

TREVI-Finanziaria Industriale S.p.A.

INTERIM Report

HALF YEAR RESULTS AS AT 30th JUNE 2005



FINANCIAL RESULTS

Dear Shareholders,

We would like to submit to your attention the Half-Yearly Consolidated Financial Statement as at 30th June 2005 that highlights remarkable figures: the Result pertaining to the Group (before income taxes) amounts to € 10.3 millions, with a € 6.2 millions increase compared to the first half-year period of the previous year; Total Consolidated Revenues amounting to € 218.7 millions (+30.4%) have also been achieved. The total net borrowing amounts to € 109.9 millions (-7.2%).

The outstanding increase in Total Revenues from the Engineering Division of the Trevi Group (+ 60.6%) is certainly the peculiar feature of this half-year report. Linked to this feature there's also an increase in the Operating Income: it moves from € 0.39 millions in the first half-year period in 2004 to € 5.39 millions in the first half-year period in 2005. Within the Division, the most remarkable dynamism has been proved by the manufacture of drilling rigs for oil, gas and water wells, with a 127.9% increase. We would also like to point out the positive trend of important job orders in the field of foundation engineering services supplied abroad in more than twenty different countries, especially in several countries of the Persian Gulf, which exerted a driving effect on the whole Group during the semester of reference; also the job orders acquired in the Maghribi and Sub-Saharan Africa are being executed according to the contracts' schedules and with positive results. The domestic market continues to show a swinging trend with regards to volumes and especially prices: we expect a recovery by 2006 and 2007.

In this half-year period, drilling works in the Argentinean Patagonia joined the other drilling services supplied in Venezuela and Colombia; all the above services yielded good results on the basis of multiyear contracts. Results below reported are penalized - as for the share expressed in US Dollars (and in the currencies anchored to this one) and yielded by the controlled companies operating in North America and in countries linked to the US Dollar - by the 4.68% depreciation of the six-month average exchange rate of the US currency compared to Euro, and related to the average one of the first half-year period 2004. Therefore, the increase of total revenues in this six-month period compared to the same one of the previous fiscal year still experiences the negative influence of the exchange; at constant exchange rates, Total Revenues would have amounted to € 223 millions. As at 30th June 2005 the Euro was at the same level as at 30th June 2004 (-0.56%), but it has depreciated during the six months by 11.23%. This was the reason for the main, net and positive exchange difference amounting to € 3.2 millions and for the increase in the Conversion Reserve amounting to € 3.9 millions that took shape in the six months. Total revenues for the semester under consideration increased by € 50.97 millions compared to those of the first semester 2004. The EBITDA amounts to € 23.2 millions, with a 10.6% incidence on Revenues; in the previous semester it amounted to € 18 millions with a 10.7% incidence. The Operating Income, after having deducted amortizations for € 8.9 millions and provisions for the risks' fund amounting to Euro 2.4 millions, vouchers for € 11.9 millions (equal to 5.4% of total revenues), in the previous semester the Operating Income amounted to € 7.3 millions (equal to 4.3% of Total Revenues). Net Financial Charges amount to € 3.7 millions, on the up by € 171 thousands compared to € 3.5 millions of the previous six-month period. Net Exchange Differences amount to profits for € 3.2 thousands against € 0.7 millions in the first semester 2004. Net extraordinary proceeds amount to € 593 thousands. The Result belonging to the Group and gross of taxes is positive for € 10.3 millions (+152%); year-end forecasts make us reasonably foresee a slight increase in revenues and all profitability indexes compared to the first half-year period.

The strong presence of the Group inside International markets is highlighted by the percentage in sales abroad that is equal to 76% of the total; the weight of the Italian area on the Group's total revenues in this semester dropped from 26 to 24%, despite a € 8.8 thousands increase in absolute value; the weight of the American area decreased from 13% to about 11%; the weight of the rest of Europe is unchanged and is 10.7%. The incidence of revenues achieved in the Middle East increases by two percentage points, equal to € 14 millions in absolute value. The same increase applies to the African region for the activities supplied in the Maghribi countries.

As at 30th June 2005, the Group has a total works' portfolio of € 404 millions, € 213 millions of which are to be executed in the second semester of this current year and the remaining during the following fiscal years. The net invested capital - equal to € 192.9 millions - remains unchanged compared to as 30th June 2004; this means that the total amount from Financing Sources remained unchanged too: due to the decrease in the Net Passive Financial Position by € 8.5 millions, the Net Shareholders' Equity increased by € 7.84 millions and the Capital and Other Reserves increased by € 6.18 millions. Gross investments made in the period of reference amounted to about € 9 millions and refer to investments for rigs and equipment to be used both for already started job orders and for job orders which will start in the second half-year period, mainly in the Middle East. The short-term borrowing increased - compared to as at 30th June 2004 - from € 54 to about € 56.5 millions; cash-flow availability increased by € 10 millions. The medium to long-term borrowing decreased by € 11 millions. In a twelve-month period the net financial exposure shrank by about € 8.5 millions. After the closure of the semester two medium-long term operations have been stipulated for a total amount of € 26.6 millions.

Quarterly trend

In the second quarter of the fiscal year, total revenues amount to about € 133.8 millions, with a 57.6% increase compared to the first quarter. The growth is due both to the increase in the sale of drilling and foundation rigs and to the positive trend of the activities performed abroad (especially in the Persian Gulf Area, Latin America and North Africa).

The EBITDA amounts to € 15.2 millions, that is, equal to 11.38% of total revenues, with a 92% increase compared to € 7.9 millions of the first quarter.

The Operating Income, equal to about € 8.3 millions (6.24% of Total Revenues), shows a € 4.85 millions increase compared to € 3.5 millions in the first quarter. The net financial borrowing as at 30th June 2005 is € 110 millions, with a contraction of € 17.2 millions compared to the datum available at the end of March 2005.

ANALYSIS PER DIVISION

Holding's trend

The first semester 2005 of the holding TREVI - Finanziaria Industriale S.p.A. closed with revenues from sales and services amounting to € 4.86 millions (€ 3.98 millions in the first semester 2004), with a result before taxation of € 350 thousands (€ 300 thousands in the first semester 2004).

The growth in the proceeds is ascribable to an increase in the activity linked to the services supplied to the companies of the Group, due to the centralized management of some services. Besides the positive trend of all activities performed, especially with regard to the leasing of equipment and to the financial management - which is mainly ascribable to the active interests from financial credits granted to the controlled companies - this semester was characterised by the registration of a € 554 thousands worth loss due to the consortium TREVI S.p.A. - TREVI - Finanziaria Industriale S.p.A. - Sembenelli S.r.l., which is carrying out the rehabilitation works of the "Borde Seco Dam" in Venezuela. As for the interests, we would like to underline that in the first semester 2005, the company has alienated all owned shares, registering a net positive balance amounting to € 471 thousands from financial proceeds. As for memorandum accounts, we would like to point out that granted warranties amount to € 85.7 millions (€ 82.9 millions as at 31st December 2004 and € 85.2 millions as at 30th June 2004). The dividend belonging to the shareholders and amounting to € 958 thousands (€ 0.015 per share) was paid with detachment date on 8th July 2005. The Extraordinary Shareholders' Meeting held on 13th May 2005 has deliberated new corporate by-laws in compliance with the provisions of the Law Decree nr.6 dated 17th January 2003 and its following modifications and integrations.

Foundation Division - Services for the execution of special foundations within large scope engineering works and services for the drilling of oil and gas' wells.

Total Revenues from the Foundation Division amount to € 130 millions, with a € 15.2 millions increase compared to the same period of the previous year. The Operating Income was of € 6.1 millions, equal to more than 6% of revenues. The detailed activity of the Division per main geographical area is below reported.

Americas

In the first semester 2005 Trevi's turnover in the U.S.A. reached € 12.8 millions compared to the € 20 millions in the first semester 2004. The reduction in the Group's commitment in the U.S.A. was planned in order to better control and reduce the company's risks. By continuing the positive evolution of the social-economic situation in Argentina, our company Pilotes Trevi S.A. has now several works in its works' portfolio which allow us to fully make use of resources and to be a leader company in a country characterised by main potentialities. In Venezuela, the Group managed to invoice about € 10 millions with a positive result. As for the Borde Seco job order, amounting to about US\$ 23 millions and awarded by the Venezuelan Authority C.A.D.A.F.E., concerning the design and the execution of the impermeabilization intervention and restoration works to the dam, we can state that works are positively continuing and will be completed by the end of this fiscal year. Oil drilling services performed in Venezuela and Colombia on behalf of the Brazilian oil company Petrobras have continued in this semester achieving very good technical and economic-financial results (the company Petreven C.A. has obtained the acknowledgment as best contractor for the drilling rigs it made available). In June, an important job order worth US\$ 45 millions has been started on behalf of

the Brazilian Group Petrobras. It involves the execution of oil drilling services in the Argentinean Patagonia, by making use of two HH 102 innovative rigs, and said works will last five years.

Europe

The first semester 2005 of Trevi S.p.A. highlights a total production value of € 55.5 millions (+30% compared to that of the first semester of the previous year). The company has increased its activity in Italy, thanks to the lease of the "Rodio company branch"; said lease will end by the year-end. In the leasing contract covering the company branch, Trevi S.p.A. has expressed an "irrevocable purchasing offer"; the price offered represents a fair assessment of the net activities covered by the above mentioned company branch. The activity in Germany and Austria, due to the crisis affecting the German market, was limited to the completion of a site in Lipsia and to the assumption of repair works that turned out into losses.

Africa

In Nigeria the social conflict continues and often prevents the continuity of the productive process, especially in those areas close to the Delta Niger that are rich in oil. For this reason, Trevi's activities were slackened or delayed in the start of some important projects. The start of a port quay in Lagos is to be mentioned, whose execution is on behalf of a Nigerian company controlled by the Italian Group Grimaldi. In Victoria Island the execution of foundations for the new Intercontinental Hotel was started. In Algeria, the production relevant to the job order covering the execution of the foundations for some Lots of the Metro in Alger continued during this semester. In these months we are also bringing to conclusion a consolidation intervention in the Massingir Dam, in Mozambique.

Asia and Oceania

In the first semester 2005, the Trevi Group achieved revenues equal to € 37.6 millions and a positive operating result. The activity was mainly characterised by the execution of a new phase of the job order relevant to the widening works for the Dubai airport, and also of three important job orders covering foundation works in a residential and commercial development area called "Burb Residence and Commercial Island". Beyond the Hormuz Strait in Iran, Trevi started the execution of the widening works for the quays of the Bandar Abbas port. Among the main contracts acquired during the semester, we would like to point out the one referring to the "Trade Centre Residence - Dubai" and the "Cargo Terminal" of the Dubai airport. Further improvement possibilities are now being detected in Oman and Qatar, where the activities in our sector are continuously widening, since there is lack of raw materials and particularly of cement. In Qatar the first phase of the job order "New Doha International Airport" has been acquired. The test field of the job order for the repair works to the Arapuni dam, in New Zealand, has been carried out: it involves the execution of a waterproof diaphragm wall by making use of advanced technology. In India we are carrying out a job order involving technical assistance to a local company. Along the borders between Tajikistan and Afghanistan, the execution phase for the foundations of a bridge has just started.

Engineering Division: Construction of special foundations and drilling rigs

The first semester 2005 of the Engineering Division closed with total revenues equal to € 92.4 millions, which involved an increase by 160% compared to the same period of the previous year. The EBITDA increased up to € 8.1 millions from € 2.36 millions, while the operating income amounted to € 4.3 millions, after the allocation of amortizations and depreciations amounting to € 2.7 millions. In 2005, the fear pervading the world public opinion proper of the past years has given way to a renewed request for equipment and rigs in our sector. The agreement recently signed with a major French Group for the sale of equipment as preferential supplier, the recovery of the English market where Soilmec has always played a leading role and the lasting activity in the Gulf area are just some examples.

The SOILMEC range in the Piles' sector is undergoing a thorough re-designing phase in order to offer updated and multifunctional products.

Our market share will be also increased in the important market niche represented by the micropile sector, thanks to the marketing synergies with realities characterised by a reduced size but also by extreme flexibility and productive speed, together with a new range of products.

The foundation crane range was increased by a 120-ton model that will occupy an important high market sector, where competition becomes less dependent on the price. As for the trend of foreign companies the following should be pointed out:

- The good performance of Soilmec UK Ltd and Soilmec (HK) Ltd;
- A substantial balance of Soilmec Japan Co. Ltd;
- Moderate losses of Soilmec Far East Pte Ltd and IDT S.A. which should be able to reverse the trend by the end of the year;
- Soilmec Branham Inc. shows good development opportunities in the second part of the year thanks to the acquisition of important contracts.

In the semester, Drillmec S.p.A. started the execution of the Sonatrach - E.N.T.P. (Algeria) job order that involves the delivery of the first two traditional 2000 HP drilling rigs; said job order's phase is already completed by over 50% as at 30th June 2005.

The Group and correlated entities

Trevi - Finanziaria Industriale S.p.A. and its controlled companies have limited business relations with the companies being under the control of Sofitre S.r.l., a company that is 100% controlled by the Trevisani family.

Transactions with the companies of the Sofitre Group take place according to the usual market conditions. A synthesis of the main economic relations existing with correlated companies during the first semester 2005 is as follows (amounts expressed in thousands of Euro):

Revenues from sales and services	132
Purchases for goods and services	16

A synthesis of the main property relations existing with correlated companies as at 30th June 2005 is the following:

Financial debts	-
Commercial debts	181
Commercial credits	2,233

Moreover, we would like to highlight the existence of some sureties issued by Trevi - Finanziaria Industriale S.p.A., prior to the quotation on the Stock Exchange and in progressive reduction in favour of some banks and in the interest of companies now belonging to the Sofitre Group.

Warranties and Sureties	3,895
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We would like to point out that, during the semester, TREVI S.p.A. has purchased the 100% shareholding in RTC S.r.l., for an amount equal to € 1.240 thousand; the price has been determined following to an appraisal made by an independent surveyor.

Main events after the closing of the semester

After 30th June, the activity aimed at prolonging the average expiry of the debt has continued. In this connection, a three-year loan has been stipulated with a bank pool: this loan has no real warranties and amounts to € 21.6 millions.

Recently a € 5 millions worth loan on an 8 years basis and without real warranties has been stipulated with another Bank.

Additional information

The total amount of owned shares as at 30th June 2005 is equal to nr. 140,000, that is 0.219% of the stock capital, and refers to shares of TREVI - Finanziaria Industriale S.p.A. owned by the controlled company Trevi S.p.A. valued at their purchasing cost. The balanced average purchasing price of own shares that have been thoroughly purchased is equal to € 2.51.

Directors don't deem it is necessary to make any adjustments of value following to the considerations reported in the Explanatory Notes, and precisely with regard to the item "own shares", to which reference is here made.

The Shareholders' Meeting held on 13th May 2005 has authorised a new purchasing scheme relevant to own shares covering a 12-months duration.

During the year 2005, the Holding distributed dividends equal to € 0.015 per share to shareholders, with detachment date on 8th July 2005.

The company has no business relation in progress with the controlling company TREVI Holding Aps.

Dear Shareholders,

The positive trend of the semester meets our best expectations. Facts following to the closure of this accounting period allow us to nurture positive hopes for this year, with total revenues and main profitability indicators on the up compared to the previous fiscal year.

Cesena, 12th September 2005

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

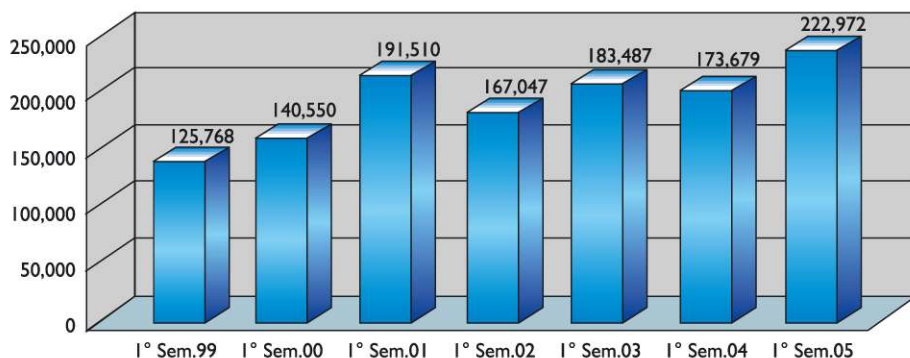
(in thousands of Euro)

12/31/2004		06/30/2005	06/30/2004	Changes
369.214	Production value	222.972	173.679	28,4%
366.089	Total revenues	218.716	167.746	30,4%
122.014	Added value	67.269	56.777	18,5%
33,3%	% on total revenues	30,8%	33,8%	
40.710	EBITDA	23.170	18.013	28,6%
11,12%	% on total revenues	10,59%	10,74%	
17.480	EBIT	11.852	7.261	63,2%
4,77%	EBIT/total revenues	5,42%	4,33%	
2.365 ⁽¹⁾	Net result of the Group	10.272	4.081	151,7%
19.863	Gross technical investments	9.024	9.417	-4,2%
179.606	Net invested capital	192.851	192.915	0,0%
(111.478)	Net financial position	(109.950)	(118.472)	-7,2%
68.128	Total stockholders' equity	82.901	74.443	11,4%
64.443	Group's net equity	78.617	70.777	11,1%
3.685	Minority interests	4.284	3.666	16,9%
3.238	Nr. of employees	3.464	3.057	
371.105	Works' portfolio	406.490	327.769	24,0%
9,73%	EBIT/Net invested capital (R.O.I.) ⁽²⁾	12,29%	7,53%	
4,77%	EBIT/Total revenues (R.O.S.)	5,42%	4,33%	
1,64	Net financial position / Total net stockholders' equity (Debt/equity)	1,33	1,59	

⁽¹⁾ The result as of 12/31/04 refers to net income after taxation.

⁽²⁾ Values referring to the first semester 2005 and 2004 are calculated on a yearly basis.

PRODUCTION VALUE IN THOUSANDS OF EURO



Summary Consolidated Balance Sheet

(in thousands of Euro)

12/31/04		06/30/05	06/30/04
	A) Fixed assets		
2.384	- Intangible fixed assets	2.353	2.429
126.599	- Property, plant and equipment	137.123	131.310
4.188	- Financial fixed assets	2.991	4.111
133.171		142.467	137.850
	B) Net working capital		
91.682	- Inventories	125.388	84.262
89.708	- Trade receivables	107.617	103.834
(92.489)	- Trade payables (-)	(134.372)	(96.293)
(19.647)	- Advances (-)	(28.644)	(24.062)
(12.504)	- Others assets (liabilities)	(8.086)	(2.851)
56.750		61.903	64.890
189.921	C) Invested capital minus current liabilities (A+B)	204.370	202.740
(10.315)	D) Employee termination indemnities (-)	(11.519)	(9.825)
179.606	E) NET INVESTED CAPITAL (C+D)	192.851	192.915
	Financed by:		
64.443	F) Stockholders' equity ⁽¹⁾	78.617	70.777
3.685	G) Minority interests in capital and reserves	4.284	3.666
111.478	H) Net financial position	109.950	118.472
179.606	I) TOTAL SOURCES OF FUNDS (F+G+H)	192.851	192.915

⁽¹⁾ The Stockholders' equity as at 06/30/05 and 06/30/04 also takes into account the result gross of taxes.

Consolidated Statement of Income

(in thousands of Euro)

12/31/04		06/30/05	06/30/04
366.089	TOTAL REVENUES	218.716	167.746
(227)	Changes in inventories of work in progress, semifinished and finished products	3.090	5.139
3.352	Additions to fixed assets by internal production	1.166	794
369.214	VALUE OF PRODUCTION	222.972	173.679
244.190	Use of raw materials and outside services	154.157	115.614
3.010	Other operating expenses	1.546	1.288
122.014	VALUE ADDED	67.269	56.777
81.304	Payroll and related contributions	44.099	38.764
40.710	E.B.I.T.D.A.	23.170	18.013
17.608	Amortization, depreciation	8.903	8.598
5.622	Writedowns and provisions	2.415	2.154
17.480	E.B.I.T.	11.852	7.261
(7.248)	Financial Income (expenses)	(3.692)	(3.521)
(1.502)	Net difference from exchange	3.221	686
(86)	Adjustments to financial assets	(110)	(84)
658	Extraordinary income (expenses)	(593)	57
9.302	RESULT BEFORE TAXATION AND MINORITY INTERESTS	10.678	4.399
6.310	Income taxes for the year		
627	Minority interests	406	318
2.365	CONSOLIDATED INCOME (*)	10.272	4.081

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

Statement of Consolidated Cash Flow

(in thousands of Euro)

Net Financial Position (Opening amount)	06/30/2005 (111,478)	2004 (113,427)
Net income before taxation of the Group	10.272	2.365 ⁽¹⁾
Depreciation and amortization	8.903	17.608
Gains (Losses) on disposal of intangible - tangible fixed assets	102	(903)
Gains (Losses) or revaluations -writedowns of financial fixed assets	111	86
Provision to the reserve for employees termination indemnities, pension funds and similar commitments	2.085	3.606
Change in minority interests in capital and reserves	599	208
A Cash generated from operations before changes in working capital	22.072	22.970
B Changes in working capital:		
Inventories	(33.706)	(10.300)
Commercial receivables	(17.909)	5.952
Other activities	(8.996)	(3.655)
Commercial payables	50.880	5.489
Other liabilities	3.367	639
Reserves for risks and charges	381	2.869
Total	(5.983)	994
C Net cash flows for operating activities:		
Intangible fixed assets	(413)	566
Tangible fixed assets	(19.086)	(16.423)
Financial fixed assets	1.087	(157)
Other changes (including changes in the scope of consolidation)	4.862	(3.741)
Total	(13.550)	(19.755)
D Cash flows from (used in) financing activities:		
Dividends distributed	(960)	(940)
Changes in the reserve for employee termination indemnities	(51)	(1.320)
Total	(1.011)	(2.260)
Net change in Cash flows (A+B+C+D)	1.528	1.949
NET FINANCIAL POSITION AS OF JUNE 30, 2005	(109.950)	(111.478)

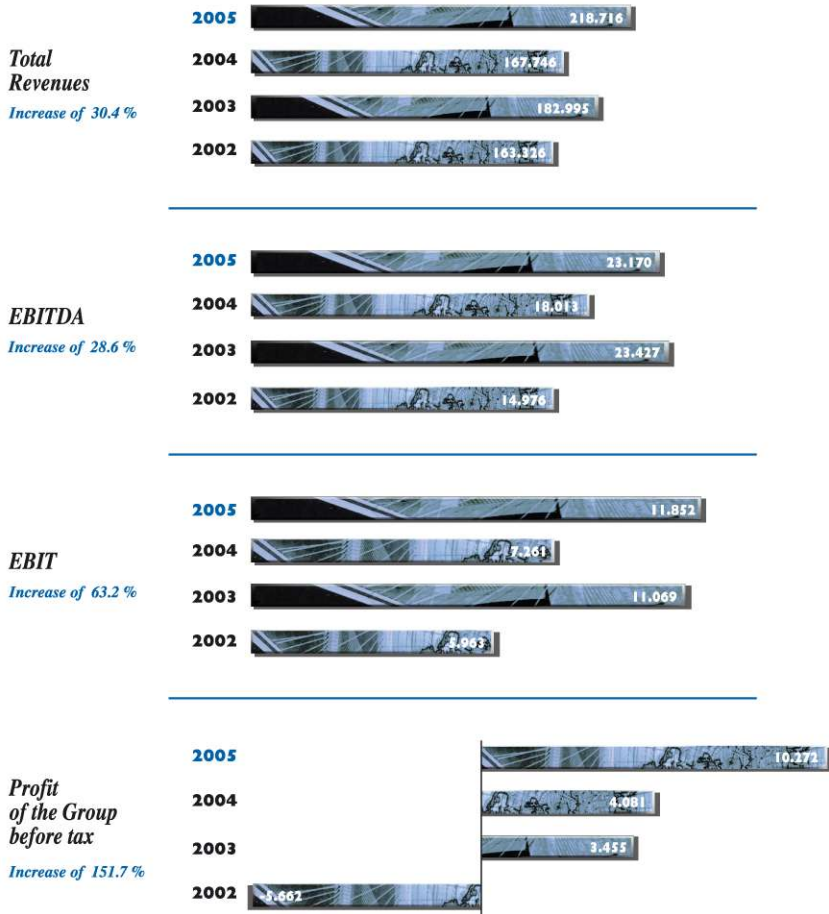
⁽¹⁾ The net income as at December 31, 2004 refers to net income of the Group.

Net Consolidated Financial Position

(in thousands of Euro)

12/31/04		06/30/05	06/30/04
(80.323)	Short-term bank loans	(85.678)	(74.545)
(11.912)	Other short-term borrowing	(14.090)	(12.703)
34.688	Short-term liquid assets	43.297	33.286
(57.547)	Total short-term portion	(56.471)	(53.962)
(30.545)	Medium- to long-term bank loans	(33.343)	(37.615)
(23.386)	Other medium- and long-term borrowing	(20.136)	(26.895)
(53.931)	Total medium- and long-term portion	(53.479)	(64.510)
(111.478)	Net financial position	(109.950)	(118.472)

(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.

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TREVI FOUNDATIONS PHILIPPINES Inc.

Philippines

TREVI CONTRACTORS B.V.

Amsterdam (The Netherlands)

PROFURIO Lda

Mozambique

PETREVEN C.A.

Venezuela

CIFUVEN C.A.

Venezuela

SWISSBORING OVERSEAS PILING Co. Ltd

Switzerland

SWISSBORING OVERSEAS Co. Ltd

U.A.E. (Emirati Arabi)

SWISSBORING & Co. LLC

Oman

TREVI ALGERIE E.U.R.L.

Algeria

PETREVEN UTE

Argentina

RCT S.r.l.

Italy

NORTH WEST LAB JV

U.S.A.

WAGNER CONSTRUCTION LLC

U.S.A.

SOILMEC S.p.A.

Cesena (Italy)

DRILLMEC S.p.A. Drilling Technologies

Placenza (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

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SOILMEC H.K. Ltd

Hong Kong

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