



INTERIM Report

Half year results
as at 30 June, 2003





Financial Results

Dear Shareholders,

I would like to submit to your attention the Half-Yearly Consolidated Financial Statement as at 30th June 2003 which shows a sharp recovery of the revenues' and profitability's volume after the disappointing trend of the previous fiscal year. In our country and in Europe in general the belief that the economic recovery must be stimulated by public interventions aimed at the execution of infrastructures is widely spread, since the lack of infrastructures is particularly felt in Italy due to the delays accumulated during the last decade. The traditional sector of Trevi Group is therefore benefiting from this current trend, whose apex in Italy is certainly reached with the full implementation of the "Legge Obiettivo" ("Target Law").

In Italy the performed works' trend was generally positive, as never before if we consider the last ten years: in this half-year period, sites linked to High Speed Railway projects and to general infrastructural works played an important role. The positive trend of strategic job orders in the field of underground engineering services - supplied to various companies in Western and Northern Africa - was confirmed; also the job orders acquired in the countries of the Persian Gulf are being carried out according to the schedule with optimal results. The activities of oil drilling services in Venezuela and Colombia in this semester have continued to achieve good results on the basis of multiyear contracts.

The sales of rigs and plants for special foundations proceed at regular pace by the Engineering Division; the "drilling" sector continues to suffer from the freeze of approvals on contracts that had been already signed within the U.N. programme "Oil for Food" in favour of Iraq. The end of the war let us well hope for the recovery of the sales of drilling rigs; the opening of new markets paves the way in view of a reduced dependence on U.N. job orders. It is necessary to underline that the results below reported are penalized as for the share expressed in US Dollars (and of the currencies linked to the US\$) which is achieved by the North-American controlled companies and by all other controlled companies operating in countries linked to the US Dollar, by the depreciation by more than 20% of the American currency compared to Euro.

Total revenues for the semester under consideration amount to € 183 million, with an increase by 12% compared to as at 30th June 2002. EBITDA is equal to € 23,4 million with an incidence by 12,8% on revenues; in the previous half-year period it amounted to € 14,9 million with an incidence by 9,17%. The Operating Income, after having deducted amortizations for € 10,4 million and provisions for the risks' fund amounting to € 1,9 million, amounts to € 11,1 million (equal to 6% of total revenues); in the previous corresponding period the Operating Result was € 5,9 million (equal to 3,65% of total revenues).

Net financial charges amount to € 4,1 million, that is, on the up compared to € 3,4 million of the previous half-year period.

Net passive exchange differences amount to € 2,3 million against € 8 million of 2002.

Extraordinary charges amount to € 1,2 million. Said amount also includes what has been paid by the Italian companies Trevi S.p.A., Soilmec S.p.A. and TREVI -Finanziaria Industriale S.p.A. by way of tax amnesty.

The result belonging to the Group and gross of taxes is positive for € 3,5 million (- 5,7 million in the same period of 2002).

It is necessary to point out that said results are penalized as for the share expressed in US Dollars (and of the currencies linked to the US\$) which is achieved by North-American controlled companies and by all other controlled companies operating in countries linked to the US Dollar, by the depreciation by more than 20% of the American currency compared to Euro.

It has been calculated that in case consolidation operations had been made according to the same exchange ratio as at 30th June 2002, Total Revenues would have reached € 206 million, the Operating Result would have increased up to € 12,5 million and the Net Worth to € 83 million.

The strong presence of the Group inside International markets is highlighted by the percentage reached by sales abroad that is equal to 75% of the total; on the contrary, the weight of the Italian area on the total revenues of the Group in this six month period is increased from 14,9% to 24,2%.

The weight of the rest of Europe drops from 17,7% to 8,8%. The incidence of revenues achieved in Middle and Far East remarkably increases from 7,8% to about 13,2%, being occurred, in this area, a consistent increase in the number of job orders relevant to foundation works; that of the American area decreased from 26,5% to about 21%; the presence of the Group in Africa begun to increase again, passing from 13,7% to 20% on the Group's total revenues.

As at 30th June 2003, the Group has a total works' portfolio of € 357,5 million, of which € 165,6 million are to be carried out in the second half of this fiscal year and the remaining € 191,9 million in the course of the following fiscal years.

The net invested capital is equal to € 207,8 million and increases by € 10,5 million compared to as at 31st December 2002; this is mainly ascribable to the working capital.

The intense activity of the semester leads to a small increase in the number of credits with clients and a higher increase in the number of stocks on hand in the warehouse.

As at 30th June 2003 the warehouse amounts to € 103,4 million, that is, on the up if compared to € 10,3 million as at 31st December 2002.

The stocks' increase compared to as at 31st December 2002 is due both to the deliveries foreseen in the following months with regard to the engineering sector and to the purchases made by some companies in order to be equipped with materials necessary for the execution of some running sites and to the change in the balance of the works in progress (mainly ascribable to the job orders managed by the controlled Trevi S.p.A. in Venezuela and in Italy).

The short-term borrowing decreased from € 80,5 million to about € 66,2 million compared to as at 30th June 2002; the cash flow availability remained almost the same. The medium to long term borrowing increased by about € 30 million. In this connection we would like to point out the stipulation of a financing with a three year duration and with variable rate and amounting to € 25 million that has been granted by a pool of Italian banks headed by Efibanca S.p.A.

Investments

Gross investments of the Trevi Group foreseen for the first semester 2003 amount to € 12,3 million, of which € 10 million refer to Trevi Division and € 2 million to the Soilmec Division. As for the first Division, the higher amounts refer to investments made in Nigeria, United Arab Emirates and Italy.

The investments' policy was more contained compared to the similar period of the previous fiscal years. Besides supplying those areas whose activity mostly increased with the necessary resources, the policy is aimed at maintaining the productive capacity and to equip the Group with plants and rigs that are technologically advanced. The net investment was € 10,4 million, apart from the depreciation effect of the Euro compared to other currencies.

ANALYSIS PER DIVISION

Holding's trend

The first semester 2003 of the holding TREVI - Finanziaria Industriale S.p.A. closed with revenues from sales and services amounting to € 2,99 million (Euro 2,54 million in the first semester 2002), with a result before taxation of € 50.000, compared to € 419.000 of the first semester 2002. Production costs basically remain aligned with those of the first semester 2002 (€ 3,83 million as at 30th June 2003 and € 3,80 million as at 30th June 2002).

The financial management is to be mainly linked to the active interests coming from financial credits granted to the controlled companies. Proceeds and net financial charges have passed from € 864.000 of the first semester 2002 to € 712.000 of this six-month fiscal period. The decrease of said entry is due to the increase of the incidence of financial charges mainly due to the underwriting - occurred towards the end of the first semester 2003 of a credit line of € 25 million granted by a pool of banks headed by EFIBANCA S.p.A.

It should be pointed out that part of the credits for financings granted to controlled companies € dating back to 31st December 2002 - have been converted into participations within the operations aimed at increasing the capital stock of TREVI S.p.A., reaching a total amount of € 20,6 million, an operation which led to a participation into the company up to 99,78% of the capital stock.

With start from the month of May 2003, a new Group's service was established - always within the Holding - called "Research and Development Design Service", which involved the recruitment of nr. 7 employees coming from other companies of the Group.

TREVI DIVISION

Services for the execution of special foundations within large scope civil engineering works and services for the drilling of oil and gas well

Total revenues of the Trevi Division amount to € 131 million with an increase by € 31 million with respect to the same period of the previous year. The Operating Result was € 13,2 billion, equal to more than 10% of revenues.

The detailed activity of the Division per main geographical area is below reported.

Americas

During the first semester 2003, Trevi's turnover in USA reached € 33 million, corresponding to about 18% of the value of consolidated revenues. The relevant turnover is affected by the difficulty of acquiring new job orders within a decaying market that witnessed a decrease in its activity especially in the Boston area, where the company was more present. Maintenance works for the Walter F. George Dam in Alabama are continuing with economic and financial satisfaction. In California, the Wagner Construction JV suffered from the little profitability gained from the project called Webster Posey Tube in S. Francisco.

The process aimed at re-organising activities and the whole organisational structure which started at the end of 2002 is now at an advanced phase of execution. Although continuing the critical socio-economic situation in Argentina, our company Pilotes Trevi S.A. has been awarded with some job orders such as the continuation of the Rosario Victoria site and the repair works for San Nicolas port, which although being characterised by a limited contract's price, let us well hope for the year 2003 and make us still believe in a country with great potentialities.

In Venezuela, political conflicts between the people majority and President Chavez have paralysed the country for the first two months. Despite this we managed to invoice about € 7,6 million, with a positive result.

As for the Borde Seco job order, amounting to about US\$ 27 million and granted by the Venezuelan Agency C.A.D.A.F.E., concerning the design and the execution of the impermeabilisation and restoration works for the Dam, we expect a possible start at the begin of the last three month period. Oil drilling services activities performed in Venezuela and Colombia on behalf of the Brazilian oil company Petrobras have continued in this six month period obtaining good results.

Europe

The first semester 2003 of Trevi S.p.A. highlights a total production value of € 49,6 million (+ 28,8% compared to the one of the first semester of 2002). The company is active with own branches and sites in Algeria, Guinea Bissau, Guinea Conakry, Benin, Ethiopia, Germany and Venezuela. The outstanding positive trend of this semester, as for Italian sites, is due to the good profitability of some job orders characterised by their considerable contract's amount. Thanks to a more favourable market situation, it was also possible to carry out a more selective commercial strategy, also in consortium with other companies of our sector and a sharper contracts' management policy. The activity in Germany and Austria was particularly reduced due to the current crisis affecting the German market. More precisely, the activity for the year 2003 was so far limited to the completion of sites, hoping to witness soon the concretisation of more favourable conditions.

Within the activity of the TreviPark sector, it should be highlighted the execution's completion of a job order having a counter value of about € 1,3 million, with regard to the supply of plants and managing systems for an automatic, circular car park having 46 car stalls and structured along 4 storeys, two of which are underground and two outside, in Stockholm.

This job order represents the start of the application of advanced technology car parks in Scandinavian countries, where, since time, an accurate assessment of this type of structure by local public authorities has started.

Africa

The re-election of Gen. Obasanjo in his quality as President of Nigeria let us hope that the country might remain politically stable and can continue its foreseen development programs. The Lagos area generated a high turnover mainly linked to sites in the port area aimed at improving quays and executing foundations for oil reservoirs. The company increased its commitments also in the Eastern area of the country. The future involvement foresees a remarkable development with job orders acquired in customs-free areas and with the likely commitment in other areas to carry out job orders together with Shell. Together with oil companies and especially with Shell, the company is now developing some projects aimed at the environmental protection which might assure us a work continuity in the next years.

As for Algeria, the country continues to have a remarkable importance and interest for the Group. Our presence in this country greatly consolidated and we hope that big results will soon be accomplished. In three countries of the Gulf of Guinea, Trevi S.p.A. completed some job orders which had started years ago.

East

In the first semester of 2003, the Trevi Group achieved revenues equal to € 15,2 million and a good Operating Result. The activity was mainly influenced by the increased production and profitability of the site for the extension of the airport in Dubai, by an important foundation site in a residential development area and by the turnover generated by the site for the execution of cathode protection wells within the oil area in Abu Dhabi.

Further possibilities of improvement might occur in Oman and Qatar where activities in our sector are continuously widening.

In the first half of 2003, Trevi achieved revenues for a counter value of about € 13 million in the Far East.

SOILMEC DIVISION

Construction of special foundation and drilling rigs

The first semester 2003 of Soilmec Division shows total revenues amounting to € 55,8 million and a negative Operating Income.

What above described is the result of the combination of positive and negative factors. Among the first, we reckon the substantial strength of the Ground Engineering sector (-3,9% compared to the year 2002). The marginality was lower than what expected because of the improved sales' incidence in Italy (which - by history - have a far lower profitability) and of the sales in US\$ (whose profitability was negatively influenced by the exchange ratio).

Among the negative factors we point out the contraction of the Drilling sector both in terms of volumes (-15,9% compared to the year 2002, which already showed a significant reduction) and in profitability from sales and losses on exchanges mainly due to the weakening of the US Dollar compared to Euro.

With regard to Soilmec S.p.A., we foresee a significant increase in total revenues in the second semester (and especially in the fourth three-month period), and also a recovery of profitability margins.

Actions aimed at containing structural costs have already been taken, as well as for the reduction of stocks and for neutralizing the effect of possible further appreciations of the Euro rather than the US\$.

As per updated information received from ICE (Institute for Foreign Commerce) in Baghdad, the unfreezing of important supplies within the UN programme "Oil for Food" might soon take place.

Main events occurred after the closing of the semester

No events of particular relevance are to be signalled, that is such as to modify the economic and property situation of the Group after 30th June 2003. With regard to the job order acquired by the Trevi Group in 2002 from the Venezuelan Authority CADAFE concerning the execution of repair and impermeabilization works for the foundations of the dam "Borde Seco", we would like to point out that the Bank Group S. Paolo IMI S.p.A. has stipulated a "buyer's credit loan" amounting to U.S.\$ 17 million with the Republic of Venezuela for the partial financing of the share, expressed in foreign currency, of the above mentioned dam works.

Dear Shareholders,

The positive trend of the semester is more than simply aligned with our expectations. These data allow us to confirm estimations made last years, with Total Revenues on the up by more than 6% compared to the previous fiscal year, with main profitability indicators surging despite the difficult international conjuncture.

Cesena, 13th September 2003

For the Board of Directors
The Chairman, Mr. Davide Trevisani

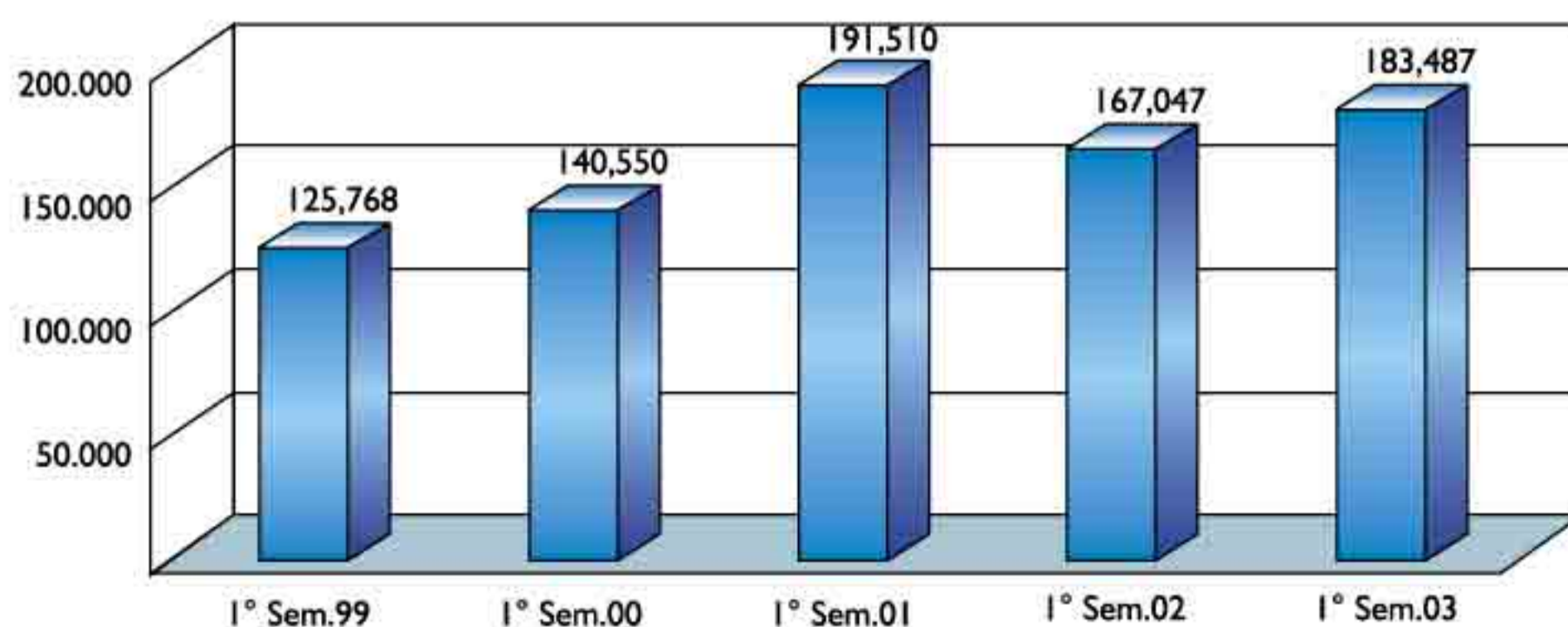
(in thousands of Euro)

12/31/2002		06/30/2003	06/30/2002	Changes
346,312	Production value	183,487	167,047	9.8%
340,136	Total revenues	182,995	163,326	12.0%
111,018	Added value	66,761	56,567	18.0%
32.6%	% on total revenues	36.5%	34.6%	
27,329	EBITDA	23,427	14,976	56.4%
8.03%	% on total revenues	12.80%	9.17%	
4,650	EBIT	11,069	5,963	85.6%
1.37%	EBIT/total revenues	6.05%	3.65%	
(15,013) ⁽¹⁾	Net result of the Group	3,455	(5,662)	161.0%
30,748	Gross technical investments	12,336	15,003	-17.8%
197,248	Net invested capital	207,781	205,143	1.3%
(118,726)	Net financial position	(131,023)	(115,407)	13.5%
78,522	Total stockholders' equity	76,758	89,736	-14.5%
73,758	Group's net equity	72,973	85,306	-14.5%
4,764	Minority interests	3,785	4,430	-14.6%
2,760	Nr. of employees	3,009	2,362	
435,517	Works' portfolio	357,546	466,347	-23.3%
2.36%	EBIT/Net invested capital (R.O.I.) ⁽²⁾	10.65%	5.81%	
1.37%	EBIT/Total revenues (R.O.S.) ⁽²⁾	12.10%	7.30%	
1.51	Net financial position / Total net stockholders' equity (Debt/equity)	1.71	1.29	

⁽¹⁾ The result as of 12/31/02 refers to net income after taxation.

⁽²⁾ Values referring to the first semester 2003 and 2002 are calculated on a yearly basis.

PRODUCTION VALUE IN THOUSANDS OF EURO



Summary Consolidated Balance Sheet

(in thousands of Euro)

12/31/02		06/30/03	06/30/02
	A) Fixed assets		
4,506	- Intangible fixed assets	3,326	6,311
133,451	- Property, plant and equipment	132,441	125,678
4,656	- Financial fixed assets	5,624	3,348
142,613		141,391	135,337
	B) Net working capital		
93,068	- Inventories	103,403	101,826
93,278	- Trade receivables	97,351	98,557
(91,351)	- Trade payables (-)	(97,346)	(98,441)
(23,287)	- Advances (-)	(21,192)	(25,295)
(8,147)	- Others assets (liabilities)	(6,472)	1,930
63,561		75,744	78,577
206,174	C) Invested capital minus current liabilities (A+B)	217,135	213,914
(8,926)	D) Employee termination indemnities (-)	(9,354)	(8,771)
197,248	E) NET INVESTED CAPITAL (C+D)	207,781	205,143
	<i>Financed by:</i>		
73,758	F) Stockholders' equity ⁽¹⁾	72,973	85,306
4,764	G) Minority interests in capital and reserves	3,785	4,430
118,726	H) Net financial position	131,023	115,407
197,248	I) TOTAL SOURCES OF FUNDS (F+G+H)	207,781	205,143

⁽¹⁾ The Stockholders' equity as at 06/30/03 and 06/30/02 also takes into account the result gross of taxes.

Consolidated Statement of Income

(in thousands of Euro)

12/31/02		06/30/03	06/30/02
340,136	TOTAL REVENUES	182,995	163,326
(1,310)	Changes in inventories of work in progress, semifinished and finished products	(697)	39
7,486	Additions to fixed assets by internal production	1,189	3,682
346,312	VALUE OF PRODUCTION	183,487	167,047
232,550	Use of raw materials and outside services	114,979	109,056
2,744	Other operating expenses	1,747	1,424
111,018	VALUE ADDED	66,761	56,567
83,689	Payroll and related contributions	43,334	41,591
27,329	E.B.I.T.D.A.	23,427	14,976
20,441	Amortization, depreciation	10,406	8,330
2,238	Writedowns and provisions	1,952	683
4,650	E.B.I.T.	11,069	5,963
(7,414)	Financial Income (expenses)	(4,113)	(3,384)
(6,056)	Net difference from exchange	(2,347)	(8,030)
(24)	Adjustments to financial assets	(54)	127
(1,239)	Extraordinary income (expenses)	(1,196)	(129)
(10,083)	RESULT BEFORE TAXATION AND MINORITY INTERESTS	3,359	(5,453)
4,477	Income taxes for the year		
453	Minority interests	(96)	209
(15,013)	CONSOLIDATED INCOME ^(*)	3,455	(5,662)

^(*) The result refers to net income before taxation.

Consolidated Statement of Cash Flow

(in thousands of Euro)

	06/30/2003 (118,726)	2002 (48,892)
Net Financial Position (Opening amount)		
Net income (loss) before taxation of the Group	3,454	(15,013) ⁽¹⁾
Depreciation and amortization	10,405	20,443
Gain (Losses) on disposal of intangible - tangible fixed assets	812	2,682
Gains (Losses) or revaluations -writedowns of financial fixed assets	(54)	(24)
Provision to the reserve for employees termination indemnities, pension funds and similar commitments	1,644	2,248
Change in minority interests in capital and reserves	(979)	197
A Cash generated from operations before changes in working capital	15,282	10,533
B Changes in working capital:		
Inventories	(10,334)	(10,055)
Commercial receivables	(4,074)	7,662
Other activities	1,917	984
Commercial payables	3,901	6,159
Other liabilities	(4,997)	8,707
Reserves for risks and charges	789	1,116
Total	(12,798)	(12,341)
C Net cash flows for operating activities:		
Intangible fixed assets	(433)	(1,093)
Tangible fixed assets	(8,593)	(25,782)
Financial fixed assets	(915)	(1,424)
Other changes (including changes in the scope of consolidation)	(4,240)	(8,150)
Total	(14,181)	(36,449)
D Cash flows from (used in) financing activities:		
Dividends distributed	0	(960)
Change in the reserve for employees termination indemnities	(600)	(1,073)
Total	(600)	(2,033)
Net change in cash flows (A + B + C + D)	(12,297)	(15,610)
NET FINANCIAL POSITION AS OF JUNE 30, 2003	(131,023)	(118,726)

⁽¹⁾ The net income as at December 31, 2002 refers to net income of the Group.

Net Consolidated Financial Position

(in thousands of Euro)

12/31/02		06/30/03	06/30/02
(64,585)	Short-term bank loans	(82,247)	(82,370)
(11,386)	Other short-term borrowing	(11,819)	(28,666)
29,273	Short-term liquid assets	27,882	30,505
(46,698)	Total short-term portion	(66,184)	(80,531)
(43,504)	Medium- to long-term bank loans	(41,409)	(20,655)
(28,524)	Other medium- and long-term borrowing	(23,430)	(14,221)
(72,028)	Total medium- and long-term portion	(64,839)	(34,876)
(118,726)	Net financial position	(131,023)	(115,407)

Group Profile and Activities

TREVI- Finanziaria Industriale S.p.A. and its subsidiaries (hereafter called "TREVI Group or "the Group") carry out their activities in the following sectors: contracts and engineering services for civil and infrastructural foundation works, oil services and construction of plant and equipment for special foundation works, tunnel excavation and well drilling for oil/gas and water explorations. These core activities are co-ordinated by the two main companies of the Group: Trevi S.p.A., leader of the division operating in the underground engineering sector ("Trevi Division"), and Soilmec S.p.A, leader of the division manufacturing and marketing plants and equipments for the underground engineering, well drilling for oil/gas and water exploration. ("Soilmec Division").

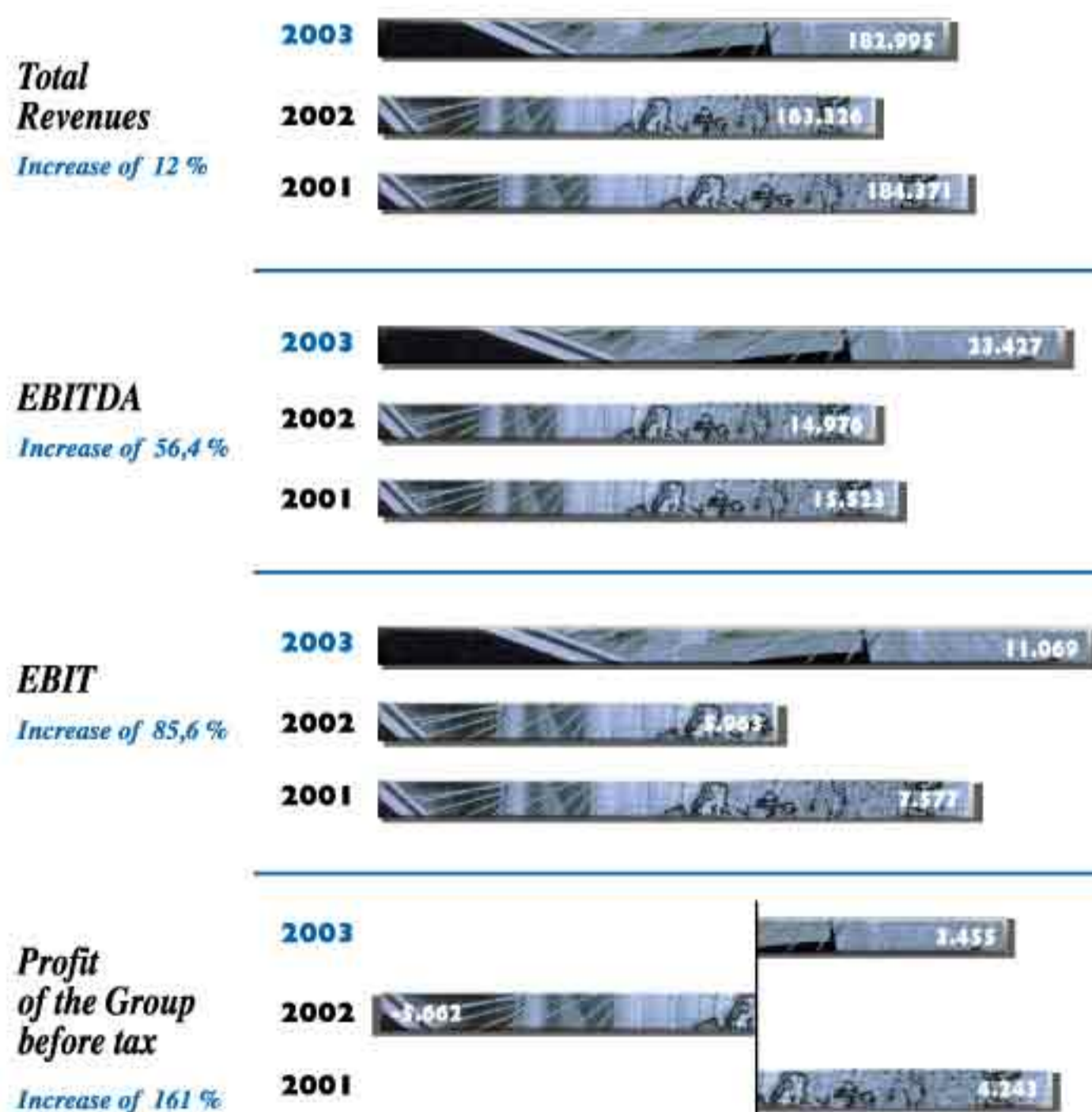
The Group is controlled by the holding TREVI-Finanziaria Industriale S.p.A.

Accounting Methods and Principles.

The Consolidated Financial Statement of the "Group" for the first six months of 2003 has been prepared according to the same accounting principles, consolidation methods and conversion criteria of the foreign currency which were applied for the preparation of the Financial Statement as at 31st December 2002, with the necessary amendments due to a very particular mid year situation, that is referred to a limited six month period. Particularly, we point out that the six-month profit and loss result is shown before income tax.

Interim Results at a Glance

(in thousands of Euro)





TREVI-Finanziaria Industriale S.p.A. Cesena (Italy)

TREVI S.p.A.
Cesena (Italy)

TREVI CONSTRUCTION Co. Ltd
Hong Kong

TREVI FUNDACOES Lda
Lisbon (Portugal)

TREVI INSAAT ve MUHENDISLIK A.S.
Istanbul (Turkey)

TREVI FOUNDATIONS NIGERIA Ltd
Lagos (Nigeria)

PILOTES TREVI
Buenos Aires (Argentina)

TREVI CIMENTACIONES
Caracas (Venezuela)

TREVI ICOS CORPORATION
Boston (U.S.A.)

TREVI ICOS SOUTH
U.S.A.

WAGNER CONSTRUCTION J.V.
U.S.A.

TREVI-RODIO J.V.
U.S.A.

TREVI FOUNDATIONS PHILIPPINES Inc.
Philippines

TREVI CONTRACTORS B.V.
Amsterdam (The Netherlands)

PROFURO Lda
Mozambique

PETREVEN C.A.
Venezuela

CIFUVEN C.A.
Venezuela

SWISSBORING OVERSEAS PILING Co. Ltd
Svizzera

SWISSBORING OVERSEAS Co. Ltd
U.A.E. (Emirati Arabi)

SWISSBORING & Co. LLC
Oman

TREVI ALGERIE E.U.R.L.
Algeria

SOILMEC S.p.A.
Cesena (Italy)

SOILMEC S.p.A. Drilling Equipment Division
Piacenza (Italy)

SOILMEC S.p.A. Representative Office
Beijing (China R.P.)

LIANYUNGANG SOILMEC MACHINERY Co.Ltd
Lianyungang (China R.P.)

SOILMEC JAPAN Co. Ltd
Tokyo (Japan)

SOILMEC Ltd
Peterborough (UK)

SOILMEC MISR
Cairo (Egypt)

SMFE Sdn. Bhd
Malaysia

SOILMEC FAR EAST Pte. Ltd
Singapore

SOILMEC BRANHAM Inc.
Conroe - Texas (U.S.A.)

SOILMEC INTERNATIONAL B.V.
Amsterdam (The Netherlands)

I.D.T. SA
R.S.M.

SOILMEC H.K. Ltd
Hong Kong

TREVI - Finanziaria Industriale S.p.A.

Headquarters: Cesena (FC) - Via Larga, 201
Share Capital Euro 32,000,000 fully paid-up
Chamber of Commerce Forli-Cesena N. 201.271
Fiscal and VAT Code and Register of
Companies of Forli-Cesena: 01547370401
Internet Homepage: www.trevifin.com