TREVI - Finanziaria Industriale S.p.A.

Half-year Condensed Consolidated Financial Statements at 30 June 2016

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

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MEMBERS OF THE CORPORATE BODIES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
Davide Trevisani

EXECUTIVE DEPUTY CHAIRMAN
Gianluigi Trevisani

DEPUTY CHAIRMAN
Cesare Trevisani

CHIEF EXECUTIVE OFFICER
Stefano Trevisani

DIRECTORS
Marta Dassù (Non-executive and Independent Director)
Umberto della Sala (Non-executive and Independent Director)
Cristina Finocchi Mahne (Non-executive and Independent Director)
Monica Mondardini (Non-executive and Independent Director)
Guido Rivolta (Non-executive Director)
Rita Rolli (Non-executive and Independent Director)
Simone Trevisani (Executive Director)

BOARD OF STATUTORY AUDITORS

Standing Statutory Auditors
Milena Motta (Chairperson)
Adolfo Leonardi
Giancarlo Poletti

Supplementary Statutory Auditors
Marta Maggi
Stefano Leardini

OTHER CORPORATE BODIES

Director responsible for the internal control system and risk management
Gianluigi Trevisani

Committee for the Appointment and Remuneration of Directors
Rita Rolli (Chairperson)
Umberto della Sala
Cristina Finocchi Mahne

Committee for Related-party Transactions
Rita Rolli (Chairperson)
Cristina Finocchi Mahne
Monica Mondardini

Risk Management Committee
Monica Mondardini (Chairperson)
Cristina Finocchi Mahne
Rita Rolli

Committee to Oversee the Organisational Model
Luca Moretti (Chairperson and internal member)
Floriana Francesconi
Enzo Spisni

Director of Administration, Finance and Control
Daniele Forti
Appointed Manager responsible for the preparation of company accounts by the Board of Directors on 14 May 2007

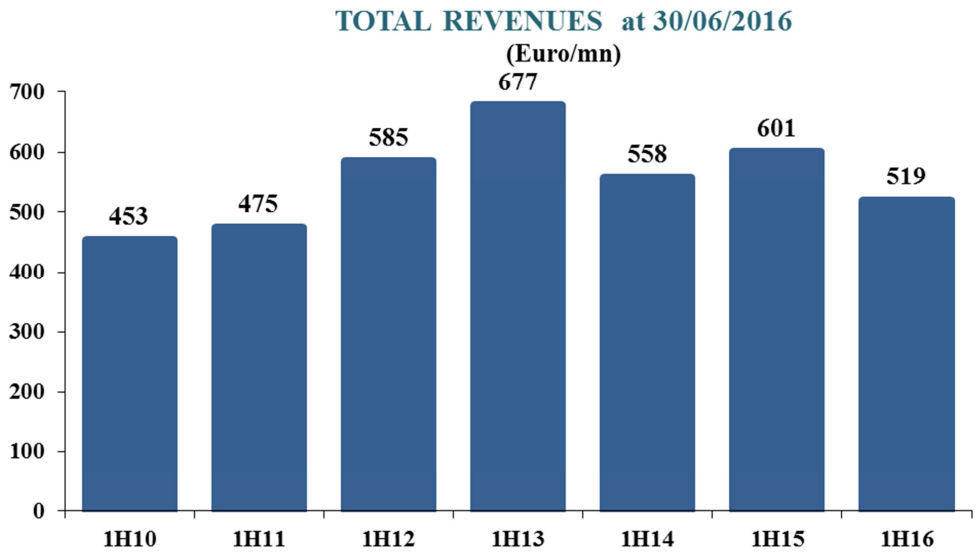
Lead Independent Director
Monica Mondardini

Audit Firm
Reconta Ernst &Young S.p.A.
(Appointed on 29 April 2008 and until the Shareholders' Meeting to approve the Financial Statements at 31 December 2016)

KEY FIGURES

31/12/2015			Euro '000 30/06/2016	Euro '000 30/06/2015	change
1,368,385	Value of production		557,903	627,489	-11.1%
1,342,302	**Total revenues**		**519,251**	**601,114**	**-13.6%**
272,777	Value added		183,319	82,668	121.8%
20.3%	*as % of Total revenues*		35.3%	13.8%	
8,933	**Gross operating profit**		**62,336**	**-48,760**	**n/a**
0.7%	*as % of Total revenues*		12.0%	-8.1%	
(87,864)	**Operating profit**		**25,552**	**-104,471**	**n/a**
-6.55%	*as % of Total revenues*		4.92%	-17.38%	
(115,187)	**Group net profit**		**(23,576)**	**(128,089)**	**n/a**
-8.6%	*as % of Total revenues*		-4.5%	-21.3%	
96,688	Gross technical investments		14,968	41,818	-64.2%
999,753	Net invested capital		930,789	1,022,487	-9.0%
(419,806)	**Net financial position**		**(396,274)**	**(464,220)**	**14.6%**
579,573	Shareholders' equity		534,263	558,015	-4.3%
564,914	Shareholders' equity attributable to the owners of the Parent Company		524,454	544,137	-3.6%
14,659	Net equity attributable to non-controlling interests		9,809	13,878	-29.3%
7,867	Employees (no.)		7,399	7,671	
949,357	Order portfolio		1,074,355	1,172,708	-8.4%
(0.699)	Basic earnings per share (Euro)		(0.143)	(0.777)	
(0.699)	Diluted earnings per share (Euro)		(0.143)	(0.777)	
-8.79%	Net operating profit/ Net invested capital (ROI)	(1)	5.49%	-20.43%	
-19.87%	Net profit/ Net equity (ROE)	(1)	-8.83%	-45.91%	
-6.55%	Net operating profit/ Total revenues (ROS)		4.92%	-17.38%	
n/a	Net debt/EBITDA	(1)	3.30	n/a	
n/a	EBITDA /Net financial income (costs)		4.4	n/a	
0.7	Net debt/ Total net equity (Debt/Equity)		0.7	0.8	

(1) The figures for the 1H 2016 and 1H 2015 have been calculated on an annual basis.



BOARD OF DIRECTORS REVIEW OF OPERATIONS FOR THE FIRST SEMESTER 2016

In the second semester of 2015, the TREVI Group suffered significant losses due to costs that had not been anticipated at the budget stage of a contract worth approximately USD 170 million won in 2013 and for which the design and construction of two off-shore oil drill rigs for installation on platforms in the Gulf of Mexico had been completed. The negative impact of approximately USD 100 million was caused by the transport by sea and the installation of the equipment on the platforms.

Since then, the Group has spent twelve months restructuring and ensuring that its economic and financial figures gradually return to normality. At 30 June 2016, the TREVI Group had a net financial position/ gross operating margin (the latter calculated on a twelve month rolling basis) of 3.3x. The free cash flow generated in the semester under review was Euro 61.5 million.

The Group restructuring involved greater focus on the Special Foundations Division (the Core Business), the driving force of the Group, which currently accounts for 74% of total revenues and 82% of the Euro 1,074 million Group order portfolio. Revenues remained almost unchanged compared to the same semester of the previous financial year at approximately Euro 390 million but the gross operating profit doubled from Euro 30 million to Euro 60 million whilst net debt fell from Euro 206 million to Euro 151 million. The operating result rose from Euro 2 million to over Euro 35 million.

The macroeconomic scenario of the Oil & Gas sector continues to be extremely problematic even though the oil price has risen from a minimum level of USD 28 per barrel in January 2016 to over USD 50 per barrel last week. This seems to be the result of a fall in the abnormal levels of stocks and rumours that the oil producers could reach an agreement to cut production.

In this scenario the TREVI Group Oil & Gas Division suffered a Euro 80 million decline in revenues from Euro 222 million to Euro 142 million. The gross operating profit was Euro 1.29 million and net debt rose from Euro 258.5 million to Euro 289.7 million.

The Group continued to reduce the number of its manufacturing facilities and its structural costs. The results of this will be increasingly evident in the second semester of the current financial year.

TREVI GROUP
RESULTS FOR THE FIRST QUARTER, THE SECOND QUARTER AND THE FIRST HALF AT 30 JUNE 2016
(Euro '000)

	1Q 2016	2Q 2016	30/06/2016
TOTAL REVENUES	**264,636**	**254,615**	**519,251**
Changes in inventories of finished and semi-finished products	19,407	15,404	34,811
Increase in property, plant and equipment for internal use	2,037	1,803	3,841
Other extraordinary operating revenues	0	0	0
VALUE OF PRODUCTION	**286,081**	**271,822**	**557,903**
Cost of raw materials and cost of services	186,544	178,902	365,446
Other operating costs	3,599	5,538	9,138
VALUE ADDED	**95,938**	**87,381**	**183,319**
Personnel expenses	60,244	60,739	120,983
GROSS OPERATING PROFIT	**35,694**	**26,642**	**62,336**
% of total revenues	**13.5%**	**10.5%**	**12.0%**
Depreciation and amortisation	16,222	16,422	32,644
Provisions for risks and charges and write-downs	871	3,269	4,140
OPERATING PROFIT	**18,601**	**6,951**	**25,552**
% of total revenues	**7.0%**	**2.7%**	**4.9%**
Financial income / (expenses)	(6,479)	(7,617)	(14,096)
Gains / (losses) on exchange rates	(17,827)	662	(17,165)
Adjustments to value of financial assets	()	(303)	(303)
PROFIT BEFORE TAXES	**(5,705)**	**(307)**	**(6,012)**
% of total revenues	-2.2%	-0.1%	-1.2%

Total revenues in the Consolidated First-half Financial Statements at 30 June 2016 were Euro 519 million (Euro 601 million at 30 June 2015) and the Group net loss was Euro 23.6 million. The value of production declined from Euro 627.5 million to Euro 557.9 million and included an increase of Euro 3.8 million in property, plant and equipment for internal use: the latter was for the construction of drilling and special foundations equipment for internal use by the service companies and for costs linked to the development of new products and new manufacturing techniques.

TREVI GROUP
RECLASSIFIED CONSOLIDATED INCOME STATEMENT
(Euro '000)

	1H 30/06/16	1H 30/06/15	change
TOTAL REVENUES [1]	**519,251**	**601,114**	**(81,863)**
Changes in inventories of finished and semi-finished products	34,811	13,132	21,679
Increase in property, plant and equipment for internal use	3,841	13,242	(9,401)
VALUE OF PRODUCTION [2]	**557,903**	**627,489**	**(69,586)**
Cost of raw materials and cost of services [3]	365,446	536,253	(170,807)
Other operating costs [4]	9,138	8,567	571
VALUE ADDED [5]	**183,319**	**82,668**	**100,651**
Personnel expenses	120,983	131,428	(10,445)
GROSS OPERATING PROFIT [6]	**62,336**	**(48,760)**	**111,096**
% of total revenues	12,0%	-8,1%	
Depreciation and amortisation	32,644	30,159	2,485
Provisions for risks and charges and write-downs	4,140	25,552	(21,412)
OPERATING PROFIT [7]	**25,552**	**(104,471)**	**130,023**
% of total revenues	4,9%	-17,4%	
Financial income (expenses)	(14,096)	(12,954)	(1,142)
Gains / (losses) on exchange rates	(17,165)	(7,006)	(10,159)
Adjustments to value of financial assets	(303)	0	(304)
PRE-TAX PROFIT	**(6,012)**	**(124,431)**	**118,419**
Tax	15,327	4,836	10,491
Non-controlling interests	2,237	(1,178)	3,415
GROUP NET PROFIT	**(23,576)**	**(128,089)**	**104,513**
% of total revenues	-4.5%	-21.3%	

The Income Statement above, referred to in the Notes, is a restated summary of the Consolidated Income Statement.

Value added rose from Euro 82.7 million to Euro 183.3 million year-on-year giving a margin on total revenues of 35.3%. The gross operating profit was Euro 62.3 million representing a gross margin of 12%; at 30 June 2015, the gross operating loss was Euro 48.8 million, -8.1% of revenues. After depreciation and amortisation of Euro 32.6 million and provisions of Euro 4.1 million, the operating profit was Euro 25.5 million (approximately 4.9% of total revenues); at 30 June 2015, the operating loss was Euro 104.5 million (-17.4% of total revenues).

[1] Total revenues include the following items: revenues from sales and services and other operating revenues, excluding those of a non-recurring nature.
[2] Value of production includes the following items: revenues from sales and services, increases in fixed assets for internal use, other operating revenues, changes in inventories of finished and work-in-progress.
[3] The entry, Consumption of raw materials and external services, includes the following items: raw materials, changes in inventory of raw materials, consumables and finished goods, and other miscellaneous operating costs not included in other operating costs.
[4] For further details on the item Other operating costs, see Note 22 of the Consolidated Income Statement.
[5] Value added is the sum of the value of production, raw material costs and external services, and other operating costs.
[6] EBITDA (gross operating profit) is an economic indicator not defined by IFRS, adopted by the TREVI Group beginning with the Consolidated Financial Statements at 31 December 2005. EBITDA is a measure used by Trevi's management to monitor and evaluate the operating performance of the Group. The management believes that EBITDA is an important parameter for the measurement of Group performance insofar as it is not influenced by the volatility generated by the various factors used in determining taxable income, by the amount and nature of capital employed and by depreciation policies. At the current date (in the absence of more detail concerning the evolution of alternative corporate performance measurement criteria), EBITDA (earnings before interest, taxes, depreciation and amortisation) is defined by Trevi as profit/loss for the period gross of depreciation and amortisation of tangible and intangible fixed assets, provisions and write-downs, financial income and expenses, and income taxes.
[7] EBIT (operating profit) is an economic indicator not defined by IFRS, adopted by TREVI Group beginning with the Consolidated Financial Statements at 31 December 2005, EBIT is one of the measures used by Trevi's management to monitor and evaluate the operating performance of the Group. The management believes that EBIT is an important parameter for the measurement of Group performance insofar as it not influenced by the volatility generated by the impact of various factors used in determining taxable income and the amount and nature of capital employed, EBIT (earnings before interest and taxes) is defined by Trevi as profit/loss for the period before financial income and expenses and taxes.

Net financial costs were Euro 14 million, an increase of Euro 1.1 million compared to the figure at the end of the first semester of the preceding financial year. Net exchange rate losses were Euro 17.2 million (in the same semester of the previous financial year, net exchange rate losses were Euro 7 million) and were mainly due to the devaluation of the Venezuelan Bolivar and the Belarusian Rouble.

The pre-tax loss was Euro 6 million, which, net of current-year, deferred and pre-paid taxes, gave a Group net loss of Euro 23.6 million.

The loss generated by the Group in the first semester 2016 was primarily due to a timing effect as several contracts, particularly in the Special Foundations Division, are due to start in the second semester; it also reflected the price per barrel of Brent crude oil which penalised investments in the Oil & Gas sector.

The Group's strong presence in international markets is one of its major strengths; the percentage of foreign sales was approximately 94% of total revenues; 87% were generated outside Europe.

Geographic area	**30/06/2016**	**%**	**30/06/2015**	**%**	**change**	
Italy	28,475	5.5%	34,858	5.8%	(6,383)	-18.3%
Europe (ex-Italy)	38,452	7.4%	36,988	6.2%	1,463	4.0%
USA and Canada	55,552	10.7%	60,279	10.0%	(4,727)	-7.8%
Latin America	91,612	17.6%	160,456	26.7%	(68,844)	-42.9%
Africa	114,251	22.0%	77,611	12.9%	36,640	47.2%
Middle East and Asia	143,084	27.6%	190,566	31.7%	(47,482)	-24.9%
Far East and Rest of the world	47,825	9.2%	40,356	6.7%	7,468	18.5%
TOTAL REVENUES	**519,251**	**100%**	**601,115**	**100%**	**(81,864)**	**-13.6%**

At 30 June 2016, the order portfolio was Euro 1,074 million compared to Euro 1,173 million at the same date of the preceding financial year (-8.4%). Compared to the figure at 31 December 2015, the order portfolio had risen 13%. As is characteristic of the Group, almost all of the orders were acquired on international markets. The Group estimates that there will be a significant increase in business levels in the second semester of the current financial year.

After fifty years of activity, the Group is now considered one of the most highly integrated and international suppliers of drilling and special foundations equipment and of specialised foundations engineering and oil, water and gas drilling services; ours is a winning offer in all emerging markets which have chosen the implementation of infrastructure projects as the main way of coming out of recession.

TREVI GROUP
RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Euro '000)

31/12/2015			30/06/2016	30/06/2015	change	%
399,877	**A)**	**Fixed Assets**	359,883	395,405	(35,523)	
87,150		- Property, plant and equipment [8]	81,132	87,434	(6,302)	
5,709		- Intangible assets	5,640	6,639	(999)	
492,736		- Financial assets [9]	**446,654**	**489,478**	**(42,824)**	*-8.7%*
	B)	**Net working capital**				
522,736		- Inventories	476,083	608,112	(132,029)	
447,976		- Trade receivables [10]	381,483	443,614	(62,131)	
(360,541)		- Trade payables (-)[11]	(274,401)	(354,355)	79,954	
(169,413)		- Advance payments (-)[12]	(152,520)	(201,018)	48,499	
87,485		- Other assets/ (liabilities) [13]	73,198	58,198	15,000	
528,242			**503,843**	**554,552**	**(50,708)**	-9%
1,020,978	**C)**	**Invested capital less liabilities for the period (A+B)**	**950,497**	**1,044,030**	**(93,532)**	-9.0%
(21,225)	**D)**	**Post-employment benefits (-)**	**(19,708)**	**(21,543)**	**1,835**	-9%
999,753	**E)**	**NET INVESTED CAPITAL (C+D)**	**930,789**	**1,022,487**	**(91,697)**	-9.0%
		Financed by:				
564,914	**F)**	**Shareholders' equity attributable to owners of the Parent Company**	**524,454**	**544,137**	**(19,683)**	-3.6%
14,659	G)	Net shareholders' equity attributable to non-controlling interests	9,809	13,878	(4,069)	
420,180	**H)**	**Net debt [14]**	**396,526**	**464,471**	**(67,945)**	-15%
999,753	**I)**	**TOTAL SOURCES OF FINANCING (F+G+H)**	**930,789**	**1,022,487**	**(91,697)**	-9.0%

The Statement of Financial Position above, referred to in the Notes, is a restated summary of the Consolidated Statement of Financial Position.

[8] The entry for tangible fixed assets also includes non-strategic investment property.
[9] The entry for financial fixed assets includes investments (Note 3) and other non-current financial receivables.
[10] Net trade receivables includes: non-current (Note 6) and current (Note 8) trade receivables and current receivables from subsidiaries (Note 8).
[11] Net trade payables includes: current payables to suppliers (Note 15), current payables to subsidiaries (Note 15).
[12] Pre-payments include both non-current pre-payments and current pre-payments (Note 15).
[13] Other assets/ (liabilities) includes: other receivables/ (payables), accruals/ (pre-payments), tax receivables/ (payables), both non-current and current risk provisions (Notes 8-9-14-15).
[14] The net debt, used as an indicator of financial indebtedness, is the sum of the following positive and negative Statement of Financial Position items: current and non-current positive items: cash and cash equivalents (cash, bank drafts and bank assets); readily realisable investments in working capital, financial credits.
Current and non-current negative items: bank debt, payables to other financial entities, leasing and factoring companies; payables to associates for financing. For more detail on this item, please refer to the relevant table in the Notes to the Accounts.

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

(*Euro '000)*

Net working capital	**30/06/2016**	**IAS 11**[15]	**30/06/2016**
- Inventories	476,083	(133,918)	342,164
- Trade receivables	381,483	83,553	465,036
- Trade payables (-)	(274,401)	0	(274,401)
- Pre-payments (-)	(152,520)	97,775	(54,744)
- Other assets/ (liabilities)	73,198	(47,410)	25,788
Total	**503,843**	**0**	**503,843**

Net invested capital was approximately Euro 930.8 million; the 9.0% decrease compared to the figure at 30 June 2015 was due to fixed capital and working capital.

TREVI GROUP
CONSOLIDATED NET FINANCIALPOSITION
(Euro '000)

31/12/2015		**30/06/2016**	**30/06/2015**	**change**
(295,118)	Current bank loans	(338,592)	(383,562)	44,970
(34,111)	Payables for other current financing	(21,163)	(21,620)	458
471	Current financial derivatives	(3)	(3,454)	3,450
1,824	Current financial assets	-	-	-
296,861	Cash and cash equivalents	292,021	278,721	13,300
(30,064)	**Current financial debt**	**(67,737)**	**(129,915)**	**62,178**
(338,240)	Non-current bank loans	(281,746)	(288,561)	6,815
(50,362)	Other non-current financial liabilities	(45,601)	(44,391)	(1,209)
(1,504)	Non-current financial derivatives	(1,442)	(1,604)	162
(390,106)	**Non-current financial debt**	**(328,789)**	**(334,556)**	**5,767**
(420,180)	**Net financial debt**	**(396,526)**	**(464,471)**	**67,945**
373	Treasury shares	**252**	**252**	**0**
(419,806)	**Net Financial Position**	**(396,274)**	**(464,220)**	**67,946**

In the first semester 2016, current net debt rose by approximately Euro 37.7 million compared to the figure at 31 December 2015, moving from Euro 30 million to Euro 67.7 million; over the same period, non-current net debt fell from Euro 390 million to Euro 328.8 million, a decrease of Euro 61.3 million. As a result, total net debt declined by approximately Euro 23.6 million in the first semester 2016 compared to the figure at 31 December 2015.

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

The Net debt/Equity ratio was 0.7x (it was also 0.7x at the end of the previous financial year). In order to support its business activities, the Group has significant credit lines both current and non-current with financial institutions in the domestic and international markets.

The free cash flow in the semester was Euro 60 million (at 31 December 2015 it was Euro 10.2 million) and was impacted by the Euro 5.8 million decrease in capital expenditure.

Investments

TREVI Group's gross investments in tangible fixed assets in the first semester 2016 totalled Euro 13.4 million due to the purchase of plant and equipment primarily destined for the engineering and oil drilling services divisions. These investments were mostly made in the Middle East, Africa, and Latin America. Divestments totalled Euro 15.7 million at historic cost for assets that had been almost completely depreciated. Depreciation of tangible fixed assets was Euro 26.4 million. The net value of property, plant and equipment of Euro 359.9 million at 30 June 2016 was affected by Euro 18 million of negative translation effects generated by the difference in historic exchange rates and those in force at 30 June 2016.

Quarterly results

In the second quarter of 2016, the TREVI Group had an improvement in net debt, which went from Euro 533.4 million at the end of the first quarter 2016 to Euro 396.5 million at the end of the second quarter 2016, an improvement of Euro 137 million.

Total revenues in the second quarter 2016 were Euro 254.6 million compared to Euro 304 million in the second quarter of the previous financial year.

TREVI GROUP
COMPARISON OF SECOND QUARTERS 2015 AND 2016

	2Q 2015	2Q 2016	change
TOTAL REVENUES	304,105	254,615	(49,490)
Changes in inventories of finished and semi-finished products	5,748	15,404	9,656
Increase in property, plant and equipment for internal use	7,931	1,803	(6,128)
Other extraordinary operating revenues	0	0	0
VALUE OF PRODUCTION	**317,785**	**271,822**	**(45,962)**
Cost of raw materials and cost of services	313,769	178,902	(134,867)
Other operating costs	5,453	5,538	85
VALUE ADDED	**(1,438)**	**87,381**	**88,820**
Personnel expenses	68,657	60,739	(7,918)
GROSS OPERATING PROFIT	**(70,096)**	**26,642**	**96,738**
% of total revenues	***-23.0%***	***10.5%***	
Depreciation and amortisation	14,954	16,422	1,468
Provisions for risks and charges and write-downs	24,430	3,269	(21,161)
OPERATING PROFIT	**(109,480)**	**6,951**	**116,431**
% of total revenues	***-36.0%***	***2.7%***	
Financial income (expenses)	(7,316)	(7,617)	(301)
Gains / (losses) on exchange rates	(10,573)	662	11,235
Adjustments to value of financial assets	1	(303)	(304)
PRE-TAX PROFIT	**(127,369)**	**(307)**	**127,061**
% of total revenues	*-41.9%*	*-0.1%*	
Tax	4,102	15,146	11,044
Non-controlling interests	(1,498)	(246)	1,252
GROUP NET PROFIT	**(129,973)**	**(15,207)**	**114,765**

SECTOR REVIEW

Parent Company performance

In the first semester 2016, the Parent Company had revenues from sales and services of Euro 13.4 million (Euro 13.2 million in the first semester 2015), and net profit of Euro 2.5 million (Euro 3.8 million in the first semester 2015); the difference in the results of the first semester 2016 compared to those of the first semester 2015 mainly reflected an increase in services supplied to subsidiaries.

The operating profit was Euro 1.5 million compared to an operating profit of Euro 0.4 million in the first semester 2015. As in previous financial periods, Parent Company revenues were mainly derived from services carried out on behalf of the subsidiaries, to the hiring out of equipment, and to financial management activity, which is primarily interest payments received on financial loans to subsidiaries and commissions received on guarantees given.

At 30 June 2016, the Company held 204,000 treasury shares. No purchase or sale of treasury shares was made in the semester under review.

At the Shareholders' Meeting of 13 May 2016, the Financial Statements for the year at 31 December 2015 were approved and:

the extraordinary shareholders' meeting

- approved an increase in the maximum number of members of the Board of Directors from eleven to thirteen and modified Article 25 of the Company's Articles of Association.

the ordinary shareholders' meeting

- authorised the Board of Directors to continue the buy-back/ sale of a maximum of 2,500,000 treasury shares, equivalent to 1.517% of the share capital; the duration of this mandate is until 30 April 2017.
- appointed Ms Marta Dassù to the Board of Directors under Article 2386 of the Italian Civil Code for the years 2016 – 2017 and until the approval of the Financial Statements at 31 December 2017.
- Appointed the Board of Statutory Auditors for the three years 2016 – 2017 – 2018 and until the approval of the Financial Statements at 31 December 2018:

Milena Motta	Chairperson of the Board of Statutory Auditors
Adolfo Leonardi	Standing Statutory Auditor
Giancarlo Poletti	Standing Statutory Auditor
Marta Maggi	Supplementary Statutory Auditor
Stefano Leardini	Supplementary Statutory Auditor

Special Foundations Division

The Special Foundations Division, which comprises Trevi S.p.A. and Soilmec S.p.A. and their respective subsidiaries and associate companies, had total revenues of Euro 392 million, in line with those of the same period of the previous financial year (+0.5%). Value added was 36.4% of revenues and the gross operating profit was Euro 60.1 million, an increase of Euro 29 million compared to the figure at 30 June 2015. After depreciation and amortisation of Euro 22.8 million

and provisions of Euro 1.7 million, the operating profit was Euro 35.7 million, approximately 9.1% of revenues.

Trevi Division

The Americas

The revenues generated in **North America** in the first semester 2016 were Euro 35.3 million. The extraordinary maintenance project on the Wolf Creek Dam in Kentucky was completed but work began on the Bolivar Dam in Ohio and on several important civil works contracts in New England and Washington DC: these include "One Dalton", a skyscraper of 65 floors with a total height of 230 metres and a project to build a diaphragm wall in self-hardening mud near the Lower Wood River in Illinois. The latter project includes the construction of plastic diaphragms to stabilise and waterproof the banks of the Mississippi River and Wood River Creek.

In **Latin America** the Trevi Division worked on contracts in Argentina, Venezuela, Colombia and Panama for a total of approximately Euro 32.5 million (Euro 46.6 million in the same period of the preceding financial year). There are several important contracts coming to completion in Argentina, for example, the Vuelta de Obligado thermoelectric power plant in Rosario, several port structures along the Paranà River (at Don Pedro and Puerto de Barcazas Noble in Santa Fè), and environmental projects in Buenos Aires (the hydraulic reclamation project at Riachuelo), which are two contracts (Lot 1 and Lot 2) due to begin during the second semester of the current year. Significant marketing in Peru and Chile should lead to some contracts being finalised by the end of 2016. In Panama, the Trevi Division is completing the consolidation and foundation works for the Tercer Juego de Esclusas of the new Panama Canal and is also involved in special foundation works for some of the stations of Line 2 of the Metro. The Division is also carrying out several minor piling, micropiling, anchoring and diaphragm contracts. There is also a positive trend in Colombia in terms of contracts received with two large projects that are particularly noteworthy: the first is the

Pedregal Business Center in Bogotá and the second is the foundations of the Pumarejo Bridge on drilled piles at Barranquilla on the Magdalena River. In the second semester of this year the Group is due to carry out special foundations work for residential and commercial buildings in Bogotá. In Venezuela, work continues at Puerto la Cruz (expanding the refinery), on the waterproofing and diaphragm walls for the dam on the Cuira river, the Santa Lucia-Kempis motorway, and several projects that include diaphragms, drilled piles and tie rods for residential buildings in Caracas.

Europe

Revenues from this region were Euro 2 million and were generated by the final special foundations and consolidation work for the CITYRINGEN METRO PROJECT in Copenhagen on behalf of the Copenhagen Metro Team and a new contract in Norway.

Africa

The Trevi Division had revenues of approximately Euro 70 million in Africa.

In West Africa the division is building the foundations for an important cement works, and is involved in the construction of some important residential and hotel buildings in the commercial capital Lagos. The Group continued to be active in Algeria; the sector in which it is most involved is that of large infrastructure projects that includes the main motorway networks (Tizi Ouzou motorway and the East-West motorway) and the hydraulic sector (the Djedra Souk Ahras Dam and the Boukhroufa Dam in El Tarf). However, the metro sector is where the Group has been the undisputed leader since 2004: it has worked on all the main stretches of the metro and is currently carrying out the special foundations work on the “MC1 Ain Naja – Baraky” and the “MC2 El Harrach – Aeroport” parts of the network. These two stretches total approximately twelve kilometres in length with eleven stations, thirteen ventilation shafts and one viaduct. Work began in 2015 and will continue until 2019 generating interesting revenues and profitability.

Work also continued in Egypt primarily on transport infrastructure projects that are considered strategic for the development of the country. The contracts include diaphragm structures that are

one of the most technologically advanced sectors of the TREVI Group. Structural diaphragm walls in reinforced concrete are underground walls that are used as retaining walls for excavation, as part of the construction foundations or as containing structures for underground water flows. Diaphragm walls represent an important element in underground construction also because they can be built with relatively little disturbance to the surrounding area.

Middle East and Asia

In the first semester 2016, the Trevi Division had revenues of approximately Euro 102 million in the Middle East (Euro 104.6 million in the same period of 2015).

The Group won a contract in the Gulf to build the foundations of a skyscraper designed by Foster + Partners and called ICD Brookfield Place, one of the leading property projects currently under construction in Dubai. Other contracts won in the Gulf countries included those for the Tiara United Towers, the Mediclinic Hospital and two skyscrapers in Muscat in Oman. Particularly significant was the acquisition of a contract for a government property project in Abu Dhabi that was won as a part of a consortium with a European company. The project includes geological surveys and the treatment and improvement of the load resistance of the ground to be used for the properties.

These new projects are in addition to contracts already in progress in the semester under review in the United Arab Emirates and in Kuwait, Qatar and Oman in the motorway and maritime transport sectors, in metro construction and in commercial building projects.

In Saudi Arabia, work continues on the foundations of several lines of the Riyadh Metro.

In the Philippines, work continues on the special foundations of a fourteen kilometre, six-lane, urban motorway viaduct in Metro Manila.

Work commenced in Turkey on the special foundations of the Galata Cruise Terminal, a modern complex that will include commercial areas, properties and luxury hotels to support and develop tourist activity on the Bosphorus. The Port of Istanbul (known as the Galata Port) is a passenger terminal for cruise liners that stretches from the Galata Bridge on the Golden Horn to the Salipazari

quarter on the European side of the Bosphorus passing through the area of Karaköy. Construction began in 1892 and the Port has gradually grown to its current size with the increased demands of tourism. The client's plan is to transform the Port into a sophisticated shorefront area with hotels, cafés, shopping centres, offices and mooring facilities for cruise ships.

In the semester under review, as reported in the national and international press, the Special Foundations Division won an important contract for the repair of the Mosul Dam. The contract, worth Euro 273 million, was drawn up and signed under the supervision of the Iraqi Ministry for Water Resources (MWR). The contract was won following an international tender published in October 2015 under an accelerated procedure given the critical state of the Dam.

This highly significant project will involve drilling and cement injections to stabilise the foundations of the Dam, as well as repair and maintenance work to the damaged outlet galleries at the base of the Dam. The initial work will also include specialisation and training courses for local technicians and other employees in the use of the drilling equipment manufactured by Soilmec.

The presence of an Italian military contingent and local security forces will guarantee the safety of over 450 technicians and employees of Trevi.

Italy

Total revenues of Euro 22.8 million were generated in Italy in the period under review. The most important contracts included the ongoing project for the new oil terminal of the Port of Naples, currently the most important port project in Italy, which is proving highly successful from a technological standpoint. Some important contracts have recently been acquired, in particular, Orogel (Cesena), Safer (Verona), Publiacqua (Florence), and Syndial (Marghera) that should ensure that the figures in the budget are achieved.

The acquisition of further work in the Port of Palermo was also significant.

Soilmec Division

The Soilmec Division closed the first semester 2016 with highly satisfactory economic and financial results compared to those of the first semester 2015. Total revenues in this Division were Euro 124.5 million compared to Euro 114.7 million in the same semester of the preceding financial year (+8.6%).

The breakdown in revenues for the period shows an increase in revenues generated by the supply of plant and equipment to Trevi for use on some important contracts (Mosul, Algeria, Istanbul); the Egyptian market also grew and continues to offer considerable potential given the planned infrastructure projects in this country.

The European and African subsidiaries confirmed their important contribution to the overall results of this Division. However, there was a slight decline in the North American market mainly due to the lower investments in the oil sector and the uncertainty that always precedes presidential elections. There were similar performances from the Latin American markets: Mexico and Colombia failed to repeat the strong performances of 2015 and there was a total absence of business opportunities in Brazil save for the sale of some reconditioned equipment.

There was a significant increase in revenues from the Far East and Pacific regions but stable revenues in India and a decrease in Singapore due to competitive pressure from Chinese companies in this area.

The breakdown of revenues by product range/services confirms the importance of the Rotary range. There was also an increase in sales of cranes/hydromills equipment due to the supply of this type of equipment to the aforementioned Trevi contracts. Sales of micropiling equipment were stable whilst sales in the water division rose. There was a significant increase in sales of equipment accessories as part of the equipment supplied for the Mosul Dam project.

The overall improvement in profitability reflected not only the favourable revenue mix but also changes made to the commercial strategy, the product ranges and manufacturing. The commercial strategy involved strict control of any discounts given to final clients, distributors and agents in order to maintain profitability but, at the same time, not penalise volumes and expected sales. This

fine balance requires considerable management efforts but, as proved, was more than compensated by the results achieved. There was a focus on uniformity within product lines; modifications and customisation of equipment was restricted to those cases that were commercially significant. This focus led to improved purchasing with economies of scale and increased production efficiency.

The more structured manufacturing plan implemented following the S&OP (sales and operations planning) project devised with the help of Porsche Consulting, the consolidation of the assembly process, and the aforementioned increase in uniformity of product lines all led to increased productivity and manufacturing efficiency. Bringing costs in line with those of the budget resulted in an improvement in all the margins of the income statement of this Division.

Particular attention was also paid to the management of receivables both when negotiating supply terms, with strict control of payment periods and the elimination of almost all transactions not covered by guarantees, and the recouping of overdue and due receivables.

Similar attention was paid to managing inventories through in-depth measures to optimise the distribution of finished products to the various offices and associates and a series of commercial promotions to encourage the sale of machines with a lower turnover rate.

The combination of these efforts resulted in a significant reduction in working capital and in net invested capital.

Oil & Gas Division

Total revenues in this segment in the first semester of 2016 were Euro 142 million compared to Euro 222.5 million in the same semester of the previous financial year. The gross operating profit was Euro 1.3 million and there was a net operating loss of Euro 10.9 million.

Drillmec

Total revenues were approximately Euro 92.2 million in the semester under review compared to Euro 152.3 million in the same period of the preceding financial year (-39.4%).

Drillmec SpA

The company had volume sales in line with expectations. The major contribution to revenues in the first semester 2016 came from the substantial completion of the contracts in Algeria and Egypt.

Inventory levels are gradually falling due to the completion of the aforementioned contracts and to sales of spare parts.

The order portfolio covers approximately 70% of production capacity and there are good opportunities for winning contracts in Azerbaijan and Indonesia.

Drillmec Inc.

A large maintenance contract to be executed in the Gulf of Mexico and a significant supply contract in South America are both about to be signed. These two business opportunities offer a moderately positive outlook in the current extremely difficult markets of North America and Latin America.

Eastern Europe

The recent acquisition of new commissioning contracts in Russia has led to a strong order portfolio with good profitability; the expected negotiation of a new contract offers hope for the year-end results.

Structural costs have been significantly reduced throughout the Division whilst there are positive expectations for profitable sales of the new HOD system to leading oil companies.

Petreven

The macroeconomic environment for the drilling sector in 2016 continues to be problematic despite the recent 20% rise in the oil price. The market scenario, marked by a strong reduction in investments by oil companies with consequent pressure on the supply chain, in particular, on drilling, combined with a significant increase in competition meant that the main economic and

financial figures of the Division were considerably lower than the figures of previous years. This, together with the smaller order portfolio, confirms the ongoing pressure on margins and results. The Division is attempting to recover by leveraging on its competitive advantages, such as its solid relationships with clients, its avant-garde fleet, and by optimising its performance through business diversification and consolidation.

Revenues fell 28% year-on-year from USD 78.5 million to USD 56.8 million. Argentina generated the most revenues with USD 35.3 million (69% of revenues).

At 30 June 2016, the order portfolio was USD 88 million compared to USD 124 million at the end of the first semester 2015 and visibility had fallen to one year. Argentina accounted for 60% of the order portfolio. New orders acquired in the period under review totalled approximately USD 25 million of which USD 18 million was for the new contract with CGC and USD 7 million for the new contract with Petrobras in Argentina that started in April 2016.

The business activities of the subsidiaries resulted in average production capacity utilisation of 64% (77% in 2015) with 88 wells drilled. Payment rate was 62%. The Division has seventeen of its own drill rigs operating in the following countries: nine in Argentina, two in Venezuela, three in Chile, two in Peru and one in Colombia. A third-party rig was also used in Chile.

Argentina: work is being carried out for the oil company YPF using seven drill rigs (three in the Santa Cruz area and four in the Neuquen region) and for Petrobras with a further drill rig. As the crisis caused by the oil price intensified there was an increase in trade union activity that slowed down drilling operations and caused some plant and equipment to be put on standby for prolonged periods of time.

Peru: drilling operations were completed in May but a second client has notified the company that it commenced drilling operations in August.

Venezuela: operations are continuing in Venezuela for the joint venture company Petrosinovensa (a joint venture between the national oil company PDVSA and the Chinese multi-national CNPC) using two drill rigs.

Chile: the workover plant started operating again in January as part of a new three-month drilling contract signed with YPF whilst drilling operations for Geopark were completed in February.

Colombia: the H201 plant currently has no contract work.

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

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

Main risks and uncertainties pertaining to the second semester 2016

Regarding the requirements for a "description of main risks and uncertainties pertaining to the remaining months of the financial year", it should be noted that there are currently no particular circumstances that could have a significant impact on the operational and financial performance of the Group in the second semester of 2016 over and above those already mentioned regarding the weakness of the Oil & Gas market.

Aims, management and identification of financial risks

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

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

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

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

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

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

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

Interest rate risk

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

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

Exchange rate risk

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

- **Transaction related**: exchange rate fluctuations deriving from movements in exchange rates occurring between when a financial undertaking with counterparts becomes highly

likely and/or certain and the settlement date of the undertaking; these movements cause a variation between the expected cash flows and the effective cash flows;

- **Translation**: exchange rate fluctuations generate a variation in the items of the financial statements when an item in another currency is consolidated into the financial statements using the functional currency of the Parent Company (the Euro). These exchange rate differences do not result in an immediate variation in expected and effective cash flows but only an accounting impact on the consolidated equity of the Group. The impact on cash flows is only evident in the case of transactions involving the equity of any Group company that prepares its accounts in a foreign currency.

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

The Group manages transaction-related risk. Exposure to exchange rate risk is due to the Group operating in many countries and in exchange rates other than the Euro, in particular the US dollar and exchange rates linked to the US dollar. Given its significant operations in US dollar countries, the financial statements of the Group may be significantly affected by fluctuations in the EUR/USD exchange rate. During the semester under review, the Group signed numerous fixed term hedging contracts with leading financial counterparts to protect it from exchange rate fluctuations.

Liquidity risk

Liquidity risk is the risk that available financial resources will be inadequate to meet maturing obligations. At the current date, the Company maintains that its cash flow generation, its wide range

of financial resources and the availability of credit lines in all the technical forms necessary for the execution of its business, are sufficient to meet its budgeted financial requirements.

The Group controls liquidity risk by sourcing an appropriate mix of financing in the different companies that ensures the Group maintains a balanced capital structure (financial debt/equity) and debt structure (non-current debt/current debt), as well as balancing the maturities of its debt financing and the diversity of the sources of financing. In addition to the constant monitoring of liquidity, all Group companies prepare rolling periodic and estimated cash flow statements which are then consolidated and analysed by the Parent Company.

In order to be adequately prepared for any possible liquidity risk, the Group had significant unutilised committed revolving credit lines at 30 June 2016. These lines have been arranged with leading financial institutions. In addition to these credit lines, other existing non-current financing and guarantee limits, the Group has significant credit lines available for commercial and financial transactions both with Italian and international financial counterparts. Funding activities are mainly carried out by the Parent Company and by the sub-holding companies; some operations require financial contracts to be taken out by individual operating companies within the Group.

Credit risk

The Group is subject to the risk that a financial or trade counterparty becomes insolvent.

Due to the nature of its activities in diverse segments, the strong geographical diversification of its production units and the high number of countries in which its sells its plant and equipment, the credit risk of the Group is not concentrated on a few clients or in a small number of countries and its credit exposure is spread over numerous counterparties and clients.

The credit risk linked to normal commercial transactions is monitored both by the individual companies and by the central Group finance department.

The aim is to minimise counterparty risk by maintaining exposure within limits that are in line with an analysis of the creditworthiness of each counterparty carried out by the various credit managers of the Group using historical data on the default rates of the counterparty.

The Group sells its products mainly outside Italy and uses financial instruments available on the market to cover its credit risk exposure, in particular, letters of credit. The Special Foundations and Services Division uses pre-payments, letters of credit, SACE S.p.A. policies and buyer's credit for projects of a significant size.

The Group also makes limited use of non-recourse spot sales of receivables. Credit risk on financial instruments is not an issue as these are comprised of cash and cash equivalents and current bank and postal accounts.

Information on derivative instruments

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

- Level 1: quoted prices for similar instruments;

- Level 2: directly observable market inputs other than Level 1 inputs;

- Level 3: inputs not based on observable market data.

IAS 39 categories and abbreviations

Loans and Receivables	L&R
Financial assets Held-to-Maturity	HtM
Financial assets Available-for-Sale	AfS
Financial Assets/Liabilities Held for Trading	FAHfT and FLHfT
Financial Liabilities at Amortised Cost	FLAC
Hedge Derivatives	HD
Not applicable	n.a.

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

	IAS 39 classes	Note	30/06/2016	Carrying amounts under IAS 39				
				Amortised cost	Cost	Fair value to equity	Fair Value in profit or loss	Effect on profit or loss
ASSETS								
Non-current financial assets								
Investments	HTM	3	2,278		2,278			
Non-current financial derivative instruments	HD	5	-			-		
Other non-current financial receivables	L&R		3,362	3,362				
Total non-current financial assets			**5,640**	**3,362**	**2,278**	**-**	**-**	**-**
Current financial assets								
Other current financial receivables	L&R		1,043	1,043				
Current financial derivatives	HD	5	194			194	-	-
Cash and cash equivalents	L&R	10	292,021					224
Total current financial assets			**293,258**	**1,043**	**-**	**194**	**-**	**224**
Total financial assets			**297,855**	**4,405**	**2,278**	**194**	**-**	**224**
LIABILITIES								
Non-current financial liabilities								
Non-current financing	L&R	12	281,746	281,746				(5,688)
Payables for other non-current financing	L&R	12	45,601	45,601				(885)
Non-current financial derivative instruments	HD	5	1,442			1,442	-	-
Total non-current financial liabilities			**328,789**	**327,347**	**-**	**1,442**	**-**	**(6,572)**
Current financial liabilities								
Current financing	L&R	17	338,592	338,592				(7,253)
Payables for other current financing	L&R	17	21,163	21,163				(1,021)
Current financial derivative instruments	FLHfT	5	198			198	-	-
Total current financial liabilities			**359,952**	**359,755**	**-**	**198**	**-**	**(8,274)**
Total financial liabilities			**688,742**	**687,102**	**-**	**1,640**	**-**	**(14,847)**

	IAS 39 classes	Note	30/06/2015	Carrying amounts under IAS 39				
				Amortised cost	Cost	Fair value to equity	Fair Value in profit or loss	Effect on profit or loss
ASSETS								
Non-current financial assets								
Investments	HTM	3	1,458		1,458			
Financial assets held to maturity	HD	5	1			1		
Other non-current financial receivables	L&R		5,181	5,181				
Total non-current financial assets			**6,640**	**5,181**	**1,458**	**1**	**-**	**-**
Current financial assets								
Current financial derivatives	HD	5	150			150	-	-
Cash and cash equivalents	L&R	10	278,721					92
Total current financial assets			**278,871**	**-**	**-**	**150**	**-**	**92**
Total financial assets			**285,511**	**5,181**	**1,458**	**151**	**-**	**92**
LIABILITIES								
Non-current financial liabilities								
Non-current financing	L&R	12	288,561	288,561				(5,238)
Payables for other non-current financing	L&R	12	44,391	44,391				(885)
Non-current financial derivative instruments	HD	5	1,605			1,605	-	-
Total non-current financial liabilities			**334,557**	**332,952**	**-**	**1,605**	**-**	**(6,123)**
Current financial liabilities								
Current financing	L&R	17	383,562	383,562				(6,977)
Payables for other current financing	L&R	17	21,620	21,620				(787)
Current financial derivative instruments	FLHfT	5	3,603			3,603	-	-
Total current financial liabilities			**408,786**	**405,183**	**-**	**3,603**	**-**	**(7,764)**
Total financial liabilities			**743,344**	**738,135**	**-**	**5,208**	**-**	**(13,887)**

Assets and liabilities shown at fair value at 30 June 2016 are shown in the following table according to the fair value hierarchy.

(Euro '000)	IAS 39 classes	Note	30/06/2015	Fair Value Hierarchy		
				Level 1	Level 2	Level 3
ASSETS						
Non-current financial assets						
Non-current financial derivative instruments	HD	5	-		-	
Current financial assets						
Current financial derivative instruments	HD	5	194		194	
Total financial assets			**194**		**194**	
LIABILITIES						
Non-current financial liabilities						
Non-current financial derivative instruments	HD	5	1,442		1,442	
Total non-current financial liabilities			**1,442**		**1,442**	
Current financial derivative instruments	FLHfT	5	198		198	
Total current financial liabilities			**198**		**198**	
Total financial liabilities			**1,640**		**1,640**	

Capital Management

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

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

Impairment tests at 30 June 2016

The management of the Group does not believe there are any indications of impairment at 30 June 2016 given that the economic and financial performance was in line with the approved 2016 Budget and the 2017-2018 Economic and Financial Forecasts. For these reasons the management of the Group did not consider it necessary, under the requirements of IAS 36, to carry out new impairment tests at 30 June 2016. It considered the results of the impairment tests carried out at 31

December 2015 to be still valid. The latter were deliberated and approved immediately prior to the approval of the draft Financial Statements by the Board of Directors of TREVI Finanziaria Industriale S.p.A. on 24 March 2016 despite the loss generated in the period and a market capitalisation of Euro 200 million at 30 June 2016 compared to an accounting equity figure of Euro 524 million at the same date.

Other information

Purchase of treasury shares

The Shareholders' Meeting of 13 May 2016 authorised the Board of Directors to continue the buy-back/ disposal of treasury shares for a maximum of 2,500,000 shares, equal to 1.517% of the share capital; this mandate lasts until 30 April 2017. Under the new plan the minimum price that can be paid to acquire shares may not be more than 20% below the reference price of the shares on the preceding day of trading and the maximum amount that may be paid for the shares may not be more than 20% higher than the reference price of TREVI – Finanziaria Industriale S.p.A. shares registered by Borsa Italiana S.p.A. on the preceding day of trading; the aims of the plan include the acquisition and divestment of treasury shares as part of a remuneration plan based on the granting of ordinary shares free of charge (a stock grant).

Corporate governance and decisions taken in the period under review

At the Shareholders' Meeting of 13 May 2016:

the extraordinary shareholders' meeting

- approved an increase in the maximum number of members of the Board of Directors from eleven to thirteen and modified Article 25 of the Company's Articles of Association.

the ordinary shareholders' meeting

- authorised the Board of Directors to continue the buy-back/ sale of a maximum of 2,500,000 treasury shares, equivalent to 1.517% of the share capital; the duration of this mandate is until 30 April 2017.
- appointed Ms Marta Dassù to the Board of Directors under Article 2386 of the Italian Civil Code for the years 2016 – 2017 and until the approval of the Financial Statements at 31 December 2017.
- Appointed the Board of Statutory Auditors for the three years 2016 – 2017 – 2018 and until the approval of the Financial Statements at 31 December 2018:

Milena Motta	Chairperson of the Board of Statutory Auditors
Adolfo Leonardi	Standing Statutory Auditor
Giancarlo Poletti	Standing Statutory Auditor
Marta Maggi	Supplementary Statutory Auditor
Stefano Leardini	Supplementary Statutory Auditor

The Board of Directors at its meeting on 29 July 2016 also deliberated:

- that the organisation, management and control model be updated to comply with Legislative Decree 231/01; a copy of the model is available on the Company website www.trevifin.com in the Corporate Governance section;

- to implement a remuneration plan based on the grant, free of charge, of ordinary shares of the Company in accordance with Article 114 bis of the Consolidated Finance Act, as authorised by the Shareholders' Meeting of 13 May 2016. A total of 444,841 rights have been granted free of charge that will give, without payment, an equal number of shares of the Company under the terms and conditions of the Rules of the 2016 Stock Grant Plan. The beneficiaries of the Plan were identified among the permanent employees of the Company and executives with particular responsibilities in the Company or in companies it controls under Article 2359 of the Italian Civil Code. The aim of the Plan is to increase the loyalty of executives and employees of the Company and the companies it controls who hold important positions and are, therefore, more directly responsible for the

Company results and to incentivise them to remain within the Group so that, *inter alia*, the interests of the beneficiaries of the 2016 Stock Grant Plan are aligned with the pursuit of the primary objective of value creation for shareholders over the medium/long-term.

Business outlook

The value and quality of the order portfolio at 30 June 2016, to which should be added the recent orders acquired and those currently being negotiated, confirm the validity of the Group business model even in a market environment as complex as the current one.

Significant events subsequent to the end of the first semester

No significant events have occurred since the end of the first semester other than those described in the first part of this Directors' Report.

Cesena, 29 August 2016

On behalf of the Board of Directors

The Chairman

Mr Davide Trevisani

HALF-YEAR CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

AT 30 JUNE 2016

TREVI GROUP

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Euro '000)

ASSETS	***Note***	**30/06/2016**	**31/12/2015**
Non-current Assets			
Property, plant and equipment			
Land and buildings		102,609	104,451
Plant and equipment		211,545	242,186
Industrial and commercial equipment		23,044	26,629
Other assets		21,234	23,210
Fixed assets under construction and advance payments		1,451	3,401
Total property, plant and equipment	**(1)**	**359,883**	**399,877**
Intangible assets			
Development costs		62,159	67,132
Industrial patents		451	500
Concessions, licences, brands		1,056	1,073
Goodwill		6,001	6,001
Fixed assets under construction and advance payments		9,260	9,344
Other intangible assets		2,204	3,101
Total intangible assets	**(2)**	**81,131**	**87,150**
Investments	**(3)**	2,278	1,800
- equity accounted investments in associates and joint-ventures		*33*	*39*
- other investments		*2,245*	*1,761*
Deferred tax assets	**(4)**	94,059	95,101
Non-current financial derivative instruments	**(5)**	0	0
Other non-current financial receivables		3,362	3,909
- of which with related parties	**(29)**	*2,713*	*3,245*
Other non-current assets	**(6)**	19,762	26,856
Total financial assets		**119,461**	**127,666**
Total non-current assets		**560,475**	**614,693**
Current Assets			
Inventories	**(7)**	342,165	301,082
Trade receivables and other current assets	**(8)**	544,961	673,659
- of which with related parties	**(29)**	*9,909*	*9,933*
Current tax receivables	**(9)**	33,607	47,606
Other current financial receivables		1,043	1,063
Current financial derivatives and financial assets held for trading at fair value	**(5)**	194	471
Current financial assets		0	1,824
Cash and cash equivalents	**(10)**	292,021	296,861
Total Current Assets		**1,213,991**	**1,322,567**
TOTAL ASSETS		**1,774,466**	**1,937,260**

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Euro '000)

Shareholders' equity	***Note***	**30/06/2016**	**31/12/2015**
Share Capital and Reserves			
Share capital		82,289	82,289
Other reserves		298,804	315,323
Retained earnings		143,361	167,302
Shareholders' equity attributable to owners of the Parent Company	**(11)**	**524,454**	**564,914**
Non-controlling interests		**9,809**	**14,659**
Total shareholders' equity		**534,263**	**579,573**
LIABILITIES			
Non-current liabilities			
Non-current financing	**(12)**	281,746	338,240
Other non-current financing	**(12)**	45,601	50,362
Non-current financial derivative instruments	**(5)**	1,442	1,504
Deferred taxes	**(4)**	61,075	62,748
Post-employment benefits	**(13)**	19,708	21,225
Non-current provisions for risks and charges	**(14)**	5,590	6,952
Other non-current liabilities		33	324
Total non-current liabilities		**415,195**	**481,355**
Current liabilities			
Trade payables and other current liabilities	**(15)**	431,329	515,933
- of which with related parties	**(29)**	*6,502*	*3,231*
Tax liabilities for current taxes	**(16)**	29,770	29,198
Current financing	**(17)**	338,592	295,118
Payables for other current financing	**(17)**	21,163	34,111
Current financial derivative instruments	**(5)**	198	0
Current provisions for risks and charges		3,956	1,970
Total current liabilities		**825,008**	**876,332**
TOTAL LIABILITIES		**1,240,203**	**1,357,687**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,774,466**	**1,937,260**

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT
(Euro '000)

	Note	30/06/2016	30/06/2015
Revenues from sales and services	**(20)**	494,204	587,725
- of which with related parties	**(29)**	*2,418*	*1,794*
Other operating revenues	**(20)**	25,047	13,390
Total revenues		**519,251**	**601,114**
Costs of raw materials and consumables		213,171	345,673
Changes in inventories of raw materials, ancillary materials, consumables and goods		(20,053)	(29,570)
Personnel expenses	**(21)**	120,983	131,428
Other operating expenses	**(22)**	181,466	228,717
- of which with related parties	**(29)**	*4,038*	*6,732*
Depreciation and amortisation	**(1)-(2)**	32,644	30,159
Provisions for risks and charges and write-downs	**(23)**	4,140	25,552
Increase in fixed assets for internal use		(3,841)	(13,242)
Changes in inventories of finished and semi-finished products		(34,811)	(13,132)
Operating Profit		**25,552**	**(104,471)**
Financial income	**(24)**	751	934
(Financial expenses)	**(25)**	(14,847)	(13,888)
Gains/ (losses) on exchange rates	**(26)**	(17,165)	(7,006)
Net financial expenses and gains/ (losses) on exchange rates		**(31,261)**	**(19,960)**
Impairment of financial assets		(303)	0
Profit before taxes		**(6,012)**	**(124,430)**
Income taxes	**(27)**	15,327	4,836
Net profit		**(21,339)**	**(129,267)**
Attributable to:			
Equity holders of the Parent Company		(23,576)	(128,089)
Non-controlling interests		2,237	(1,178)
		(21,339)	**(129,267)**
Basic earnings per share *(Euro)***:**	**(28)**	(0.143)	(0.777)
Diluted earnings per share *(Euro)***:**	**(28)**	(0.143)	(0.777)

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Euro '000)

	30/06/2016	30/06/2015
Net Profit/ (loss) for the period	**(21,339)**	**(129,267)**
Other items of comprehensive income subsequently reclassified to profit or loss for the period:		
Cash flow hedge reserve	10	281
Tax	(20)	(102)
Change in cash flow hedge reserve	**(10)**	**178**
Translation reserve	**(23,393)**	**32,944**
Total of other comprehensive income that may be reclassified subsequently to profit or loss net of tax	**(23,403)**	**33,123**
Comprehensive income net of tax	**(44,742)**	**(96,145)**
Parent Company shareholders	(40,459)	(93,134)
Non-controlling interests	(4,283)	(3,011)

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
(Euro '000)

Description	Share capital	Other reserves	Retained earnings	**Group share of capital and reserves**	Non-controlling interests	**Total shareholders' equity**
Balance at 01/01/2015	**82,327**	**272,091**	**294,386**	**648,804**	**17,942**	**666,747**
Profit for the period			(128,089)	(128,089)	(1,178)	(129,267)
Actuarial gains/ (losses)		0		0		0
Other comprehensive income/ (loss)		34,956		34,956	(1,833)	33,123
Total comprehensive income	**0**	**34,956**	**(128,089)**	**(93,133)**	**(3,011)**	**(96,145)**
Allocation of profit for 2014 and dividend distribution		362	(11,896)	(11,534)	(1,053)	(12,587)
Balance at 30/06/2015	**82,327**	**307,409**	**154,400**	**544,136**	**13,878**	**558,015**
Balance at 01/01/2016	**82,289**	**315,322**	**167,302**	**564,914**	**14,658**	**579,573**
Profit for the period			(23,578)	(23,578)	2,237	(21,339)
Actuarial gains/ (losses)		0		0		0
Other comprehensive income/ (loss)		(16,883)		(16,883)	(6,520)	(23,403)
Total comprehensive income	**0**	**(16,883)**	**(23,578)**	**(40,461)**	**(4,283)**	**(44,742)**
Allocation of profit for 2015 and dividend distribution		363	(363)	(0)	(566)	(566)
Balance at 30/06/2016	**82,289**	**298,803**	**143,361**	**524,453**	**9,809**	**534,263**

TREVI GROUP
HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS
(Euro '000)

		Note	Semester to 30/06/2016	Semester to 30/06/2015
	Net income for the year		(21,339)	(129,267)
	Income taxes for the year	(27)	15,327	4,836
	Profit before taxes		**(6,012)**	**(124,431)**
	Depreciation and amortisation	(1)	32,644	30,159
	Net financial expenses	(24)-(25)	14,096	12,954
	Changes in provisions for risks and costs and for post-employment benefits	(13)-(14)	(893)	7,025
	Impairment of financial assets		303	(0)
	(Gains) / losses from sale or impairment of fixed assets	(20)-(22)	369	560
(A)	**Cash Flow from operations before changes in net working capital**		**40,507**	**(73,733)**
	(Increase)/Decrease trade receivables	(6)-(8)	137,217	35,644
	(Increase)/Decrease inventories	(7)	(41,082)	(17,492)
	(Increase)/Decrease other current assets		14,184	(30,934)
	Increase/(Decrease) trade payables	(15)	(86,140)	49,497
	Increase/(Decrease) other current payables		(14,627)	(4,233)
(B)	**Changes in net working capital**		**9,552**	**32,483**
(C)	Interest payable and other payables	(24)-(25)	(14,096)	(12,954)
(D)	Cash out for taxes	(10)	(558)	(4,319)
(E)	**Cash Flow generated (absorbed) by operations (A+B+C+D)**		**35,405**	**(58,522)**
	Investments			
	Operational (investments)	(1)	(15,337)	(42,375)
	Operational divestments	(1)	9,102	14,154
	Net change in financial assets	(3)	(781)	(171)
(F)	**Cash Flow generated (absorbed) by investments**		**(7,016)**	**(28,392)**
	Financing activities			
	Increase/(Decrease) in share capital for purchase of treasury shares	(11)	(0)	(0)
	Other changes including those in non-controlling interests	(11)	(4,169)	3,124
	Increase/(Decrease) in debt, financing and derivative instruments	(12)-(17)	(12,019)	137,975
	Increase/(Decrease) in leasing liabilities and other financing	(12)-(17)	(17,710)	(14,936)
	Dividend distribution		(566)	(1,053)
(G)	**Cash Flow generated (absorbed) by financing activities**		**(34,464)**	**125,110**
(H)	**Net Change in Cash Flows (E+F+G)**		**(6,075)**	**38,196**
	Opening Balance of Net Liquid Funds		**290,490**	**236,328**
	Net Changes in Liquid Funds		**(6,075)**	**38,196**
	Closing Balance of Net Liquid Funds		**284,415**	**274,524**

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

Description	Note	Semester to 30/06/2016	Semester to 30/06/2015
Cash and cash equivalents	(10)	292,021	278,721
Bank overdrafts	(17)	(7,606)	(4,197)
Cash and cash equivalents net of bank overdrafts		**284,415**	**274,524**

The Notes to the Financial Statements are an integral part of the Financial Statements

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS at 30 June 2016

Introduction

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

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

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

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

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

These Half-year Condensed Consolidated Financial Statements were approved and authorised to be made public by the Board of Directors on 29 August 2016.
Reference should be made to the Directors' Report on Operations for comments on the performance of the business areas in which the Group is present.

Use of accounting estimates

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

Basis of preparation of the Half-year Condensed Consolidated Financial Statements at 30 June 2016

The interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with Article 154-ter paragraphs 2 and 3 of the Consolidated Finance Act and the International Accounting Standard IAS 34 - *Interim Financial Statements* that permits the preparation of condensed financial statements with a minimum content that is significantly lower than that required by the International Financial Reporting Standards ("IFRS"), as long as complete financial statements prepared in accordance

with IFRS have previously been made publicly available. These interim financial statements are presented in a condensed form and must, therefore, be read together with the Consolidated Financial Statements for the year ended 31 December 2015, which were prepared in accordance with IFRSs as endorsed by the European Union. Reference should be made to the latter for a better understanding of the accounting policies.

The preparation of interim financial statements in accordance with IAS 34 – *Interim Financial Statements* requires judgements, estimates and assumptions to be made which have an effect on the assets, liabilities costs and revenues. The actual figures may, therefore, differ from those estimated.

The Half-year Condensed Consolidated Financial Statements of the TREVI Group, given that there exist no uncertainties or doubts concerning its ability to continue its business for the foreseeable future, have been prepared on a going concern basis. As already described in the Report on Operations, the majority of the loss incurred by the Group in the first semester 2016 is attributable to the timing of the commencement of certain contracts, particularly in the Special Foundations Division, that should start in the second semester and to the price of Brent crude oil in the first semester that severely penalised investments in the Oil & Gas sector.

The going concern assumption, based on the 2016 Budget (approved by the Board of Directors of TREVI - Finanziaria Industriale S.p.A. on 16 December 2015) and the economic and financial forecasts for 2017 and 2018 prepared by the Chief Executive Officer and discussed by the Board of Directors is considered still valid given the financial results at 30 June 2016 and given that the TREVI Group should achieve, already in the second semester of the current year, margins and profitability similar to those of previous financial periods.

The Half-Year Condensed Consolidated Financial Statements are composed of the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Shareholders' Equity and the related Explanatory Notes. The Income Statement, the Statement of Changes in Shareholders' Equity and the Statement of Cash Flows for the semester ended 30 June 2016 are shown with comparative figures for the semester to 30 June 2015. The Statement of Financial Position at 30 June 2016 shows comparative figures at 31 December 2015 (the most recent full-year consolidated financial statements).

The Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Statement of Cash Flows are presented in full. The Half-Year Condensed Consolidated Financial Statements are shown in Euro, which is the functional currency since it is the most prevalent currency in the economies in which the companies of the TREVI Group operate; all figures in the tables are presented in thousands of Euro unless otherwise indicated.

The Half-Year Condensed Consolidated Financial Statements at 30 June 2016 have been subject to a limited audit as permitted under Consob Ruling no. 10867 of 31 July 1997.

Accounting standards

The accounting policies used in the preparation of the Half-Year Condensed Consolidated Financial Statements are those used in the preparation of the annual Consolidated Financial Statements for the year ended 31 December 2015, except for international accounting standards that were applied from 1 January 2016 that are described below. These standards have been applied to the accounts of all Group companies and to the figures from all the financial periods given in the present statements.

New accounting standards and amendments applicable from 1 January 2016

The following new accounting standards, amendments and interpretations issued by the IASB have been applied by the Group from the start of 2016:

IFRS *Annual Improvements Cycle 2010-2012*

These improvements were mandatory from1 February 2015 and have been applied for the first time in these Half-Year Condensed Consolidated Financial Statements. They include:

IFRS 2 *Share-based Payment*

This improvement to be applied prospectively clarifies the definition of vesting conditions by separately defining a “performance condition” and a “service condition”:

- a performance condition must contain a service condition
- a performance target must be met while the counterparty is rendering service
- a performance target may relate to the operations or activities of an entity or to those of another entity in the same group
- a performance condition may be a market or non-market condition
- if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

The definitions above are consistent with the way that the Group has identified performance conditions and service conditions that are part of vesting conditions and, therefore, these amendments had no impact on the accounting criteria of the Group.

IFRS 3 - *Business Combinations*

The amendment, which is effective prospectively, clarifies that contingent considerations arising from a business combination that are classified as a liability or an asset must be measured at fair value at each reporting date through profit or loss, whether or not it falls within the scope of IFRS 9 (or IAS 39 depending on the circumstances). This is in line with the accounting standards applied by the Group and the improvement therefore had no impact on the Group Financial Statements.

IFRS 8 - *Operating Segments*

The amendment, applicable retrospectively, clarifies that:

- an entity must disclose the judgements made by management in applying the aggregation criteria to operating segments under paragraph 12 of IFRS 8 and give a brief description of the operating segments aggregated and the economic characteristics (e.g. sales, gross margin) used to determine that the sectors have similar economic characteristics.
- it is only necessary to provide the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria under IFRS 8.12.

IAS 16 – *Property, Plant and Equipment* and IAS 38 – *Intangible Assets*

The amendment is effective retrospectively and clarifies that under IAS 16 and IAS 38 an asset may be revalued by adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. Moreover, accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount of the asset. The Group accounted for no adjustments from revaluations during the intermediate reference period.

IAS 24 – *Related Party Disclosures*

The amendment is effective retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant to the Group as it does not make use of management services from another entity.

Amendments to IFRS 11 – *Acquisition of an Interest in a Joint Operation*

The amendments to IFRS 11 clarify that when acquiring an interest in a joint operation where the activity of the joint operation constitutes a business all of the principles on accounting for business combinations in IFRS 3 must be applied. The amendments also clarify that any previously held interest in the joint operation would not be remeasured if the joint operator acquires an additional interest while retaining joint control. An exclusion to the scope of IFRS 11 was added to clarify that the amendments should not apply when the parties sharing joint control, including the reporting entity, are under the control of the same ultimate controlling party.

The requirements apply to the acquisition of both the initial interest and additional interests in a joint operation. The amendments are applicable prospectively for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments had no impact on the Group as in the period under review as it acquired no interests in any joint operation.

Amendments to IAS 16 and IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle that is part of IAS – *Property, Plant and Equipment* and IAS 38 – *Intangible Assets* that revenues reflect a pattern of generation of economic benefits that arise from the operation of a business of which an asset is part rather than the pattern of consumption of an asset's expected future economic benefits. As a result a depreciation method based on revenue cannot be used for property, plant and equipment and may only be used in limited circumstances for the amortisation method for intangible assets. The amendments are effective for annual periods beginning on or after 1 January 2016 and early application is permitted. These amendments had no impact on the Group as it does not use revenue-based methods for the amortisation or depreciation of non-current assets.

Amendments to IAS 16 and IAS 41 - *Agriculture: Bearer Plants*

The amendments change the accounting for the subset of biological assets known as bearer plants. Under the amendments bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be valued under IAS 16 at their accumulated cost (before maturity) and will be measured using either the cost model or the revaluation model (after maturity). The amendments also require an entity to recognise a bearer plant separately from its agricultural produce; agricultural produce will remain in the scope of IAS 41 and will be valued at fair value less costs to sell. Since bearer plants will be excluded from the scope of IAS 41, any related grants will be in the scope of IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance* instead. The amendments are applicable retrospectively to annual periods beginning on or after 1 January 2016. Early adoption is permitted. These amendments had no impact on the Group as it owns no bearer plants.

Amendments to IAS 27 - *Equity method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities that already use IFRS and decide to change to the equity method to account for investments in the separate financial statements must apply the change retrospectively. First-time adopters of IFRS that decide to use the equity method to account for investments in the separate financial statements must use this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments had no impact on the Consolidated Financial Statements of the Group.

IFRS *Annual Improvements Cycle 2012- 2014*

These improvements are applicable for annual periods commencing on or after 1 January 2016. They include:

IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other should not be

considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 - *Financial Instruments: Disclosure*

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a transferred asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The recognition of which servicing contracts constitute continuing involvement must be done retrospectively. However, disclosure is not required for comparative periods that begin before the annual period for which the entity first applies the amendment.

(ii) Applicability of the offsetting disclosures to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements are not required in condensed interim financial reports unless they are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. This amendment must be applied retrospectively.

IAS 19 – *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied retrospectively.

Amendments to IAS 1 - *Disclosure Initiative*

The amendments to IAS 1 aim to clarify rather than significantly change existing IAS 1 requirements. The amendments clarify:

- the materiality considerations under IAS 1
- that the list of line items to be presented in the statement of profit or loss and other comprehensive income or the statement of financial position can be disaggregated
- that entities have flexibility when designing the structure of the notes to the financial statements
- that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

In addition, the amendments clarify the requirements applicable to sub-totals in the statement of profit or loss and other comprehensive income or in the statement of financial position. These amendments are applicable for annual periods beginning on or after 1 January 2016. Early application is permitted. These amendments had no impact on the Group.

Capital Management

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

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

Net equity is all the components of capital and reserves.

At 30 June 2016, the carrying value of Group net equity exceeded the market capitalisation. However, it is not considered that this constitutes an indication of impairment or that any long-term impairment of value exists that requires a reduction in the carrying value of the invested capital of the Group because:

- the Group order portfolio was particularly strong at 30 June 2016 and showed a net increase of Euro 125 million compared to 31 December 2015 (+13.2%);
- the portfolio for the end of the current financial year offers better margins than those achieved in the semester under review;
- the geographic diversification of the business reduces risks linked to fluctuations in specific markets. Over 90% of consolidated revenues is generated outside Italy.

Exchange rates used by the Group

The exchange rates used for the conversion of foreign currencies for the first semester 2016 and the comparative exchange rates for 2015 are as follows:

Currency		1H 2015 average exchange rate	Exchange rate on 30/06/15	1H 2014 average exchange rate	Exchange rate on 30/06/14
Sterling	GBP	0.778	0.827	0.732	0.711
Japanese Yen	JPY	124.502	114.050	134.165	137.010
US Dollar	USD	1.116	1.110	1.116	1.119
Turkish Lira	TRL	3.259	3.206	2.862	2.995
Argentine Peso	ARS	15.990	16.580	9.839	10.165
Venezuelan Bolivar Fuerte			697.210		58.083
Nigerian Naira	NGN	228.01	312.93	219.57	222.70
Singapore Dollar	SGD	1.540	1.496	1.506	1.507
Philippine Peso	PHP	52.32	52.24	49.72	50.47
Chinese Renmimbi	CNY	7.294	7.376	6.941	6.937
Malaysian Ringgit	MYR	4.575	4.430	4.060	4.219
UAE Dirham	AED	4.095	4.076	4.097	4.107
Algerian Dinar	DZD	121.22	122.50	106.76	110.70
Hong Kong Dollar	HKD	8.665	8.614	8.652	8.674
Indian Rupee	INR	74.98	74.96	70.12	71.19
Australian Dollar	AUD	1.522	1.493	1.426	1.455
Libyan Dinar	LYD	1.530	1.540	1.512	1.540
Saudi Arabian Rial	SAR	4.184	4.164	4.186	4.196
Brazilian Real	BRL	4.135	3.590	3.308	3.470
Danish Krone	DKK	7.450	7.439	7.456	7.460
Kuwaiti Dinar	KWD	0.337	0.335	0.334	0.338
Thai Baht	THB	39.552	39.007	36.779	37.796
Colombian Peso	COP	3,485.4	3,244.5	2,770.4	2,896.4
Mozambique Metical	MZN	57.72	70.26	37.50	42.79
Russian Rouble	RUB	78.41	71.52	64.60	62.36
Belarusian Rouble	BYR	22,583.32	22,262.84	16,413.52	17,170.64
Canadian Dollar	CAD	1.485	1.438	1.38	1.384
Mexican Peso	MXN	20.160	20.635	16.89	17.53
Egyptian Pound	EGP	9.432	9.851	8.437	8.534
Iraqi Dinar	IQD	1,299.587	1,293.383	1,299.96	1,303.52
Norwegian Crown	NOK	9.423	9.301	8.6442	8.791

Consolidation Area

The consolidation area at 30 June 2016 had not changed compared to the consolidation area at 31 December 2015. The changes compared to 30 June 2015 were:

- Trevi Arabco J.V. was established with a registered office in Egypt; it is 51% controlled by the TREVI Group and is fully consolidated since, under the joint venture agreement and subsequent amendments, the Group controls the company;
- Trevi Holding USA Corp. was established with a registered office in the USA; it is 100% owned by the TREVI Group and is fully consolidated.

The appendices to the Explanatory Notes include a chart of the Group structure and a list of companies consolidated at 30 June 2016.

(1) Property, plant and equipment:

Property, plant and equipment at 30 June 2016 totalled Euro 359.883 million, a decrease of Euro 39.994 million compared to the figure at 31 December 2015.

Changes that occurred in the first semester 2016 were as follows:

Description	Historical cost at 31/12/15	Accumulated depreciation 31/12/15	**Carrying amount at 31/12/15**	Incr.	Decr.	Depr.	Use of reserves	Other changes	Ex-rate differences	Historic Cost at 30/06/16	Accumulated depreciation 30/06/16	**Carrying amount at 30/06/16**
Land	31,553	0	31,553	0	0	0	0	217	(66)	31,704	0	31,704
Buildings	107,173	(34,277)	72,896	876	0	(1,782)	0	(171)	(914)	106,964	(36,058)	70,906
Plant and machinery	484,471	(242,285)	242,187	5,414	(10,319)	(18,592)	5,457	(1,560)	(11,041)	466,966	(255,420)	211,545
Industrial and commercial equipment	89,736	(63,107)	26,629	4,017	(3,417)	(2,727)	342	438	(2,238)	88,536	(65,492)	23,044
Other assets	87,719	(64,509)	23,209	2,730	(1,964)	(3,304)	872	2,957	(3,267)	88,175	(66,942)	21,234
Assets under construction & advance payments	3,402	0	3,402	358	(0)	0	0	(1,880)	(429)	1,451	0	1,451
TOTAL	**804,055**	**(404,178)**	**399,877**	**13,396**	**(15,701)**	**(26,404)**	**6,671**	**1**	**(17,955)**	**783,795**	**(423,912)**	**359,883**

The gross increase in the period was Euro 13.396 million whilst decreases totalled Euro 15.701 million. These changes reflect the ordinary replacement of plant and equipment.

Exchange rate losses in the period totalled Euro 17.955 million.

Some property, plant and equipment are pledged as part of financing agreements as described in the Note on bank loans and other non-current financial liabilities.

(2) Intangible assets:

At 30 June 2016, intangible assets were Euro 81.132 million. Changes that occurred in the first semester 2016 were as follows:

Description	Historical cost at 31/12/2015	Accumulated depreciation 31/12/2015	**Carrying amount at 31/12/2015**	Incr.	Decrease	Depr.	Ex-rate. differences	Historical cost at 30/06/2016	Accumulated depreciation 30/06/2016	**Carrying amount at 30/06/2016**
Goodwill	6,001	0	6,001					6,001	0	6,001
Development costs	105,410	(38,278)	67,132	230		(4,546)	(657)	104,983	(42,824)	62,159
Industrial patents & use of intellectual property	7,276	(6,776)	500	79		(128)		7,355	(6,904)	451
Concessions, licences, brands & other similar rights	3,965	(2,892)	1,073	234		(250)	(1)	4,198	(3,141)	1,056
Assets under construction & advance payments	9,343	0	9,343	6	(71)		(19)	9,260	0	9,260
Other intangible assets	16,207	(13,106)	3,100	1,023		(1,316)	(603)	16,626	(14,423)	2,204
TOTAL	**148,202**	**(61,052)**	**87,150**	**1,572**	**(71)**	**(6,240)**	**(1,280)**	**148,423**	**(67,292)**	**81,132**

The net carrying amount of development costs at 30 June 2016 was Euro 62.159 million (Euro 67.132 million at 31 December 2015); and included the costs for the development of technology and equipment for the foundation and drilling sectors in the subsidiaries Soilmec S.p.A. and Trevi S.p.A., capitalized in accordance with IAS 38, and subsequently depreciated from the start of production over the average economic life of the relevant equipment. Recurring research and development costs incurred in the first semester 2016 and charged to the Income Statement totalled Euro 4.687 million.

The entry, intangible assets under construction and advance payments, includes development costs for

projects that had not been completed at the end of the semester under review.

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

(3) Investments:

Investments totalled Euro 2.278 million. Changes that occurred in the first semester 2016 were as follows:

Description	Balance at 31/12/15	Increase	Decrease	Impairment	Balance at 30/06/16
Associates	39	0	(6)		33
Other companies	1,761	485	(2)		2,245
TOTAL	**1,800**	**485**	**(8)**		**2,278**

Appendix 1a gives a list of associate companies and joint ventures that are equity accounted while Appendix 1c gives a list of shareholdings in other companies held directly and indirectly, giving the currency denomination, the location of the registered office, the share capital, the amount held, and the carrying amount of each company.

(4) Deferred tax assets and deferred tax liabilities

Deferred tax assets are for the timing differences that mainly derive from the tax benefit relating to the elimination of infragroup profits. At 30 June 2016, these totalled Euro 94.059 million, a decrease of Euro 1.042 million compared to the figure at 31 December 2015. Deferred tax liabilities arise from the difference in the values of assets and liabilities shown in the Consolidated Statement of Financial Position and the corresponding fiscal values recognised in the countries in which the Group operates. At 30 June 2016, these totalled Euro 61.075 million, a decrease of Euro 1.673 million compared to the figure at 31 December 2015.

(5) Derivative instruments:

At 30 June 2016, the Group had no non-current financial derivatives while current financial derivatives totalled Euro 0.194 million. These were exchange rate hedges agreed by the Parent Company.

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

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

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

Description	30/06/2016	31/12/2015	change
Trade receivables	18,621	25,262	(6,642)
Accrued income and pre-paid expenses	1,141	1,593	(452)
TOTAL	**19,762**	**26,856**	**(7,094)**

Non-current trade receivables from clients refer primarily to trade receivables due beyond one year; they are attributable for Euro 6.333 million to Swissboring Overseas Piling Corporation Euro12.320 million to

Soilmec S.p.A., Euro 1.018 million to Trevi Foundations Nigeria and Euro 0.090 million to Foundation Construction. These trade receivables were discounted to represent the net present value of the future cash-in and payments.

(7) Inventories

Inventories were Euro 342.165 million at 30 June 2016 and the breakdown was as follows:

Description	30/06/2016	31/12/2015	change
Raw materials, ancillary materials and consumables	175,215	159,472	15,743
Work in progress and semi-finished goods	41,742	27,534	14,208
Finished goods and products	122,749	108,594	14,155
Advance payments	2,458	5,482	(3,024)
TOTAL	**342,165**	**301,082**	**41,083**

Inventories increased by Euro 41.083 million compared to the figure at 31 December 2015. Inventories are shown net of the obsolescence fund of Euro 6.585 million (Euro 6.539 million at 31 December 2015). The increase was mainly in the mechanical engineering companies to cover the risk of obsolescence and the slow disposal of some goods at the end of the period.

(8) Trade receivables and other current receivables

At 30 June 2016, these totalled Euro 544.961 million and the breakdown was as follows:

Description	30/06/2016	31/12/2015	change
Trade receivables	352,953	412,780	(59,827)
Receivables due from clients	83,554	154,278	(70,724)
Sub-total of trade receivables	**436,507**	**567,058**	**(130,551)**
Receivables from associates	9,909	9,933	(25)
Tax Receivables for VAT	22,240	25,119	(2,879)
Other receivables	56,261	51,989	4,271
Accrued income and pre-paid expenses	20,044	19,560	484
TOTAL	**544,961**	**673,659**	**(128,699)**

Trade receivables are shown net of the non-recourse sale of receivables through factoring operations.

At 30 June 2016, non-recourse sales of receivables to factoring companies totalled Euro 142.998 million (Euro 171.045 million at 31 December 2015).

Details of receivables from associates, which were Euro 9.909 million at 30 June 2016, are given in Note 29 on related-party transactions.

The entry for receivables due from clients of Euro 83.554 million is for contract work in progress net of any advance payments; this analysis is carried out for each contract and where there is a positive difference (contract work in progress greater than advance payments received) it is included in current assets under the entry, trade receivables from clients, as a sum due from clients; if the difference is negative, the figure is included under current liabilities in the entry, other payables, as it is a sum owed to the client. The following table shows the composition of these entries:

(Euro '000)

Description	30/06/2016	31/12/2015	change
Current assets:			
Contract work in progress	126,483	235,670	(109,188)
Write-down provision	(3,000)	(3,000)	0
Total contract work in progress	***123,483***	***232,670***	***(109,188)***
Advance payments	(39,929)	(78,392)	38,463
Total due from clients	**83,554**	**154,278**	**(70,725)**
Current liabilities:			
Contract work in progress	110,620	90,024	20,597
Advance payments	(167,692)	(125,613)	(42,079)
Total due to clients	**(57,072)**	**(35,590)**	**(21,482)**

Trade receivables are net of provisions of Euro 25.402 million. Changes in this provision were as follows:

Description	Balance at 31/12/15	Provisions	Write-backs	Other changes	Balance at 30/06/16
Provision for doubtful accounts	29,375	1,267	(4,122)	(1,118)	25,402
TOTAL	**29,375**	**1,267**	**(4,122)**	**(1,118)**	**25,402**

Provisions of Euro 1.267 million (Euro 12.846 million at 31 December 2015) arose from individual valuations of receivables, based on a specific analysis of each situation that could present a credit risk. The entry for other changes includes exchange rate differences.

Accrued income and pre-paid expenses

This was mainly accruals and the breakdown was as follows:

Description	30/06/2016	31/12/2015	change
Advance payment of insurance premiums	3,302	2,108	1,194
Pre-paid rental liabilities	2,481	2,971	(491)
Interest (under the Sabatini Law)	137	58	80
Other	14,124	14,423	(299)
TOTAL	**20,044**	**19,560**	**484**

The breakdown of other receivables was as follows:

Description	30/06/2016	31/12/2015	change
Due from employees	1,665	1,882	(217)
Advance payments to suppliers	29,853	23,456	6,397
Due from factoring companies	8,428	15,110	(6,681)
Other	16,315	11,541	4,774
TOTAL	**56,261**	**51,989**	**4,272**

The increase in the entry for advance payments to suppliers compared to the figure at 31 December 2015 is mainly attributable to the Special Foundations Division.

(9) Current tax receivables

Current tax receivables totalled Euro 33.607 million and were mainly direct tax credits and advance tax payments.

(10) Cash and cash equivalents

The breakdown of cash and cash equivalents was as follows:

Description	30/06/2016	31/12/2015	change
Bank and post office deposits	290,070	295,739	(5,669)
Cash and cash equivalents	1,951	1,122	829
TOTAL	**292,021**	**296,861**	**(4,839)**

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

(11) SHAREHOLDERS' EQUITY

Shareholders' equity at 30 June 2016 was made up as follows:

-*Share capital:*

At 30 June 2015, the fully issued and paid up share capital of the Company was Euro 82,391,632.5 composed of 164,783,265 ordinary shares each of nominal value Euro 0.50; the share capital shown in the Financial Statements is net of the 204,000 treasury shares held and is Euro 82,289,632.5.

- *Share premium reserve:*

This was Euro 227.767 million at 30 June 2016 and was unchanged on the figure at 31 December 2015.

Other reserves:

These were as follows:

- *Fair value reserve:*

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

- *IFRS reserve*

At 30 June 2016, this reserve was Euro 13.789 million and comprised all the adjustments made for the transition to IAS/IFRS accounting, which was adopted from 1 January 2004.

- *Translation reserve:*

This reserve, which was Euro 36.104 million at 30 June 2016, reflects the exchange rate differences deriving from the translation of financial statements prepared in currencies other than the Euro; the devaluation of the US dollar and the Nigerian Naira against the Euro in the semester under review had a negative effect of Euro 16.873 million on this reserve.

- *Reserve for actuarial gains/ (losses)*

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

-Retained earnings:

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

(12) Bank loans and other non-current financial liabilities

Description	30/06/2016	31/12/2015	change
Bank loans	281,746	338,241	(56,495)
Due to leasing companies	41,325	45,778	(4,453)
Other financial liabilities	4,276	4,583	(307)
Financial derivatives	1,442	1,504	(62)
TOTAL	**328,789**	**390,106**	**(61,317)**

The breakdown of bank loans is given in the following table:

Description	From 1-5 years	Beyond 5 years	Total
Bank loans	253,175	28,571	281,746
TOTAL	**253,175**	**28,571**	**281,746**

The breakdown of non-current payables due to leasing companies was as follows:

Description	From 1-5 years	Beyond 5 years	Total
Due to leasing companies	33,711	7,614	41,325
TOTAL	**33,711**	**7,614**	**41,325**

Significant residual outstanding Group bank loans and other non-current financial liabilities were as follows:

- the non-current part of the variable rate loan, originally amounting to Euro 50,000,000, of Euro 24,666,666; this loan is repayable in twenty quarterly instalments with the final instalment due on 3 November 2020. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 40,000,000, of Euro 16,000,000; this loan is repayable in ten six-monthly instalments with the final instalment due on 30 June 2019. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 50,000,000, of Euro 31,955,667; this loan is repayable in eight six-monthly instalments with the final instalment due on 5 December 2019. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 30,000,000 of Euro 15,000,000; this loan is repayable in ten six-monthly instalments with the final instalment due on 23 December 2019. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 20,000,000, for Euro 12,000,000; this loan is repayable in ten six-monthly instalments with the final instalment due on 11 May 2020. Interest expenses are calculated at Euribor plus a spread;

- the non-current part of the variable rate loan, originally amounting to Euro 20,000,000, for Euro 8,695,409; this loan is repayable in seven six-monthly instalments with the final instalment due on 31 December 2018. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 30,000,000, for Euro 22,500,000; this loan is repayable in eight six-monthly instalments with the final instalment due on 19 June 2020. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 40,000,000, for Euro 40,000,000; this loan is repayable in fourteen six-monthly instalments with the final instalment due on 19 June 2025. Interest expenses are calculated at Euribor plus a spread;
- the non-current part of the variable rate loan, originally amounting to Euro 20,000,000, for Euro 12,639,314; this loan is repayable in eight six-monthly instalments with the final instalment due on 23 July 2019. Interest expenses are calculated at Euribor plus a spread.

In addition to the financing described above, at 30 June 2016, the TREVI Group had loans totalling Euro 110 million repayable in single amounts when the periods of the loans expire; these included the Minibond 2014-2019. At 30 June 2016, the TREVI Group had access to Euro 130 million of unutilised committed loans.

Some of the loan agreements contain covenants that certain financial ratios are met based on the Consolidated Financial Statements as follows:

- *Net Financial Position /EBITDA*: an indicator of indebtedness, calculated as the ratio of net financial indebtedness to EBITDA;
- *Net Financial Position/ Shareholders' Equity*: an indicator of indebtedness, calculated as the ratio of net financial indebtedness to shareholders' equity.

The Minibond 2014-2019 carries a further financial covenant in addition to those above which is also measured on the Consolidated Financial Statements:

- *EBITDA/ Net Financial Expenses*: an indicator of the weight of interest expenses calculated as the ratio of EBITDA to net financial expenses.

Should the Company fail to respect these covenants, the loan agreements allow for a cure period; if the Company's failure to respect the covenants continues beyond the cure period, the banks that have granted the loans can call in the loans or renegotiate their terms.

As described in full in the Financial Statements at 30 December 2015, where further details may be found, in the period to 30 June 2015 the Group suffered a large, non-recurring loss that had a material impact on the share price of TREVI Finanziaria Industriale S.p.A. With the press release of 30 July 2015 the Group informed the market that the forecast for EBIT for the 2015 calendar year had been downgraded from Euro 70 million to between Euro 30 million and Euro 40 million and that the estimate for net debt at 31 December 2015 was approximately Euro 450 million; therefore, the Net Debt/EBITDA ratio at 31 December 2015 would be higher than the required 4x in the covenants of the loan agreements.

From October 2015, the Group held discussions with the banks to request a waiver for the covenant; in particular and only for the annual consolidated financial ratios for the 2015 financial year, the Group requested that:

a) the financial ratios at 31 December 2015 should not be used to ascertain that the financial covenants had been respected;

b) the financial ratios calculated to ascertain that the financial covenants had been respected should be calculated at 30 June 2016 on a rolling basis, i.e. based on the cumulative results of the second semester 2015 and the first semester 2016.

Waiver letters were given to the Group by all the credit institutions. These specified that the waivers were exclusively (and restricted to that particular case) for the financial covenants at 31 December 2015 and that these would instead be calculated under the proposed delayed method using the figures at 30 June 2016. They also specified that for the financial covenants for the 2016 financial year and subsequent financial years, the figures in the Consolidated Financial Statements at 31 December of each financial year would be used as under the original terms of the agreements.

At 30 June 2016, all the covenants agreed by the TREVI Group had been respected.

The total amount due to leasing companies was Euro 48.441 011 million, which was the fair value as all the leasing agreements are subject to interest at variable rates.

Other non-current financial liabilities were Euro 4.276 million, a slight decrease compared to the figure at 31 December 2015. This item mainly comprises the residual payables for the acquisition of non-controlling interests in some subsidiaries in South America and the Far East.

Details on financial derivative instruments are given in Note 5.

(13) Post-employment benefits

At 30 June 2016, the employee termination indemnity fund (TFR) and pension funds were Euro 19.708 million and comprised the indemnities accrued at year-end by employees of Italian companies, as required under the law, and provisions made by foreign companies to cover accrued liabilities towards employees.

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

Changes in this fund during the first semester 2016 are shown in the following table:

Description	Balance at 31/12/15	Provisions	Indemnities and advances paid	Other changes	Balance at 30/06/16
Employee termination indemnities	9,934	304	(335)	(71)	9,832
Pension fund and similar liabilities	11,291	2,653	(3,861)	(206)	9,876
TOTAL	**21,225**	**2,956**	**(4,196)**	**(277)**	**19,708**

Other changes in the pension funds are due to exchange rate translation effects from foreign subsidiaries. The TREVI Group has calculated the accounting impact of the changes to the Staff-leaving Indemnity Fund in Law No. 296 of 27 December 2006 (the Finance Law 2007) and subsequent Laws and Rulings that were issued in early 2007.

	30/06/2016	31/12/2015
Opening balance	**9,933**	**11,155**
Operating expenses for services	136	315
Liabilities for new employees	0	0
Interest expenses	96	157
Actuarial gains (losses)	0	(436)
Indemnities paid	(335)	(1,258)
Movements to pension funds and tax	0	0
Closing balance	**9,832**	**9,933**

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

	30/06/2016	31/12/2015
Actualisation technical yearly rate	2.03%	2.03%
Annual inflation rate	1.75%	1.75%
Annual rate of total salary increases	2.50%	2.50%
Annual rate of increase in TFR	2.81%	2.81%

(14) Provisions for risks and charges

The breakdown of provisions for risks and charges was as follows:

Description	30/06/2016	31/12/2015	change
Warranty reserve	4,270	5,137	(867)
Provision for losses from associates	742	742	0
Legal disputes	382	723	(342)
Other	196	349	(153)
Total non-current provisions for risks and charges	**5,590**	**6,952**	**(1,362)**
Other provisions for risks and charges	3,956	1,970	1,986
Total current provisions for risks and charges	**3,956**	**1,970**	**1,986**
TOTAL	**9,546**	**8,922**	**624**

The warranty reserve of Euro 4.270 million consists of provisions to cover technical warranties on products with guarantees from the mechanical engineering companies of the Group.

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

The reserve for legal disputes totalled Euro 0.382 million and was mainly attributable to the subsidiaries in South America and Italy. This reserve is the best estimate made by management of the potential liabilities for:

- legal disputes arising from normal activities;
- legal disputes involving the fiscal and tax authorities.

Other provisions for risks and charges include those made by management for various probable liabilities linked to the completion of some contracts.

(15) Trade payables and other current liabilities

Description	30/06/2016	31/12/2015	change
Trade payables	267,901	357,310	(89,409)
Advance payments	54,745	73,350	(18,605)
Advance payments from clients	57,072	35,590	21,482
Due to associates	6,502	3,232	3,270
Due to National Insurance & Social Security institutions	6,795	6,650	145
Accrued liabilities and deferred charges	3,827	4,635	(808)
Other current liabilities	28,271	24,790	3,481
VAT payables	6,217	10,376	(4,159)
TOTAL	**431,329**	**515,933**	**(84,604)**

The decrease in trade payables and other current liabilities was Euro 89.409 million and was mainly attributable to the mechanical engineering companies.

Details of advance payments from clients are provided in Note 8 on trade receivables and other current assets. Details of payables to associate companies, which totalled Euro 6.502 million, are provided in Note 29 on related-party transactions.

Other liabilities:

The following table gives the breakdown of other liabilities:

Description	30/06/2016	31/12/2015	change
Due to employees	18,993	17,784	1,208
Due to clients	57,072	35,590	21,482
Other	9,278	7,006	2,273
TOTAL	**85,342**	**60,380**	**24,963**

Liabilities to employees relate to salaries and wages and to provisions for holidays accrued but not taken.

(16) Tax payables for current taxes:

At 30 June 2016, tax liabilities totalled Euro 29.770 million, an increase of Euro 0.572 million compared to the figure at 31 December 2015.

The figure at 30 June 2016 includes an estimate of the tax payable in the first semester.

(17) Other current financial liabilities:

The breakdown of other current financial liabilities was as follows:

Description	30/06/2016	31/12/2015	change
Bank overdrafts	7,606	6,369	1,237
Trade advances	100,119	95,066	5,052
Bank loans	154,446	95,841	58,605
Current portion of non-current loans	76,422	97,842	(21,420)
TOTAL Current financial liabilities	**338,592**	**295,119**	**43,474**

Description	30/06/2016	31/12/2015	change
Due to leasing companies	7,116	7,232	(116)
Other current financial liabilities	14,047	26,880	(12,833)
TOTAL Other financial liabilities	**21,163**	**34,112**	**(12,949)**

Current liabilities include bank loans and the current portion of non-current loans. Payables to leasing companies refer to capital repayments due within the next twelve months.

Net Financial Debt

Details of net debt are given in the following table:

TREVI GROUP
NET DEBT
(*Euro '000*)

		Note	30/06/2016	31/12/2015	change
A	Cash	(10)	1,951	1,122	829
B	Cash equivalents	(10)	290,070	295,739	(5,669)
C	Financial assets held for trading		0	0	0
D	**Liquidity (A+B+C)**		**292,021**	**296,861**	**(4,840)**
E	**Current financial receivables**	(5)	194	2,295	(2,101)
F	Current bank loans	(17)	262,171	197,276	64,894
G	Current portion of non-current debt	(17)	76,422	97,842	(21,420)
H	Other current financial liabilities	(5) (17)	21,360	34,111	(12,751)
I	**Current financial debt (F+G+H)**		**359,952**	**329,230**	**30,723**
J	**Current net financial debt (I-E-D)**		**67,737**	**30,074**	**37,664**
K	Non-current bank loans	(12)	281,746	338,240	(56,495)
L	Other non-current financial liabilities	(12) (5)	47,043	51,866	(4,822)
M	**Non-current financial debt (K+L)**		**328,789**	**390,106**	**(61,317)**
N	**Net financial debt (J+M)**		**396,526**	**420,180**	**(23,653)**

GUARANTEES:

Description	30/06/2016	31/12/2015	change
Guarantees given to credit institutions and others	713,933	799,230	(85,296)
Guarantees given to insurance companies	37,485	37,501	(16)
Leasing contracts	57,845	64,917	(7,072)
Third-party assets held on deposit	28,617	20,194	8,423
Assets held by third parties	17,660	19,298	(1,637)
TOTAL	**855,540**	**941,138**	**(85,598)**

Guarantees given to credit institutions

This item includes guarantees given by Group companies to credit institutions for work in progress and for the correct and punctual supply of equipment for a total of Euro713.933 million (Euro 799.230 million at 31 December 2015).

Guarantees given to insurance companies

At 30 June 2016, this item was Euro 37.485 million (Euro 37.501 million at 31 December 2015).

Leasing contracts

These amounted to Euro 57.845 million at 30 June 2016 (Euro 64.917 million at 31 December 2015) and represent the total future payments for operating lease contracts.

Description	Within 12 months	Within 1 – 5 years	Beyond 5 years
Hire contracts expiring	9,002	48,843	-

Third-party assets on deposit

The amount of third-party assets held by companies of the TREVI Group was Euro 28.617 million.

Assets held by third parties

These totalled Euro 17.660 million.

EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED CONSOLIDATED INCOME STATEMENT

Some details and information on the 2016 Half-Year Condensed Consolidated Financial Statements are given below. Further details on Group performance are given in the Board of Directors' Report on Operations.

OPERATING REVENUES

(20) Revenues from sales and services and other revenues

Total revenues in the first semester 2016 were Euro 519.251 million compared to Euro 601.115 million for the six months ended 30 June 2015. The Group operates in various business sectors and geographical regions.

The breakdown by geographical area of the total revenues from sales and services and other revenues is given in the following table:

Geographic area	30/06/2016	%	30/06/2015	%	change
Italy	28,475	5.5%	34,858	5.8%	(6,383)
Europe (ex-Italy)	38,452	7.4%	36,988	6.2%	1,463
USA and Canada	55,552	10.7%	60,279	10.0%	(4,727)
Latin America	91,612	17.6%	160,456	26.7%	(68,844)
Africa	114,251	22.0%	77,611	12.9%	36,640
Middle East and Asia	143,084	27.6%	190,566	31.7%	(47,482)
Far East and Rest of the World	47,825	9.2%	40,356	6.7%	7,468
TOTAL REVENUES	**519,251**	**100%**	**601,115**	**100%**	**(81,864)**

The decrease in revenues from the Middle East and Asia was due to the subsidiaries in the Special Foundations Division operating in these areas and to the completion of some contracts in the Oil & Gas Division.

There was a year-on-year fall in revenues generated in the United States mainly due to the completion of some contracts in the special foundations sector.

The overall decline in revenues in South America was mainly due to the Oil & Gas sector.

Revenues in Africa rose year-on-year reflecting an improved performance in the activities of the Core Business.

Revenues in the Asia-Pacific region also rose year-on-year.

The breakdown of Group revenues by business sector is shown in the following table:

(Euro '000)

	30/06/2016	%	30/06/2015	%	change	% change
Oil, gas and water drilling equipment	92,216	18%	152,269	25%	(60,053)	-39.4%
Drilling services	50,572	10%	71,251	12%	(20,679)	-29.0%
Interdivision eliminations and adjustments	(665)		(980)		316	
Sub-total of the Oil & Gas Division	**142,123**	**27%**	**222,540**	**37%**	**(80,417)**	**-36.1%**
Special foundation services	278,125	54%	283,810	47%	(5,685)	-2.0%
Manufacture of special foundation machinery	124,485	24%	114,666	19%	9,820	8.6%
Interdivision eliminations and adjustments	(10,550)		(8,324)		(2,226)	
Sub-total of the Special Foundations Division (Core Business)	**392,060**	**76%**	**390,152**	**65%**	**1,909**	**0.5%**
Parent Company	13,443		13,183		260	2.0%
Interdivision and Parent Company eliminations	(28,375)		(24,760)		(3,615)	
TREVI GROUP TOTAL REVENUES	**519,251**	**100%**	**601,115**	**100%**	**(81,864)**	**-13.6%**

Other operating revenues

Other revenues and income were Euro 25.047 million; this was an increase of Euro 11.657 million compared to the same period of the preceding financial year. The breakdown is given in the following table:

Description	30/06/2016	30/06/2015	change
Grants for current expenses	94	165	(71)
Expense recoveries and reallocations to consortia	18,527	7,142	11,385
Sales of spare-parts	571	1,129	(559)
Gains on disposal of fixed assets	607	932	(325)
Reimbursement for damages	552	128	424
Rents received	458	629	(171)
Income from previous periods	888	394	494
Other	3,351	2,870	480
TOTAL	**25,047**	**13,390**	**11,657**

OPERATING EXPENSES

Operating expenses totalled Euro 532.351 million compared to Euro 731.959 million in the same period of the previous financial year. The main items were the following.

(21) Personnel expenses:

Personnel expenses decreased by Euro 10.445 million to Euro 120.983 million compared to the same semester of the previous financial year.

Description	30/06/2016	30/06/2015	change
Salaries and wages	97,764	107,321	(9,557)
Social Security expenses	17,134	16,595	539
Staff-leaving indemnity fund	304	330	(26)
Curtailment effect	2,653	3,461	(808)
Other expenses	3,129	3,721	(592)
TOTAL	**120,983**	**131,428**	**(10,445)**

The breakdown of employees and changes compared to the first semester 2015 are shown in the following table:

Description	30/06/2016	31/12/2015	change	Average no.
Managers	92	97	(5)	95
Qualified staff	2,448	2,489	(41)	2,449
Blue collar workers	4,859	5,281	(422)	5,027

TOTAL EMPLOYEES	**7,399**	**7,867**	**(468)**	**7,571**

(22) Other operating expenses

Description	30/06/2016	30/06/2015	change
Costs for services	133,750	178,990	(45,240)
Use of third-party assets	38,578	41,159	(2,581)
Other operating expenses	9,138	8,567	571
TOTAL	**181,466**	**228,717**	**(47,251)**

Other operating expenses totalled Euro 181.466 million, a decrease of Euro 47.251 million compared to the same period of the previous financial year. Further details are given below.

Costs for services:

These were Euro 133.750 million compared to Euro 178.990 million at 30 June 2015. This entry included the following:

Description	30/06/2016	30/06/2015	change
External services	16,977	33,255	(16,278)
Technical assistance	4,888	7,522	(2,634)
Machine power	718	800	(82)
Subcontractors	22,626	27,744	(5,117)
Administrative services	1,471	1,990	(518)
Marketing services	401	532	(131)
Technical, legal and tax consultants	15,484	17,461	(1,977)
Maintenance and repair	9,850	10,392	(542)
Insurance	5,905	7,109	(1,204)
Shipping and customs expenses	18,885	32,115	(13,231)
Energy, telephone, gas, water and postal expenses	3,391	3,593	(202)
Commissions and related expenses	3,446	4,313	(867)
Travel expenses	10,656	13,562	(2,907)
Advertising and promotion	1,871	2,631	(761)
Bank charges	7,051	3,608	3,442
Share of consortia expenses	3,854	6,449	(2,595)
Other	6,277	5,914	363
TOTAL	**133,750**	**178,990**	**(45,240)**

Use of third-party assets:

Costs for the use of third party assets were Euro 38.578 million, a decrease of Euro 2.581 million compared to the same semester of the previous financial year. They were as follows:

Description	30/06/2016	30/06/2015	change
Equipment hire	31,349	33,443	(2,094)
Rents	7,229	7,716	(487)
TOTAL	**38,578**	**41,159**	**(2,581)**

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

Other operating expenses:

Other operating expenses totalled Euro 9.138 million, an increase of Euro 0.571 million, compared to the same period of the previous financial year, and were as follows:

Description	30/06/2016	30/06/2015	change
Taxes other than income taxes	6,188	4,999	1,189
Losses on disposal of assets	976	1,492	(515)
Non-recurring expenses	271	0	271
Expenses from previous periods	750	851	(101)
Other	953	1,225	(272)
TOTAL	**9,138**	**8,567**	**571**

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

(23) Accruals to provisions and write-downs:

Description	30/06/2016	30/06/2015	change
Accruals to the provision for risks and charges	2,873	10,154	(7,280)
Write-down of receivables	1,267	7,414	(6,147)
Losses on receivables	0	7,985	(7,985)
TOTAL	**4,140**	**25,553**	**(21,413)**

Accruals to the provision for risks and charges:

These were Euro 4.140 million and were mainly linked to the subsidiaries in the Oil & Gas Division.

Write-down of trade receivables:

The amount of Euro 1.267 million refers to provisions for doubtful accounts in the subsidiaries.

(24) Financial income:

The breakdown of financial income was as follows:

Description	30/06/2016	30/06/2015	change
Bank interest	224	92	133
Interest charged to customers	38	483	(445)
Other financial income	489	359	130
TOTAL	**751**	**934**	**(183)**

(25) Financial expenses:

Financial expenses were as follows:

Description	30/06/2016	30/06/2015	change
Bank interest charges	9,055	9,081	(26)
Bank commission and charges	2,080	1,671	409
Loan-related interest charges	1,068	1,065	3
Leasing company interest charges	710	781	(71)
Bank discounting charges	738	398	340
Interest on other financing	1,196	891	305
TOTAL	**14,847**	**13,888**	**959**

(26) Gains/ (losses) on exchange rates:

For the six months ended 30 June 2016, the net of realised and unrealised differences on exchange rates gave a loss of Euro 17.165 million (a loss of Euro 7.006 million in the same period of the previous financial year) and were due to the payment and receipt of payables and receivables in foreign currencies.

	30/06/2016	30/06/2015	change
Realised gains on exchange rates	21,803	13,664	8,139
Realised losses on exchange rates	(21,127)	(18,020)	(3,107)
Sub-total of realised losses on exchange rates	**676**	**(4,356)**	**5,032**
Unrealised gains on exchange rates	52,648	94,419	(41,771)
Unrealised losses on exchange rates	(70,488)	(97,068)	26,580
Sub-total of unrealised losses on exchange rates	**(17,841)**	**(2,650)**	**(15,191)**
Losses on exchange rates	**(17,165)**	**(7,006)**	**(10,159)**

(27) Income taxes for the period:

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

Description	30/06/2016	30/06/2015	change
Current taxes :			
- I.R.A.P.	898	(2,220)	3,118
- Income taxes	16,923	2,453	14,471
Deferred taxes	2,161	3,117	(957)
Deferred tax assets	(4,655)	1,485	(6,140)
TOTAL	**15,327**	**4,835**	**10,492**

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

(28) Group earnings/ (losses) per share:

The calculation of basic and fully diluted earnings per share is as follows:

	Description	30/06/2016	30/06/2015
A	Net profit/ (loss) for the period (Euro '000)	(23,576)	(128,089)
B	Weighted average number of ordinary shares used to calculate basic earnings per share	164,783,265	164,783,265
C	Basic earnings/ (loss) per share: (A*1000)/B (Euro)	(0.143)	(0.777)
D	Net profit/ (loss) adjusted for dilution analysis (Euro '000)	(23,576)	(128,089)
E	Weighted average number of ordinary shares used to calculate diluted earnings per share (B)	164,783,265	164,783,265
F	Diluted earnings/ (loss) per share: (D*1000)/E (Euro)	(0.143)	(0.777)

(29) Related party transactions:

Related-party transactions are part of normal business and are done at market conditions.

The related party transactions of TREVI Group were mainly commercial transactions between Trevi S.p.A. and consortia of which it is a member done at market conditions.

The most significant items of non-current receivables, recognised in trade receivables and other non-current assets at 30 June 2016 and at 31 December 2015, are shown in the following table:

Description	30/06/2016	31/12/2015	change
Porto Messina S.c.a.r.l.	720	720	0
Filippella S.c.a.r.l.	225	225	0
Pescara Park S.r.L	1,365	1,309	56
Other	403	991	(587)
TOTAL	**2,713**	**3,245**	**(531)**

The most significant items of current receivables, recognised in trade receivables and other current assets at 30 June 2016 and at 31 December 2015, are shown in the following table.

Total receivables from related-parties were Euro 9.909 million, Euro 0.025 million lower than at the end of the previous financial year.

Description	30/06/2016	31/12/2015	change
Parcheggi S.p.A.	74	175	(101)
Roma Park Srl	524	493	31
Parma Park Srl	957	957	0
Sofitre S.r.l.	339	339	(0)
T-Power	0	56	(56)
Sub-total	**1,894**	**2,020**	**(126)**
Porto di Messina S.c.a.r.l.	745	742	3
Consorzio Principe Amedeo	314	314	0
Consorzio Trevi Adanti	5	5	0
Filippella S.c.a.r.l	44	44	0
Nuova Darsena S.c.a.r.l.	2,880	3,245	(365)
Trevi S.G.F. Inc. S.c.a.r.l.	1,988	1,986	2
Arge Baugrube Q110	331	331	0
Trevi Park PLC	165	165	0
Other	1,543	1,081	462
Sub-total	**8,014**	**7,913**	**102**
TOTAL	**9,909**	**9,933**	**(25)**
% of consolidated trade receivables	*2.2%*	*1.7%*	*0.5%*

Group revenues generated with these companies are shown in the following table:

Description	30/06/2016	30/06/2015	change
Parcheggi S.pA.	106	131	(25)
T-Power	0	51	(51)
Sub-total	**106**	**182**	**(76)**
Hercules Foundation AB	682	433	249
Nuova Darsena S.c.a.r.l.	1,451	1,039	412
Trevi S.G.F. Inc. S.c.a.r.l	0	87	(87)
Other	180	54	126
Sub-total	**2,313**	**1,612**	**701**
TOTAL	**2,418**	**1,794**	**624**
% of consolidated revenues from sales and services	*0.2%*	*0.3%*	*-0.1%*

The most significant payables to related parties included under trade payables and other current liabilities at 30 June 2016 and 31 December 2015 are shown in the following table:

Description	30/06/2016	31/12/2015	change
IFC Ltd	30	30	0
Sofitre S.r.l.	1	1	0
Sub-total	**31**	**31**	**0**
Principe Amedeo	122	122	0
Trevi Adanti	4	4	0
So.Co.Via S.c.r.l.	100	100	0
Nuova Darsena S.c.a.r.l.	5,311	2,000	3,311
Porto di Messina S.c.a.rl.	19	0	19
Trevi S.G.F. Inc. S.c.a.r.l.	25	25	0
Dach-Arghe Markt Leipzig	517	517	0
Trevi Park PLC	100	100	0
Other	272	332	(60)
Sub-total	**6,471**	**3,201**	**3,270**
TOTAL	**6,502**	**3,231**	**3,270**
% of consolidated trade payables	*1.7%*	*0.7%*	*0.9%*

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

Description	30/06/2016	30/06/2015	change
Roma Park Srl	0	1	(1)
Sofitre Srl	41	41	0
Sub-total	**41**	**42**	**(1)**
Trevi S.G.F. Inc. S.c.a.r.l	0	18	(18)
Nuova Darsena S.c.a.r.l.	3,991	3,911	80
So.co.Via. S.c.a.r.l.	0	2,623	(2,623)
Other	6	138	(132)
Sub-total	**3,996**	**6,690**	**(2,693)**
TOTAL	**4,038**	**6,732**	**(2,694)**
% of consolidated consumption of raw materials and external services	*0.4%*	*1.3%*	*-0.9%*

As the tables above show, TREVI Group did some small transactions with the companies headed by Sofitre S.r.l., a company owned 100% by the Trevisani family. The transactions done in the first semester 2016 with companies that are part of the Sofitre group (which qualify for recognition because the shareholders controlling both it and TREVI Group are the Trevisani family) were done at normal market conditions. They are summarised in the table above, which shows how immaterial they were to the consolidated figures of the Group.

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

(30) Segment reporting

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

Management monitors the operating results of the business segments separately in order to take decisions on the allocation of resources and to evaluate their performances. Segment performance is evaluated on operating profit or loss which, as shown in the tables below, is calculated differently from the operating profit or loss shown in the Consolidated Financial Statements.

Segment income statement and statement of financial position figures at 30 June 2016 are given in the following tables and further information on the performance of the two divisions is provided in the Directors' Report on Operations.

Special Foundations Division (Core Business)
Summary Statement of Financial Position
(Euro '000)

		30/06/2016	31/12/2015
A)	**Fixed assets**	**291,005**	**327,469**
B)	**Net invested capital**		
	- Inventories	295,380	263,629
	- Trade receivables	291,742	325,672
	- Trade payables (-)	(216,159)	(222,107)
	- Advance payments (-)	(113,947)	(77,655)
	- Other assets (liabilities)	248	6,546
		257,264	**296,084**
C)	**Invested capital less liabilities for the period (A+B)**	**548,269**	**623,553**
D)	**Post-employment benefits (-)**	**(16,781)**	**(17,409)**
E)	**NET INVESTED CAPITAL (C+D)**	**531,487**	**606,144**
	Financed by:		
F)	**Shareholders' equity attributable to the owners of the Parent Company**	**369,398**	**385,270**
G)	Shareholders' equity attributable to non-controlling interests	10,166	13,971
H)	**Net financial debt**	**151,923**	**206,903**
I)	**TOTAL SOURCES OF FINANCING (F+G+H)**	**531,487**	**606,144**

Oil & Gas Division
Summary Statement of Financial Position
(Euro '000)

		30/06/2016	31/12/2015
A)	**Fixed assets**	**131,248**	**141,651**
B)	**Net invested capital**		
	- Inventories	184,993	267,907
	- Trade receivables	162,941	193,962
	- Trade payables (-)	(134,362)	(212,216)
	- Advance payments (-)	(35,567)	(88,406)
	- Other assets (liabilities)	38,306	44,085
		216,310	**205,332**
C)	**Invested capital less liabilities for the period (A+B)**	**347,558**	**346,982**
D)	**Post-employment benefits (-)**	**(1,908)**	**(2,770)**
E)	**NET INVESTED CAPITAL C+D)**	**345,651**	**344,212**
	Financed by:		
F)	**Shareholders' equity attributable to the owners of the Parent Company**	**54,801**	**83,224**
G)	Shareholders' equity attributable to non-controlling interests	1,203	2,488
H)	**Net financial debt**	**289,647**	**258,500**
I)	**TOTAL SOURCES OF FINANCING (F+G+H)**	**345,651**	**344,212**

Special Foundations Division (Core Business)
Summary Income Statement
(Euro '000)

	30/06/2016	30/06/2015	change
TOTAL REVENUES	**392,060**	**390,152**	**1,909**
Changes in inventories of work in progress, semi-finished and finished goods	20,098	9,648	10,451
Increase in plant, machinery and equipment for internal use	2,913	9,982	(7,069)
Other operating revenues	-	-	-
VALUE OF PRODUCTION	**415,072**	**409,781**	**5,291**
Raw materials and cost of services	267,384	294,556	(27,172)
Other operating expenses	4,890	3,973	917
VALUE ADDED	**142,797**	**111,251**	**31,546**
% of Total revenues	*36.4%*	*28.5%*	
Personnel expenses	82,665	80,434	2,231
GROSS OPERATING PROFIT	**60,132**	**30,817**	**29,315**
% of Total revenues	*15.3%*	*7.9%*	
Depreciation and amortisation	22,783	21,992	791
Provisions for risks and charges and write-downs	1,689	6,809	(5,121)
OPERATING RESULT	**35,660**	**2,016**	**33,645**
% of Total revenues	*9.1%*	*0.5%*	

Oil & Gas Division
Summary Income Statement
(Euro '000)

	30/06/2016	30/06/2015	change
TOTAL REVENUES	**142,123**	**222,540**	**(80,417)**
			0
Changes in inventories of work in progress, semi-finished and finished goods	12,969	1,193	11,777
Increase in plant, machinery and equipment for internal use	928	2,434	(1,506)
Other operating revenues	-	-	-
VALUE OF PRODUCTION	**156,021**	**226,167**	**(70,146)**
Raw materials and cost of services	115,198	252,873	(137,675)
Other operating expenses	3,516	3,804	(287)
VALUE ADDED	**37,307**	**(30,510)**	**67,816**
% of Total revenues	*26.2%*	*-13.7%*	
Personnel expenses	36,016	48,322	(12,306)
GROSS OPERATING PROFIT	**1,290**	**(78,832)**	**80,122**
% of Total revenues	*0.9%*	*-35.4%*	
Depreciation and amortisation	9,873	8,102	1,771
Provisions for risks and charges and write-downs	2,351	18,649	(16,298)
OPERATING RESULT	**(10,934)**	**(105,582)**	**94,649**
% of Total revenues	*-7.7%*	*-47.4%*	

Management believes business segments are the primary segment disclosure for understanding the business of the Group whilst geographical segment disclosure is the secondary segment; the Directors' Report on Operations contains comments on the summary data disclosed in this note on segment reporting.

RECONCILIATION STATEMENT AT 30 JUNE 2015

Summary Group Income Statement

(Euro '000)

	Special Foundations Division (Core Business)	Oil & Gas Division	TREVI-Fin.Ind.S.p.A.	Adjustments	TREVI GROUP
TOTAL REVENUES	**392,060**	**142,123**	**13,443**	**(28,375)**	**519,251**
Changes in inventories of work in progress, semi-finished and finished goods	20,098	12,969	-	1,744	34,811
Increase in plant, machinery and equipment for internal use	2,913	928	-	-	3,841
Other operating revenues	-	-	-	-	-
VALUE OF PRODUCTION	**415,072**	**156,021**	**13,443**	**(26,632)**	**557,903**
Raw materials and cost of services	267,384	115,198	8,374	(25,510)	365,446
Other operating expenses	4,890	3,516	305	427	9,138
VALUE ADDED	**142,797**	**37,307**	**4,764**	**(1,549)**	**183,319**
Personnel expenses	82,665	36,016	2,243	59	120,983
GROSS OPERATING PROFIT	**60,132**	**1,290**	**2,521**	**(1,608)**	**62,336**
Depreciation and amortisation	22,783	9,873	1,057	(1,069)	32,644
Provisions for risks and charges and write-downs	1,689	2,351	0	100	4,140
OPERATING RESULT	**35,660**	**(10,934)**	**1,465**	**(639)**	**25,552**

Summary Statement of Financial Position

(Euro '000)

	Special Foundations Division (Core Business)	Oil & Gas Division	TREVI-Fin.Ind.S.p.A.	Adjustments	TREVI GROUP
A) Fixed assets	**291,005**	**131,248**	**266,806**	**(242,406)**	**446,654**
B) Net working capital					
- Inventories	295,380	184,993	0	(4,289)	476,083
- Trade receivables	291,742	162,941	33,172	(106,372)	381,483
- Trade payables (-)	(216,159)	(134,362)	(37,542)	113,661	(274,401)
- Advance payments (-)	(113,947)	(35,567)	0	(3,005)	(152,520)
- Other assets (liabilities)	248	38,306	23,338	11,306	73,198
	257,264	**216,310**	**18,968**	**11,301**	**503,843**
C) Invested capital less liabilities for the year (A+B)	**548,269**	**347,558**	**285,775**	**(231,104)**	**950,497**
D) Post-employment benefits (-)	(16,781)	(1,908)	(972)	(47)	(19,708)
E) NET INVESTED CAPITAL (C+D)	**531,487**	**345,651**	**284,803**	**(231,151)**	**930,789**
Financed by:					
F) Shareholders' equity attributable to owners of the Parent Company	**369,398**	**54,801**	**338,488**	**(238,233)**	**524,454**
G) Shareholders' equity attributable to non-controlling interests	10,166	1,203	0	(1,560)	9,809
H) Net financial debt	**151,923**	**289,647**	**(53,686)**	**8,642**	**396,526**
I) TOTAL SOURCES OF FINANCING (F+G+H)	**531,487**	**345,651**	**284,803**	**(231,151)**	**930,789**

The adjustments to net equity include the elimination of investments and non-current intercompany financial receivables for fixed assets; for trade receivables and payables, it includes the remaining intercompany eliminations; for Group net equity it includes the balancing item for the elimination of investments.

RECONCILIATION STATEMENT AT 31 DECEMBER 2015

Summary Statement of Financial Position

(Euro'000)

	Special Foundations Division (Core Business)	Oil & Gas Division	TREVI-Fin.Ind.S.p.A.	Adjustments	TREVI GROUP
A) Fixed assets	**327,469**	**141,651**	**267,841**	**(244,225)**	**492,736**
B) Net working capital					
- Inventories	263,629	267,907	0	(8,800)	522,736
- Trade receivables	325,672	193,962	27,859	(99,517)	447,976
- Trade payables (-)	(222,107)	(212,216)	(37,678)	111,460	(360,541)
- Advance payments (-)	(77,655)	(88,406)	0	(3,352)	(169,413)
- Other assets (liabilities)	6,546	44,085	25,270	11,584	87,485
	296,084	**205,332**	**15,451**	**11,375**	**528,242**
C) Invested capital less liabilities for the year (A+B)	**623,553**	**346,982**	**283,292**	**(232,849)**	**1,020,978**
D) Post-employment benefits (-)	(17,409)	(2,770)	(970)	(76)	(21,225)
E) NET INVESTED CAPITAL (C+D)	**606,143**	**344,212**	**282,322**	**(232,925)**	**999,753**
Financed by:					
F) Shareholders' equity attributable to owners of the Parent Company	**385,270**	**83,224**	**336,000**	**(239,580)**	**564,914**
G) Shareholders' equity attributable to non-controlling interests	13,971	2,488	0	(1,800)	14,659
H) Net financial debt	**206,903**	**258,500**	**(53,678)**	**8,455**	**420,180**
I) TOTAL SOURCES OF FINANCING (F+G+H)	**606,143**	**344,212**	**282,322**	**(232,925)**	**999,753**

RECONCILIATION STATEMENT AT 30 JUNE 2015

Summary Group Income Statement

(Euro '000)

	Special Foundations Division (Core Business)	Oil & Gas Division	TREVI-Fin.Ind.S.p.A.	Adjustments	TREVI GROUP
TOTAL REVENUES	**390,152**	**222,540**	**13,183**	**(24,760)**	**601,114**
Changes in inventories of work in progress, semi-finished and finished goods	9,648	1,193	0	2,292	13,132
Increase in plant, machinery and equipment for internal use	9,982	2,434	0	827	13,242
VALUE OF PRODUCTION	**409,781**	**226,167**	**13,183**	**(21,642)**	**627,489**
Raw materials and cost of services	294,556	252,873	8,992	(20,168)	536,253
Other operating expenses	3,973	3,804	327	464	8,567
VALUE ADDED	**111,251**	**(30,510)**	**3,864**	**(1,937)**	**82,668**
Personnel expenses	80,434	48,322	2,515	157	131,428
GROSS OPERATING PROFIT	**30,817**	**(78,832)**	**1,349**	**(2,094)**	**(48,760)**
Depreciation and amortisation	21,992	8,102	997	(932)	30,159
Provisions for risks and charges and write-downs	6,809	18,649	0	94	25,552
OPERATING RESULT	**2,016**	**(105,582)**	**352**	**(1,257)**	**(104,471)**

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

(31) Significant non-recurring events and transactions

In accordance with Consob ruling no. DEM/6064293 of 28 July 2006, the Company declares that the TREVI Group carried out no significant non-recurring transactions in the first semester 2016.

(32) Transactions deriving from extraordinary non-recurring operations

In accordance with Consob ruling no. DEM/6064293 of 28 July 2006, TREVI Group states that no transactions that could be considered as extraordinary and/or unusual as defined by the Consob ruling were undertaken in the first semester 2016.

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

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

APPENDICES

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

1 Companies consolidated in the Financial Statements at 30 June 2016 on a line-by-line basis.

1a Companies consolidated in the Financial Statements at 30 June 2016 using the equity method.

1b Companies and consortia consolidated in the Financial Statements at 30 June 2016 and carried at cost.

2 Group structure.

Appendix 1

COMPANIES CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2016 ON A LINE-BY-LINE BASIS

	COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	% HELD BY THE GROUP
1	TREVI – Finanziaria Industriale S.p.A.	Italy	Euro	82,391,632	Parent Company
2	Soilmec S.p.A.	Italy	Euro	25,155,000	99.9%
3	Soilmec U.K. Ltd	UK	Sterling	120,000	99.9%
4	Soilmec Japan Co. Ltd	Japan	Yen	45,000,000	92.9%
5	Soilmec France S.a.S.	France	Euro	1,100,000	99.9%
6	Soilmec International B.V.	Holland	Euro	18,152	99.9%
7	Drillmec S.p.A.	Italy	Euro	5,000,000	99.9%
8	Soilmec H.K. Ltd.	Hong Kong	U.S. Dollar	44,743	99.9%
9	Drillmec Inc. USA	U.S.A.	U.S. Dollar.	6,846,776	99.8%
10	I.D.T. S.r.L.	Republic of San Marino	Euro	25,500	99.9%
11	Pilotes Trevi S.a.c.i.m.s.	Argentina	Peso	1,650,000	98.9%
12	Cifuven C.A.	Venezuela	Bolivar	300,000	99.8%
13	Petreven C.A.	Venezuela	Bolivar	147,278,091	99.9%
14	Trevi S.p.A.	Italy	Euro	32,300,000	99.8%
15	R.C.T. S.r.l.	Italy	Euro	500,000	99.8%
16	Treviicos Corporation	U.S.A.	U.S. Dollar	23,500	99.8%
17	Trevi Foundations Canada Inc.	Canada	Canadian Dollar	10	99.8%
18	Trevi Cimentaciones C.A.	Venezuela	Bolivar	109,176,000	99.8%
19	Trevi Construction Co. Ltd.	Hong Kong		2,051,668	99.8%
20	Trevi Foundations Nigeria Ltd.	Nigeria	Naira	402,554,879	59.9%
21	Trevi Contractors B.V.	Holland	Euro	907,600	99.8%
22	Trevi Foundations Philippines Inc.	Philippines	Philippine Peso	52,500,000	99.8%
23	Swissboring Overseas Piling Corporation	Switzerland	Swiss Franc	100,000	99.8%
24	Swissboring & Co. LLC.	Oman	Omani Rial	250,000	99.8%
25	Swissboring Qatar WLL	Qatar	Qatar Rial	250,000	99.8%
26	Idt Fzco	United Arab Emirates	Dirham	1,600,000	99.8%
27	Treviicos South Inc.	U.S.A.	U.S. Dollar.	500,000	99.8%
28	Wagner Constructions Joint Venture	U.S.A.	U.S. Dollar.	-	98.8%
29	Wagner Constructions L.L.C.	U.S.A.	U.S. Dollar	5,200,000	99.8%
30	Trevi Algerie E.U.R.L.	Algeria	Dinar	53,000,000	99.8%
31	Borde Seco	Venezuela	Bolivar	-	94.9%
32	Trevi Insaat Ve Muhendislik A.S.	Turkey	Turkish Lira	777,600	99.8%
33	Petreven S.A.	Argentina	Peso	30,000	99.9%
34	Petreven – U TE – Argentina	Argentina	Peso		99.8%
35	Penboro S.A.	Uruguay	Peso	155,720	99.8%
36	Gomec S.r.l.	Italy	Euro	50,000	99.9%
37	Soilmec F. Equipment Pvt. Ltd.	India	Indian Rupee	500,000	79.9%
38	PSM S.p.A.	Italy	Euro	1,000,000	99.9%
39	Trevi Energy S.p.A.	Italy	Euro	1,000,000	100%
40	Trevi Austria Ges.m.b.H.	Austria	Euro	100,000	99.8%
41	Trevi Panamericana S.A.	Republic of Panama	Balboa	10,000	99.8 %
42	Soilmec North America	U.S.A.	US Dollar	10	79.9%
43	Soilmec Deutschland Gmbh	Germany	Euro	100,000	99.9%
44	Soilmec Investment Pty Ltd.	Australia	Australian Dollar	100	99.9%
45	Soilmec Australia Pty Ltd.	Australia	Australian Dollar	100	99.9%
46	Soilmec WuJiang Co. Ltd.	China	Renmimbi	58,305,193	51%
47	Soilmec do Brasil S/A	Brazil	Brazilian Real	5,500,000	38%
48	Trevi Asasat J.V.	Libya	Libyan Dinar	300,000	64.9%

49	Watson Inc. USA	U.S.A.	U.S. Dollar	40,000	79.9%
50	Arabian Soil Contractors	Saudi Arabia	Saudi Rial	1,000,000	84.8%
51	Galante Foundations S.A.	Republic of Panama	Balboa	-	99.8%
52	Galante S.A.	Colombia	Colombian peso	9,232,590,000	89.8%
53	Trevi Galante S.A.	Republic of Panama	Balboa	10,000	99.8%
54	Petreven S.p.A.	Italy	Euro	4,000,000	99.9%
55	Idt Llc	United Arab Emirates	Dirham	1,000,000	99.8%
56	Idt Llc Fzc	United Arab Emirates	Dirham	6,000,000	99.8%
57	Soilmec Algeria	Algeria	Algerian Dinar	1,000,000	69.9%
58	Drillmec OOC	Russia	Russian Rouble	153,062	99.9%
59	Drillmec International Sales Inc.	U.S.A.	U.S. Dollar	2,500	99.9%
60	Watson International Sales Inc.	U.S.A.	U.S. Dollar	2,500	79.9%
61	Perforazioni Trevi Energie B.V.	Holland	Euro	90,000	99.9%
62	Trevi Drilling Services	Saudi Arabia	Saudi Rial	7,500,000	51.0%
63	Trevi Foundations Saudi Arabia Co. Ltd.	Saudi Arabia	Saudi Rial	500,000	99.8%
64	Treviicos BV	Holland	Euro	20,000	99.8%
65	Petreven Perù SA	Peru	Nuevo Sol	11,216,041	99.9%
66	Petreven Chile S.p.A.	Chile	Chilean Peso	300,000	99.9%
67	Trevi Foundations Kuwait	Kuwait	Kuwaiti Dinar	100,000	99.8%
68	Trevi Foundations Denmark	Denmark	Danish Krone	2,000,000	99.8%
69	Trevi Fundacoes Angola Lda	Angola	Kwanza	800,000	99.8%
70	Trevi ITT JV	Thailand	Baht	-	94.9%
72	Soilmec Colombia Sas	Colombia	Colombian peso	193,000,000	99.9
73	Petreven do Brasil Ltd	Brazil	Brazilian Real	1,000,000	99.9%
74	Galante Cimentaciones Sa	Peru	Nuevo Sol	3,000	99.8%
75	Trevi SpezialTiefBau GmbH	Germany	Euro	50,000	99.8%
76	Profuro Intern. L.d.a.	Mozambique	Metical	36,000,000	99.3%
77	Hyper Servicos de Perfuracao AS	Brazil	Brazilian Real	1,200,000	50.9%
78	Immobiliare SIAB S.r.l.	Italy	Euro	80,000	100%
79	Foundation Construction	Nigeria	Naira	28,006,440	80.2%
80	OJSC Seismotekhnika	Belarus	Belarusian Rouble	120,628,375,819	50.9%
81	Trevi Australia Pty Ltd	Australia	Australian Dollar	10	99.8%
82	Soilmec Singapore Pte Ltd	Singapore	Singapore Dollar	174,710	99.9%
83	Trevi Icos Soletanche JV	U.S.A.	U.S. Dollar		49.9%
84	TreviGeos Fundacoes Especiais	Brazil	Brazilian Real	5,000,000	50.9%
86	RCT Explore Colombia SAS	Colombia	Colombian peso	960,248,914	99.8%
87	6V SRL	Italy	Euro	100,000	50.9%
88	Trevi Arabco J.V.	Egypt	Egyptian Pound		50.9%
89	Trevi Holding USA	U.S.A.	U.S. Dollar	1	99.8%

Appendix 1a

COMPANIES CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2016 USING THE EQUITY METHOD

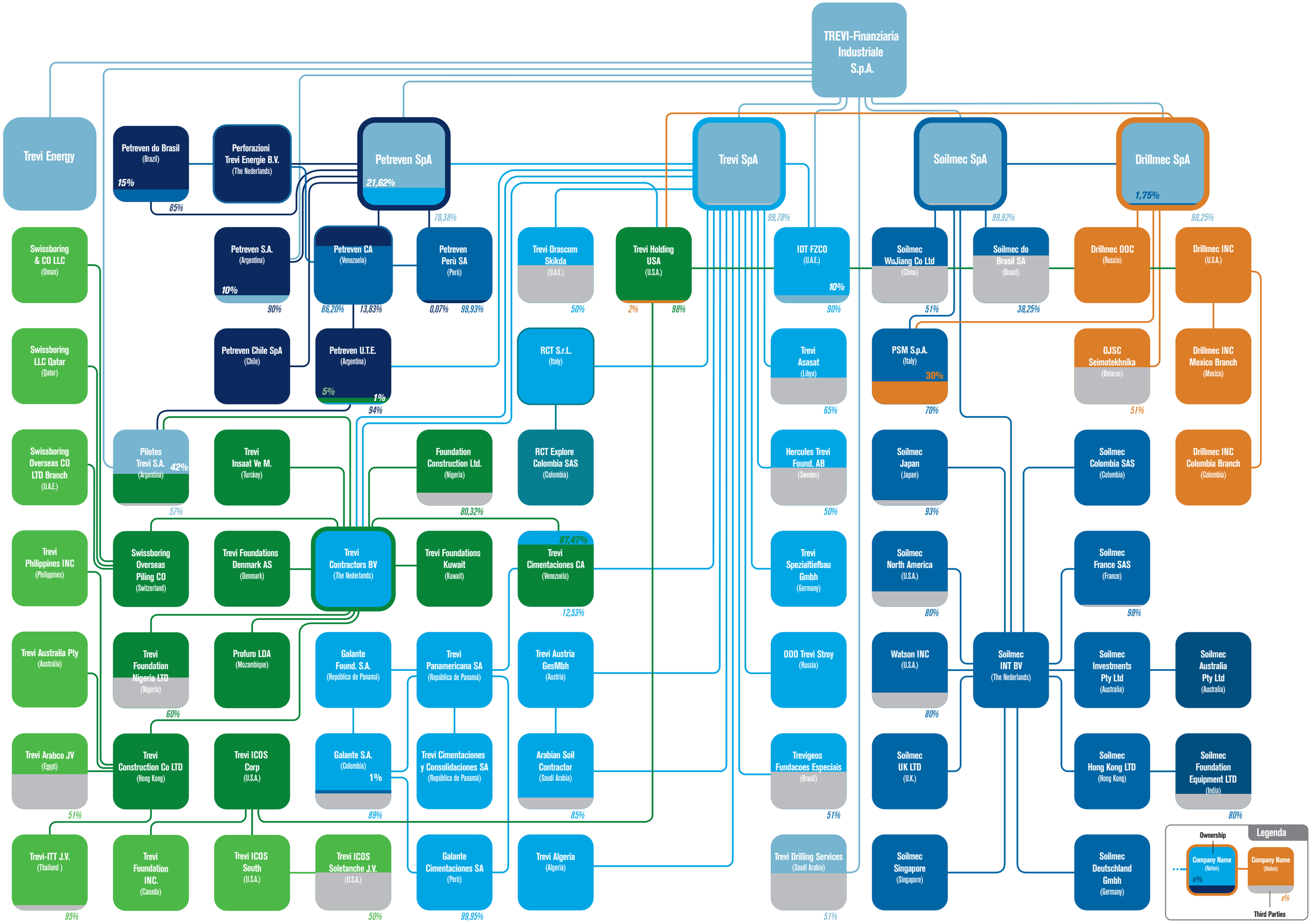
COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL(*)	% HELD BY THE GROUP	CARRYING AMOUNT (Euro'000)
J.V. Rodio-Trevi-Arab Contractor	Switzerland	U.S. Dollar.	100,000	17.3 %	
Cons. El Palito	Venezuela	Bolivar	26,075	14.85%	
TROFEA UTE	Argentina	Peso	36,707	49.2 %	
Cartel-Trevi UTE – (Chocon I)	Argentina	Peso	6,056	39.6 %	
Cartel.-Trevi-Solet. UTE- (Chocon II)	Argentina	Peso	438,019	36.1%	
Cartellone-Pilotes Trevi Sacims –Trevi S.p.A.- Soletanche U.T.E.	Argentina	Peso		33%	
Pilotes Trevi Sacims –C.C.M. U.T.E.	Argentina	Peso		49.7%	
Pilotes Trevi Sacims-ECAS U.T.E	Argentina	Peso		49.7%	
Pilotes Trevi.- Copersa - Molinos UTE	Argentina	Peso		49.9%	
Dragados y Obras Portuarias SA Pilotes Trevi Sacims Obring SA UTE	Argentina	Peso		19.9%	
Fundaciones Especiales S A Pilotes Trevi SACIMS UTE	Argentina	Peso		49.9%	
Dragados y Obras Portuarias S A Pilotes Trevi SACIMS UTE	Argentina	Peso		49.9%	28
Trevi San Diego Gea U.T.E	Argentina	Peso		49.7%	
VPP Pilotes Trevi SACIMS Fesa UTE	Argentina	Peso		49.9%	
STRYA UTE	Argentina	Peso	19,435	17.3%	
VPP- Trevi Chile	Chile				5
Trevi Chile S.p.A	Chile	US Dollar	8,500	98.91%	
DC Slurry partners	U.S.A.	US Dollar		49.89%	
Petreven Mexico, S.de R.L. de C.V.	United Arab Emirates	Dirham	3,000	99.95%	-
Petreven Servicios, S.de R.L. de C.V.	Mexico	Mexican Peso	3,000	99.95%	
TOTAL					**33**

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

Appendix 1b

COMPANIES AND CONSORTIA CONSOLIDATED IN THE FINANCIAL STATEMENTS AT 30 JUNE 2016 AND CARRIED AT COST

COMPANY NAME	REGISTERED OFFICE	CURRENCY	SHARE CAPITAL	% HELD BY THE GROUP	CARRYING AMOUNT (Euro '000)
CONSORTIUM COMPANIES AND CONSORTIA					
Consorzio Progetto Torre di Pisa	Italy	Euro	30,987	24.7%	
Consorzio Romagna Iniziative	Italy	Euro	41,317	12%	5
Consorzio Trevi Adanti	Italy	Euro	10,329	48.6%	5
Trevi S.G.F Inc. per Napoli	Italy	Euro		54.4%	5
Pescara Park S.r.l.	Italy	Euro		24.7%	11
Consorzio Fondav	Italy	Euro	25,823	25.7%	10
Consorzio Fondav II	Italy	Euro	25,000	36.92%	-
Principe Amedeo S.c.a.r.l.	Italy	Euro	10,329	49.50%	-
Filippella S.c.a.r.l.	Italy	Euro	10,000	59.9%	8
Porto di Messina S.c.a.r.l.	Italy	Euro	10,329	79.2%	8
Consorzio Water Alliance	Italy	Euro	60,000	64.86%	39
Parma Park SrL	Italy	Euro		29.9%	60
Compagnia del Sacro Cuore S.r.l.	Italy	Euro			150
SO.CO.VIA S.c.a.r.l.	Italy	Euro			
Consorzio NIM-A	Italy	Euro	60,000	65.6%	40
Cermet	Italy	Euro	420,396	0.46%	
Centuria S.c.a.r.l.	Italy	Euro	308,000	1.58%	5
Idroenergia S.c.a.r.l.	Italy	Euro			
Soilmec Arabia	Saudi Arabia	Saudi Rial		24.25%	44
CTM BAU	Italy	Euro			21
Nuova Darsena S.C.A.R.L.	Italy	Euro			5
Cons. Geo Sinergy Soc. Cons a R.l.	Italy	Euro			5
OTHER COMPANIES					
Comex S.p.A. (in liquidation)	Italy	Euro	10,000	0.69%	
Banca di Cesena S.p.A.	Italy	Euro			1
Bologna Park S.r.l.	Italy	Euro			849
Trevi Park P.l.c.	United Kingdom	U.K. sterling	4,236,98	29.7%	
Italthai Trevi	Thailand	Baht	80,000,000	2.19%	135
Drillmec India	India	Indian Rupee			86
Hercules Trevi Foundation A.B.	Sweden	Krona	100,000	49.5%	103
Japan Foundations	Japan	Yen	5,907,978,000	0.001%	110
I.F.C	Hong Kong	U.S. Dollar	18,933	0.10%	
OOO Trevi Stroy	Russia	Russian Rouble	5,000,000	100%	57
Gemac Srl	Romania	New Leu	50,000	24.59%	3
Sviluppo Imprese Romagna S.p.A.	Italy	Euro			150
Trevi/Orascom Skikda Ltd.	UAE	Euro		49.89%	329
TOTAL					**2.245**


TREVI-Finanziaria Industriale S.p.A.
Trevi Energy
Petreven do Brasil (Brazil) 15% 85%
Perforazioni Trevi Energie B.V. (The Nederlands)
Petreven SpA 21,62% 78,38%
Trevi SpA 99,78%
Soilmec SpA 99,92%
Drillmec SpA 1,75% 98,25%
Swissboring & CO LLC (Oman)
Petreven S.A. (Argentina) 10% 90%
Petreven CA (Venezuela) 86,20% 13,83%
Petreven Perù SA (Perù) 0,07% 99,93%
Trevi Orascom Skikda (U.A.E.) 50%
Trevi Holding USA (U.S.A.) 2% 98%
IDT FZCO (U.A.E.) 10% 90%
Soilmec WuJiang Co Ltd (China) 51%
Soilmec do Brasil SA (Brasil) 38,25%
Drillmec OOC (Russia)
Drillmec INC (U.S.A.)
Swissboring LLC Qatar (Qatar)
Petreven Chile SpA (Chile)
Petreven U.T.E. (Argentina) 5% 1% 94%
RCT S.r.L. (Italy)
Trevi Asasat (Libya) 65%
PSM S.p.A. (Italy) 30% 70%
OJSC Seimotekhnika (Belarus) 51%
Drillmec INC Mexico Branch (Mexico)
Swissboring Overseas CO LTD Branch (U.A.E.)
Pilotes Trevi S.A. (Argentina) 42% 57%
Trevi Insaat Ve M. (Turckey)
Foundation Construction Ltd. (Nigeria) 80,32%
RCT Explore Colombia SAS (Colombia)
Hercules Trevi Found. AB (Sweden) 50%
Soilmec Japan (Japan) 93%
Soilmec Colombia SAS (Colombia)
Drillmec INC Colombia Branch (Colombia)
Trevi Philippines INC (Philippines)
Swissboring Overseas Piling CO (Switzerland)
Trevi Foundations Denmark AS (Denmark)
Trevi Contractors BV (The Nederlands)
Trevi Foundations Kuwait (Kuwait)
Trevi Cimentaciones CA (Venezuela) 87,47% 12,53%
Trevi Spezialtiefbau Gmbh (Germany)
Soilmec North America (U.S.A.) 80%
Soilmec France SAS (France) 98%
Trevi Australia Pty (Australia)
Trevi Foundation Nigeria LTD (Nigeria) 60%
Profuro LDA (Mozambique)
Galante Found. S.A. (República de Panamá)
Trevi Panamericana SA (República de Panamá)
Trevi Austria GesMbh (Austria)
OOO Trevi Stroy (Russia)
Watson INC (U.S.A.) 80%
Soilmec INT BV (The Nederlands)
Soilmec Investments Pty Ltd (Australia)
Soilmec Australia Pty Ltd (Australia)
Trevi Arabco JV (Egypt) 51%
Trevi Construction Co LTD (Hong Kong)
Trevi ICOS Corp (U.S.A.)
Galante S.A. (Colombia) 1% 89%
Trevi Cimentaciones y Consolidaciones SA (República de Panamá)
Arabian Soil Contractor (Saudi Arabia) 85%
Trevigeos Fundacoes Especiais (Brasil) 51%
Soilmec UK LTD (U.K.)
Soilmec Hong Kong LTD (Hong Kong)
Soilmec Foundation Equipment LTD (India) 80%
Trevi-ITT J.V. (Thailand) 95%
Trevi Foundation INC. (Canada)
Trevi ICOS South (U.S.A.)
Trevi ICOS Soletanche J.V. (U.S.A.) 50%
Galante Cimentaciones SA (Perù) 99,95%
Trevi Algeria (Algeria)
Trevi Drilling Services (Saudi Arabia) 51%
Soilmec Singapore (Singapore)
Soilmec Deutschland Gmbh (Germany)
Legenda
Ownership
Company Name (Nation) x%
Company Name (Nation) x%
Third Parties

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

1. The undersigned Stefano Trevisani, Managing Director and Daniele Forti, Group Chief Financial Officer and in his capacity as Manager responsible for drawing up the financial statements of the Trevi Group, declare, taking note of the provisions of Article 154-*bis*, paragraphs 3 and 4 of Legislative Decree of 24 February 1998, no. 58:
   - the appropriateness in relation to the characteristics of the business; and
   - the effective application

   of the administrative and accounting procedures for the preparation of the Summary Consolidated First-Half Financial Statements for the first semester of 2016.

2. It is also declared that:

2.1 The Summary Consolidated First-Half Financial Statements at 30 June 2016:

a) have been prepared in accordance with the applicable International Accounting Standards recognised by the European Community in accordance with EC Regulation no. 1606/2002 of the European Parliament and of the European Council of 19 July 2002;

b) correspond to the results contained in the accounting records and documents;

c) provide a true and fair view of the capital, economic and financial position of the issuer and of the businesses included in the area of consolidation.

2.2 The review of operations includes information on significant events that occurred in the course of the first six months of the financial year and of their impact on the Summary Consolidated First-Half Financial Statements, together with a description of the main risks and uncertainties of the remaining six months of the financial year, and information concerning material related party transactions.

Cesena, 29 August 2016

Stefano Trevisani
Managing Director

Daniele Forti
Group Chief Financial Officer

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

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

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position as of June 30, 2016, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the period then ended and the related notes of Trevi Finanziaria Industriale S.p.A. and its subsidiaries (the "Trevi Group"). The Directors are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Trevi Group as of June 30, 2016 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, August 29, 2016

EY S.p.A.
Andrea Nobili
(Partner)

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

EY S.p.A.
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