following figures: the proportion of revenues earned on the Italian market against total consolidated revenues from sales and services dropped from 17.1% to 14.2%, while the American area slipped four points to about 37%; the proportion of revenues earned in the Middle East remained steady at 15%; there was a slight dip in the presence in Europe (outside Italy), while there was growth in the Far East; revenues doubled in Africa.

As of December 31, 2001, the Group has an order book for jobs worth Euro 318 million (30% up on December 31, 2000), of which 220 million on jobs scheduled for the current year.

Research and Development

Soilmec, the Mechanical Engineering arm of the Trevi Group, launched its most recent products during the Samoter trade fair in Verona. These innovative products reflect its commitment to research into machinery for construction at depth. The common denominator in all of these is their high execution speed, in line with Soilmec's philosophy of "attaching value to time".

The first new item unveiled was the SM–575, a multifunctional hydraulic drilling machine for tunnel consolidation, which can also be used in surface work thanks to the jointed tower that enables vertical executions. With electronic controls, it is self-erecting in the drilling points, with the same angulation.

The second new product is the SM-35F: a versatile 35-ton capacity crane that can also mount the traditional 45-ton arm ideal for foundations. To meet the increasing need for speed in execution, the machine's greatest strength lies in the possibility to start operating less than 30 minutes after reaching the work site. A completely self-erecting machine, it is made up of a lattice boom, jointed in three places. It can be easily transported on a single truck and its ideal for small- and medium-sized job sites. With this machinery, Soilmec aims to expand its range of cranes to achieve even greater visibility in this particular market.
The R-312/200 is a hydraulic rotary rig used for dry-drilled piles or with bentonite muds. This product is a more powerful version of the 312 model. Its main characteristic is represented by the increased motorization (200 horsepower) to supply the rotary rig a high drilling speed and low set-up and operating times.
The last machine is the R-208HD, an innovative hydraulic rotary rig, ideal for small job sites: it can work in very tight locations and move quickly. This is a motorized machine, ready for operating in just a few minutes thanks to the automatic vertical position of the antenna and the fact that the mast does not have to moved every time.
These new products enhance the already substantial product range and maintain the sector leadership held by Soilmec, a company that is able to provide high tech solutions for all types of work in construction at depth. These products are also the basis for the growth that the company wants to achieve in 2002.

Summary consolidated balance sheet

(IN THOUSANDS OF EURO)			(in millions of Lire)
	12.31.2001	**12.31.2000**	**12.31.2001**
A) Fixed assets			
- Intangible fixed assets	7,207	8,041	13,955
- Property, plant and equipment	126,999	106,850	245,904
- Financial fixed assets	3,206	1,607	6,208
	137,412	**116,498**	**266,067**
B) Net working capital			
- Inventories	83,013	79,516	160,736
- Trade receivables	100,940	79,571	195,447
- Trade payables (-)	(91,286)	(87,930)	(176,754)
- Advances (-)	(17,192)	(15,783)	(33,288)
- Others assets (liabilities)	936	(6,857)	1,812
	76,411	**48,517**	**147,952**
C) Invested capital minus current liabilities (A+B)	**213,823**	**165,015**	**414,019**

D) Employee termination indemnities (-)	**(8,258)**	**(7,622)**	**(15,990)**
E) NET INVESTED CAPITAL (C+D)	**205,565**	**157,393**	**398,029**
Financed by:			
F) Group stockholders' equity	**97,882**	**104,469**	189,526
G) Minority interests in capital and reserves	4,567	4,032	8,843
H) Net financial position	**103,116**	**48,892**	**199,660**
I) TOTAL SOURCES OF FUNDS (F+G+H)	**205,565**	**157,393**	**398,029**

Capital investments

The investment policy continued in 2001 with a view to increasing production capacity and upgrading the technology of plant and machinery. Gross expenditure in plant and equipment in 2001 comes to Euro 42,739 thousand (rising from Euro 31,659 thousand invested in the previous year). A part of these investments (about Euro 16.7 million) was earmarked to strengthen Soilmec's equipment and machinery rental business. The decrease in the historical cost of assets resulting from disposals to renew plant and equipment came to Euro 10,412 thousand. Depreciation was charged for Euro 13,879 thousand. The residual book value at year end is Euro 126,999 thousand. Funding for these investments came chiefly from financial lease contracts.

NET CONSOLIDATED FINANCIAL POSITION
(IN THOUSANDS OF EURO)

	12.31.2001	12.31.2000	Changes
Short-term bank loans	(53,150)	(31,637)	(21,513)
Other short-term borrowing	(18,385)	(11,657)	(6,728)
Short-term liquid assets	26,711	40,637	(13,926)
Total short-term portion	**(44,824)**	**(2,657)**	**(42,167)**
Medium- to long-term bank loans	(35,578)	(26,999)	(8,579)
Other medium- and long-term borrowing	(22,714)	(19,236)	(3,478)
Total medium- and long-term portion	**(58,292)**	**(46,235)**	**(12,057)**
Net financial position	**(103,116)**	**(48,892)**	**(54,224)**

The rise in debt is due chiefly to the need to finance the Euro 26.5 million increase in net working capital, in addition to cash flow for new investments amounting to Euro 41.4 million. While short-term net debt was fairly low at the start of the year, 12

months later it stood at Euro 44.8 million; The Group has long-term debt totaling Euro 58.3 million. The Debt/Equity ratio rose from 0.45 to 1.01.

Operating and financial results
Trevi Finanziaria Industriale S.p.A.

The Company closed the year 2001 with revenues from sales and services of Euro 2,765 thousand (Euro 1,671 thousand in 2000, up by Euro 1,094 thousand), income from equity investments of Euro 2,273 thousand (Euro 626 thousand in 2000, rising by Euro 1,647 thousand) and financial income of Euro 2,288 thousand (Euro 2,670 in 2000, falling by Euro 382 thousand). Net income for the year came to Euro 1,858 thousand (Euro 674 thousand higher than the previous year's net income of Euro 1,184 thousand).

This increase in income is mainly due to the distribution of dividends by subsidiaries and growth in financial assistance and other services provided to subsidiary companies. At this point, we should point out that the Parent Company is involved in the equipment rental business, operating and administrative assistance, and supervision of human resources and personnel functions. In addition, this year marks the first year that the Parent Company also handles IT and integrated management software for the Group.

As regards the main stockholders' equity accounts, readers are reminded that the Stockholders' Meeting held on April 30, 2001 approved distribution of the dividends earned in 2000 for a total of Euro 960 thousand (Euro 0.015 for each of the 64,000,000 ordinary shares) which was paid out on July 9, 2001.

The capital stock as of December 31, 2001 comes to Euro 32,000,000.

Conversion of the capital stock into Euro was made on July 1, 2001, in execution of the resolution of the Extraordinary Stockholders' Meeting of April 30, 2001. The plan included a scrip increase in capital stock from Lire 32,000,000,000 to Lire 61,960,640,000 and simultaneous conversion to Euro 32,000,000, through redenomination of the par value of the 64,000,000 ordinary shares to 0.50 Euro, transferring Lire 29,960,640,000 from the share premium reserve.

The increase in the net financial position from Euro 873,977 to Euro 1,363,362 is largely due to the increase in financing to subsidiaries and more services performed on behalf of the subsidiaries. Loans have been granted to subsidiaries in order to fund their investment plans.

Turning our attention to the memorandum accounts, please note that the increase in guarantees granted (Euro 108,894 thousand

over the Euro 50,579 thousand last year, an increase of Euro 58,315 thousand) is principally due to the increase in guarantees issued in favor of a major insurance company, in the interest of the sub-subsidiary Trevi Icos Corporation pursuant to acquisition by this company of important building and engineering works at depth contracts in the U.S. The contract for repair work on the “Walter F. George” dam in Alabama, required guarantees for 100% of the contract total. For detailed comments on the individual items in the financial statements, you are referred to the explanatory notes.

Relationships with non-consolidated subsidiaries, associated companies and parent companies

Almost all of the revenues earned by TREVI Finanziaria Industriale S.p.A. are earned from subsidiary companies in carrying out their equipment rental business and in providing them with financial and administrative assistance. These transactions take place at arm's length conditions. Receivables and payables as of December 31, 2001 are detailed in full in the explanatory notes.
The Company does not have any relations with associated companies nor with the Parent Company TREVI Holding APS.

Trevi Icos Corporation:

In 2001, Trevi Icos Corporation began operating in the southern United States through Trevi Icos South Inc. a wholly-owned subsidiary. Through this company, numerous important contracts were secured, among which the contract for repair work on the Walter F. George dam in Alabama per USD 50.14 million in a joint venture with a local partner. In January of last year, Wagner Construction J.V. was set up in California, which carried out more than 50 small to medium sized jobs in the San Francisco, Los Angeles and San Diego areas. Revenues earned by these two new companies in the southern and western U.S. come to almost USD 15 million. Opening these new markets has cost the Corporation substantial outlays in entrance and operating expenses. Other American revenues include those earned in New England by the parent company, Trevi Icos Corporation of Boston, for a total of USD 65 million that should increase by 15% during the year. A minor portion of company revenues were taken on executing the foundation of plots of land as part of the "Central Artery Tunnel" project in Boston. Completion of this project, which was the Corporation's main activity ever since its foundation four years ago, has forced it to look for new customers and new markets. This produced modest profit margins on numerous jobs and heavy losses on two specific jobs undertaken in New York City. Claims for about 10 million dollars have been lodged (which were

not accounted for in the period) that could lead to a partial recovery of the loss, which negatively influenced the consolidated results for Euro 7 million.

Trevi S.p.A.

Trevi S.p.A. ended 2001 with total revenues of Euro 67.1 million, rising by 11.5% compared with the previous year.

Revenues earned on the specific services relating to the core business came to Euro 40 million in Italy (accounting for 62% of the total) and Euro 17.3 million abroad (comprising 27% of total) in foundation industry activities. These have to be added to revenues of Euro 6.4 million earned in the geo-resources sector (around 10%). Net income during the year came to Euro 159 thousand, whereas in 2000 the company made a loss of Euro 2,638 thousand. Gross operating income increased on the previous year, coming to Euro 1,228 thousand. The increase in business volumes and the return to profitability are in part due to an upswing in the public works sector in Italy, together with the company's good commercial positioning and advanced technologies. The income generated was partially offset by losses suffered in the automatic parking facilities sector.

Foreign activities, run through direct job sites and Trevi S.p.A. branches, proceeded at a lively pace, with positive results in Ethiopia, Spain, Tunisia, and Algeria (where a wholly-owned local subsidiary has been set up). The foreign subsidiaries have made a remarkably strong contribution to revenues for the technical assistance provided. The company posted dividends, whose distribution was approved by foreign subsidiaries for Euro 1.12 million. Net debt stands at Euro 28.7 million.

Trevi Foundations Nigeria Ltd

Trevi Foundations Nigeria Ltd closed its financial year at December 31, 2001 with gross revenues of Euro 18.8 million (up 63.2%). Profitability also increased compared with the previous year; gross operating income increased from Euro 1.4 to 2.6 million. After years marked by serious ethnic and social turmoil, the country has benefited greatly from the return to civilian government and new-found solidarity on the part of international organizations. The company began 2001 with a brisk rate of production, thanks to long-awaited projects finally being set in motion.

Trevi Construction Hong Kong

Of the three Far Eastern companies, now controlled by the subholding, Trevi Contractors B.V., the one that stands out is Trevi Construction Co. Ltd - Hong Kong. In 2001, Trevi Construction Co. Ltd achieved total revenues of Euro 21.3 million (up 80%), a

portion of which earned on technical assistance services performed in Nigeria. Gross operating income came to Euro 1.8 million.

Pilotes Trevi S.A.
In Argentina, Pilotes Trevi S.A. of Buenos Aires earned revenues directly and through consortia set up with other local companies for Euro 10.5 million, marking a sharp decline in revenues (40%) on the previous year; business declined further as the year unfolded and financial difficulties in the country emerged. The devaluation of the Argentine peso, which took place in the first quarter of the year, had a limited effect on the Group equity, thanks to the excellent financial health that the company has always enjoyed. Not having payables toward the banking system and being able to reallocate human resources and equipment to the other Group companies in South America, Pilotes Trevi S.A. has been able to withstand the blow, suffering losses at the end of the period of only Euro 639,000 for consolidation purposes.

Trevi Foundations Philippines Inc.
Trevi Foundations Philippines Inc. of Manila, which set up operations five years ago, earned revenues of Euro 3.8 million (down 33%) in 2001, with gross operating income of Euro 885,000.

Swissboring Overseas Piling Corporation Ltd
The Zurich-based Swissboring Overseas Piling Corporation Ltd, with branches in the United Arab Emirates, Oman and Qatar, was acquired in 1999. In 2001, it earned revenues of Euro 14 million, in line with the previous period, with gross operating income of Euro 665,000. Swissboring began operating early last year in the Sultanate of Oman through a local subsidiary.

Trevi Insaat Ve Muhendislik A.S.
Our Turkish subsidiary was seriously affected by the national financial crisis, which led to a devaluation of the Turkish lire of more than 50%. The company recorded net financial losses of Euro 941,000. The Board of Directors decided recently to reduce business activities to a minimum, transferring human resources and materials over to Swissboring in order to expand its activities to other Middle Eastern countries. Total revenues came to just Euro 480,000.

Petreven C.A. and Consorzio SAITRE
Oil well drilling activities in 2001 were marked by stable operations of the two drilling plants located in Venezuela: namely, the G-102 and the G-200, both built by Soilmec SpA. Revenues for the year approached Euro 13.6 million. Venezuela offers high

development potential for oil and gas research in the near future, which permitted the introduction of a third HH300 plant in the first quarter of 2002. The company is currently carrying out a long-term drilling campaign for Pérez Companc S.A. Due to the uncertain political climate in Venezuela and the resulting disruption in the activities of the government-run oil company, PDVSA, we expect 2002 to be marked by periods of low activity.
The consortium together with SAIPEM S.p.A., called Consorzio SAITRE, makes use of a single G125 plant which ran at full capacity for AGIP during 2000, making a profit for the year. Total revenues increased to Euro 6.4 million.

Soilmec Division
Soilmec ended 2001 with revenues from sales and services of Euro 134,145 thousand and gross operating income of Euro 6,107 thousand. The division's consolidated net income came to Euro 2,045 thousand. Net debt amounts to Euro 42,419 thousand.
The rise in volumes recorded by the Soilmec division (+22.2% on the past year) is largely due to the increase in revenues of the drilling sector, which expanded from Euro 30 million in 2000 to Euro 56.7 million (89.0%) in 2001. This growth was possible due to the recent substantial investments made in human resources and operating assets in the Piacenza and Cortemaggiore plants, with a view to boosting design, technical and production capacity. The foundation sector ended the year with consolidated sales falling by 2.5% to Euro 77.4 million, but with very good prospects for 2002, thanks to the tax advantages offered in Italy for expenditure on operating assets and the structural improvements in the economies of several geographical areas.
The year 2001 therefore confirmed Soilmec's strong presence in the drilling market (well-drilling equipment) which should see further growth and good profit margins in the coming years. Periodically, Soilmec's core business (foundation equipment) sustains the effect of slight to severe regional crises, but it still accounts for a large proportion of the Division's revenues, also because they tend to be countercyclical compared with those of the drilling sector. For many years, Soilmec has been an important international player in this market. Its strategy lies in maintaining its technological leadership, as well as providing value added sales services that the competition does not (financing, assistance, training). In the drilling market, however, strategic niche positioning in terms of product category and geographic market is yielding very good results, given that Soilmec does not have the capacity to contend with larger and more structured competitors. The new plant and equipment rental services business has received substantial capital investments during the year, which should begin to yield returns in 2002. This is a business that will absorb substantial financial resources, but it is considered not only profitable, but also strategic to be able to reach certain types of customers and launch new models on the market, overcoming

a certain inbred resistance to change.
Sizeable increases in sales volumes are beginning to generate healthy profits, but the poor results of the subsidiary Soilmec Branham Inc. - U.S.A., which posted net losses of Euro 1.7 million, are a significant burden.
The relevance of the different macro-areas in which the reference market of the Soilmec Division is divided has changed with respect to last year. The most notable increase was found in Mediterranean Africa (up by Euro 14.2 million), chiefly due to water and oil drilling activities, which seem to offer excellent future potential. While economic and financial crises persist in South East Asia and the Middle East situation remains unstable, substantial rises in sales volumes were recorded in these very areas of Asia, on account of major contracts for the supply of well drilling equipment in the Middle East and the steady recovery of the Chinese market, not to mention a better result on the part of Soilmec Japan Co. Ltd. While slightly down (-5.1%) on last year, sales in Europe including Italy still reached a total of Euro 40 million. Europe was the main market for the Soilmec Division due to the excellent results achieved in France, Portugal, Spain, and the UK, which is served by the subsidiary, Soilmec Ltd.
Moreover, we would like to draw attention to the substantial hold on the North American market which, despite the dramatic events that took place during the year, still managed to post a small increase of 1%, achieving Euro 18.1 million in sales.
We should also mention the recovery in sales in South America, with sales doubling compared with last year. This figure must be verified in 2002 in light of the new financial crisis that has extended beyond Argentina and to some degree now involves the entire sub-continent.

Group relationships with non-consolidated subsidiaries, associated and parent companies, companies controlled by them and with other related parties.
TREVI – Finanziaria Industriale S.p.A. has limited dealings with subsidiaries of Sofitre S.r.l., a company wholly-owned by the Trevisani family. These relations generated revenues for the year of Euro 16 thousand, leading to receivables at December 31, 2001 of Euro 13 thousand.
On a consolidated level, Trevi - Finanziaria Industriale S.p.A. and its subsidiaries maintain contractual relationships of a commercial and financial nature with related parties. Very few transactions took place with subsidiaries of Sofitre S.r.l., a company wholly-owned by the Trevisani family.
Sales transactions with related parties always take place at arm's length conditions.
The Company's main economic relationships with related parties in 2001 are described as follows (values in thousands of euro).

Revenues from sales and services		231
Purchases of goods and services		51

The revenues mentioned above refer for Euro 203 thousand to goods and services in connection with automated parking facilities provided by Soilmec S.p.A. to the related company, Parcheggi S.p.A.
A summary of the main balance sheet relationships with related parties as of December 31, 2001 shows the following:

Financial payables		0
Trade payables	Euro	581
Trade receivables	Euro	1,389

Trevi - Finanziaria Industriale S.p.A. issued guarantees before its listing on the stock exchange in favor of some banks in the interest of companies belonging to the Sofitre Group, for Euro 5,245 thousand. These refer chiefly to Parcheggi S.p.A. and Roma Park S.r.l. for the construction of automated parking facilities.

Introduction of the Euro
The financial statements as of December 31, 2001 have been prepared in Euro for the first time. The introduction of the Euro has not caused any particular problems. The Italian companies of the TREVI Group have updated their management application software, by introducing a new integrated management program. Conversion of the figures from Lire into Euro has not given rise to significant exchange rate differences; as recommended by IAS no. 27, the exchange differences have been booked on an accruals basis to the income statement.

Post-balance sheet events
The Trevi Group acquired important job contracts to execute in Italy and abroad, among which the most important were:

- two new jobs for construction of TreviPark underground parking areas for a total value of Euro 2.8 million in Brescia (commissioned by ASM, a municipal utility) and Turin (under the courtyard of an historic building in the city center);
- another contract for construction of an automated parking area on four floors, two of which underground, acquired in Sweden by Stockholm Parking AB. The job is worth Euro 2.6 million;
- a job worth approximately USD 27 million with the Venezuelan public authority, CADAFE, for repair work on the foundation of the Borde Seco dam. Work will begin in June and should take about 24 months to complete;
- the Company has been awarded three contracts in San Francisco and Boston for a total of USD 27 million; the contracts will be formalized next April.

To take into account the severe devaluation of the Argentine peso after the year end, the cumulative translation adjustment (and hence consolidated stockholders' equity) was decreased by Euro 2.5 million. Trevi S.p.A. considered this fact in calculating the Euro 416 million adjustment to the provision for exchange losses.

Adoption of the Code of Conduct for Listed Companies

The Company has adopted the general principles of the Code of Conduct as a tool for improving rules regarding Corporate Governance and internal organization, in order to guide management toward creation of value for stockholders and reflect positively on other stakeholders (customers, investors, suppliers, employees, the community and the outside environment in general).

On November 8, 1999, the Board of Directors approved regulations governing the corporate bodies, emphasizing the importance of the Board of Directors as the central administrative body and defining its relationships with the other corporate bodies. This was a first step towards full adoption of the Code of Conduct. The Stockholders' Meeting held on May 7, 2000 approved the increase in the number of board members from five to eight, with the appointment of three "independent" directors; The current Board is made up of four executive directors and four non-executive and independent directors.

At the date of this report, the Board of Directors is composed of the following members:

Director	Position	Term of office	Type of position
Davide Trevisani	Chairman of the Board of Directors and Managing Director	Approval of the financial statements as of Dec. 31, 2003	Executive
Gianluigi Trevisani	Vice Chairman of the Board of Directors and Managing Director	Approval of the financial statements as of Dec. 31, 2003	Executive
Cesare Trevisani	Managing Director	Approval of the financial statements as of Dec. 31, 2003	Executive
Stefano Trevisani	Director	Approval of the financial statements as of Dec. 31, 2003	Executive
Mario Amoroso	Director	Approval of the financial statements as of Dec. 31, 2003	Non-executive independent
Guglielmo Moscato	Director	Approval of the financial statements as of Dec. 31, 2003	Non-executive independent director
Pio Teodorani Fabbri	Director	Approval of the financial statements as of Dec. 31, 2003	Non-executive independent director
Roberto Pinza	Director	Approval of the financial statements as of Dec. 31, 2003	Non-executive independent director

The Managing Directors are invested with the widest possible powers for the ordinary administration of the Company. Each

candidate deposited their resume at the Company's head office prior to the Stockholders' Meeting held on April 30, 2001 to vote on renewal of the corporate bodies. The Board of Directors met seven times during the course of 2001.
In order to foster open lines of communications with the stockholders, especially with its institutional investors, the Company appointed an officer in charge of Investor Relations and for making financial information available on the Company's web site, www.trevifin.com, both in Italian and in English. The Board of Directors' meeting on March 31, 2001 approved the formation of a Remuneration Committee and an Internal Control Committee. These committees are made up of two independent directors, Mario Amoroso and Roberto Pinza.
On November 13, 2001, the Internal Control Committee reported back to the Board of Directors on its first half-year of activity.
Stockholders' were provided with sufficient information on the Company's adoption of the Code of Conduct for Listed Companies during the Stockholders' Meeting held on April 30, 2001.

Treasury shares or shares held in parent companies
The Stockholders' Meeting on 30 April 2001 authorized the Board to purchase treasury shares up to a maximum of 2,000,000 ordinary shares (3.125 % of the capital stock), at a minimum purchase price of Euro 2.00 and a maximum of Euro 4.50, for a period of 18 months.
On December 31, 2001, the company purchased 528,500 treasury shares (0.83% of capital stock) for a total par value of Euro 264,250 at a total purchase price of Euro 1,058,079. The shares are still held in portfolio as of December 31, 2001. The weighted average price of the treasury shares purchased during the year was Euro 2.002 per share.
As of December 31, 2001, as approved by the Stockholders' Meeting on April 30, 2001 and pursuant to Article 2357 *ter* of the Italian Civil Code, stockholders' equity includes a restricted reserve of the amount incurred to purchase treasury stock, transferred from the share premium reserve.
The Board of Directors requested the authorization of the Stockholders' Meeting for the purchase of treasury shares to be used in share exchanges with minority interests in direct or indirect subsidiaries, and/or for the acquisition of permanent interests in other companies. These long-term transactions have not yet been completed. The treasury shares are booked to B III 4 of the Balance Sheet, “Treasury shares”. They are carried at cost, pursuant to art. 2426 of the Civil Code.
As of December 31, 2001, the subsidiary TREVI S.p.A. holds 140,000 shares of Trevi – Financial Industrial S.p.A. (0.21% of

capital stock) at an average carrying value of Euro 2.41 each, for a total of Euro 351,946.
At year end, the company does not hold any shares in its parent company, Trevi Holding APS.

Additional information
The Company has no secondary offices nor branch offices.
As per CONSOB Regulation 11520 of July 2, 1998, the following is a list of equity investments held personally by the Company's directors and statutory auditors in the company and its subsidiaries:
1 in TREVI-Finanziaria Industriale S.p.A.

Name	Type of ownership	No. shares held as of 12/31/00	No. shares purchased	No. shares sold	No. shares held as of 12/31/01
Davide Trevisani	Owned	3,109,000	38,000		3,147,000
Gianluigi Trevisani	Owned	1,884,000	75,000		1,959,000
Cesare Trevisani	Owned	1,169,000	39,500	2,500	1,206,000
Stefano Trevisani	Owned	3,000	-	-	3,000
Mario Amoroso		-	-	-	-
Antonio Claudio Moscato	Owned	2,000			2,000
Roberto Pinza		-	-	-	-
Pio Teodorani Fabbri		-	-	-	-
Adolfo Leonardi		-	-	-	-
Giacinto Alessandri		-	-	-	-
Giancarlo Poletti		-	-	-	-

2. in the subsidiary SOILMEC S.p.A., with registered office in Via Dismano 5819, Cesena (FC) - Forlì – Cesena Company Register no. 00139200406, capital stock of Euro 5,160 thousand fully paid in, represented by 1,000,000 ordinary shares of par value Euro 5.16 each.

Name	Type of Ownership	No. shares held as of 12/31/00	No. shares purchased	No. shares sold	No. shares held as of 12/31/01
Davide Trevisani	Owned	16,800	-	-	16,800
Gianluigi Trevisani	Owned	10,200	-	-	10,200
Cesare Trevisani	Owned	3,000	-	-	3,000

Allocation of net income for the year

Stockholders,

Order acquisition continues at a brisk pace thanks to expansion of sales on the American continent and the economic upswing in Europe, and in a certain sense in Italy as well; the combination of the order backlog and negotiations currently underway with customers lead us to believe that consolidated revenues from sales and services in 2002 should increase to over Euro 350 million with a return to profitability, in line with previous years. In particular, the drilling segment is likely to account for a rising proportion of revenues.

Net income posted in the Trevi – Finanziaria Industriale S.p.A. financial statements as of December 31, 2001 come to Euro 1,857,888, which we propose should be distributed as follows:

5%, or Euro 92,895, to the legal reserve;

Euro 804,993 to the extraordinary reserve;

a dividend of Euro 0.015 per share to the stockholders.

A full tax credit is linked to the dividend, pursuant to Art. 105, paragraph 1, letter a) of the Income Tax Consolidation Act, going ex-coupon July 1, 2002 and with payment from July 4, 2002

Cesena, March 29, 2002

For the Board of Directors

The Chairman
Davide Trevisani

CONSOLIDATED FINANCIAL
BALANCE

	(In thousands of Euro)		*(in millions of Lire)*
ASSETS	**12/31/2001**	**12/31/2000**	**12/31/2001**
A) Amounts due from stockholders			
1) called in portion	41	86	79
B) Fixed assets:			
I - Intangible fixed assets:			
1) start-up and expansion costs	2,934	4,162	5,681
2) research, development & advertising expenses	828	801	1,603
3) industrial patents and intellectual property rights	893	711	1,729
4) concessions, licenses, trademarks & similar rights	38	53	74
5) goodwill	997	321	1,930
6) deferred costs and payments on account	236	74	457
7) other intangible fixed assets	1,281	1,919	2,480
Total intangible fixed assets	**7,207**	**8,041**	**13,956**
II - Tangible fixed assets:			
1) land and buildings	19,369	18,641	37,504
2) plant and machinery	75,390	66,807	145,975
3) industrial and commercial equipment	10,136	9,320	19,626
4) other assets	11,013	11,927	21,324
5) assets under construction and advance payments	11,091	155	21,475
Total tangible fixed assets	**126,999**	**106,850**	**245,904**
III - Financial fixed assets:			
1) equity investments in:			
a) subsidiary companies	0	0	0
b) associated companies	493	323	955
d) other companies	274	372	531
Total	767	695	1,485
2) accounts receivable:			
b) associated companies:			
- due within 12 months			
- due beyond 12 months	26	6	50
Total	26	6	50
d) other companies:			
- due within 12 months			0
- due beyond 12 months	1,003	906	1,942
Total	1,003	906	1,942
Total accounts receivable	1,029	912	1,992
3) other securities	0	0	0
4) own shares	1,410	0	2,730
Total financial fixed assets	**3,206**	**1,607**	**6,208**
Total fixed assets (B)	**137,412**	**116,498**	**266,067**

STATEMENTS AS AT 31st DECEMBER 2001

SHEET

	(In thousands of Euro)		(in millions of Lire)
	12/31/2001	**12/31/2000**	**12/31/2001**
C) Current assets:			
I - Inventories:			
1) raw, ancillary and consumable materials	30,596	29,127	59,242
2) work in progress and semifinished products	5,978	7,992	11,575
3) contract work in progress	28,606	28,820	55,389
4) finished products and goods for resale	17,183	12,868	33,271
5) advances to suppliers	650	709	1,259
Total inventories	**83,013**	**79,516**	**160,736**
II - Accounts receivable :			
1) due from customers:			
- within 12 months	83,114	64,214	160,931
- beyond 12 months	7,021	7,583	13,595
Total	90,135	71,797	174,526
3) due from associated companies:			
- within 12 months	10,805	7,774	20,921
- beyond 12 months			
Total	10,805	7,774	20,921
5) due from third parties:			
- within 12 months	23,339	15,777	45,191
- beyond 12 months	2,178	330	4,217
Total	25,517	16,107	49,408
Total accounts receivable	**126,457**	**95,678**	**244,855**
III - Financial assets not held as fixed assets:			
5) own shares		352	0
Total Financial assets	**0**	**352**	**0**
IV - Liquid funds:			
1) bank and postal deposits	26,158	39,875	50,649
2) checks		59	0
3) cash and cash equivalents	553	703	1,071
Total liquid funds	**26,711**	**40,637**	**51,720**
Total current assets (C)	**236,181**	**216,183**	**457,310**
D) Accrued income and prepaid expenses			
1) accrued income	66	35	128
2) prepaid expenses:			
- due within 12 months	2,619	2,045	5,071
- due beyond 12 months	296	192	573
Total prepaid expenses	2,915	2,237	5,644
Total accrued income and prepaid expenses (D)	**2,981**	**2,272**	**5,772**
TOTAL ASSETS	**376,615**	**335,039**	**729,228**

CONSOLIDATED FINANCIAL
BALANCE

	(In thousands of Euro)		(in millions of Lire)
LIABILITIES AND STOCKHOLDERS' EQUITY	**12/31/2001**	**12/31/2000**	**12/31/2001**
A) Stockholders' equity			
I - Capital stock	**32,000**	**16,527**	**61,961**
II - Share premium reserve	**33,298**	**49,829**	**64,474**
IV - Legal reserve	**3,482**	**3,423**	**6,742**
V - Company own share reserve	**1,410**	**352**	**2,730**
VII - Other reserves:			
- extraordinary reserve	3,536	3,372	6,847
- cumulative translation adjustment	1,306	3,776	2,529
- consolidation reserve	26,759	24,963	51,813
Total other reserves	**31,601**	**32,111**	**61,188**
IX - Net income (loss) for the year	**(3,909)**	**2,227**	**(7,569)**
Group interest in stockholders' equity	**97,882**	**104,469**	**189,526**
Minority interests in capital and reserves	4,567	4,033	8,843
Total stockholders' equity	**102,449**	**108,502**	**198,369**
B) Reserves for risks and charges:			
1) pensions and similar commitments	2,490	2,198	4,821
2) taxation	6,881	4,674	13,323
3) other	2,563	2,215	4,963
Total reserves for risks and charges	**11,934**	**9,087**	**23,107**
C) Reserve for employee termination indemni-	**8,258**	**7,622**	**15,990**
D) Payables:			
3) due to banks:			
- within 12 months	53,150	31,637	102,913
- beyond 12 months	35,578	26,999	68,889
Total	88,728	58,636	171,801
4) due to other providers of finance:			
- within 12 months	18,385	11,657	35,598
- beyond 12 months	22,714	19,236	43,980
Total	41,099	30,893	79,579
5) advances from customers			
- due within 12 months	17,192	15,783	33,288
- due beyond 12 months			
Total	17,192	15,783	33,288
6) due to suppliers:			
- within 12 months	79,312	76,476	153,569
- beyond 12 months		0	0
Total	79,312	76,476	153,569
7) notes payable:			
- within 12 months			0
- beyond 12 months			0
Total	0	0	0

STATEMENTS AS AT 31st DECEMBER 2001

SHEET

	(In thousands of Euro)		(in millions of Lire)
	12/31/2001	**12/31/2000**	**12/31/2001**
8) due to non-consolidated subsidiary companies:			
- within 12 months			0
- beyond 12 months			
Total	0	0	0
9) due to associated companies:			
- within 12 months	11,974	11,454	23,185
- beyond 12 months		0	0
Total	11,974	11,454	23,185
11) due to tax authorities:			
- within 12 months	4,478	6,506	8,671
- beyond 12 months			0
Total	4,478	6,506	8,671
12) due to social security institutions:			
- within 12 months	1,495	2,006	2,895
- beyond 12 months			0
Total	1,495	2,006	2,895
13) other payables:			
- due within 12 months	6,628	5,422	12,834
- due beyond 12 months		0	0
Total	6,628	5,422	12,834
Total payables	**250,906**	**207,176**	**485,822**
E) Accrued expenses and deferred income			
1) accrued expenses	1,260	1,204	2,440
2) deferred income			
- due within 12 months	1,629	1,094	3,154
- due beyond 12 months	179	354	347
Total deferred income	1,808	1,448	3,501
Total accrued expenses and deferred income	**3,068**	**2,652**	**5,940**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**376,615**	**335,039**	**729,228**

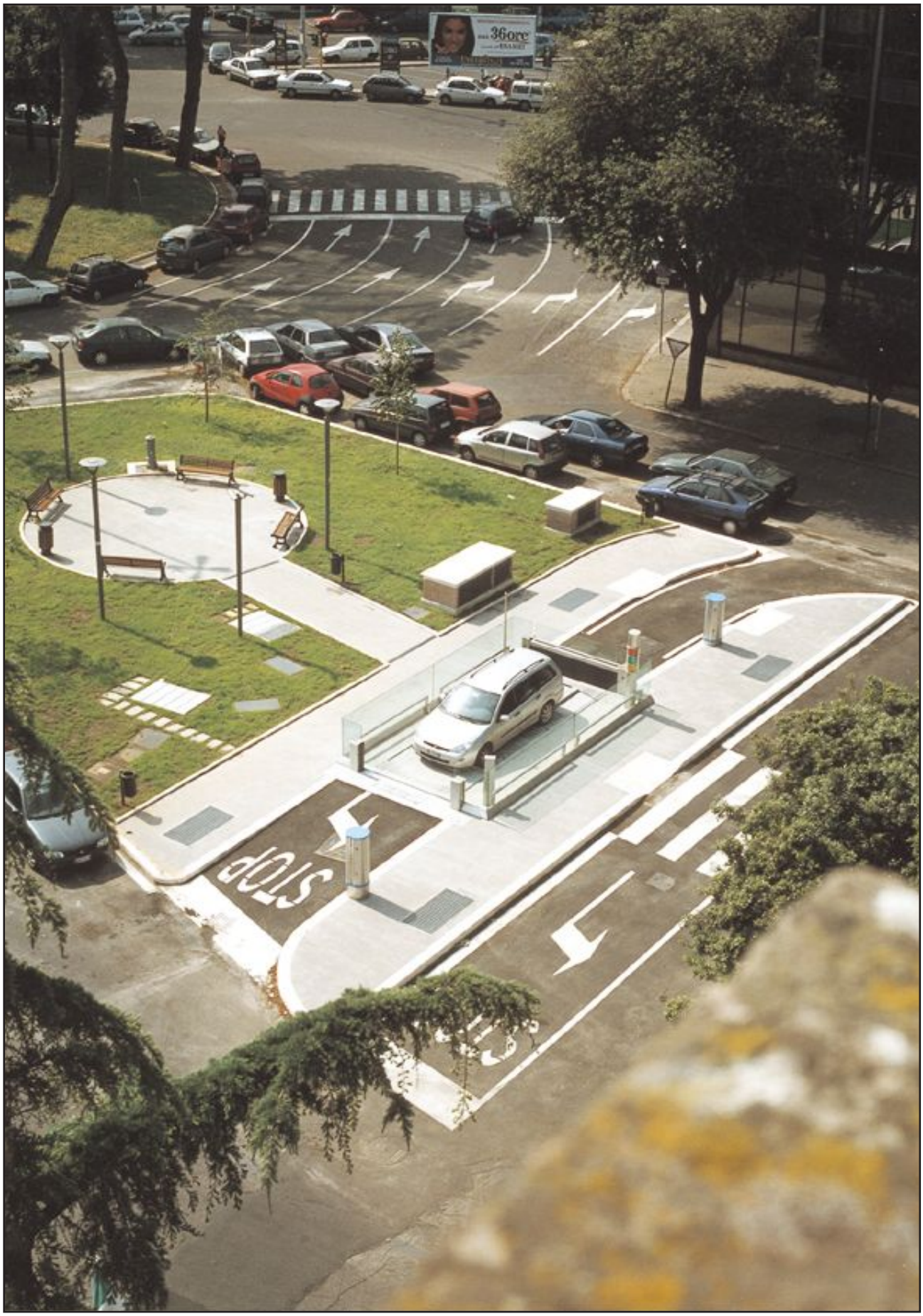
	In thousands of Euro	*In thousands of Euro*	*(in millions of Lire)*
MEMORANDUM ACCOUNTS	**12.31.2001**	**12.31.2000**	**12.31.2001**
UNSECURED GUARANTEES GIVEN			
Sureties	135,612	75,856	262,581
TOTAL	135,612	75,856	262,581
TOTAL UNSECURED GUARANTEES GIVEN	**135,612**	**75,856**	**262,581**
COMMITMENTS, RISKS AND OTHER MEMORANDUM ACCOUNTS			
Recourse risks	16,891	15,215	32,706
Commitments towards third parties	0	238	0
End-of-lease purchase agreement			0
TOTAL	**16,891**	**15,453**	**32,706**
TOTAL MEMORANDUM ACCOUNTS	**152,503**	**91,309**	**295,287**

CONSOLIDATED FINANCIAL

	(In thousands of Euro)		(in millions of Lire)
	2001	**2000**	**2001**
A) Value of production:			
1) revenues from sales and services	341,336	283,267	660,919
2) changes in inventories of work in progress and		0	
semifinished and finished products	2,936	7,775	5,685
3) changes in contract work in progress	(41)	10,151	(79)
4) additions to fixed assets by internal production	17,064	4,545	33,041
5) other income:			
- operating grants		342	0
- miscellaneous income	8,444	10,205	16,350
Total other income	8,444	10,547	16,350
Total value of production (A)	**369,739**	**316,285**	**715,915**
B) Production costs:			
6) raw, ancillary and consumable materials and goods for resale	129,818	109,567	251,363
7) services received	115,123	86,413	222,909
8) leases and rentals	14,522	15,533	28,119
9) personnel:			
a) wages and salaries	65,372	60,021	126,578
b) social security charges	16,066	16,121	31,108
c) employee termination indemnities	1,628	1,534	3,152
d) pensions and similar commitments	635	638	1,230
e) other	1,010	847	1,956
Total	84,711	79,161	164,023
10) amortization, depreciation and writedowns:			
a) amortization of intangible fixed assets	2,911	2,663	5,636
b) depreciation of tangible fixed assets	13,879	11,980	26,873
c) other writedowns of fixed assets		0	0
d) writedown of receivables included among			
current assets and of liquid funds	629	337	1,218
Total	17,419	14,980	33,728
11) changes in inventories of raw, ancillary and			
consumable materials	1,303	(2,659)	2,523
12) provisions for risks and charges	548	0	1,061
13) other provisions	111	388	215
14) other operating expenses	3,784	3,036	7,327
Total production costs (B)	**367,339**	**306,419**	**711,267**
Difference between value and cost of production	**2,400**	**9,866**	**4,647**
C) Financial income and expense			
15) income from equity investments:			
c) dividends and other income from third parties	39	30	76
Total	39	30	76

STATEMENTS AS AT 31st DECEMBER 2001

	(In thousands of Euro)		(in millions of Lire)
	2001	**2000**	**2001**
16) other financial income:			
a) income from receivables held as fixed assets:			
2) associated companies	0	9	0
4) third parties	33	214	64
Total	33	223	64
d) income other than the above:			
2) associated companies		0	0
5) third parties	4,293	6,714	8,312
Total	4,293	6,714	8,312
Total income other than the above	4,326	6,937	8,376
17) interest and other financial charges:			
1) subsidiary companies		0	0
2) associated companies		0	0
4) third parties	12,952	12,444	25,079
Total	12,952	12,444	25,079
Total financial income and expense	**(8,587)**	**(5,477)**	**(16,627)**
D) Adjustments to financial assets:			
18) revaluations			
a) equity investments	439	114	850
Total	439	114	850
19) writedowns:			
a) equity investments	316	669	612
Total	316	669	612
Total adjustments to financial assets	**123**	**(555)**	**238**
E) Extraordinary income and expense			
20) income:			
a) gains on disposals	21	776	41
b) other income	1,474	1,449	2,854
Total	1,495	2,225	2,895
21) expense:			
a) losses on disposals	1	68	2
b) taxes relating to prior years	88	82	170
c) other expense	869	489	1,683
Total	958	639	1,855
Total extraordinary items	**537**	**1,586**	**1,040**
Results before taxation	**(5,527)**	**5,420**	**(10,702)**
22) income taxes for the year	(2,076)	3,335	(4,020)
Net income/(loss) for the year	**(3,451)**	**2,085**	**(6,682)**
Minority interests	458	(142)	887
Group net income for the year	**(3,909)**	**2,227**	**(7,569)**



Trevipark - Via Prestinari (Roma) - Italia
Trevipark (Rome) - Italy

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2001

(in thousands of Euro)

Group profile and activities

TREVI-Finanziaria Industriale S.p.A and its subsidiaries (hereafter called the "Trevi Group" or the "Group") carry out their activities in these principal sectors: supply contracts and design and engineering services for civil and infra-structural foundation works, the construction of plant and equipment for special foundation works, tunnel boring and well-drilling for oil and water exploration. These two business sectors are coordinated by the Group's two major companies, Trevi S.p.A., which heads the division involved in construction at depth ("Trevi division"), and Soilmec S.p.A. which oversees the division responsible for manufacturing and marketing plant and equipment for construction at depth and well drilling for oil and water exploration ("Soilmec Division").
The Group is controlled by TREVI-Finanziaria Industriale S.p.A.
The Group's various areas of activity, its relationship with related parties and subsequent events after the end of the year are discussed in the report on operations.
The consolidated financial statements have been prepared in accordance with section III (arts 24 to 43) of Decree 127/91, as supplemented and interpreted with reference to the accounting principles established by the Italian Accounting Profession and, where applicable, to International Accounting Standards (I.A.S.).
The notes to the financial statements describe, analyze and supplement the information reported in the consolidated balance sheet and statement of income and contain the information required by article 38 of Decree 127/91. Additional information is provided in order to present a true and fair view of the state of the Group, even where not required by specific legislation.
In particular:
a) the consolidated financial statements were prepared utilizing the draft financial statements as of December 31, 2001 of TREVI-Finanziaria Industriale S.p.A. and of all the subsidiaries included within the scope of consolidation, as approved by their respective Boards of Directors;

b) the financial statements utilized for consolidation purposes were appropriately reclassified to present them according to the format required by the Italian Civil Code, as introduced by Decree 127/91, and adjusted in conformity with the accounting policies applied by the Parent Company.

Consolidation principles

Method of consolidation
Consolidation is carried out on a line-by-line basis and also under the proportional method (as explained below). The accounting policies adopted for the preparation of the consolidated financial statements are as follows:

1) the assets and liabilities of subsidiary companies are consolidated line-by-line and the carrying value of consolidated investments is eliminated against the Group's share of stockholders' equity as of December 31, 2001;
2) the differences between purchase, formation or spin-off cost and the Group's share of stockholders' equity at the time subsidiaries were first consolidated are recorded as follows:
   - any negative differences are allocated to the "Consolidation reserve";
   - any positive differences, not allocated to the assets and liabilities of consolidated companies, or to goodwill, are deducted from the "Consolidation reserve"; Any higher value paid over and above the stockholders' equity of the investment at the time of the acquisition has been booked to “Consolidation difference”. This difference is amortized over 5 years.
3) significant transactions between consolidated companies are eliminated, as are intercompany receivables and payables, costs and revenues, and any unrealized gains deriving from transactions between Group companies, net of the tax effect, where applicable. As permitted under the reference accounting policies, an exception to the elimination of intraGroup gains and losses concerns sales of machinery and equipment manufactured by the Soilmec division and transferred to the Trevi division in the normal course of the latter's activities. Such transfers, which take place as part of the normal business activities of the respective divisions, are effected on an arm's-length basis and determination of the related effects would entail disproportionate costs. A preliminary estimate effected by Management for 2001 in any case confirmed that the financial effects would have been insignificant;
4) dividends received from companies consolidated line-by-line are eliminated;
5) the minority stockholders' interest in equity is reported in a specific consolidated balance sheet caption, while the minority interest in net income is disclosed separately in the consolidated statement of income;
6) adjustments and provisions reported solely for tax purposes in the financial statements of consolidated companies are eliminated in order to present a true and fair view of the Group's financial position and results of operations.

<u>Translation of financial statements of foreign subsidiaries into Euro</u>
The financial statements of foreign consolidated subsidiaries are translated into Euro using the current-rate method. This involves using year-end exchange rates to translate balance sheet items

and average exchange rates for the year to translate statement of income items. Differences arising from the translation of opening stockholders' equity using closing rates and those arising from the translation of statement of income items using average rates for the year are reflected in the cumulative translation adjustment, classified within stockholders' equity.

The exchange rates utilized for 2001 are the following:

Currency	**Ave rate for year**	**Year-end rate**
Pound sterling	0.63	0.61
Japanese yen	108.73	115.33
U.S. dollar	0.90	0.88
Turkish lira	1,101,995.58	1,269,500.00
Portuguese escudo	200.48	200.48
Netherlands guilder	2.20	2.20
Argentine peso	0.90	1.53
Venezuelan bolivar	658.51	825.85
Nigerian naira	99.27	104.61
Singapore dollar	1.60	1.63
Philippine peso	45.64	45.55
Chinese renmimbi	7.41	7.29
Malaysian ringgit	3.40	3.35
U.A.E dirham	3.29	3.24
Algerian dinar	66.49	66.29
Swedish kroner	9.26	9.30
Hong Kong dollar	6.99	6.87

As for the translation of the financial statements of Argentine companies into Euro, the exchange rate applied to assets and liabilities does not coincide with the exchange rate at the end of the year (or thereabouts), as for prudence sake, the exchange rate used for the balance sheet as of December 31, 2001 is the first rate quoted in the new year (January 11, 2002), namely 1.53 Peso to 1 Euro, following the Argentine Government's decisions on foreign exchange matters.
For translation of the balance sheets of the Venezuelan companies, the Group decided to use the exchange rate ruling in early March, in order to reflect the devaluation of the Bolivar. It should be added, however, that this valuation seems excessively prudent, as the Bolivar has recovered to a certain extent in the meantime.

Scope of consolidation

The consolidated financial statements as of December 31, 2001 comprise the financial statements of all the companies directly or indirectly controlled by TREVI-Finanziaria Industriale S.p.A., the Parent Company.
A list of investments in subsidiary companies included within the scope of consolidation is reported in the attachment 1.

The scope of consolidation underwent the following changes compared to December 31, 2000:

- In the first half, Trevi Icos Corporation set up a joint venture in California with a local company, but maintaining a majority (99%), in order to strengthen its penetration in California and the West Coast market;
- again in the first half of the year, Trevi Icos South Inc. was set up as a wholly-owned subsidiary of Trevi Icos Corporation;
- in July Trevi S.p.A. set up Trevi Spezialtiefbau G.m.b.H. in Germany (wholly-owned). Given that this company is not yet operative, it has not been consolidated as of December 31, 2001;
- during 2001, Soilmec Far East Pte Ltd of Singapore sold its investment in Soilmec H.K. Ltd, based in Hong Kong, to Soilmec International B.V. a wholly-owned subsidiary. As a result of this transaction, Soilmec H.K. is now held 100%.
- In 2001, Pilotes Trevi Sacims created a joint venture in Argentina (Trevi-San DiegoGea Ute) 50% owned. This has been consolidated using the proportional method. It is felt that this leads to better disclosure of the Group's economic and financial position.

The operating companies and joint ventures where the Group exercises joint control have been consolidated on a proportional basis. Attachment 1b provides details of such investments.

The associated companies in which the Group does not hold a controlling interest, and non-operative joint ventures, i.e. which have finished or are finishing the job for which they were created, are carried at equity. Investments carried at equity are indicated in attachment 1a.

Minority interests and investments in minor or dormant consortiums are carried at cost, adjusted for permanent losses. In particular, also carried at cost are limited liability consortiums and consortiums set up as operating agencies for specific ventures or contracts acquired in temporary association with other companies, and which present financial statements with no economic results, since they serve to offset directly-incurred costs by debi-

ting them to participating companies. Attachment 1c details such investments.

The companies Profuro International Lda, Trevi Park Plc, Hercules Trevi Foundation A.B. and Arge Jet Sohle Domaquaree, respectively 47.5%, 26.5%, 49.5% and 49.5% owned by the Group, are carried at cost as they are immaterial.

Further details are provided in the Group's organization chart (attachment 2).

Financial statements of companies operating in high-inflation countries

The financial statements of consolidated companies operating in high-inflation countries (Trevi Cimentaciones C.A. Venezuela, Cifuven C.A. Venezuela, Petreven C.A. Venezuela and Trevi Insaat Ve Muhendinslik A.S.Turkey) are restated in accordance with inflation accounting criteria. Monetary adjustments applied to fixed assets, inventories and stockholders' equity, generated a positive effect on the statement of income for the year amounting to Euro 395 thousand.

Accounting policies

The more significant accounting policies adopted for the preparation of the consolidated financial statements as of December 31, 2001, are as follows:

Intangible fixed assets — These are stated at purchase and/or construction cost and amortized systematically with reference to the period they are expected to benefit.
Start-up and expansion costs are capitalized and amortized over a period not exceeding five years. Expenses incurred for the listing of the Parent Company have been capitalized and amortized on a straight-line basis over five years from July 15, 1999, the date of listing on the Milan Stock Exchange.
Research, development and advertising costs, where capitalized, are amortized over a period not exceeding five years.
Industrial patents and intellectual property rights are amortized over the period they are expected to benefit, in any case not exceeding that fixed by law or by contract (three or five years).
Purchased goodwill is reflected among the balance sheet assets and amortized over five years.
The “Consolidation difference” that arose on first-time line-by-line consolidation represents the surplus that cannot be attributed to the subsidiaries' assets on elimination of their carrying value against the related stockholders' equity. It is amortized on a straight-line basis over five years,
Costs incurred for construction sites that have not yet started production activities are included among “Other intangible fixed

assets". Such costs are charged to construction sites on a stage-of-completion basis.

Tangible fixed assets — These are stated at purchase or construction cost, as adjusted by Italian companies in accordance with revaluation laws 576/75, 72/83 and 413/91. Cost includes related charges and a reasonable allocation of direct and indirect expenses.
Tangible fixed assets are depreciated each year on a straight-line basis using economic and technical rates determined with reference to their residual useful lives.
Tangible fixed assets also include assets held under finance lease contracts. The accounting treatment of such assets, which takes account of the financial and equity effects of such contracts, is in line with I.A.S. 17. This involves recording assets acquired under finance leases among tangible fixed assets with a matching balance recorded as a financial payable, proportionally reduced according to the repayment schedule of principal included in contractual installments. Such assets are systematically depreciated with reference to their economic and technical residual lives.
Ordinary maintenance costs are expensed as incurred. Improvement expenditure is capitalized together with the related assets.

The rates applied by the Group are as follows:

Industrial buildings	3%
Temporary buildings	10%
General equipment and accessories	5%
Drilling equipment	7.5%
Other equipment and small tools	20%
Vehicles	18.75%
Trucks	10%
Excavators and power loaders	10%
Limousines	25%
Office furniture and furnishings	12%
Electromechanical office machines	20%
Vessels	5%

Financial fixed assets — The year-end valuation of equity investments in subsidiary companies not consolidated line-by-line, and in associated and other companies is discussed above in the section "Scope of consolidation".
Treasury shares, represented by shares of TREVI-Finanziaria Industriale S.p.A. held by the Parent Company and Trevi S.p.A., are carried at purchase cost. The consolidated equity captions include a reserve for these shares of the same amount.
Taking into account that the Board of Directors of the Parent Company requested the authorization of the Stockholders' Meeting for the purchase of treasury shares to be used in share exchanges with minority interests in direct or indirect subsidiaries, and/or for the acquisition of permanent interests in other companies, these have been booked under B III 4 of the balance sheet, “Treasury shares”.

Inventories — Inventories are stated at the lower of weighted average purchase or construction cost and their estimated realizable value, taking account of market trends. Cost includes related charges and a reasonable allocation of direct and indirect expenses. Concerning the metalworking sector, estimated realizable value is calculated taking into account any additional construction costs still to be incurred and direct selling costs.

Contract work in progress — Contract work in progress is valued on a stage-of-completion basis, applied according to units manufactured or according to size. The same treatment is applied to long-term contracts on a cost-incurred basis.

Receivables — These are stated at their estimated realizable value.
Receivables transferred with recourse have been removed from the balance sheet to be replaced by advances received, indicating in the memorandum accounts the extent of the recourse risk covered, as required by the accounting policies.

Accruals and deferrals — These are recorded to match costs and revenues in the accounting periods to which they relate.

Reserves for risks and charges — These cover known or likely losses, the timing and extent of which cannot be determined at year-end. Provisions reflect the best estimate of losses to be incurred based on the information available.

Reserve for employee termination indemnities — The reserve is provided by Italian companies to cover the liability to all em-

ployees for termination indemnities accrued in accordance with current legislation and in-house labor contracts. This liability is subject to annual revaluation using officially established indices.
Similar charges provided in foreign countries are recorded in the "Reserve for pensions and similar commitments".

Payables — These are stated at their nominal value.

Memorandum accounts — These indicate commitments and guarantees given, as well as assets received and deposited for various purposes. They are all stated at nominal value.

Costs and revenues — These are recorded in the financial statements according to the matching principle, the nature of the items and the prudence concept. Revenues from the sale of products are recognized at the moment ownership passes, which is generally on shipment.
Revenues from claims are recorded in the year in which the client settles the claim.

Income taxes for the year — These are provided on the basis of estimated taxable income determined in conformity with current fiscal regulations in the countries in which Group companies operate, taking account of any exemptions and tax credits available.
In addition, where applicable, deferred taxes are also provided in relation to consolidation adjustments and timing differences between taxable income and that used for consolidation purposes deriving from Group companies' financial statements. Deferred tax assets are calculated and accounted for under current assets only if there is a reasonable certainty of their recoverability.
Tax credits on dividends are deducted from income taxes for the year.

Translation of foreign currency balances — Foreign currency receivables and payables are translated to Euro using the historical rates applying at the transaction dates.
Exchange differences realized on the collection of receivables and the settlement of payables denominated in foreign currency are reflected in the statement of income.
Net losses emerging from the translation of current foreign currency receivables and payables and of repurchase agreements using year-end rates are recognized and reflected in the statement of income. Any net gains emerging from the translation are prudently not recognized. Foreign currency repurchase agreements are stipulated to hedge exchange risks.

The foreign currency accounting records of the subsidiary company, Trevi S.p.A.'s foreign branches are kept separately from those in Euro, which are based on a multi-currency system. At year-end, balances reflected in the accounting records kept in foreign currency are translated to Euro using the average exchange rates for December published in the Italian Official Gazette, and any exchange differences emerging are reflected in the statement of income.

Amounts expressed in the functional currency
The consolidated financial statements as of December 31, 2001 have been prepared for the first time in thousands of Euro, as per D.Lgs 213 of June 24,1998.
All amounts in the consolidated balance sheet and statement of income, in these explanatory notes and in the attachments are expressed in thousands of Euro. In addition, the Company provides a version of the financial statements expressed in Lire using the fixed exchange rate of Lire 1,936.27 = 1 Euro.

Commentary on the principal asset captions

Assets

B.FIXED ASSETS

Intangible fixed assets

Intangible fixed assets amount to Euro 7,207 thousand, a decrease of Euro 834 thousand compared to the prior year. Changes during the year are as follows:

	Balance as of 12/31/00	Increa-ses	De-creases	Amorti-zation	Exchange diffe-rences	Historical costs as of 12/31/01	Accu-mulated amortiz. as of 12/31/01	Balance as of 12/31/01
Start-up and expansion costs	4,162	4		(1,172)	(60)	5,957	(3,023)	2,934
Research, development and advertising costs	801	420		(397)	4	1,659	(831)	828
Industrial patents and intellectual								
property rights	711	594		(407)	(5)	2,597	(1,704)	893
Concessions, licences, trademarks and similar rights	53	5		(25)	5	119	(81)	38
Goodwill	0	789		(83)	62	850	(82)	768
Consolidation differences	321	0		(92)		459	(230)	229
Assets in progress and advances	74	316	(327)		173	236		236
Other intangible fixed assets	1,919	777	(297)	(735)	(383)	3,291	(2,010)	1,281
TOTAL	**8,041**	**2,905**	**(624)**	**(2,911)**	**(204)**	**15,168**	**(7,961)**	**7,207**

"Start-up and expansion costs" as of December 31, 2001 refer almost entirely to the capitalization of costs incurred by the Parent Company for its listing on the stock exchange.

“Research, development and advertising” costs amount to Euro 828 thousand with an increase of Euro 27 thousand. The net balance is principally made up of costs incurred for the creation of software for the web page “www.parkingonline.net”, around Euro 303 thousand, and to the capitalization of costs incurred by the Mechanical Engineering Division for the development of technology and equipment for the foundation and drilling sectors, Euro 235 thousand.

Costs for patents include licenses for three-dimensional technical drawing programs being used by companies in the Soilmec Division, the purchase by the Parent Company of new software and related licenses, to be used by TREVI-Finanziaria Industriale S.p.A., and its subsidiaries Trevi S.p.A. and Soilmec. S.p.A. for the Group's integrated management of the various corporate areas

The increase of 789 thousand Euro booked to goodwill refers entirely to the higher value paid by Trevi Icos Corporation to an outside partner in a joint venture on the West Coast.

The “consolidation difference” refers entirely to the acquisition of Swissboring Overseas Piling Corporation Ltd in 1999.

Assets in progress and advances refer to costs incurred to implement the residual modules of new integrated management software, which as of December 31, 2001 is not yet in use.

"Other intangible fixed assets" refer to start-up costs for construction sites and expenses incurred for participation in bids for tenders.
The most significant balances include yard opening costs in suspense, mainly relating to the “Ponte Joao Landim” site in Guinea Bissau (Euro 627 thousand).
Research and development expenses incurred during 2001, Euro 5,244 thousand, are reflected in full in the statement of income.

Tangible fixed assets
Tangible fixed assets amount to Euro 126,999 thousand, an increase of Euro 20,149 thousand compared to the prior year.
Changes during the year are as follows:

	Balance As of 12/31/00	Increases	Decreases	Depre-ciation	Decrease in the reserve	Other changes	Exchange Diffe-rences	Balance as of 12/31/01	Accu-mulated Deprec. as of 12/31/01
Land and buildings	18,641	2,301	(398)	(1,165)	0	113	(123)	19,369	(6,007)
Plant and machinery	66,807	18,591	(3,001)	(7,987)	817	(179)	342	75,390	(38,983)
Industrial and com-mercial equipment	9,320	4,707	(1,159)	(1,962)	11	209	(990)	10,136	(13,446)
Other assets	11,927	6,081	(5,730)	(2,764)	1,512	53	(66)	11,013	(11,843)
Assets under con-struction and advances	155	11,059	(124)	0	0	0	1	11,091	0
TOTAL	**106,850**	**42,739**	**(10,412)**	**(13,878)**	**2,340**	**196**	**(836)**	**126,999**	**(70,279)**

Gross increases for the year, totaling Euro 42,739 thousand, mainly refer to the purchase of machinery and equipment relating to jobs started during 2001, including new sites in Europe, the Middle East and the Far East. as well as to the capitalization of manufactured drilling equipment that was subsequently leased by the Mechanical Engineering Division for Euro 16,700 thousand.
In any case, this equipment is subject to frequent purchases and sales and during 2001 disposals amounted to Euro 3,000 thousand.
The higher amount of equipment capitalized in 2001 refers to drilling equipment for use in Venezuela.

The caption “other changes” includes the effect of the monetary adjustment booked by companies operating in high inflation countries.

Certain fixed assets are encumbered by a mortgage against loans received, as described in Payables (D).

Translation differences derive from the difference between historical exchange rates and those ruling as of December 31, 2001 used for the translation into Euro of tangible fixed assets.

Financial fixed assets
These amount to Euro 767 thousand, with a net change over the prior year of Euro 72 thousand.
The following is a summary of changes in equity investments in 2001:

	Balance as of 12/31/00	Increa-ses	De-creases	Reva-luations	Write-downs	Other Move-ments	Balance as of 12/31/01
Associated companies	323	110		439	(316)	(63)	493
Other companies	372	45	(21)			(122)	274
TOTAL	**695**	**155**	**(21)**	**439**	**(316)**	**(185)**	**767**

Revaluations and writedowns of 439 and 316 thousand Euro respectively, refer to the valuation at equity of the Argentine Joint Ventures.

Due from third parties
These include the following:

Description	12/31/01	12/31/00	changes
Tax authorities for advances on termination indemnities	280	642	(362)
Guarantee deposits	268	227	41
Other	455	37	418
TOTAL	**1,003**	**906**	**97**

Treasury shares
The amount of Euro 1,410 thousand refers entirely to TREVI-Finanziaria Industriale S.p.A' s shares held by Trevi S.p.A. and directly by TREVI-Finanziaria Industriale S.p.A.. As of December 31, 2001, their number is 668,500 equal to 1.04% of the capital stock.
Taking into account that the Board of Directors of the Parent Company requested the authorization of the Stockholders' Meeting for the purchase of treasury shares to be used in share exchanges with minority interests in direct or indirect subsidiaries, and/or for the acquisition of permanent interests in other companies, these have been booked under B III 4 of the balance sheet, “Treasury shares”.
The treasury shares held by Trevi S.p.A. have therefore been reclassified, having previously been shown under current assets.
The Directors do not think that the current valuation of the shares reflects their real value, so no adjustment has been made.

C. CURRENT ASSETS

Inventories
As of December 31, 2001, these amounted to Euro 83,013 thousand and are analyzed below:

Description	12/31/01	12/31/00	Changes
Raw, ancillary and consumable materials	30,596	29,127	1,469
Work in process and semi-finished products	5,978	7,992	(2,014)
Contract work in progress	28,606	28,820	(214)
Finished products and goods for resale	17,183	12,868	4,315
Advances	650	709	(59)
TOTAL	**83,013**	**79,516**	**3,497**

The increase in inventories is attributable principally to finished products of the Soilmec Division after the rise in production of equipment to be delivered in the early months of 2002.

Receivables

As of December 31, 2001, accounts receivable amount to Euro 126,457 thousand. The caption comprises the following:

Description	12/31/01	12/31/00	Changes
Due from customers	90,135	71,797	18,338
Due from associated companies	10,805	7,774	3,031
Due from third parties	25,517	16,107	9,410
TOTAL	**126,457**	**95,678**	**30,779**

As mentioned in the accounting principles, the amounts due from customers do not include those that have been factored. In December 2001, the Group transferred receivables of Euro 44,133 thousand without recourse and Euro 14,236 thousand with recourse to a factoring companies.

Amounts due from customers are net of the allowance for doubtful accounts, Euro 4,594 thousand. The movements during the year were as follows:

	Balance as of 12/31/00	Provi-sions	Utiliza-tions	Other changes	Balance as of 12/31/01
Allowance for doubtful accounts – due from customers	4,028	601	(236)	(142)	4,251
Allowance for interest on arrears	315	28	0	0	343
TOTAL	**4,343**	**629**	**(236)**	**(142)**	**4,594**

Amounts due from associated companies principally consist of amounts due to Trevi S.p.A. on business relationships with their own consortiums, which are regulated at arm's-length conditions. The most significant amounts as of December 31, 2001 refer to:

Description	12/31/01	12/31/00	Changes
Porto di Messina S.c.a.r.l.	0	556	(556)
Consorzio Nuovo Scalo	0	573	(573)
Consorzio Principe Amedeo	382	359	23
Consorzio Trevi Adanti	8,009	2,795	5,214
Consorzio Saitre	205	435	(230)
Hercules Trevi J.V.	0	527	(527)
Other	2,209	2,529	(320)
TOTAL	**10,805**	**7,774**	**3,031**

Details of "Accounts receivable - Other" are as follows:

Description	12/31/01	12/31/00	Changes
Amounts due from the tax authorities	10,320	9,260	1,060
Receivables requested for reimbursement from the tax authorities	99	215	(116)
Due from employees	635	864	(229)
Advances to suppliers	759	2,555	(1,796)
Deferred tax assets	3,919	913	3,006
Other	9,785	2,300	7,485
TOTAL	**25,517**	**16,107**	**9,410**

Receivables in current assets include amounts due beyond 5 years for 59 thousand Euro.
Amounts due from the tax authorities are mainly represented by indirect taxes and tax credits.
As of December 31, 2001, deferred tax assets refer almost entirely to the net balance of deferred taxes booked by Trevi S.p.A., Trevi Icos Corporation and Soilmec S.p.A., being deferred tax assets on fiscal losses which can be used in future years for 7,385 thousand Euro, net of deferred tax liabilities provided for in prior years of 3,526 thousand euro. Deferred tax assets on fiscal losses are recognized in the financial statements as the Directors believe that there is a reasonable certainty of generating sufficient taxable income to absorb them in the next few years.

Liquid funds
The caption comprises the following:

Description	12/31/01	12/31/00	Changes
Bank and post office accounts	26,158	39,875	(13,717)
Cash and cash equivalents	553	703	(150)
Checks	0	59	(59)
TOTAL	**26,711**	**40,637**	**(13,926)**

The Report on Operations contains an analysis of the net financial position of the Trevi Group and the main companies included in the scope of consolidation.
There are no restrictions to the transfer of liquid funds of companies abroad back into Italy.

ACCRUED INCOME AND PREPAID EXPENSES

The caption mainly comprises prepaid expenses, as follows:

Description	12/31/01	12/31/00	Changes
Insurance	717	462	255
Lease installments on buildings and equipment	465	834	(369)
Discounts (Sabatini Law)	245	449	(204)
Commission on bank guarantees	65	76	(11)
Other	1,489	451	1,038
TOTAL	**2,981**	**2,272**	**709**

Deferred income includes Euro 177 thousand due beyond 12 months of Soilmec S.p.A.

A) STOCKHOLDERS' EQUITY

Statement of changes in the consolidated stockholders' equity

	Capital Stock	Share premium Reserve	Legal reserve	Reserve for company own shares	Extraordinary Reserve	Cumulative translation adjustment	Consolidation reserve	Net income for the year	Total Stockholders equity
Balance as of 12/31/1999	**16,527**	**52,618**	**536**	**352**	**2,461**	**1,937**	**18,783**	**7,150**	**100,364**
Net income allocation			98		911		5,181	(6,190)	-
Dividends distributed								(961)	(961)
Translation differences						1,839			1,839
Change in the scope of consolidation				-	-		999		999
Increase in the legal reserve		(2,789)	2,789						-
Net income for the year								2,227	2,227
Balance as of 12/31/2000	**16,527**	**49,829**	**3,423**	**352**	**3,372**	**3,776**	**24,963**	**2,226**	**104,468**
Net income allocation			59		164		1,044	(1,267)	0
Dividends distributed								(959)	(959)
Translation differences						(2,470)			(2,470)
Change in the scope of									0
consolidation							752		752
Increase in the Capital Stock	15,473	(15,473)							0
Allocation company own share reserve		(1,058)		1,058					0
Net income for the year								(3,909)	(3,909)
Balance as of 12/31/2001	**32,000**	**33,298**	**3,482**	**1,410**	**3,536**	**1,306**	**26,759**	**(3,909)**	**97,882**

Capital stock amounting to Euro 32,000,000 as of December 31, 2001, is represented by 64,000,000 ordinary shares, fully subscribed and paid-in, par value of Euro 0.50 each.
In accordance with article 3 of Decree 467/97, should the reserves in the financial statements be distributed, the stockholders will be entitled to a full tax credit under article 105/1a of Euro 2,983,362 and a partial tax credit under article 105/1 b of Euro 2,088,487 thousand.

Reconciliation of the stockholders' equity and net income of TREVI-Finanziaria Industriale S.p.A and the corresponding consolidated values of the Group.

Reconciliation between stockholders' equity and net consolidated income and stockholders' equity and net income for the year of the Parent Company, TREVI-Finanziaria Industriale S.p.A. is the following:

	Capital and reserves	Net income for the year	Stockholders' equity af of 12/31/2001
TREVI-Finanziaria Industriale S.p.A	**73,374**	**1,858**	**75,232**
Adjustments for consistency with accounting policies	7,236	1,820	9,056
Elimination of intraGroup net income and losses	(1,003)	(848)	(1,851)
Elimination of intraGroup dividends and writedowns	3,853	(2,300)	1,553
Elimination of consolidated investments	19,228		19,228
Share of results of group companies		(3,690)	(3,690)
Amortization of the consolidation difference	(138)	(92)	(230)
Effect of valuation using the equity method			0
Deferred taxes	(2,065)	(657)	(2,722)
Translation differences	1,306		1,306
Group stockholders' equity and net income for year	**101,791**	**(3,909)**	**97,882**
Minority interests	**4,109**	**458**	**4,567**
Stockholders' equity and net income for the year	**105,900**	**(3,451)**	**102,449**

B) RESERVES FOR RISKS AND CHARGES

The reserves for risks and charges amount to Euro 11,934 thousand, an increase of Euro 2,847 thousand compared to the prior year. The composition of and the relative movements in this caption are summarized below.

	Balance as of 12/31/00	Reserves	Utiliza-tions	Other changes	Balance as of 12/31/01
Pensions and similar commitments	2,198	635	(266)	(77)	2,490
Deferred taxes	4,674	1,886	(22)	343	6,881
Other reserves	2,215	659	(53)	(258)	2,563
TOTAL	**9,087**	**3,180**	**(341)**	**8**	**11,934**

The reserve for pensions and similar commitments entirely relates to provisions effected by foreign affiliated companies to cover liabilities due to employees.
The taxation reserve entirely relates to deferred taxes provided to cover timing differences between taxable income and that deriving from consolidated companies' financial statements and, where applicable, from consolidation adjustments.

Provisions represent a reasonable estimate of taxes to be paid in future accounting periods, applying regulations currently in force in the individual countries in which the consolidated companies operate.

"Other reserves", Euro 2,563 thousand, comprises the following items:

Description	12/31/01	12/31/00	Changes
Contractual risks	670	671	(1)
Warranty reserve	782	709	73
Provision for exchange losses	300	33	267
Coverage of losses on investments	724	711	13
Legal disputes	87	91	(4)
TOTAL	**2,563**	**2,215**	**348**

The reserve for contractual risks, amounting to Euro 670 thousand, mainly refers to provisions made by Trevi S.p.A against risks connected with jobs in progress..

The warranty reserve of Euro 782 thousand is provided to cover technical assistance to be carried out in the next few months on products under warranty by the Group companies in the metal working sector

The provision for exchange losses of 300 thousand euro has been created against the potential risk deriving from the situation in South America.

Reserve for charges to cover losses incurred by equity investments, Euro 724 thousand. This amount mainly refers to the Rodio-Trevi-Arab Contractor joint venture.

C) RESERVE FOR EMPLOYEE TERMINATION INDEMNITIES

As of December 31, 2001, the reserve for employee termination indemnities comes to a total of Euro 8,258 thousand and reflects indemnities accrued at the year-end by employees of the Italian companies in accordance with the law.
Movements during the year were as follows:

Balance as of 12/31/2000	**7,622**
Amount accrued and charged to the statement of income	1,628
Indemnities and advances paid during the year	(731)
Advances to employees	(289)
Other movements	28
Balance as of 12/31/2001	**8,258**

D) PAYABLES

Payables amount to Euro 250,906 thousand, an increase of Euro 43,730 thousand

The composition of and movements in these accounts during the year are discussed below:

Description	12/31/01	12/31/00	Changes
Due to banks	88,728	58,636	30,092
Due to other providers of finance	41,099	30,893	10,206
Advances	17,192	15,783	1,409
Due to suppliers	79,312	76,476	2,836
Due to associated companies	11,974	11,454	520
Due to tax authorities	4,478	6,506	(2,028)
Due to social security institutions	1,495	2,006	(511)
Other payables	6,628	5,422	1,206
TOTAL	**250,906**	**207,176**	**43,730**

The Report on Operations includes comments on the net financial position. Due to banks, broken down by maturity, can be summarized as follows:

Description	Within 1 Year	Between 1 and 5 Years	Beyond 5 Years	Total
Current account overdrafts, advances and short-term loans	36,970	0	0	36,970
Mortgages	5,393	8,072	197	13,662
Other loans	10,787	27,191	118	38,096
TOTAL	**53,150**	**35,263**	**315**	**88,728**

The above table shows mortgages and loans that are backed by real guarantees. The details are as follows:

- Mortgage loan from the Industrial Commercial Bank in Singapore dollars 955,000 granted to Soilmec Far East Pte, as of December 31, 2001 amounts to S$ 634,602 and is repayable from 1998 in 120 monthly installments. It is secured by a mortgage on the building where the company has its head office;
- The amount due by Soilmec S.p.A. to Mediocredito Lombardo S.p.A. of Euro 5,442 thousand consists of two separate mortgage loans. The first, originally of Euro 5,164 thousand, was obtained in 1996 at a floating interest rate, repayable from 1999 in 16 six-monthly installments and secured by a 2nd degree mortgage on the company's building. The second and more recent one was granted in 1999 and amounts to

Euro 5,164 thousand; it is repayable in 7 six-monthly installments starting from June 30, 2000; it bears interest at a floating rate and is secured by a 3rd degree mortgage on Soilmec S.p.A.'s building.

- The loan of US dollar 420,000 granted by Bank Boston to Trevi Icos Corporation is repayable in 10 years and is secured by a 1st degree mortgage on the company's building.
- The loan of Euro 5,164 billion granted to Soilmec S.p.A. in 1994 by Cassa di Risparmio di Cesena, bearing interest at a floating rate is repayable in 16 six-monthly installments and is secured by a 1st degree mortgage on the company's building.
- The loan of GBP 600,000 granted by Barclays Bank to the subsidiary Soilmec Ltd for a period of 10 years is secured by the first-degree mortgage on company-owned land.

Other providers of finance

Due to other providers of finance, broken down by maturity, can be summarized as follows:

Description	Within 1 Year	Between 1 and 5 Years	Beyond 5 Years	Total
«Commercial Paper» financing	1,032	0	0	1,032
Other financing	402	695	390	1,487
Leasing companies	22,174	16,406	0	38,580
TOTAL	**23,608**	**17,101**	**390**	**41,099**

The increase in amounts due to leasing companies relate to the outstanding principal included in charges not yet due. As mentioned in the accounting policies, lease contracts are recorded in the consolidated financial statements in accordance with finance lease methodology.
The increase refers principally to the booking of the capital amounts due under the leasing contract stipulated for the drilling equipment sent to South America.

Due to suppliers
The significant growth in amounts due to suppliers is attributable to the development of the Group's activities in the various geographical areas in which it operates, to “services received”, especially in connection with subcontract work, and to higher production by the Soilmec Division.

Due to associated companies

Amounts due to associated companies total Euro 11,974 thousand and relate almost entirely to amounts due by Trevi S.p.A.'s subsidiaries to consortiums.

The more significant amounts are as follows:

Description	12/31/01	12/31/00	Changes
Principe Amedeo	718	994	(276)
Trevi Adanti	8,589	6,125	2,464
Consorzi in Argentina	47	0	47
Consorzio Saitre	1,339	1,705	(366)
Trevi S.G.F.	0	274	(274)
Other	1,281	2,356	(1,075)
TOTAL	**11,974**	**11,454**	**520**

Due to tax authorities

Amounts due to the tax authorities comprise the following:

Description	12/31/01	12/31/00	Changes
Direct taxation	1,299	3,818	(2,519)
Tax withholdings	531	1,005	(474)
V.A.T. payable	1,842	1,581	261
Other	806	102	704
TOTAL	**4,478**	**6,506**	**(2,028)**

Other payables

Other payables include:

Description	12/31/01	12/31/00	Changes
Due to employees	4,087	3,479	608
Due to stockholders	0	772	(772)
Other	2,541	1,171	1,370
TOTAL	**6,628**	**5,422**	**1,206**

The balance due to stockholders shown in the financial statements as of December 31, 2000 relates to the residual portion still to be paid for the purchase of stockholdings in 1997. The entire amount was reimbursed in early 2001.

E) ACCRUED EXPENSES AND DEFERRED INCOME

This caption is analyzed as follows:

Accrued expenses

Description	12/31/01	12/31/00	Changes
Insurance	162	198	(36)
Rental for buildings	0	28	(28)
Accrued interest expense	208	165	43
Other accrued expenses	890	813	77
TOTAL	**1,260**	**1,204**	**56**

Deferred income

Description	12/31/01	12/31/00	Changes
Interest as per "Sabatini" and "Ossola" Laws	235	270	(35)
Hiring charges	1,285	325	960
Other	288	853	(565)
TOTAL	**1,808**	**1,448**	**360**

Deferred income includes Euro 179 thousand of Soilmec S.p.A. due beyond 12 months.

MEMORANDUM ACCOUNTS

PERSONAL GUARANTEES GIVEN

Guarantees to third parties

These include guarantees issued by banks and insurance companies in favor of third parties on our behalf, to guarantee works performed by the Group as well as correct and timely equipment deliveries, Euro 135,612 thousand. The increase given (Euro 50,451 thousand) is mainly due to the rise in guarantees given in favor of a primary insurance company on behalf of Trevi Icos Corporation, a subsidiary, after its acquisition of important works for building and construction at depth carried out in the USA.

COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Recourse risks

As of December 31, 2001, this caption includes commitments for the recovery of credits sold with recourse and for discounted bills not yet due at the balance sheet date for a total of Euro 16,719 thousand and for endorsements by the Parent Company, TREVI-Finanziaria Industriale S.p.A. on bills receivable of the subsidiary company, Soilmec S.p.A. for a total of Euro 172 thousand.

Comments on the principal statement of income captions

Further details and information on the consolidated statement of income as of December 31, 2001 as given below. The principal

transactions carried out by the Group with related parties are discussed in the report on operations.

A) VALUE OF PRODUCTION

A.1-A.3 - Revenues from sales and services and changes in contract work in progress

These amount to Euro 341,295 thousand compared to Euro 293,418 thousand as of December 31, 2000. The Group operates in various business sectors and geographical areas.
The breakdown of revenues from sales and services and of changes in contract work in progress is the following:

AREA	12/31/01	%	12/31/00	%	Changes
Italy	48,456	14.2%	50,180	17.1%	(1,724)
Europe (excluding Italy)	27,643	8.1%	27,842	9.5%	(199)
U.S.A. and Canada	90,225	26.4%	87,291	29.7%	2,934
South American countries	36,136	10.6%	33,313	11.4%	2,823
Africa	49,914	14.6%	20,066	6.8%	29,848
Middle East	48,559	14.2%	43,954	15.0%	4,605
Far East	40,358	11.8%	29,832	10.2%	10,526
Rest of the world	4	0.0%	940	0.3%	(936)
TOTAL	**341,295**	**100%**	**293,418**	**100%**	**47,877**

The increase in revenues in the Middle East and Far East mainly reflects sales by the Soilmec Division thanks to the acquisition of important contracts for the supply of well-drilling equipment. The revenues earned by the Soilmec Division in the Middle East are principally attributable to sales of drilling equipment in Iraq as part of the United Nations' “Oil for Food” program.
Another important market for the Soilmec Division is Europe, where it achieved excellent results in countries such as Spain, France, Portugal and Great Britain.
The reason for the considerable increase in revenues in Africa compared to the previous year is the market recovery in Nigeria, as far as the subsidiary Trevi Foundation Nigeria is concerned, and an important job carried out by Soilmec S.p.A.

The following is the division of revenues between the principal sectors of Group activities:

MANUFACTURING SECTOR	12/31/01	%	12/31/00	%	Changes
Manufacture of machines for special foundation work	73,140	21.4%	74,043	25.2%	(903)
Manufacture of machinery for oil, gas and water drilling	57,458	16.8%	30,455	10.4%	27,003
Oil drilling	14,444	4.2%	10,556	3.6%	3,888
Special foundation works	195,367	57.2%	178,364	60.8%	17,003
Parking facilities	886	0.3%	0	0.0%	886
TOTAL	**341,295**	**100%**	**293,418**	**100%**	**47,877**

The year saw a considerable increase in activities in the well-drilling sector, both in the production of well-drilling equipment and in actual drilling. This is also connected to what we have said already about the production of well-drilling equipment for contracts in Iraq and business carried out by the subsidiary Petreven C.A. in South America (Venezuela).
The traditional foundation works sector and the production of the machinery that it uses showed a better growth trend than in recent years, thanks to the subsidiaries in Africa and the Far East.

A.5 Other income and revenues

"Other income and revenues" amount to Euro 8,444 thousand and have fallen by Euro 2,103 thousand compared to the previous year. The caption comprises the following:

Description	12/31/01	12/31/00	Changes
Operating contributions	0	342	(342)
Expense recoveries and recharges to consortiums	4,638	5,185	(547)
Sales of spare-parts	1,590	463	1,127
Gains on disposal of fixed assets	1,002	784	218
Reimbursement of damages	192	543	(351)
Rents received	564	825	(261)
Other	458	2,405	(1,947)
Total	**8,444**	**10,547**	**(2,103)**

B) PRODUCTION COSTS

Production costs amount to Euro 367,339 thousand compared to Euro 306,419 thousand in the prior year. The principal items are analyzed as follows.

B.7) Services received. These amount to Euro 115,123 thousand compared to Euro 86,413 thousand as of December 31, 2000. This caption mainly comprises:

Description	12/31/01	12/31/00	Changes
Third party processing	18,520	20,739	(2,219)
Subcontract work	31,577	18,442	13,135
Consulting	7,936	5,799	2,137
Maintenance and repairs	4,667	5,196	(529)
Insurance	2,980	2,783	197
Shipping and customs duties	7,667	5,956	1,711
Commission and related charges	9,253	5,731	3,522
Travel and subsistence expenses	9,039	7,676	1,363
Other	23,484	14,091	9,393
Total	**115,123**	**86,413**	**28,710**

The significant increase in subcontract work is attributable to Trevi Icos Corporation which used external firms to complete works on certain sites.

Shipping and customs duties have risen because of high sales abroad by the Soilmec Division and expenses incurred to transport equipment to the various foreign sites.

B.8) Leases and rentals. These amount to Euro 14,522 thousand, a decrease of Euro 1,011 thousand. The caption principally refers to:

Description	12/31/01	12/31/00	Changes
Hiring charges	11,296	12,495	(1,199)
Rental expense	3,009	2,347	662
Other	217	691	(474)
Total	**14,522**	**15,533**	**(1,011)**

B.9) Personnel costs. These amount to Euro 84,711 thousand, an increase of Euro 5,550 thousand versus the previous year. Changes in the number of employees are the following:

Description	12/31/01	12/31/00	Changes	Average number
Managers	54	57	(3)	55
Clerical staff	612	602	10	606
Blue-collar workers	1,779	1,749	30	1,795
Total	**2,445**	**2,408**	**37**	**2,457**

The rise in payroll costs is attributable to the need for more people to expand the Group's presence in certain areas that are considered of strategic importance. Moreover, the Group carried out certain important acquisitions in 2001, especially in the Americas,

when led to a change in the scope of consolidation, as mentioned above.

B.10.d) Writedown of receivables included among current assets. The amount relates solely to the provisions for doubtful accounts made by the individual subsidiary companies for a total of Euro 629 thousand.

B.12) Provisions for risks and charges These amount to Euro 548 thousand and refer above all (300 thousand) to exchange losses provided for by Trevi S.p.A.
B.14) Other operating expenses These amount to Euro 3,784 thousand, an increase of Euro 748 thousand compared to the prior year.

Description	12/31/01	12/31/00	Changes
Taxes other than income taxes	966	661	305
Losses on the disposal of assets	441	478	(37)
Other	2,377	1,897	480
Total	**3,784**	**3,036**	**748**

C) FINANCIAL INCOME AND EXPENSE

15.c) Income from investments in other companies The amount of Euro 39 thousand refers to the capital gain realized on the sale by Soilmec S.p.A. of a minority interest in Soilmec Branham Inc.

16.d) Financial income from other companies
This comprises:

Description	12/31/01	12/31/00	Changes
Bank interest income	444	639	(195)
Interest charged to customers	679	680	(1)
Monetary revaluation	426	280	146
Exchange gains	2,541	4,877	(2,336)
Other	203	238	(35)
Total	**4,293**	**6,714**	**(2,421)**

17.d) Interest and other financial expense charged by other companies.
This comprises:

Description	12/31/01	12/31/00	Changes
Bank interest expense	4,882	2,675	2,207
Bank commission and expense	659	754	(95)
Loan-related interest expense	1,076	1,040	36
Leasing companies interest	1,357	1,643	(286)
Bank discounting charges	293	178	115
Other interest expense	1,496	715	781
Exchange losses	3,189	5,439	(2,250)
Total	**12,952**	**12,444**	**508**

During the year there were no financial charges on asset items in the balance sheets.
Exchange gains and losses derive from the payment of accounts payable and the collection of accounts receivable in foreign currency and from the elimination of foreign intraGroup payables and receivables for consolidation purposes.

D) ADJUSTMENTS TO FINANCIAL ASSETS

The revaluations of Euro 439 thousand and writedowns of Euro 316 thousand shown here refer principally to the valuation of the consortiums in Argentina at equity.

E) EXTRAORDINARY INCOME AND EXPENSE

Income

This comprises:

Description	12/31/01	12/31/00	Changes
Gains on disposal of fixed assets	21	776	(755)
Out-of-period income	711	1,275	(564)
Recoveries from insurance companies	763	174	589
Total	**1,495**	**2,225**	**(730)**

Expense
This comprises:

Description	12/31/01	12/31/00	Changes
Losses on disposal of fixed assets	1	68	(67)
Out-of-period expense	869	489	380
Prior year taxes	88	82	6
Total	**958**	**639**	**319**

INCOME TAXES FOR THE YEAR

This caption shows a net balance that includes not only current income taxes for the year, but also deferred tax assets and liabilities for the period.
Net income taxes for the year show a positive net effect of Euro 2,076 thousand, made up as follows:

Description	12/31/01	12/31/00	Changes
Current taxes:			0
- I.R.A.P.	1,739	1,451	288
- Other	882	1,363	(481)
Deferred taxes	(4,697)	521	(5,218)
Total	**(2,076)**	**3,335**	**(5,411)**

Income taxes for the year reflect an estimate of direct taxes due for the year, calculated on the basis of the taxable income of the individual Group companies, net of tax credits on dividends.
Deferred taxes are on income that is deferred for tax purposes and on timing differences between taxable income of the consolidated companies and income for consolidation purposes.

Emoluments of directors and statutory auditors

In accordance with article 38 of Decree 127/1991, the following are the emoluments due to directors and statutory auditors of the Parent Company for carrying out such duties also in other companies included in the consolidation:

Description	12/31/01	12/31/00	Changes
Emoluments of directors	530	512	18
Emoluments of statutory auditors	54	46	8
Total	**584**	**558**	**26**

As for the individual emoluments due to the directors and statutory auditors, please refer to the explanatory notes to the financial statements of TREVI-Finanziaria Industriale S.p.A.

Statement of Consolidated Cash Flows (in thousands of Euro)

	2001	2000
Net Financial Position (Opening amount)	**(48,892)**	**(26,066)**
Net income of the Group	(3,909)	2,227
Depreciation and amortization	16,790	14,643
Provision to the reserve for employees termination indemnities, pension funds and similar commitments	2,263	2,172
Change in minority interests in capital and reserves	534	(1,145)
A Cash generated from operations before changes in working capital	**15,678**	**17,897**
B Changes in working capital:		
inventories	(3,497)	(23,877)
Commercial receivables	(21,369)	(995)
Other activities	(7,726)	(842)
Commercial debts	4,765	2,398
Other liabilities	(917)	7,919
reserves for risks and charges	2,212	253
	(26,532)	**(15,144)**
C Net cash flows for operating activities:		
intangible fixed assets	(2,077)	(1,751)
tangible fixed assets	(34,667)	(25,807)
financial fixed assets	(3,595)	730
Other changes (including changes in the scope of consolidation)	(1,080)	2,837
	(41,419)	**(23,991)**
D Cash flows from (used in) financing activities:		
Increase in capital stock		
Dividends distributed	(960)	(960)
Changes in the reserve for employee termination indemnities	(991)	(628)
	(1,951)	**(1,588)**
Net change in Cash flows	**(54,224)**	**(22,826)**
NET FINANCIAL POSITION, END OF YEAR	**(103,116)**	**(48,892)**

Fondazioni - Domaquaree (Berlino) - Germania
Foundations - Domaquaree (Berlin) - Germany

ATTACHMENTS TO THE NOTES

These attachments contain the following additional information for the Notes, and are part of the same.

1 Companies included in the financial statement s as of december 31,2001 consolidated on a line-by-line basis

1a Companies included in the consolidated financial statements af of december 31,2001 using the equity method

1b Companies included in the consolidated financial statements af of december 31,2001 using the proportional method

1c Companies and consortiums included in the consolidated financial statements af of december 31,2001 and carried at cost

2 Group's organization chart

Attachment 1

Companies included in the Financial Statement as of December 31,2001 Consolidated on a line-by-line basis

COMPANY NAME	HEAD QUARTERS	CUR-RENCY	CAPITAL STOCK	TOTAL % GROUP SHARE
TREVI- Finanziaria Industriale S.p.A.	Italy	Euro	32,000,000	100%
Soilmec S.p.A.	Italy	Euro	5,160,000	97%
Soilmec U.K. Ltd	United Kingdom	£.	150,000	78%
Soilmec Japan Co. Ltd	Japan	Yen	45,000,000	68%
Soilmec Far East Pte Ltd	Singapore	Sing.$	4,500,000	67.9%
SMFE SDN BHD	Malaysia	Ringit	500,000	68%
Soilmec International B.V.	Netherlands	NLG	40,000	97%
Drillmec S.r.l.	Italy	Euro	88,400	97%
Soilmec H.K. Ltd	Hong Kong	HK$	500,000	97%
Soilmec Branham Inc.	U.S.A.	US$	2,000,000	80.5%
I.D.T. SA R.S.M.	Repubblica di San Marino	Euro	258,228	97%
Pilotes Trevi S.a.c.i.m.s.	Argentina	Pesos	1,650,000	98.6%
Cifuven C.A.	Venezuela	Bolivares	150,000,000	99%
Petreven C.A.	Venezuela	Bolivares	100,000,000	99%
Trevi S.p.A.	Italy	Euro	5,108,400	99%
Treviicos Corporation	U.S.A.	US$	10,000,000	99%
Trevi Cimentaciones C.A.	Venezuela	Bolivares	750,000,000	99%
Trevi Insaat Ve Muhendislik A.S.	Turkey	L.T.	777,600,000,000	89.1%
Trevi Construction Co. Ltd	Hong Kong	US$	2,051,667.87	99%
Trevi Foundations Nigeria Ltd	Nigeria	Naira	74,547,200	59.4%
Trevi Contractors B.V.	Netherlands	NLG	2,000,000	99%
Trevi Fundaçoes Lda	Portugal	Escudos	49,879.79	79.2%
Trevi Foundations Philippines Inc.	Philippines	Pesos Filippino	27,300,000	99%
Swissboring Overseas Piling Corporation	Switzerland	Franco Svizzero	100,000	99%
Swissboring & Co. LLC.	Oman	Rials Oman	150,000	99%
Treviicos South Inc.	U.S.A.	US$	500,000	99%
Wagner Constructions Joint Venture	U.S.A.	US$	-	98%
Trevi Algerie E.U.R.L.	Algerie	Dinaro	48,891,000	99%

Attachment 1a

Companies Included in the Consolidated Financial Statements as of December 31, 2001 using the equity method

COMPANY NAME	HEAD QUARTERS	CUR-RENCY	CAPITAL STOCK (*)	TOTAL % GROUP SHARE	BOOK VALUE (thou-sands of euro)
J.V. Rodio-Trevi-Arab Contractor	Switzer-land	US$	100,000	17.3 %	-
Trevi Contractors Singapore Ltd	Singapore	S$	4,800,000	29.70%	111
Cons. El Palito	Venezuela	Bolivares	26,075	14.85%	-
CYT UTE	Argentina	Pesos	10,327	49.5%	3
TROFEA UTE	Argentina	Pesos	36,707	49.2 %	11
Cartel-Trevi UTE – (Chocon I)	Argentina	Pesos	6,056	39.6 %	7
Cartel.-Trevi-Solet. UTE-(Chocon II)	Argentina	Pesos	438,019	36.1%	138
Lian Yun Gang Soilmec Machinery Ltd (***)	China	US$	2,100,000	58.2%	
STRYA UTE	Argentina	Pesos	19,435	17.3%	4
Econ-Trevi (M) Sdn Bhd (**)	Singapore	S$	-	29.70%	-

TOTAL **274**

(*) For consortiums located in Argentina, the amount indicated corresponds to stock-holders' equity.

(**) The book value and the estimated value of Econ-Trevi Sdn Bhd is included in Trevi Contractors Singapore Ltd as it is fully owned by this company.

(***) Under liquidation.

Attachment 1b

Companies included in the Consolidated Financial Statements as of December 31, 2001 using the proportional method

COMPANY NAME	HEAD QUAR-TERS	CUR-RENCY	CAPITAL STOCK	TOTAL % GROUP SHA-RE
Cartellone-Pilotes Trevi Sacims –Trevi S.p.A.- So-letanche U.T.E.	Argentina	Pesos	724,242	33%
Pilotes Trevi Sacims – C.C.M. U.T.E.	Argentina	Pesos	-	49.5%
Pilotes Trevi Sacims-ECAS U.T.E	Argentina	Pesos	837,374	49.5%
Pilotes Trevi Sacims-CIMARG U.T.E	Argentina	Pesos	(1,425,401)	49.5%
Trevi San Diego Gea U.T.E	Argentina	Pesos	(780)	49.5%
Trevi/Rodio J.V.	U.S.A.	US$	139,729	64.9%
Limix J.V.	U.S.A.	US$	(109,133)	49.5%

Attachment 1c

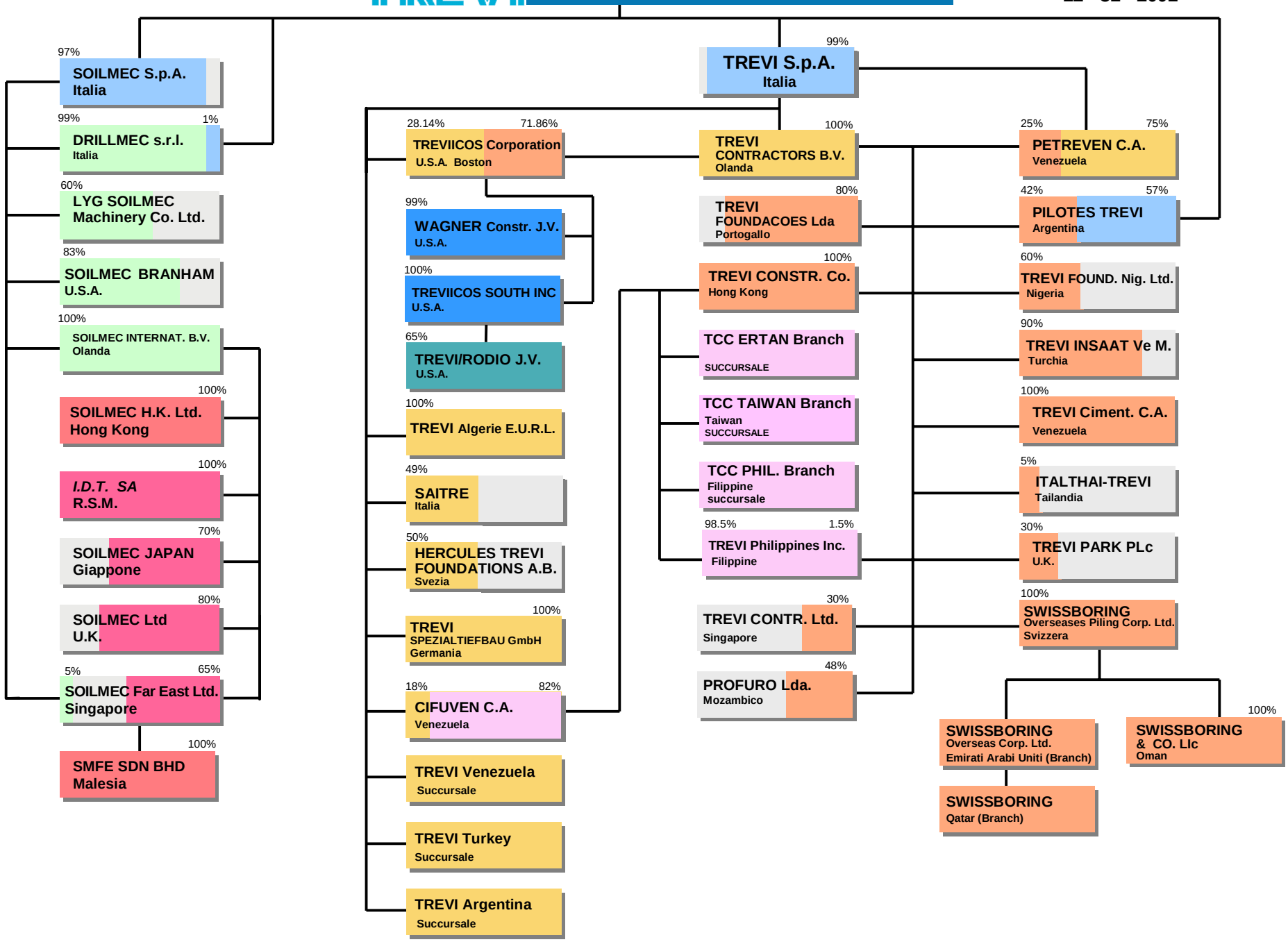
Companies and Consortiums included in the Consolidated Financial Statements as of December 31, 2001 and carried at cost

COMPANY NAME	HEAD-QUARTERS	CUR-RENCY	CAPITAL STOCK	TOTAL % GROUP SHARE	BOOK VALUE (thousands of euro)
- **CONSORTIUMS**					
Consorzio SAITRE	Italy	Euro	51,646	48,51%	25
Consorzio Intesa Lecco	Italy	Euro	25,823	42.57%	11
Arge Jet Sohle Domaquaree	Germany	Euro	90,000	49.5%	45
Consorzio Progetto Torre di Pisa	Italy	Euro	30,987	24.7%	8
Consorzio Pool Park	Italy	Euro	210,301	12.1%	26
Consorzio Canale Candiano	Italy	Euro	30,987	0.5%	-
Consorzio Romagna Iniziative	Italy	Euro	41,317	12%	5
Consorzio Trevi Adanti	Italy	Euro	10,329	48.6%	5
V.L.T S. Rocco Piers s.c.a.r.l.	Italy	Euro	10,329	37.1%	4
Nuovo scalo s.c.a.r..l	Italy	Euro	10,329	49.5%	5
Trevi S.G.F s.c.a.r.l.	Italy	Euro	51,646	54.4%	28
Seli Trevi s.c.a.r.l.	Italy	Euro	1,710	49.5%	1
Consorzio Fondav	Italy	Euro	25,823	25.7%	10
Principe Amedeo s.c.a.r.l.	Italy	Euro	10,329	49.50%	5
Porto di Messina s.c.a.r.l.	Italy	Euro	10,329	79.2%	7
Trevi Spezial. Gmbh	Germany	Euro	50,000	99%	50
Cermet	Italy	Euro	420,396	0.46%	2
- OTHER COMPANIES					
Comex S.p.A.	Italy	Euro	1,936,713	0.53%	15
Profuro Intern. L.d.a.	Mozambi-que	Metical	4,496,415,000	47.5%	-
Trevi Park P.l.c.	United Kingdom	£.	4,236.98	29.7%	-
Italthai Trevi	Thailandia	Bath	35,000,000	5%	133
Tecnosol S.r.l.	Italy	Lit.	-	6%	-
Hercules Trevi Foundation A.B.	Sweden	Corona	100,000	49.5%	62
Japan Foundations	Japan	Yen	5,907,978,000	0.001%	46
I.F.C.	Hong Kong	US$	18,933	0.10%	-
TOTAL					**493**

Attachment 2

TREVI Finanziaria Industriale S.p.A.

12 - 31 - 2001



CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the Shareholders of
TREVI-Finanziaria Industriale SpA

1 We have audited the consolidated financial statements of TREVI-Finanziaria Industriale SpA and its subsidiaries (the "TreviGroup") for the year ended 31 December 2001. These consolidated financial statements are the responsibility of TREVI-Finanziaria Industriale's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. We did not audit the financial statements of certain subsidiaries, which statements reflect total assets and revenues constituting 38 percent and 26 percent of the related consolidated totals, respectively. Those statements were audited by other auditors, whose reports have been provided to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based on these reports of the other auditors.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 12 April 2001.

3 In our opinion, the consolidated financial statements of TREVI-Finanziaria Industriale SpA as of 31 December 2001 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Group.

Bologna, 12 April 2002

PricewaterhouseCoopers SpA

Roberto Megna
(Partner)

This report has been translated from the original which was issued in accordance with Italian Law.

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENT AS AT 31st DECEMBER 2001

Stockholders,
the consolidated financial statement as at December 31st, 2001 of Trevi Group, which is now made available to you, was handed over to us according to the law terms and it has been drawn up according to what prescribed by the Law Decree dated January 9th, 1991 nr.127 and it can be summarised as follows:

I. Consolidated Statement of assets and liabilities	Thousand Euro
Assets	376,615
Liabilities	274,166
Net assets belonging to third parties	4,567
Net assets belonging to the Group	97,882

For a total amount of Euro 152,503 thousand as reported in the memorandum of accounts.

II. Consolidated Profit and Loss account	
Production value	369,739
Production costs	367,339
Proceeds and financial charges	(8,587)
Value adjustments of financial activities	123
Proceeds and extraordinary charges	537
Income taxes for the year	(2,076)
Results belonging to third parties	458
Loss belonging to the Group	(3,909)

In the Management Report and in the Supplementary Note which completes and annotates the consolidated balance sheet, the Board of Directors supplies, besides the consolidation methods and the evaluation principles, the information about the overall situation of the companies involved in the consolidation as well as the facts which characterised the management.
The Board of Auditors, as far as its competence is concerned and on the basis of the elements available, formally acknowledges the following:

- The consolidated financial statement has been drawn up in conformity with the regulations of the Law Decree 127/1991 and complying with the CONSOB recommendations and, in its results, it corresponds to the accounting reports of the Holding Company, supplemented with the information concerning the controlled companies that are involved in the consolidation.

Moreover, always sticking to the above-mentioned recommendations, the Board of Auditors states the following:

- The information supplied by the Board of Directors to issue the Management Report, with special regard to the operations with the correlated parties, is deemed to be complete. In this respect, neither conflict of interests nor accomplishments of operations clearly incautious or risky, that is likely to be prejudicial to the economic, patrimonial and financial situation of the Group, have been reported or come out.

- During the fiscal year, information has been exchanged with the PricewaterhouseCoopers S.p.A., which performed the audit of the consolidated balance sheet here examined and the operating balance of the Holding Company. With the issue of the certificate by the entrusted company, it is ascertained that the values reported in the balance correspond to the accounting results of the controlling company and to the information we collected by the controlled companies.

The information conveyed by the controlled companies to the Holding Company for the issuance of the consolidated balance sheet has been examined by the auditors of the single companies within the auditing plan suggested by the Holding Company.
Therefore, the Board of Auditors' control has not been extended to said balances.
Except for what above-stated, the Board of Auditors expresses the opinion that the consolidated balance sheet as at 31st December 2001 of the TREVI Group correctly represents the patrimonial, economic and financial situation of the Holding Company and the companies included into the consolidation area

Cesena, 12th April 2002

The Board of Statutory Auditors

FINANCIAL STATEMENTS

As at and for the year ended December 31, 2001

FINANCIAL STATEMENTS

BALANCE

ASSETS	(Euro) 12/31/2001	(Euro) 12/31/2000
A) Amounts due from stockholders	**-**	**-**
B) Fixed assets:		
I - Intangible fixed assets:		
1) start-up and expansion costs	2,929,571	4,077,742
3) industrial patents and intellectual property rights	270,251	18,855
4) concessions, licenses, trademarks & similar rights	4,121	-
6) assets under construction and advance payments	63,225	73,748
7) other intangible fixed assets	48,282	64,495
Total intangible fixed assets	**3,315,450**	**4,234,840**
II - Tangible fixed assets:		
2) plant and machinery	66,465	69,338
4) other assets	-	-
Total tangible fixed assets	**66,465**	**69,338**
III - Financial fixed assets:		
1) equity investments in:		
a) subsidiary companies	30,184,934	30,184,934
d) other companies	15,494	15,494
Total	30,200,428	30,200,428
2) accounts receivable:		
a) Subsidiary companies:		
- due within 12 months	44,054,185	41,368,609
- due beyond 12 months	-	-
Total	44,054,185	41,368,609
4) company's own shares	1,058,079	-
Total financial fixed assets	**75,312,692**	**71,569,037**
Total fixed assets (B)	**78,694,607**	**75,873,215**

AS AT 31st DECEMBER 2001
SHEET

	(Euro) **12/31/2001**	(Euro) **12/31/2000**
C) Current assets:		
II - Accounts receivable :		
1) due from customers:		
- within 12 months	17,827	25,112
- beyond 12 months	-	-
Total	17,827	25,112
2) due subsidiary companies	8,486,331	4,242,398
5) due from third parties:		
- within 12 months	374,597	630,641
- beyond 12 months	124,843	142,845
Total	499,440	773,487
Total accounts receivable	**9,003,598**	**5,040,996**
IV - Liquid funds:		
1) bank and postal deposits	185,394	1,401,168
3) cash and cash equivalents	4,535	3,563
Total liquid funds	**189,929**	**1,404,731**
Total current assets (C)	**9,193,527**	**6,445,727**
D) Accrued income and prepaid expenses		
1) accrued income	-	-
2) prepaid expenses:		
- due within 12 months	131,900	151,090
- due beyond 12 months	14,742	969
Total prepaid expenses	146,642	152,059
Total accrued income and prepaid expenses (D)	**146,642**	**152,059**
TOTAL ASSETS	**88,034,776**	**82,471,002**

FINANCIAL STATEMENTS

BALANCE

LIABILITIES AND STOCKHOLDERS' EQUITY	(Euro) 12/31/2001	(Euro) 12/31/2000
A) Stockholders' equity		
I - Capital stock	32,000,000	16,526,621
II - Share premium reserve	33,297,575	49,829,033
IV - Legal reserve	3,482,404	3,423,215
V - Company own share reserve	1,058,079	
VII - Other reserves:		
- extraordinary reserve	3,536,376	3,371,775
Total other reserves	3,536,376	3,371,775
IX - Net income (loss) for the year	1,857,888	1,183,790
Total stockholders' equity	**75,232,322**	**74,334,434**
B) Reserves for risks and charges:		
2) taxation	3,718	4,198
Total reserves for risks and charges	**3,718**	**4,198**
C) Reserve for employee termination indemnities	**231,251**	**246,959**
D) Payables:		
3) due to banks:		
- within 12 months	6,349,837	4,290,581
- beyond 12 months	5,164,569	2,065,828
Total	11,514,406	6,356,409
6) due to suppliers	766,334	515,287
8) due to subsidiary companies	26,758	36,504

AS AT 31st DECEMBER 2001
SHEET

	(Euro) **12/31/2001**	(Euro) **12/31/2000**
11) due to tax authorities:		
- within 12 months	62,129	44,062
- beyond 12 months	-	-
Total	62,129	44,062
12) due to social security institutions	40,306	40,306
13) other payables	57,119	827,052
Total payables	**12,467,052**	**7,819,639**
E) Accrued expenses and deferred income		
1) accrued expenses		
- due within 12 months	99,763	65,360
- due beyond 12 months	-	-
Total	99,763	65,360
2) deferred income	670	413
Total accrued expenses and deferred income	**100,433**	**65,772**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**88,034,776**	**82,471,002**

MEMORANDUM ACCOUNTS	(Euro) **12/31/2001**	(Euro) **12/31/2000**
GUARANTEES GIVEN	108,894,361	50,578,800
RECOURSE RISKS	171,794	501,628
OUTSTANDING LEASE INSTALMENTS	2,580,196	2,809,766
TOTAL MEMORANDUM ACCOUNTS	**111,646,351**	**53,890,193**

FINANCIAL STATEMENTS

	(Euro) **2001**	(Euro) **2000**
A) Value of production:		
1) revenues from sales and services	2,765,156	1,671,319
5) other income	92,277	223,041
Total value of production (A)	**2,857,433**	**1,894,360**
B) Production costs:		
6) raw, ancillary and consumable materials and goods for resale	9,241	41,817
7) services received	1,049,389	801,338
8) leases and rentals	992,160	927,975
9) personnel:		
a) wages and salaries	700,952	518,384
b) social security charges	208,787	184,251
c) employee termination indemnities	52,833	42,001
Total	962,572	744,636
10) amortization, depreciation and writedowns:		
a) amortization of intangible fixed assets	1,251,743	1,204,614
b) depreciation of tangible fixed assets	9,700	9,125
Total	1,261,443	1,213,739
14) other operating expenses	45,660	73,510
Total production costs (B)	**4,320,465**	**3,803,015**
Difference between value and cost of production	**(1,463,032)**	**(1,908,654)**
C) Financial income and expense		
15) income from equity investments:		
a) subsidiary companies	2,273,438	626,204
b) third parties		25,855
Total	2,273,438	652,059
16) other financial income:		
a) from receivables held as fixed assets		
subsidiary companies	2,252,399	2,613,646

AS AT 31st DECEMBER 2001

	(Euro) **2001**	(Euro) **2000**
d) income other than the above:		
third parties	35,956	56,184
Total	2,288,355	2,669,830
17) interest and other financial charges:		
d) third parties	499,444	349,667
Total	499,444	349,667
Total financial income and expense	**4,062,349**	**2,972,223**
D) Adjustments to financial assets:	-	-
Total adjustments to financial assets	-	-
E) Extraordinary income and expense		
20) income:		
a) gains on disposals	-	-
b) other income	8,419	23,057
Total	8,419	23,057
21) expense:		
a) losses on disposals	-	-
c) other expense	248	34
Total	248	34
Total extraordinary items	**8,171**	**23,023**
Results before taxation	**2,607,488**	**1,086,592**
22) income taxes for the year		
Current	(66,612)	(328,892)
Deferred	816,212	231,694
23) net income for the year	**749,600**	**(97,198)**
Net income/(loss) for the year	**1,857,888**	**1,183,790**

Metropolitana –Caracas Venezuela
Underground – Caracas Venezuela

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2001 (in Euro)

Company's profile and activities

This is the holding company for a Group that carries on its business activities in two main sectors: supply contracts and design and engineering services for civil and infra-structural foundation works and oil drilling works, the construction of plant and equipment for special foundation works, tunnel boring and well-drilling for oil and water exploration These two business sectors are coordinated by the Group's two major companies, TREVI S.p.A., which heads the division involved in construction at depth, and Soilmec S.p.A. which oversees the division responsible for manufacturing and marketing plant and equipment for construction at depth and well drilling for oil and water exploration.

Form of the financial statements

The financial statements have been prepared in accordance with articles 2424, 2424 bis, 2425 of the Italian Civil Code, with the accounting principles described in article 2423 bis and adopting the valuation methods contained in article 2426 of the Civil Code, integrated and interpreted, where necessary, by the accounting principles recommended by the Italian Accounting Profession.
The notes to the financial statements describe, analyze and in certain cases supplement the information reported in the financial statements; they also contain the information required by article 2427 of the Civil Code, Decree 127/1991, CONSOB Regulation 11,520/98, as well as certain special laws. Additional information is provided in order to present a true and fair view of the state of the Company, even where not required by specific legislation.
The financial statements are audited by PricewaterhouseCoopers S.p.A..

Conversion to the Euro

The financial statements as of December 31, 2001 have been prepared for the first time in Euro. On July 1, 2001 the bookkeeping of TREVI – Finanziaria Industriale S.p.A. was converted into Euro, which became the functional currency; the company translated all amounts from Lire into Euro in accordance with the provisions of art.18 of D. Lgs. 213 dated June 24, 1998 and with Accounting Principle 27 issued by the Italian Accounting Profession, writing off the exchange differences resulting from this translation immediately on an accruals basis. The translation of Lire balances into Euro resulted in a modest exchange loss of Euro 0.09 (Lire 174), of which Euro 0.04 due to the conversion of fixed assets and accumulated depreciation, as explained in the notes.
On July 1, 2001 the capital stock was also converted into Euro, going from the original 32 billion Lire to the current 32 million Euro by means of an increase in capital stock, as resolved by the Extraordinary Stockholders' Meeting of April 30, 2001.

Accounting policies

The accounting policies adopted for the preparation of the financial statements as of December 31, 2001, are in accordance with article 2426 of the Italian Civil Code and are consistent with those applied in the prior year.

INTANGIBLE FIXED ASSETS

Intangible fixed assets are subject to direct amortization.

Intangible fixed assets made up of start-up and expansion costs (including those incurred for the Company's listing on the Stock Exchange), patents, trademarks, licenses and deferred costs are amortized over five years.

Improvement costs on third party assets acquired under leasing contracts are amortized over the length of the contract.

Assets in progress and advances include the costs incurred to implement new software, not yet in use as of December 31, 2001, given that certain integrated management modules, for which part of the costs were incurred in 1999 and 2000, were not completed in 2001.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, including related charges, and are shown net of accumulated depreciation. Depreciation is calculated on a straight-line basis. The applied rates, of which details are given in the notes to the balance sheet, are considered to reflect the estimated useful life of the assets concerned; they also agree with those indicated in Decree 12/31/88.

FINANCIAL FIXED ASSETS

Equity investments are recorded at purchase or subscription cost, written down in cases where there is permanent loss in value, in accordance with article 2426.3 of the Italian Civil Code.

Payments carried out for future capital stock increases in subsidiary companies have been booked directly to equity investments.

Other financial fixed assets, comprising receivables from subsidiary companies and guarantee deposits are recorded at their nominal value which corresponds to their estimated realizable value.

In 2001 this caption increased also because of the purchase of treasury shares, as resolved by the Stockholders' Meeting of April 30, 2001; the Board of Directors requested the authorization of the Stockholders' Meeting for the purchase of treasury shares to be used in share exchanges with minority interests in direct or indirect subsidiaries, and/or for the acquisition of permanent interests in other companies. These long-term transactions have not yet been completed. Treasury shares are booked under B III 4 of the

balance sheet, “Treasury shares”. They are carried at cost, pursuant to art. 2426 of the Civil Code.
In addition, a restricted reserve for the same amount has been set up under stockholders' equity, as per art. 2357 – ter of the Civil Code, using the share premium reserve.

ACCOUNTS RECEIVABLE
Accounts receivable are stated at their nominal value corresponding to their estimated realizable value.

ACCOUNTS PAYABLE
Accounts payable are stated at their nominal value.

ACCOUNTS RECEIVABLE, PAYABLE AND TRANSLATION OF FOREIGN CURRENCY BALANCES
Receivables and payables in currencies outside the Euro zone are booked at the exchange rates ruling at the time of the underlying transaction. Any net losses identified between the balance of foreign currency receivables and payables translated using the December exchange rate and the accounting balance of the same is allocated to a specific reserve in liabilities. 2001 translation gave rise to net gains of about Euro 139,467, which are not recognized for prudence sake.

ACCRUALS AND DEFERRALS
These are recorded to match costs and revenues in the accounting periods to which they relate.

INCOME TAXES FOR THE YEAR
These are provided on the basis of estimated taxable income determined in conformity with current fiscal regulations, taking account of any exemptions and tax credits available.
Deferred taxes are booked to income in a sub-item of caption 22 and provided for in the taxation reserve. Deferred tax assets are credited to the same item in the income statement and debited to current assets under receivables from third parties.
As suggested in accounting principle no. 25 on deferred taxation, it was thought best to offset deferred tax assets and liabilities deriving from dividends booked by subsidiary and affiliated companies, when such receivables and payables were of the same amount.

OTHER RESERVES FOR RISKS AND CHARGES
These cover known or likely losses. Provisions reflect the best estimate of losses to be incurred based on the information available.

Contingent liabilities are described in the explanatory notes but are not covered by specific provisions. Account is not taken of risks that are considered remote.

RESERVE FOR EMPLOYEE TERMINATION INDEMNITIES
This reserve is provided in accordance with current legislation, collective payroll contracts and in-house agreements. This liability is subject to annual revaluation using officially established indices.

MEMORANDUM ACCOUNTS
These indicate commitments taken on and guarantees given, as well as assets received and deposited for various purposes. They are all stated at nominal value.

COSTS AND REVENUES
These are recorded in the financial statements according to the matching principle, the nature of the items and the prudence concept.

DIVIDENDS
Dividends distributed by affiliated companies are accounted for on an accruals basis. If the Company exercises a dominant influence over the subsidiary, in accordance with the accounting principles and CONSOB Communication DAC/RM/95002194 of March 16, 1995, dividends are recorded as income for the period even if distributed in the subsequent year, provided that the Board of Directors approves TREVI – Finanziaria Industriale S.p.A.'s draft financial statements after the financial statements of the individual subsidiaries have been approved by their board of directors.

FINANCIAL LEASE INSTALMENTS
Financial lease installments relating to tangible fixed assets are booked to the year on the basis of the contractual agreement, in accordance with current regulations. On expiry of the contract, the redemption value is booked to tangible fixed assets.

Other information

EXCEPTIONS UNDER ARTICLE 2423.4 OF THE CIVIL CODE
No exceptions have been made as per article 2423.4 of the Italian Civil Code.

CONSOLIDATED FINANCIAL STATEMENTS
The Company is obliged to prepare consolidated financial statements in accordance with Decree 127/91.
A copy of the consolidated financial statements, together with the report on operations and the Auditors' report, will be deposited at

the Company registered office, with Borsa Italiana S.p.A., and in the company register within the terms of law.

Analysis of the Balance Sheet Captions

Assets

B – FIXED ASSETS

Schedules concerning intangible and tangible fixed assets have been prepared, indicating for each caption, historical cost, accumulated depreciation and amortization, movements during the year, the closing balance together with total asset revaluations in existence at year-end.
The balances of tangible and intangible fixed assets and accumulated depreciation and amortization as of December 31, 2000 have been translated into Euro. The operation resulted in a modest exchange loss of Euro 0.04 (Lire 77) detailed below, in compliance with current laws and Accounting Principle 27.

Intangible fixed assets	Hostorical cost (A)	Accumulated amortization (B)	Net book value (A) - (B)	Hostorical cost after conversion (C)	Accumulated amortization after conversion (D)	Net book value after conversion (C) - (D)	Conversion differences [(A) - (B)] - [(C) - (D)]
Patent rights	60,038.90	46,679.31	13,359.60	60,038.89	46,679.30	13,359.59	0.01
Trademarks	9,709.39	4,214.29	5,495.10	9,709.39	4,214.29	5,495.10	-
Intangible deferred charges	161,103.89	96,609.14	64,494.75	161,103.90	96,609.14	64,494.76	(0.01)
Expansion costs for stock exchange	5,754,989.72	1,678,720.69	4,076,269.03	5,754,989.73	1,678,720.65	4,076,269.08	(0.05)
Assets in progress and advances	73,747.98	-	73,747.98	73,747.98	-	73,747.98	(0.00)
Start-up and expansion costs	4,953.96	3,480.61	1,473.35	4,953.96	3,480.61	1,473.35	(0.00)
TOTAL	**6,064,543.84**	**1,829,704.03**	**4,234,839.80**	**6,064,543.85**	**1,829,703.99**	**4,234,839.86**	**(0.06)**

Tangible fixed assets	Hostorical cost (A)	Accumulated amortization (B)	Net book value (A) - (B)	Hostorical cost after conversion (C)	Accumulated amortization after conversion (D)	Net book value after conversion (C) - (D)	Conversion differences [(A) - (B)] - [(C) - (D)]
Generic equipments and accessories	14,075.84	703.79	13,372.05	14,075.84	703.79	13,372.05	-
Drilling equipments	75,761.64	26,221.16	49,540.48	75,761.64	26,221.16	49,540.48	-
Furniture and fixtures	5,298.20	5,298.20	-	5,298.21	5,298.21	-	-
Office electronic equipments	28,562.79	22,137.14	6,425.65	28,562.79	22,137.16	6,425.63	0.02
TOTAL	**123,698.47**	**54,360.29**	**69,338.18**	**123,698.48**	**54,360.32**	**69,338.16**	**0.02**

B I – INTANGIBLE FIXED ASSETS

As of December 31, 2001, intangible fixed assets total Euro 3,315,450 compared with Euro 4,234,841 of the previous year, with a decrease of Euro 919,391, analyzed as follows:

Description	HISTORICAL COST				ACCUMULATED AMORTIZATION			Net book value 12/31/01
	Balance as of 12/31/00	Additions	Disposals	Balance as of 12/31/01	Balance as of 12/31/00	Amortization for the year	Balance as of 12/31/01	
Start-up and expansion costs	5,759,944	3,993	-	5,763,937	1,682,201	1,152,165	2,834,366	2,929,571
Patent rights	66,907	326,883	6,869	386,921	48,053	68,618	116,671	270,250
Trademarks	2,582	6,869	-	9,451	2,582	2,748	5,330	4,121
Assets in progress and advances	73,748	316,360	326,883	63,225	-	-	-	63,225
Other	161,104	12,000	-	173,104	96,609	28,212	124,821	48,283
TOTAL	**6,064,285**	**666,105**	**333,752**	**6,396,638**	**1,829,445**	**1,251,743**	**3,081,188**	**3,315,450**

Amortization of start-up and expansion costs, including those incurred in 1999 for the Company's listing on the Stock Exchange, industrial patents rights, licenses and trademarks, calculated by applying a rate of 20%, is considered to reflect the period that the assets are expected to benefit.
Start-up and expansion costs, amounting to Euro 2,929,571, include Euro 2,925,271 relating to the residual expenses incurred for the Company's listing on the Stock Exchange, booked in 1999.
“Patents and licenses” increased by Euro 326,883 for the purchase of new software and related licenses, to be used for the TREVI Group's integrated management of the following areas: Administration, Logistics, Production, Control, Supply Chain Management, programming and scheduling of the production process.
As of December 31, 2000 the Company had already incurred costs for Euro 73,748 booked to the financial statements of that year under “assets in progress and advances”, given that the software was not yet in use.
This amount has increased by the costs incurred during 2001, namely Euro 253,135. The total capitalized costs on which the first amortization charge has been calculated is therefore Euro 326,883; amortization has been calculated by applying a rate of 20%, which is considered to reflect the period that the assets are expected to benefit.
For a more uniform Group classification, software for Euro 6,869 has been reclassified from “Patent rights” to “Licenses and trademarks”, given that the supplier specified that the purchase price is for a license. There is no effect on the statement of income, since this category of asset has the same amortization rate.
At the year end, assets in progress and advances include the costs incurred during the year relating to the residual components of software for the integrated management of the Group, which are not yet in use as of December 31, 2001. These modules are expected to be completed and in use during 2002.

The caption “Other” includes:
- leasehold improvements, amortized over the period of the contract for a residual amount of Euro 10,570;
- expenses relating to the expert valuation of the Company's net worth, as per Law 461 of 11/21/97, for a residual amount of Euro 37,713.

B II – TANGIBLE FIXED ASSETS

As of December 31, 2001, tangible fixed assets amounted to Euro 66,465 compared to Euro 69,338 in the prior year, showing a decrease of Euro 2,873.
Tangible fixed assets have never been subject to writedowns or revaluations.
During 2001 the caption “Plant and machinery” increased by Euro 27,683 mainly due to the acquisition of equipment for special foundation works hired to subsidiaries and decreased by Euro 20,856 mainly due to the disposal of one of the two above equipment to a subsidiary.
Other assets include office furniture and furnishings.

Description	**HISTORICAL COST**				**ACCUMULATED AMORTIZATION**			**Net book value 12/31/01**
	Balance as of 12/31/00	Additions	Disposals	Balance as of 12/31/01	Balance as of 12/31/00	Amortization for the year	Balance as of 12/31/01	
Plant and machinery	118,400	27,683	20,856	125,227	49,062	9,700	58,762	66,465
Other assets	5,298	-	-	5,298	5,298	-	5,298	-
TOTALI	**123,698**	**27,683**	**20,856**	**130,525**	**54,360**	**9,700**	**64,060**	**66,465**

Depreciation as of December 31, 2001 has been calculated by applying the rates considered to represent the technical and economic lives of the assets as reported below:

ASSET CATEGORY	%
Furniture and furnishings	12
Plant and machinery	20
Drilling equipment	7.5

B III - FINANCIAL FIXED ASSETS

1) ***EQUITY INVESTMENTS***

As of December 31, 2001 equity investments total Euro 30,200,428 and did not change as shown in the following table:

Description	Balance as of 12/31/00	ACQUISITION		DISPOSALS		Balance as of 12/31/01
		Purchases/ Subscription/ Payments on capital account	Revaluations and writebacks	Disposals	Write-downs	
Subsidiary companies	30,184,934	-	-	-	-	30,184,934
Other companies	15,494	-	-	-	-	15,494
TOTAL	**30,200,428**	**-**	**-**	**-**	**-**	**30,200,428**

Therefore, the individual investment recorded no changes and are:

Description	Balance as of 12/31/00	ACQUISITION		DISPOSALS		Balance as of 12/31/01
		Purchases/ Subscription/ Payments on capital account	Revaluations and write-backs	Disposals	Write-downs	
Subsidiary companies						
TREVI S.p.A.	15,795,266	-	-	-	-	15,795,266
SOILMEC S.p.A.	14,104,438	-	-	-	-	14,104,438
DRILLMEC S.r.l.	1,385	-	-	-	-	1,385
PILOTES TREVI S.a.c.i.m.s.	283,845	-	-	-	-	283,845
Total "Subsidiary companies"	*30,184,934*	-	-	-	-	*30,184,934*
Other companies						
COMEX S.p.A.	15,494	-	-	-	-	15,494
Total "Other companies"	*15,494*	-	-	-	-	*15,494*
TOTAL	**30,200,428**	**-**	**-**	**-**	**-**	**30,200,428**

The following is a list of investments as of December 31, 2001:

(amounts in Euro unless otherwise specified) (2)

	Headquarters	Capital stock	Book stockholers' equity(1)	Netl ncome for the year	% Ow-nership	Book value	Our share of stockholders' equity
SUBSIDIARY COMPANIES							
TREVI S.p.A.	CESENA	5,108,400	17,470,011	158,630	99	15,795,266	17,295,311
SOILMEC S.p.A.	CESENA	5,160,000	18,998,784	2,239,400	97	14,104,438	18,428,820
DRILLMEC S.r.l.	CESENA	88,400	144,305	(88,484)	1	1,385	1,443
PILOTES TREVI S.a.c.i.m.s.	BUENOS AIRES	1,650 (in Pesos)	7,430,813 *(3)*	(412,554) *(3)*	57	283,845	4,235,563 *(3)*
TOTAL						*30.184.934*	*40.865.936*
OTHER COMPA-NIES							
COMEX S.p.A.	RAVENNA	1,936,713	2,123,154 *(4)*	(136,345) *(4)*	0.53	15,494	11,253
TOTAL						*15,494*	*11,253*

Notes

1. Stockholders' equity includes net income for the year.
2. Amounts in foreign currency are expressed in thousands.
3. The value in Euro has been obtained by applying the year-end exchange rate of Euro 0.88 to 1 peso (considering the peso/dollar parity) to the book stockholders' equity and the average exchange rate for the year of Euro 0.82 to 1 peso to the net result for the year.
   However, the above amounts are subject to considerable fluctuations due to the economic and financial crisis that took place in Argentina in 2001/2002 which led to devaluation of the Argentine peso versus the US dollar.
   Even taking these fluctuations in the peso/dollar exchange rate into consideration, the investment expressed at historical cost does not differ materially from its current value.
4. Figures as of December 31, 2000.

Book value derives from:

- Euro 15,494, which is the value of the investment, equal to 2,000 shares held, or 0.53% of its capital stock.
- The Board of Directors of COMEX S.p.A. approved preliminary financial statements for 2001, which show pre-tax income of Euro 200,000.

The opening balances of the investments in Trevi S.p.A. and Soilmec S.p.A. include two amounts, Euro 9,812,681 and Euro 8,779,767 respectively, paid in prior years towards future increases in capital.

As regards COMEX S.p.A., an affiliate that assembles own-label hardware products (personal computers, notebooks and servers), the preliminary results for 2001, which were reviewed by the Board of Directors on March 4, 2002, show sales of over 17 million Euro, with an increase of 30% on the previous year and pre-tax income which should come to around 200,000 Euro. Expectations for 2002 are that COMEX S.p.A. should again increase its sales to around 20 million Euro, with a positive bottom line; this increase will be possible thanks to stronger growth in the Notebook and LCD-PC sectors, helped by synergies with important partners operating in the same fields.

There are no restrictions on the securities held (including voting rights).

The detail of equity investments, both direct or indirect, in subsidiary, associated and other companies is given in the Explanatory notes to the consolidated financial statements.

2) *TREASURY SHARES*

The Stockholders' Meeting of April 30, 2001 authorized the Board of Directors to purchase treasury shares in accordance with the following regulations:

1) A maximum of 2,000,000 ordinary shares of par value Euro 0.50 each can be purchased, up to a maximum of 3.125% of the capital stock, made up of 64,000,000 ordinary shares.
2) The duration of this authorization is 18 months, the maximum period allowed under art. 2357 of Civil Code; it therefore expires on October 31, 2002.

3) The minimum purchase price is Euro 2.00, while the maximum is Euro 4.50.
4) Purchases have to be made on the market in ways to be agreed with the company that runs the stock exchange, to permit parity of treatment for all stockholders pursuant to art. 132 of the Finance Consolidation Act.

As of December 31, 2001 the Company purchased 528,500 treasury shares (0.83 % of capital stock) with a total value at par of Euro 264,250 for a total purchase price of Euro 1,058,079. As of December 31, 2001 these are still held in portfolio.
The weighted average purchase price of treasury shares during 2001 was Euro 2.002 per share.
As of December 31, 2001, TREVI S.p.A. held 140,000 shares of Trevi – Finanziaria Industriale S.p.A. (0.21 % of capital stock) at a carrying value of Euro 2.41 per share, for a total of Euro 351,946.

2) *ACCOUNTS RECEIVABLE*

a) Amounts receivable from subsidiary companies
These amount to Euro 44,054,185 (Euro 41,368,609 in the prior year), an increase of Euro 2,685,576.
This increase has been determined by the financing of the subsidiaries' investment plans, including company acquisitions.
Accounts receivable from subsidiaries refer to financial transactions carried out at normal market conditions and which are collectible within 12 months.

C – CURRENT ASSETS
C II – ACCOUNTS RECEIVABLE

1) Due from customers
These total Euro 17,827 (Euro 25,112 in the prior year), a decrease of Euro 7,285 and relate to amounts due for services rendered from customers outside the Group.
2) Amounts due from subsidiary companies
These total Euro 8,486,331 (Euro 4,242,398 in the prior year), an increase of Euro 4,243,933, and are fully collectible within 12 months.
They include:
- accounts receivable from commercial transactions at arm's length conditions, Euro 7,031,331 (Euro 3,841,627 in the previous year, an increase of Euro 3,189,704), due to a rise in services rendered to subsidiaries;
- accounts receivable for matured dividends to be cashed, recorded on an accruals basis, for Euro 1,455,000 (Euro 400,771 in the prior year, an increase of Euro 1,054,229); this dividends refer to the net income for 2001 of SOILMEC S.p.A..

5) Due from third parties

These amount to Euro 499,441 (Euro 773,487 in the prior year), with a decrease of Euro 274,046.
These comprise:

Description	12/31/01	12/31/00	Changes
Tax credits brought forward	190,474	396,489	(206,015)
Receivables requested for reimbursement from tax authorities	98,563	96,559	2,004
Advance regional tax on productive activities (IRAP)	-	38,520	(38,520)
VAT receivable	39,562	58,382	(18,820)
Accounts receivable from the tax authorities for deferred tax assets	5,115	3,368	1,747
Accounts receivable from the Central Bank of Nigeria	142,845	156,450	(13,605)
Other receivable	22,882	23,719	(837)
TOTAL	**499,441**	**773,487**	**(274,046)**

The most significant decrease refers to IRPEG tax credits brought forward. The total amount of this caption coincides with the payment of income taxes for the year reported on the 2001 tax return filed by the Company. This sum is mainly due to tax credits on 2000 dividends cashed in 2001, net of advances already paid. In detail:

Description	Amount
IRPEG advances paid	31,854
Tax credit on 2000 dividends cashed in 2001	225,433
Withholdings tax on bank interest income	2,077
Due to tax authorities for current taxes	(68,890)
TOTAL	**190,474**

5a) Receivables due beyond five years.
The receivable from the Central Bank Nigeria includes residual amounts due beyond five years totaling Euro 58,951.

C IV – LIQUID FUNDS

These amount to Euro 189,929 (Euro 1,404,731 in the prior year), with a decrease of Euro 1,214,802, as follows:

Description	12/31/01	12/31/00	Changes
Bank and post office accounts	185,394	1,401,168	(1,215,774)
Cash and cash equivalents	4,535	3,563	972
TOTAL	**189,929**	**1,404,731**	**(1,214,802)**

There are no limitations on the availability of items booked to this caption.

ACCRUED INCOME AND PREPAID EXPENSES

Accrued income and prepaid expenses, Euro 146,642 (Euro 151,838 in the prior year), a decrease of Euro 5,196, comprise the following:

Description	12/31/01	12/31/00	Changes
Commission on guarantees	4,046	5,165	(1,119)
Insurance	3,503	4,648	(1,145)
Lease installments	117,552	141,509	(23,957)
Other	21,541	516	21,025
TOTAL	**146,642**	**151,838**	**(5,196)**

The more significant changes are mainly due to the reduction in prepaid expenses which in 2000 were caused by the advance invoicing of financial lease installments.
In the caption "Other" the most significant amount refers to prepaid substitute tax of Euro 12,911 paid by the Company on a medium-long term loan stipulated during the year.
Prepaid expenses with a duration of more than 12 months amount to Euro 14,742.

A – STOCKHOLDERS' EQUITY

The following movements took place in 2001:

Description	Balance as of 12/31/00	Allocation of 2000 net income	Increases	Decreases	Balance as of 12/31/01
I CAPITAL STOCK	16,526,621	-	15,473,379	-	32,000,000
II SHARE PREMIUM RESERVE	49,829,033	-	-	(16,531,458)	33,297,575
IV LEGAL RESERVE	3,423,215	59,189	-	-	3,482,404
V COMPANY'S OWN SHARE-HOLDINGS RESERVE	-	-	1,058,079	-	1,058,079
VII OTHER RESERVES:- EX-TRAORDINARY RESERVE	3,371,776	164,600	-	-	3,536,376
IX NET INCOME FOR THE YEAR	1,183,790	(1,183,790)	1,857,888	-	1,857,888
TOTAL	**74,334,435**	**(960,000)**	**18,389,346**	**(16,531,458)**	**75,232,322**

A I – CAPITAL STOCK

The capital stock as of December 31, 2001 amounts to Euro 32,000,000.

Conversion of the capital stock into Euro took place on July 1, 2001, in accordance with the Stockholders' resolution passed on April 30, 2001, with a scrip increase in capital stock from Lire 32,000,000,000 to Lire 61,960,640,000 and simultaneous conversion of the capital stock into Euro 32,000,000, by redenominating the par value of the 64,000,000 ordinary shares at 0.50 Euro, using part of the share premium reserve for Lire 29,960,640,000.

A II - SHARE PREMIUM RESERVE

It amounts to Euro 33,297,575 and refers to the premium on shares placed on the Stock Exchange on July 15, 1999. The amount of this reserve varied during the course of the year because of the following operations:

- transfer to capital stock of Euro 15,473,379 as decided by the Extraordinary Stockholders' Meeting of April 30, 2001, which authorized the increase in capital and its conversion into Euro;
- transfer to the reserve for treasury shares of Euro 1,058,079, which is the amount of the treasury shares shown on the assets side of the balance sheet, as decided by the Stockholders' Meeting held on April 30, 2001 in accordance with art. 2357-ter of the Civil Code.

A IV – LEGAL RESERVE

The legal reserve has increased by Euro 59,189, which is the allocation of 5% of the previous year's net income (Euro 1,183,790), as authorized by the Stockholders' Meeting of April 30, 2001.

A VII – OTHER RESERVES

The amount relates entirely to the extraordinary reserve which passed from Euro 3,371,776 to Euro 3,536,376 during the year. This reserve increases by Euro 164,600 as a result of the alloca-

tion of 2000 net income, as resolved by the Stockholders' Meeting on April 30, 2001.
As per Art 3 of Law 467/97, in the event of distribution of reserves and net income existing as of December 31, 2000, a full tax credit would be granted to stockholders (Art 105.1.a) of the Tax Consolidation Act) of Euro 2,983,362, while the limited tax credit amounts to Euro 2,906,925 (Art 105.1.b) of the Tax Consolidation Act).

A IX – NET INCOME FOR THE YEAR

Net income for 2001, Euro 1,857,888 (Euro 1,183,790 in the prior year), increased by Euro 674,098
The increase is mainly attributable to the growth in services rendered to subsidiaries and to the dividend to be distributed by the subsidiary SOILMEC S.p.A.

B – RESERVES FOR RISKS AND CHARGES

2) Taxation reserve
This caption, amounting to Euro 3,718 (Euro 4,198 in the prior year, with a decrease of Euro 480) comprises:

	Deferred tax assets	Deferred tax liabilities	Provision
- Balance as of December 31, 2000	225,433	(229,631)	(4,198)
- 2000 deferred tax liabilities accruing - in 2001	-	229,631	229,631
- Tax credit on 2000 dividends collected - in 2001	(225,433)	-	(225,433)
- Deferred tax liabilities on 2001 dividends - to be collected in 2002	-	(818,438)	(818,438)
- Deferred tax assets accruing in 2002 - on 2001 tax credit on dividends	818,438	-	818,438
- Other deferred tax liabilities for 2001	-	(3,718)	(3,718)
Balance as at the end of the year	818,438	(822,156)	(3,718)

C – RESERVE FOR EMPLOYEE TERMINATION INDEMNITIES

This caption presents a balance at year-end of Euro 231,251, an increase of Euro 15,708 compared to the previous year. Changes during the year are as follows:

Balance as of 12/31/00		**246,959**
DECREASES		
- termination indemnities paid during the year	43,712	
- termination indemnities transferred to other companies	24,829	
TOTAL OF DECREASES		*(68,541)*
INCREASES		
- amount accrued and charged to the statement of income		52,833
TOTAL OF INCREASES		*52,833*
Balance as of 12/31/01		**231,251**

Against an increase of Euro 52,833 due to indemnities accrued during the year, the following two decreases have been recorded: Euro 43,712 relating to the termination indemnity paid to an employee and Euro 24,829 relating to the transfer of an employee from Trevi – Finanziaria Industriale to another subsidiary.
The total represents a liability to 18 employees in force as of December 31, 2001.

D – PAYABLES
Payables do not include collateral security nor residual amounts due beyond five years.
Payables are analyzed below :
3) Due to banks
Amounts due to banks total Euro 11,514,406, an increase of Euro 5,157,998 over the previous year.
This comprises:

Description	12/31/01	12/31/00	Changes
Current account overdrafts	34,754	41,369	(6,615)
Loans in foreign currency	1,666,971	1,666,927	44
Efibanca S.p.A. loan	4,648,112	4,648,112	-
Mediocredito Fondiario Centroitalia S.p.A. loan	5,164,569	-	5,164,569
TOTAL	**11,514,406**	**6,356,408**	**5,157,998**

The amount due to Efibanca S.p.A. of Euro 4,648,112 is the sum of two separate loans. The first one of Euro 2,582,284 bearing interest at a floating rate, was granted on June 21, 2001 and is wholly repayable on December 20, 2002. The second one of Euro 2,065,828 bearing interest at a floating rate, was granted during the previous year and is wholly repayable on May 4, 2002.
Loans in foreign currency are denominated in US dollars.
During the year the caption increases by Euro 5,164,569 relating to a new loan granted by Medicredito Fondiario Centroitalia S.p.A. This loan was granted on July 27, 2001, bearing interest at a floating rate, and is repayable in 4 six-monthly installments starting on October 1, 2004, expiring on April 10, 2006.
The increase is therefore due to the rise in financing activity as well as to the growth in services rendered to subsidiaries; these include services of a financial nature, as well as the lease of equipment and administrative and IT services.
6) Due to suppliers
Amounts due to suppliers, totaling Euro 766,333, including invoices and net of credit notes to be received, increase by Euro 251,046 compared with the previous year mainly because of im-

plementation during the year of the integrated management software project, as well as an increase in liabilities to suppliers for the management of Group IT services on behalf of the various subsidiaries, which were centralized in 2001. Amounts payable to suppliers are all due within 12 months.

8) Due to subsidiary companies

Amounts due to subsidiary companies, Euro 26,758 (Euro 36,504 in the previous year), a decrease of Euro 9,746, are entirely represented by trade payables due within 12 months.

11) Due to tax authorities

Amounts payable to tax authorities total Euro 62,129 (Euro 44,062 in the prior year, with an increase of Euro 18,067) all due within 12 months.

They comprise:

Decription	**12/31/01**	**12/31/00**	**Changes**
Substitute tax paid for freeing up reserves	53,740	44,062	9,678
IRAP payable	7,630	-	7,630
IRPEF payable on employee termination indemnities	759	-	759
TOTAL	**62,129**	**44,062**	**18,067**

Withholding taxes to be paid relate to wages and salaries, emoluments paid to independent collaborators and fees paid to professionals for the month of December 2001.

The Company owes the tax authorities IRAP for Euro 7,630, taking into account advance payments of Euro 82,301.

The year ended December 31, 1995 is the last year settled with the tax authorities for direct taxes, while the year ended December 31, 1996 is the last one for indirect taxes.

12) Due to social security institutions

Due to social security institutions total Euro 40,306 (Euro 40,326 in the previous year, a decrease of Euro 20) and comprise:

Description	12/31/01	12/31/00	Changes
Due to INPS	40,306	40,326	(20)
TOTAL	40,306	40,326	(20)

13) Other payables

These total Euro 57,119 (Euro 827,051 in the previous year, with a decrease of Euro 769,932) and comprise:

Decription	12/31/01	12/31/00	Changes
Due to employees	44,800	54,202	(9,402)
Purchase of equity investments	-	772,103	(772,103)
Dividens payable to stockholders	5,430	15	5,415
Other sundry payables	6,889	731	6,158
TOTAL	**57,119**	**827,051**	**(769,932)**

"Due to employees" relates exclusively to amounts for vacation accrued but not taken.
“Payables for the purchase of equity investments" in the 2000 financial statements refer to an amount still to be paid to Davide, Gianluigi and Cesare Trevisani, in connection with the purchase of 7% in Soilmec S.p.A. in 1997. This payable was paid in 2001.
The caption "Stockholders for dividends" increases by Euro 5,415; this comes from the portion of dividends on the treasury shares purchased by the Company and by TREVI S.p.A. which do not give any right to dividends, as per art. 2357-ter of the Civil Code. During the Ordinary Meeting, we will propose that these dividends be reallocated to reserves.

E – ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses are Euro 99,763 (Euro 65,360 last year, an increase of Euro 34,403), and comprise the following:

Description	12/31/01	12/31/00	Changes
Accrued emoluments and employee contribution	16,838	14,526	2,312
Lease installments	-	24,632	(24,632)
Accrued interest expense	82,925	26,202	56,723
TOTAL	**99,763**	**65,360**	**34,403**

The most significant change is due to accrued interest expense, due to the effect of interest on loans accruing after December 31, 2001.
Deferred income of Euro 670 (Euro 413 in the previous year, an increase of Euro 257) comprises deferred income on lease installments.

Memorandum Accounts

Guarantees given by the Company and the changes during the year compared to last year are as follows:

Description	12/31/01	12/31/00	Changes
Guarantees given			
- to banks	39,178,791	23,399,237	15,779,554
- to insurance companies	45,125,142	12,535,927	32,589,215
- to third parties	24,590,428	14,643,635	9,946,793
Recourse risks	171,794	501,628	(329,834)
Lease installments due	2,580,196	2,809,766	(229,570)
TOTAL	**111,646,351**	**53,890,193**	**57,756,158**

The increase in guarantees given is mainly due to the rise in guarantees given in favor of a primary insurance company on behalf of Trevi Icos Corporation, an indirect subsidiary, after its acquisition of important building and construction at depth contracts awarded in the USA, for which guarantees for 100% of their value were issued.
The increase is also due to guarantees given in favor of banks: there was a rise in credit lines to subsidiaries during 2001 to finance the increase in the volume of work being carried out during the year. These were backed by guarantees given by the Parent Company.
"Recourse risks" refer to endorsements on bills receivable of the subsidiary company, Soilmec S.p.A.
Commitments for expiring lease installments amount to Euro 2,580,196 and represent the total amount of expiring installments due to leasing companies, including the redemption amount foreseen by the contracts and excluding installments already paid.
Other companies (mainly banks and insurance companies) gave guarantees to third parties on behalf of TREVI - Finanziaria Industriale S.p.A. for a total of Euro 5,441,924 (Euro 2,153,625 in 2000), a decrease of Euro 3,288,299 principally due to guarantees issued by a primary bank in our favor and relating to important works awarded to Trevi Construction Co. of Hong Kong, an indirect subsidiary.

Analysis of Statement of Income Captions

Before proceeding with the analysis of the individual captions, comments on the trend in operations are indicated, in accordance with article 2428.1 of the Italian Civil Code, within the report on operations.
As stated before, it is worth mentioning that the statement of income as provided for in article 2425 of the Italian Civil Code, does not allow for the description of truly significant economic components to evaluate the profitability of our Company. In fact, the business purpose consists of industrial building activities as well as the management of investments such has Group holdings, to-

gether with administrative and financial services on behalf of companies in the Group. For example, the accounting group shown in letter A) "Value of production", only includes economic components typical of the industrial area and guarantees given on behalf of subsidiary companies, while it is not possible to include at this level of analysis, the financial income and expense which falls under the item C) 15 and 16.
In the same way, so as to express all operating costs, the financial charges shown according to the law, at C) 17, should be added to the production costs shown at B).

A) VALUE OF PRODUCTION
This accounting group comprises the following positive components:
1) Revenues from sales and services
These amount to Euro 2,765,156 (Euro 1,671,319 in the prior year), an increase of Euro 1,093,837, and consist of:

Description	12/31/01	12/31/00	Changes
Revenues from hiring out equipment	1,486,090	974,273	511,817
Commission on guarantees	208,133	143,872	64,261
Services and consulting	1,070,933	553,174	517,759
TOTAL	**2,765,156**	**1,671,319**	**1,093,837**

The geographical distribution of revenues from sales is as follows:

Description	12/31/01	%	12/31/00	%
Italy	2,072,686	75.0	1,217,353	72.8
Europe (excluding Italy)	96,434	3.5	99,160	5.9
U.S.A. and Canada	147,101	5.3	61,975	3.7
Asia	448,935	16.2	292,831	17.6
TOTAL	**2,765,156**	**100.0**	**1,671,319**	**100.0**

Revenues are almost exclusively realized with Group companies.
The considerable increase in revenues over last year is due to the growth in the equipment hiring business and in the management and administrative assistance rendered to Group companies. Note that as already discussed in the note on "Intangible fixed assets", from January 1, 2001 the management of IT services on behalf of Group companies has been centralized in TREVI - Fin. Ind. S.p.A., as has implementation of the integrated management software project. We would also like to remind you that the Human Resources and Personnel Management Department was centralized in TREVI – Finanziaria Industriale S.p.A. for the whole of

2001, whereas the previous year this service only existed from May 1, 2000.
5) Other income
This amounts to Euro 92,277 (Euro 223,041 in the previous year), a decrease of Euro 130,764 compared to the prior year.
The caption comprises the following:

Decription	12/31/01	12/31/00	Changes
Company expenses recharged	59,423	183,851	(124,428)
Other	32,854	39,190	(6,336)
TOTAL	**92,277**	**223,041**	**(130,764)**

The most significant decrease concerns the rebilling to Group companies of costs incurred on their behalf.
In particular, the decrease of Euro 124,428 is due to the fact that costs for the transport of leased machinery by land or sea during the year were recharged.
The caption “Other” mainly refers to the gain on the sale of drilling equipment to a subsidiary,

B) PRODUCTION COSTS
6) Costs for raw, ancillary and consumable materials and goods for resale amount to Euro 9,241 (Euro 41,817 in the prior year with a decrease of Euro 32,576), and relate to stationery and printing supplies. The decline is due to costs incurred in 2000 to replace spare parts of leased machinery (costs recharged to users).
7) Services received
Costs for services received total Euro 1,049,389 compared to Euro 772,589 in the previous year, an increase of Euro 276,800
The caption comprises the following:

Description	12/31/01	12/31/00	Changes
Emoluments of directors	291,281	244,352	46,929
Emoluments of statutory auditors	36,928	28,394	8,534
Post, telegraph and telephone	2,293	7,189	(4,896)
Legal and administrative fees	340,204	223,684	116,520
Scheduled maintenance of computer system	229,587	22,979	206,608
Travelling and subsistence expenses	25,444	25,324	120
Insurance	16,165	27,650	(11,485)
Transport	57,963	167,493	(109,530)
Publicity, classified advertisements and comunications	25,846	36,514	(10,668)
10 - 13 % INPS contribution payable by the company	15,805	11,970	3,835
Other	7,873	5,789	2,084
TOTAL	**1,049,389**	**801,338**	**248,051**

The rise in “Emoluments of directors” is due to the application of the emoluments resolved by the Stockholders' Meeting on May 7, 2000.
As for legal and administrative fees the increase is attributable to consultancy required for specific projects.
As regards transport, the growth for the year is mainly attributable to the transport by sea of a machine that was transferred from U.S.A. to Dubai.
EDP and maintenance expenses refer the work performed by suppliers to implement IT management which has now been centralized at TREVI – Finanziaria Industriale S.p.A.
In addition, the caption “travelling and subsistence expenses” incurred by employees has been reclassified to caption B7 "Services received", in compliance with the Group accounting principles and as recommended by Italian GAAP, whereas last year these expenses were included in caption B9 e).
Lastly, “Canteen expenses” borne by the Company have been reclassified, as the canteen service was provided by a subsidiary of TREVI - Fin. Ind. S.p.A. in 2000, whereas from 2001 it is being run by a company outside the Group; the cost of this service has therefore been booked to B7 “Services received”.
8) Leases and rentals
These amount to Euro 992,160 (Euro 927,976 in the prior year) and comprise the following:

Description	12/31/01	12/31/00	Changes
Leases installments	979,374	923,844	55,530
Rental	10,329	4,132	6,197
Other	2,457	-	2,457
TOTAL	**992,160**	**927,976**	**64,184**

The growth in “lease installments” is attributable to the increase in the equipment hiring business.
9) Personnel
Total personnel costs amount to Euro 962,572 (Euro 773,385 in the prior year, with an increase of Euro 189,187) and comprise the following:

Description	12/31/01	12/31/00	Changes
Wages and salaries	700,952	518,384	182,568
Social security charges	208,787	184,251	24,536
Employee termination indemnities	52,833	42,001	10,832
TOTAL	**962,572**	**744,636**	**217,936**

The average number of employees in the Company is 18 people, namely 2 managers and 16 clerical staff. The breakdown is the same as of December 31, 2001.
Movements in the number of employees during the year are analyzed below:

Description	12/31/00	Increase	Decrease	12/31/01
Managers	2	0	0	2
Clerical staff	15	4	3	16
TOTAL	17	4	3	18

10) Amortization, depreciation and writedowns
a) Amortization of intangible fixed assets:
The amount for the year is Euro 1,251,743 (Euro 1,204,614 in the prior year), an increase of Euro 47,129.
Euro 1,150,998 refers to the amortization of expenses incurred for the Company's listing on the Stock Exchange.
Additional details are reported in the assets at BI) Intangible fixed assets.
b) Depreciation of tangible fixed assets:
Depreciation amounts to Euro 9,700 (Euro 9,125 in the prior year, an increase of Euro 575) as described in the assets at BII) Tangible fixed assets.
14) Other operating expenses
These total Euro 45,660 (Euro 73,510 in the prior year, a decrease of Euro 27,850).
These expenses concern:

Description	**12/31/01**	**12/31/00**	**Changes**
Indirect taxes	44,757	72,793	(28,036)
Other charges	903	717	186
TOTAL	**45,660**	**73,510**	**(27,850)**

"Indirect taxes" include non-deductible VAT based on the proportion between the Company's financial activities, which are VAT-exempt, and all of the activities that are subject to VAT.

C) FINANCIAL INCOME AND EXPENSE

15) a – b)
In the current year income totaled Euro 2,273,438 (Euro 652,059 in the prior year, an increase of Euro 1,621,379), comprising the following:

Description	12/31/01	12/31/00	Changes
Dividends from subsidiary companies and related tax credit	2,273,438	626,204	1,647,234
Dividends from other companies and related tax credit	-	1,065	(1,065)
Gains on the disposal of investments in other companies	-	24,790	(24,790)
TOTAL	**2,273,438**	**652,059**	**1,621,379**

This refers to the dividend to be distributed by SOILMEC S.p.A.

16) Other financial income
a) Income from receivables held as fixed assets
- subsidiary companies: this amounts to Euro 2,252,399 (Euro 2,613,646 in the previous year), with a decrease of Euro 361,247 attributable to the reduction in interest rates on loans granted to subsidiaries in line with market conditions in 2001.
d) Income other than the above:
- other
This income amounts to Euro 35,956 (Euro 56,184 in the previous year), a decrease of Euro 20,228, comprised as follows:

Description	12/31/01	12/31/00	Changes
Bank interest income	7,750	16,852	(9,102)
Other interest income	21,767	21,802	(35)
Exchange gains	6,439	17,530	(11,091)
TOTAL	**35,956**	**56,184**	**(20,228)**

17) Interest and other financial charges
- other
These charges amount to Euro 499,444, Euro 349,667 in the previous year, an increase of Euro 149,777 , comprised as follows:

Description	12/31/01	12/31/00	Changes
Bank interest	470,498	289,223	181,275
Bank commission and expenses	28,852	34,555	(5,703)
Other	94	25,889	(25,795)
TOTAL	**499,444**	**349,667**	**149,777**

The increase is due to the growth in loans to subsidiaries.

E) EXTRAORDINARY INCOME AND EXPENSE

20) Income:

b) Other income:

Other income amounts to Euro 8,419 (Euro 23,057 in the prior year, a decrease of Euro 14,638).

Description	12/31/01	12/31/00	Changes
Reversal of lease installment due to reduction in interest rates	2,978	10,846	(7,868)
Other	5,441	12,211	(6,770)
TOTAL	**8,419**	**23,057**	**(14,638)**

22) Income taxes for the year

They are negative for Euro 749,600 (positive for Euro 97,214 in the previous year, with an increase of Euro 846,814) as a result of the following changes:

Description	12/31/01	12/31/00	Changes
IRPEG as per tax return	68,891	631,040	(562,149)
IRAP for the year	89,931	88,022	1,909
Deferred taxes on dividends	818,438	225,433	593,005
Reversal of 2000 reserve for deferred tax liabilities	(229,631)	(1,051,903)	822,272
Other deferred taxes for the year	3,718	4,197	(479)
Deferred tax assets for the year	(5,115)	(3,367)	(1,748)
Reversal of 2000 reserve for deferred tax assets	3,368	9,364	(5,996)
TOTAL	**749,600**	**(97,214)**	**846,814**

Deferred tax assets and liabilities have been calculated by applying the following tax rates: 20% for IRPEG, relating to 2002 as the Company can take advantage of the tax benefits provided by art. 6.1 of D.Lgs. 466/97, as amended by art. 12 of D.Lgs. 505 of December 23, 1999 (D.I.T.), 35% for IRPEG for years after 2002; and 5% for IRAP.

The calculation of deferred taxes on dividends accounted for on an accruals basis has been carried out on a prudent basis at a rate of 36%.

Current direct income taxes are positive for Euro 66,612 due to the receipt in 2001 of the dividends distributed by SOILMEC S.p.A. out of 2000 earnings, which meant that they were subject to tax in 2001 at the rate foreseen by D. Lgs. 466/97 (D.I.T), whereas deferred tax liabilities had been prudently provided at the standard rate of 36%.

23) Net income for the year.
Net income for 2001 of Euro 1,857,888 (Euro 1,183,790 in the previous year, with an increase of Euro 674,098).
Such increase is mainly attributable to the growth in services rendered to subsidiaries and to the dividend resolved by SOILMEC S.p.A.

OTHER INFORMATION
There were no adjustments or provisions carried out solely for fiscal purposes.
In 2001 as in 2000, no financial charges were capitalized.
As of December 31, 2001, there are no transactions hedging exchange and interest rate risks.

EMOLUMENTS OF DIRECTORS AND STATUTORY AUDITORS
As of December 31, 2001 the Board of Directors consists of 8 members.
Emoluments of directors totaled Euro 291,281, of which Euro 272,689 have already been paid.
Emoluments of statutory auditors totaled Euro 36,928.
As per CONSOB Regulation 11,520 of July 2, 1998, details are given of the emoluments paid to the Company's directors and statutory auditors for their services, including subsidiaries:

The Board of Directors

Name	Office held	Duration of office	Emoluments Company	Emoluments Subsidiaries	TOTAL Emoluments
Trevisani Davide	Chairman of the Board of Directors and Managing Director	12	71,271	114,654	185,925
Trevisani Gianluigi	Deputy Chairman of the Board of Directors and Managing Director	12	71,271	88,314	159,585
Trevisani Cesare	Managing Director	12	55,776	128,848	184,624
Trevisani Stefano	Director	12	18,592	50,306	68,899
Amoroso Mario	Director	12	18,592		18,592
Moscato Guglielmo	Director	12	18,592		18,592
Teodorani Fabbri Pio	Director	12	18,592		18,592
Pinza Roberto	Director	12	18,592		18,592
TOTAL			**291,281**	**382,122**	**673,403**

No benefits in kind, stock options, bonuses or other incentives have been granted to directors. Emoluments in subsidiaries include employment remuneration for Mr Cesare Trevisani and Stefano Trevisani from TREVI S.p.A..

The Company's by-laws give the Board of Directors the possibility to appoint an Executive Committee. This possibility has not been used by the current Board.
The Board of Directors will remain in office until approval of the financial statements as of December 31, 2003.

Statutory Auditors

Name	Office held	Duration of Office in months	Emoluments Company	Emoluments Subsidiaries	TOTAL Emoluments
Leonardi Adolfo	Chairman of Statutory Auditors	12	15,646	6,869	22,515
Alessandri Giacinto	Auditor	12	10,536	10,329	20,865
Poletti Giancarlo	Auditor	12	10,746		10,746
TOTALE SINDACI			**36,928**	**17,198**	**54,126**

The Statutory Auditors will remain in office until approval of the financial statements as of December 31, 2003.

STATEMENT OF CHANGES IN FINANCIAL POSITION

The change in financial position is analyzed in the statement of cash flows (attachment 1).

The financial statements, comprising the balance sheet, the statement of income and these explanatory notes give a true and fair view of the financial position and net income for the year.

Attachment 1

Statement of cash flows
(unit of Euro)

	2000	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	1,183,790	1,857,888
Depreciation and amortization	1,213,739	1,261,443
Provision for employee termination indemnities	42,001	52,833
Payment of employee termination indemnities	(3,615)	(68,540)
(Decrease)/Increase in other reserves	-	(480)
(Decrease)/Increase of employee termination indemntities	177,145	-
Decrease/(Increase) in amounts due from customers	(3,817)	7,285
Decrease/(Increase) in amounts due from subsidiary companies	(488,154)	(4,243,933)
Decrease/(Increase) in other amounts receiveble	(377,223)	274,047
Decrease/(Increase) accrued income and prepaid expenses	(125,604)	5,417
(Decrease)/Increase in amounts due to suppliers	(423,223)	251,047
(Decrease)/Increase in amounts due to subsidiary companies	8,583	(9,746)
(Decrease)/Increase in amounts due to tax authorities	(112,957)	18,067
(Decrease)/Increase in other payables	17,215	(769,953)
(Decrease)/Increase accrued expenses and deferred income	(97,546)	34,661
	1,010,334	(1,329,964)
INVESTING ACTIVITIES		
(Increase)/Decrease in tangible fixed assets, net	(17,045)	(6,827)
(Increase)/Decrease in intangible fixed assets, net	(102,499)	(332,353)
(Increase)/Decrease in equity investments	(9,760,002)	-
	(9,879,547)	(339,180)
FINANCING ACTIVITIES		
Decrease/(Increase) in financial credits	7,820,591	(3,743,655)
(Decrease)/Increase in amounts due to banks	2,498,007	5,164,612
(Decrease)/Increase in capital stock and reserve	-	-
Distribution of earnings	(960,000)	(960,000)
	9.358.598	460,957
Total cash flow	**489,385**	**(1,208,187)**
Net opening amount - cash and banks	873,977	1,363,362
Net closing amount - cash and banks	1,363,362	155,175

FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2001

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the Shareholders of

TREVI-Finanziaria Industriale SpA

1 We have audited the financial statements of TREVI-Finanziaria Industriale SpA (the "Company") for the year ended 31 December 2001. These financial statements are the responsibility of TREVI-Finanziaria Industriale's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the financial statements are free from material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The financial statements of the subsidiary Trevi SpA were audited by another auditor, whose report has been provided to us. Our opinion, insofar as it relates to 52 percent of the amount of "investments in subsidiary companies" and to 18 percent of the amount of "total assets", is also based on the report of another auditor. Furthermore, other auditors audit the financial statements of other subsidiaries indirectly owned by the Company.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 12 April 2001.

3 In our opinion, the financial statements of TREVI-Finanziaria Industriale SpA as of 31 December 2001 comply with the laws governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and of the results of operations of the Group.

4 The Company holds investments in subsidiaries, carried at costs as adjusted for permanent impairment in value and, as required by Italian Law, has prepared the consolidated financial statements. Such consolidated financial statements are prepared for the purpose of providing information on the financial position and the results of the operations of the Company and the Group. The consolidated financial statements have been audited by us and are attached along with our audit report.

Bologna, 12 April 2002

PricewaterhouseCoopers SpA

Roberto Megna
(Partner)

This report has been translated from the original which was issued in accordance with Italian Law.

Report of the Board of Statutory Auditors on the financial statements related to the Shareholders' Meeting according to art.153 of the Law Decree nr. 58/98 and to art. 2429 of the Civil Code

To the Shareholders' Meeting of the company TREVI - FINANZIARIA INDUSTRIALE S.p.A.

During the fiscal year closed at 31st December 2001, we have carried out a supervising activity according to what is prescribed by the law, in conformity with the principles of behaviour of the Board of Auditors that are recommended by the National Councils of Professional Accountants and book-keepers.
Particularly, we stuck to the suggestions supplied by Consob, as reported by the communication dated 6th April 2001, concerning the following:

- We have supervised the compliance with the law and Articles of Association.
- We have been supplied by the Administrators with periodical information about the activity performed and the operations with a major economic, financial and patrimonial significance which have been carried out by the same company and its controlled companies; in this connection we can reasonably ensure that all deliberated and performed actions comply with the law and the articles of associations and are not clearly incautious, risky, in a potential conflict of interests or in contrast with the decisions taken by the Shareholders' Meeting or such as to be prejudicial to the integrity of the corporate assets.
  As far as our competence is concerned, we also got acquainted with and supervised the adequacy of the company's organizational structure, the compliance with the principles of fair administration and the suitability of the instructions given by the company to its controlled ones, according to art.114, paragraph 2 of the Law Decree nr. 58/98, by means of the information supplied by the people in charge of organizational functions and with meetings together with the auditing company in order to mutually exchange significant data and information, and in this connection there is nothing particular we would like to point out.
- We have assessed and monitored the adequacy of the internal control system and the administrative-accounting system, as well as the reliability of this last one in correctly representing all operating facts, through the collection of information by the people in charge of the respective functions, the examination of company documents and the analysis of the results of the work performed by the auditing company, always monitoring the activities of the people responsible of the internal control, and, in this connection, no significant facts stand out.
- We have held meetings with the directors of the auditing company, according to art. 150, paragraph 2 of the Law Decree nr. 58/98, and no significant fact or information deserving to be reported stood out.
- Moreover we have ascertained that no atypical or unusual operations have been carried out.

- To end with, we have assessed that intercompany operations of ordinary nature are exclusively referred to:

ACTIVITIES	Euro
Leasing activities relevant to equipment and rigs	1,486,090.40
Financing activities	2,445,115.54
Activities linked to the supply of information services	321,977.47
Activities linked to the supply of administrative and personnel management services	748,955.44
TOTAL	**5,002,138.85**

- In the Auditors' Report no remarks or warnings were pointed out.
- Neither denunciations according to the former art.2408 of the Civil Code nor petitions made by third parties have arrived.
- We assessed that the Board of Directors deliberated their acceptance of the Self-Discipline Code arranged by the Committee for the Corporate Governance of the stock-listed companies and, on the basis of this decision, a programme has been envisaged for its total adoption.
- Upon explicit declaration of the administrators, which is confirmed by the auditing company, it is to be pointed out that no further tasks have been appointed to said company.
- Upon explicit declaration of the administrators, which is confirmed by the auditing company, no tasks assigned to people working on a continuous basis for the same auditing company are assessed.
- During the fiscal year, no judgments foreseen by the law have been issued neither by the Board of Statutory Auditors nor by the Auditing Company.
- The above described supervision activity has been carried out during the meetings of the Board of Statutory Auditors, also through individual interventions and by attending the meetings held by the Board of Directors according to art. 149, paragraph 2 of the Law Decree nr.58/98.
  During the monitoring activity and on the basis of the information obtained by the auditing company, no reprovable oversights and/or facts and/or irregularities or, anyway, significant facts such as to require their notification to the controlling bodies or their mention in this report have been found.

Therefore, the Board of Statutory Auditors favourably agrees to approve the balance sheets as at 31st December 2001.

Cesena, 12th April 2002

The Board of Statutory Auditors

RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING DATED 30th APRIL 2002

The Ordinary Shareholders' Meeting of TREVI – Finanziaria Industriale S.p.A. was held at first calling on 30th April 2002, at the Palazzo Romagnoli, Cesena, in the presence of Shareholders with nr. 41,004,500 ordinary shares, representing 64,07% of the capital stock and having the right to vote.

The Ordinary Shareholders' Meeting has resolved:

1) To approve the financial statement as at 31st December 2001, as well as the Report of the Board of Directors on operations and to allocate the net income for the year amounting to Euro 1,857,888 as follows:
   - 5%, that is Euro 92,895, to the legal reserve;
   - Euro 804,993 to the extraordinary reserve;
   - The dividend of Euro 0,015 per share to the eligible shareholders as per art. 2357, clause 2 of the Civil Code.

   The full tax credit is linked to the dividend, as per art. 105, clause 1, letter a) of T.U.I.R. with detachment of the coupon nr.3 on 1st July 2002 and payment starting from 4th July 2002.
2) To entrust PricewaterhouseCoopers S.p.A. with the audit of the financial and consolidated financial statement, as well as the audit relevant to the draft of the half-year report and the accounting audit as per art. 155, clause 1 of the Law Decree 58/98, relevant to the fiscal years 2002, 2003 and 2004, fixing their relevant fee.
3) The modification of the regulations for the purchase and alienation of own shares, fixing the minimum price at € 1 per share and a new duration of the authorisation as at 30th April 2003.

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