

# Trevi Finanziaria Industriale S.p.A.

## Analytic Rating Report

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**Trevi Finanziaria Industriale S.p.A. | Società Per Azioni**

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## Report Analitico Rating

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# Rating

Rating

## Rating and probability of insolvency

*The rating is an opinion on the ability of a subject to meet its engagements and is based on objective elements matched with subjective evaluations expressed by a rating analyst. Cerved Group issues solicited long-term ratings giving judgments on the reliability of the debtor that are not linked with technical debt structure*

### Rating and probability of insolvency

*It is the evaluation on the ability of an economic subject to meet its financial engagements within the agreed terms.*

**Rating:** **Maximum Credit Worth (A2.1)**

**Probability of insolvency (at 12 months):** **Very low (0,27%)**

Company characterized by a very good economic-financial profile. Structural factors guarantee very high reliability in meeting its engagements.

Credit risk is minimum.

#### Azienda

C2.1	C1.2	C1.1	B2.2	B2.1	B1.2	B1.1	A3.1	A2.2	<b>A2.1</b>	A1.3	A1.2	A1.1
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Low credit worth

High credit worth

## Rating

**Overall Assessment**

Trevi Finanziaria Industriale S.p.A. is a company listed on the Milan Stock Exchange. It is the flagship of the historic Trevi Group of Cesena, a world leader in the sector of special foundations, with reference both to the realization of services and the production of industrial machinery, positioning itself among the world's top companies in underground engineering and in the production of machines for foundations, as well as in the oil drilling sector, in this case with regard to machinery production and drilling services.

Trevi Group is unique group, divided into two divisions, "Construction" and "Oil & Gas", which exploit the synergies achievable in their respective operating environments.

The pillars that have always underpinned Trevi's development are technology, always avant-garde, innovative and targeted; the ability to produce income thanks to the price premium and to the strength of the Trevi brand based on the quality and the reliability of its products and services, the ability to reduce financial risks through attentive budgeting, engineering and management control activities and at the same time the ability to raise finance.

Its competitive advantages lie in continuous technological innovation, know-how, production and process capabilities, in the human factor, i.e. the consideration and valorization of human capital, and the sense of identity with the Group, which have always been distinctive traits of the Group and have enabled the constant strengthening of the Trevi brand.

The Trevi Group's worldwide success thus lies in its history of almost 60 years, in the two dimensions, in the organization and skill of a fully involved and active management.

Trevi Group operates through two main divisions, Underground Engineering and Oil & Gas, with the production of rigs for both onshore and offshore oil drilling in addition to providing oil drilling services at the international level.

Trevi is a group that has always been characterized by a strong international vocation and is actively present on five continents through direct subsidiaries and own activities, representative offices, agencies and worksites, and a payroll of over 7,000 employees. Trevi is a reality that is the fruit of a strategy that is constantly marked by development, pursued through both internal and external growth and by acquisitions as well as through a policy of constant investments aimed at continuous technological and productive improvement.

Today Trevi is a structure that operates at the global level, continuing to constantly reap new business opportunities by opening new references with the social and productive realities of the countries it works in.

In view of these premises, the business/income results achieved by Trevi in recent years appear more than satisfactory. Financial year 2013 was characterized by consolidated revenues of €1,275 million, showing growth over 2012 that can be quantified at around 10.4%; its EBITDA stands at €144 million (+8.8%); EBIT rose from €60 million to €80 million; profits before taxes and third-party results also grew significantly, from €34 to €44 million; and Net Financial Debt fell by 12% from the third quarter of 2013 and at year's end stood at around €443 million (+10.7% compared to the level at the start of the year). Its order book shrank from €1,090 million to €877 million but during the first months of the new year, 2014, the Trevi Group continued to acquire significant volume: in the first months around €400 million in strategic contracts which ensure a substantial level of activity for the current financial year.

Equally satisfactory is the Group net result achieved, positive for €13.7 million, as well as the company's ability to constantly generate positive cash flows with its operations such as to guarantee ample possibilities for self-financing of the activity and of the development process.

The cash flows have been deduced for the year 2014 from the budget approved by the company management, which includes a forecast for increased sales revenues over the previous year. In order to determine the cash flow projections for the subsequent years, the average growth rate of revenues CAGR% 2014-2018 was considered, equal to 8.5%. Trevi is also characterized by satisfactory solidity at the asset/financial level, especially in view of the sizeable own funds at its disposal, which are moreover constantly strengthened thanks to the choice of reinvesting profits in the business. The overall indebtedness definitely appears sustainable by the structure, as is also shown by the analysis of two fundamental ratios, NFP/EBITDA and NFP/Net Assets, both characterized by values well within the averages considered safe. The net financial position appears to be improved in 2013 and at the start of the current year 2014, but worsened overall by the significant investments made abroad for the start of the numerous orders in hand for 2013/2014 and the acquisitions of the past months. However, the deliveries foreseen in the second half of the year should make it possible to maintain the ratio between Total Net Financial Position/Total Equity at the levels of 2013, or 1.03%. We point out in this regard that Trevi's objectives include improvement of its profitability, achieved through more attentive management of production, contracts and the working capital used to finance growth abroad in order to contain the financial provisions and ensure the sustainability of the planned developments. Trevi also enjoys broad support from the national and international credit system, and on the relational level its relations with business and financial counterparties have been marked by correctness.

Trevi Group operates with a diversified portfolio of clients and activities: industrial building, maritime works, dams, foundations and consolidations preparatory to road work, and hydrocarbon exploration. In the area of major works, the Group is specialized in the construction site set-up stage of the project, carrying out all the activities of consolidation and securing of the sites and operating as subcontractor of the main contractors, typically large construction companies and public works.

#### **History of a successful business model**

Since being listed on the stock exchange in July 1999, Trevi Group has shown an important evolution from every standpoint, registering constant development of its business and attaining impressive dimensions and results.

Trevi's history is a story of successes and of a winning business model realized in the span of some 60 years of operation. The Group's roots are in the experience gained in the sector of special foundations and its origins can be traced to the company founded in 1957 by the current head of Trevi Finanziaria Industriale, Chairman and CEO Davide Trevisani. The company, called Impresa Palificazioni Trevisani Geom. Davide, was created with the aim of becoming a point of reference in underground engineering from the technological standpoint.

A marked aptitude for technological innovation, the valorization of human capabilities, the development of process know-how, the design of innovative machinery and internationalization enabled swift growth at the global level and are still today the distinctive features of Trevi Group and of the companies and human capital that constitute it.

In 1969 Davide and Gianluigi Trevisani form the company Soilmec S.r.l. (now Soilmec S.p.A.), which specializes in the design and production of drilling rigs and machinery used for underground engineering and is now a world leader in the field of equipment for foundations.

From the 1970s on a significant growth phase begins for Trevi on the international markets with a constant process of internationalization and success of the Trevi brand.

In 1977 TREVI FOUNDATIONS NIGERIA LTD is formed and begins the foundation works of the Third Mainland Bridge in Lagos, which marks the start of intense activity and an incessant acquisition of orders which increase in number, complexity and size.

The evolution leads the Company to register numerous patents and also leads to the acquisition of important contracts for the realization of foundations in Nigeria for the construction of the Apapa Road, resulting in numerous new references. The “Trevi Method” and the success of the Trevi brand date from the 1980s. Trevi S.p.A. experiences an intense moment of constant growth in revenue, employees, projects and technology, with additional specialization in the excavation of galleries and tunnels. In 1990 recognition arrives from Japan, which imports the special Trevi Method technology used in tunnel digging machines and applies it to the Hasaki Tunnel & Bridge project, contributing to the diffusion of the Trevi brand.

In 1992 the company consolidates its presence in Asia by realizing a big project for the People’s Republic of China, the *Ertan Dam*.

The company acquires very important civil and environmental contracts as well as ones of notable historical and cultural value, such as the consolidation works in 1995 on the *Leaning Tower of Pisa*.

In the 1990s collaboration with Agip/Eni leads the Trevi Group to carry out experimental research and development activity for the design and construction of new machinery for deep drilling of water wells and hydrocarbon exploration. Leveraging the hydraulic technology developed by Soilmec in the special foundations sector and Agip’s know-how in the oil industry, it produces its first rig, the parent of the *well-known HH series* that sanctions the company’s entry into the oil & gas sector, realized in the Piacenza works.

The Trevi Group then began its drilling activity as a *drilling contractor* based on the experimental technology and in 1999 *Petreven* is founded, a company specialized in services and drilling for the oil industry. It begins to operate with contracts in Venezuela and later expands its activity to other South American countries like Argentina, Colombia and Peru, operating on behalf of the biggest oil companies of South America and the United States like *Petrobras*, *Petróleo Brasileiro S.A.*, *YPF S.A.*, *PDVSA Petróleos* and *Chevron Texaco*. In synergy with the new *Drillmec* company, created in 2004 from a spin-off of *Soilmec*, the activity of production and sale of oil drilling rigs grows and develops, succeeding in overcoming the noted resistance of the *oil & gas* sector, historically tied to North American suppliers, to promote the new *Trevi technology*, so innovative in a sector based more on mechanical than hydraulic culture.

Drillmec specializes over the years in the design and realization of mechanical and hydraulic rigs for oil, geothermal and water well drilling, bolstering the Group’s *Metalworking Division* with a new dedicated company and new works located in the city of Piacenza.

Trevi enters the hydrocarbon drilling market with determination, replicating the same business model that had success in foundations.

Trevi is among the top companies in internally developing both operating and production specificities, an intense development activity in both the services and metalworking sectors, which has made it possible to expand this know-how and the technologies developed also externally, to its competitors which are at times clients or partners, representing the cornerstone of the success and affirmation of the *Trevi brand*.

In 2013 the positive trend was confirmed and in 2014 the Group can count on a work portfolio for approximately €1.092 billion + 24.4%. Added to these are the acquisitions of 2014, with major contracts amounting to about \$600 million. The Group is also involved in a number of

important negotiations both from the technological and dimensional standpoint, which together with the scheduled deliveries for the second half of 2014 are likely to influence the results of the current year. The growth of Trevi Group, engaged in consolidation actions and further expansion in the oil & gas sector, looks to be significant.

With regard to short-term credit and commercial relations, no prejudicial elements emerge in relation to the examined group, which maintains a business conduct marked by absolute correctness. Overall Trevi is characterized by an absence of significant problems in terms of liquidity.

TREVI presents itself as a reality in continuous evolution and consolidation, characterized by very solid fundamentals that ensure a high capacity to cope with the financial commitments assumed, in the final analysis representing a modest credit risk.

## Strengths

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- Experience, know-how, production and process capacity, dimensions, scale economies;
- Successful Business Model;
- Human factor, considered as a valorisation of human resources, territorial rooting (Trevi offers places of work to Italian people and companies even if 93% of its turnover is realized abroad);
- Flexibility and diversification in their widest meaning, following product, service, Country and Customer ranges;
- Deep knowledge of international market and of the Countries where it works;
- Trevi is competitive and characterized by a suitable and stable revenue profile;
- Among the world Leaders in the sector of Special Foundations and Oil Drilling: 4° player in the foundations and in the building of oil drilling platforms, 2° world player in the design and manufacture of equipment for foundations and Niche Player in the services of prospecting for hydrocarbons, water and gas;
- Remarkable investments to reinforce and further widen its market shares;
- Technology, on-going innovation ability;
- Project management
- Synergies, on-going interchange among divisions and the companies of the Group;
- Strength of the Brand TREVI;
- General Specialties contractor: TREVI works directly with the contracting body;
- Growing infrastructural market
- Customer-oriented product and services
- Ability to launch policies and relations with the bodies and enterprises of the Countries where it works;
- Highly specialized and niche work with high entrance barriers.

## Weaknesses and risk factors

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- Normative context;
- Weakness of internal market and Italian overall system;
- Need of high efficiency rationalizing the production and a higher accountability at all levels;
- Time to market and lead time;
- Phase of low growth at National level counterbalanced by the growth of investments abroad, above all in Emerging Countries



Rating

## Performance trends

Trevi Group has important growth and development prospects in the coming years and has invested heavily in acquisition and expansion, chiefly on foreign markets.

Its order book as of 31 Dec. 2013, for approximately €877.4 million, and the acquisitions of the first months of 2014, make it possible to cover the revenues foreseen in 2014 and in the 2014-2016 industrial plan. The Group's strong presence in international markets and its leadership position at the global level in the piling and drilling sectors and the diversified presence of the Trevi Group and its activities on all continents remain a reassuring datum for the continuity and stability of its production and business volumes. Trevi confirms a constant growth trend thanks to contracts for significant amounts. The drivers of company development have been delineated both for the divisions and related operating companies and division heads as well as at the Group level.

Today Trevi Group is a world protagonist in the underground engineering sector and in the production of machines for foundations and drilling, displaying solid fundamentals.

It occupies a position of world leader both in special foundations and in oil & gas. Over the years it has worked and developed mainly abroad. Today it operates with a network of companies at the global level, with joint ventures, partnerships and synergies that start from within and are expressed through the entire network of Italian and foreign companies.

Following the end of financial year 2013 the Group acquired a series of important contracts. In the foundation services division (TREVI), it was awarded, by the U.S. Army Corps of Engineers, the consolidation works on the Bolivar Dam in Ohio and on a smaller dam in Wyoming, after winning in 2013 the construction of the Wolf Creek Dam, again in the United States.

Among the works to be executed at the end of 2013 we point to the works for the Copenhagen Metro Team, for the foundations of the Cityringen metro line, completed in June 2014; works for Hyundai in Kuwait; port works in West Africa; and other contracts which have been won in Italy, such as for the expansion work on the Port of Palermo on behalf of the Palermo Port Authority and works for Nodavia for the realization of the "Lotto 2 Passante" in Florence. Trevi as a division has the objective of consolidation in the chosen geographic markets and selective entry in new markets with growth prospects over the medium-long term in the construction sector (water, rail, roads and energy).

We point out that the numerous recent winning bids were possible without any need by the Group to partner with third parties. The Group won important orders in the Middle East area, particularly in Kuwait and Qatar. In the oil & gas sector we point to the acquisition of a supply contract for a rig using hydraulic technology which will be installed on a fixed platform in the North Sea. In the Middle East, Drillemec will supply one of the Group's historic clients with an additional three rigs for onshore oil drilling. Drillemec will also build an HH hydraulic drilling rig for geothermal exploration in Italy. In the first five months of 2014 Drillemec submitted winning bids for works worth over €99 million on behalf of Iraqi Drilling Company, Grupo Mexico, Belarusneft (Belarus), Trinidad Drilling in Canada, and in Italy works on behalf of Enel S.p.A.

Regarding the acquisitions and contracts won by the Trevi Group in the first months of 2014, Drillemec S.p.A. will supply Eni with three new rigs featuring HH 300 hydraulic hoist technology that will be used by the PDVSA (PetroJunin) joint venture (60%) and Eni (40%) for onshore oil drilling in Venezuela. These onshore rigs will be manufactured and tested at the Drillemec

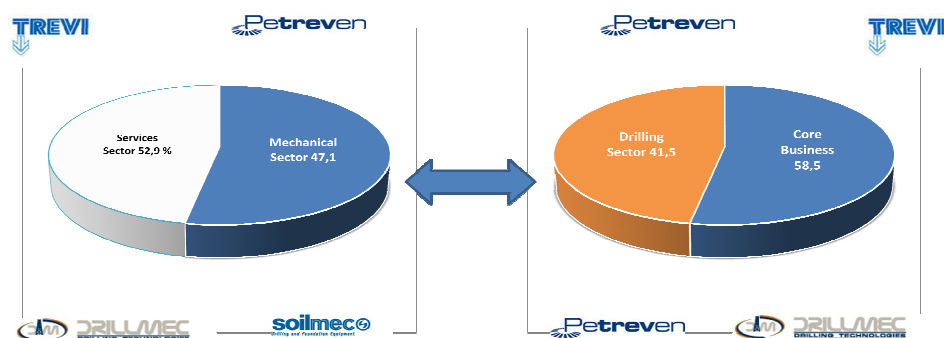
works in Piacenza, Italy, and Houston, Texas (USA) and then be transferred to Venezuela. Drillmec will also supply a geothermal rig to Enel, again an onshore HH-300, for drilling geothermal wells in Italy. Drillmec is currently engaged in the expansion of its offshore division with investments in the mid-shallow water segment.

For each rig Petreven has a signed contract for the execution of drilling services, from a minimum of 24 months to 36 or 60 months. Petreven's clients are the biggest oil companies in South America: YPF SA in Argentina, Geopark TDF SA (listed on the London Stock Exchange) in Chile, Petrobas Energia SA in Argentina, Chevron in Argentina, and Petrolera Senovensa in Venezuela.

In 2014 all the rigs are active and under contract. The development objectives for the Petreven Division are maximization of contract durations, the operation & maintenance segment, expansion and consolidation in new geographic markets, and testing of new technological solutions and new rigs produced by the Drillmec Division.

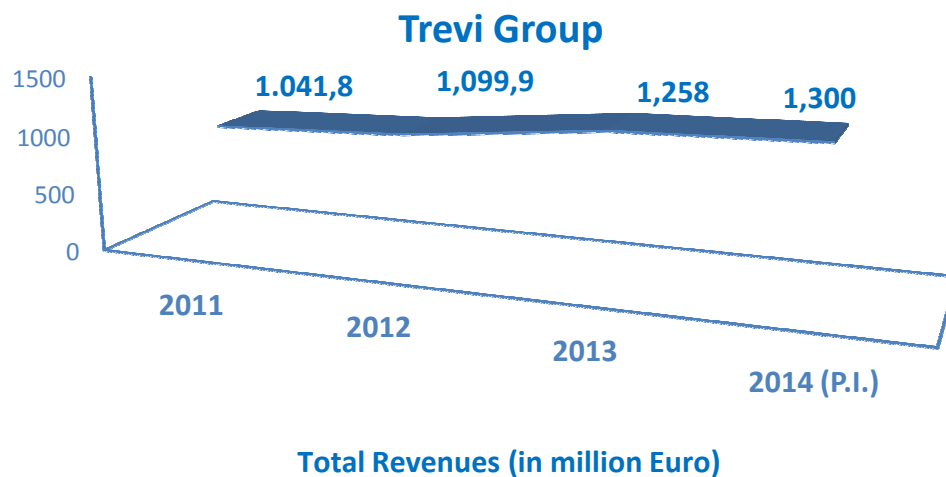
Soilmec is instead geared toward the goal of greater production efficiency and has begun an internal reorganization and rationalization of the division, an objective that it pursues together with that of maintaining technological and innovative excellence also to the benefit of the Trevi Division, responding to the needs of the division, with which it operates in close synergy, and also responding to the new winning bids and job orders in its portfolio, the latter more selective and aimed at completion of the product range.

Trevi Group as a whole has identified development and efficiency improvement drivers at all levels of the group which foresee objectives of consolidation of geographic markets, controlled, selective growth by external lines, strengthening its role of general specialty contractor and improving production efficiency through a reduction of inventory and more time to market-oriented production. The objectives are pursued through actions at both group and division level, seeking to rationalize and make more efficient the functional areas that necessitate interventions in this sense.



The Group is one but is made up of two divisions and stands out for its ability to effectively exploit the synergies that are created in the respective environments. The commitment is now to continue with greater assumption of responsibility and accountability at all levels in order to cope with the new challenges and the difficulties to which they are subject in a strongly globalized market by optimizing and rationalizing production and its costs, reducing losses of time and money to improve timing on the market with resulting advantages in the acquisition of new orders or in the management of problems – always maintaining the balance between the three pillars that Trevi's development rests on: technology, the ability to produce income and finance and reducing risks to the minimum.

The 2014 outlook envisages growth of revenues accompanied by growth of margins and operating results, the development of Drillmec in the offshore segments and the development of a new series of second generation HH rigs, objectives pursued through fulfilment of the numerous orders in hand and those recently acquired, delivery of which is slated for the second half of 2014. Improved profitability is also pursued through attentive control of management, production, contracts and the working capital employed to finance the orders and growth abroad in order to contain the financial provisions and ensure the sustainability of the planned investments and developments.



Rating

## Scenarios

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### Rating level in the event of the least favourable scenario

The least favourable scenario - excluding catastrophic events for the company and the sector in which it operates, could lead to the opinion on creditworthiness being downgraded. In particular, we estimate that the minimum rating value could be **A2.2**, which corresponds to a probability of insolvency between 0,30% and 0,40%.

### Rating level in the event of the most favourable scenario

The most favourable scenario for the company and the sector in which it operates, considering the company's operational development plan, as well as its objectives structural limitations could result in the creditworthiness being upgraded to a high level, i.e. **A1.3**, which corresponds to a situation of a very high credit worth, the resulting low credit risk i.e. the resulting probability of insolvency between 0,20% e lo 0,25%.

# Rating Factors

Rating Factors

## Trends

Trevi Finanziaria Industriale S.p.A., incorporated on 20 June 1983 is the Parent Company of Trevi Group, and the Group is active in the following two sectors, Foundation engineering services for civil works and infrastructure projects and oil drilling services with the “Special Foundations and Drilling Services Division; Manufacture of equipment for special foundations and drilling rigs for the extraction of hydrocarbons and water exploration, with the “Mechanical Engineering Division”. These business sectors 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., active 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;
- Drilmec S.p.A., which manufactures and sells drilling equipment for the extraction of hydrocarbons and water exploration.

The Group is also active in the sector of renewable energy, mainly wind energy, through the subsidiary Trevi Energy S.p.A., a company operating in the sector of research, development and energy generation from renewable sources, primarily wind power, applying the same technology and know-how developed to realize off-shore wind power rigs.

TREVI – Finanziaria Industriale S.p.A. is indirectly controlled by I.F.I.T. S.r.l. (a company



with its registered office in Cesena) and directly controlled by the Italian company Trevi Holding SE, a company controlled by I.F.I.T. S.r.l. has been listed on the Milan stock exchange since July 1999.

The 2013 Financial Statements, showed revenues from sales and services of Euro 12.631 million (an increase of Euro 1.689 million compared to the figure of Euro 10.942 million in the previous financial year), financial income of Euro 22.732 million (an increase of Euro 1.532 million compared to the figure of Euro 21.200 million in the preceding year) and profit for the year of Euro 9.712 million (an increase of Euro 0.626 million compared to the Euro 9.086 million of 2012).

Activities carried out by the Parent Company on behalf of subsidiaries include, in addition to plant and equipment hire, planning, research and development, operational and administrative management support, human resources and personnel services, IT and integrated business software services, management of Group communications, and all services connected to its main activity as the industrial parent company of the TREVI Group.

There was increase in income from investments (Euro 7.721 million in 2013 compared to Euro 6.878 million in the 2012 financial year, an increase of Euro 0.843 million, due to the dividends of 15 Euro 7.634 million received from Drillemec S.p.A. and of Euro 0.353 million from Petreven S.p.A.); and an increase in interest received from financing agreements between the Company and its subsidiaries (Euro 15.001 million in 2013 compared to Euro 14.313 million in 2012, an increase of Euro 0.688 million), mainly due to an increase in the number of financing agreements between the Company and its subsidiaries and to the rise in the relevant interest rates in line with market conditions.

## Trevi Group

In 2013 the revenues of the TREVI Group increased (+10.4%) to reach Euro 1,275 million; the gross operating profit was Euro 144 million (+8.8%); EBIT rose from Euro 60 million to Euro 80 million; the profit before tax and non-controlling interests grew significantly from Euro 34 million to Euro 44 million; net debt fell 12% compared to the figure at the end of the third quarter 2013 and was approximately Euro 443 million at year-end (10.7% above the level at the start of 2013); the order portfolio went from Euro 1,090 million to Euro 877 million but during the first few months of 2014 the TREVI Group acquired a significant number of strategic contracts totalling approximately Euro 300 million; these will ensure a sustained level of business activity in the current financial year.

The strong presence of the Group on international markets is shown by the percentage of revenues generated outside Italy. These were approximately 92.4% of total revenues. Revenues from Italy fell once again to 7.6% of total revenues and accounted for just Euro 97 million of the total revenues of Euro 1,275.8 million. The geographical breakdown of the order portfolio of approximately Euro 877.4 million is 35% in Latin America, 10% in the USA, 18% in the Middle East and 11% in Africa. Value added was Euro 375.3 million (+4.1%), a margin on total revenues of 29.4% (31.2% at the end of the preceding financial year). The value of production increased from Euro 1,197.6 million to Euro 1,310 million (+9.4%). The increase of Euro 32.7 million in fixed assets for internal use (Euro 28 million in the previous financial year) was mainly due to machinery produced by the Mechanical Engineering Division for use by the Special Foundations and Drilling Services companies.

The success of the Trevi Group is based on integration and therefore continuous exchange between technological and process innovation between the divisions making up the Group.

The Group's work portfolio includes the execution of various segments of Trevi's activity and the production of machines and rigs for their realization:

- industrial construction: execution of foundation and consolidation works, also in urban areas, and the laying of systems for the support of excavations and impermeable barriers;

- maritime works: installation of bored or driven piles in water, construction of complete docks and piers, shore protection works, excavations in water, small drainages and shoreline rehabilitation;
- dams: foundation works for the construction of new dams or repair of existing ones;
- transport: foundations and consolidation preparatory to the construction of motorways, railways, air or maritime stations and tunnels;
- water exploration: the technologies used for rotary drilling are the same to realize both piles for foundations and wells for water extraction;
- hydrocarbon exploration: the technologies perfected by the Group for water extraction also make it possible to operate in the sector of oil & gas extraction;
- automated car parks: design of automated underground car parks;
- environmental protection and large-scale restorations of archaeological works;
- renewable and geothermal energy: the Group's sectors of interest regard geothermics and the wind sector, especially offshore.

Trevi also operates in the area of major works, seeing to the construction site set-up phase of the project, executing all the site consolidation and securing activities for the purposes of the subsequent construction, operating chiefly as subcontractor of the main contractors – typically large construction companies and public works.

#### 2014 1st Quarter

Total consolidated revenues in the first quarter of the current financial year were Euro 265.7 million; this represents a decline of 13.9% compared to the revenues of Euro 308.5 million reported for the first quarter of the previous year. However, the Group will generate significant revenues over the next two quarters given its substantial order portfolio of Euro 1.092 million; this growth is due to the acquisition of orders totalling more than 480 million Euro in the quarter under review.

The general trend in international construction markets, and particularly for infrastructure projects, is positive; new infrastructure demand in emerging markets and in North America is likely to be a source of further growth for the Special Foundations Services division (Trevi). Major new orders totalling USD 270 million have been acquired in this sector in the USA, the Middle East and West Africa. I mercati globali di produzione Oil&Gas e la domanda di impianti di produzione on-shore e off-shore sono in costante aumento e durante il corso del trimestre sono state acquisite numerose ed importanti commesse.

The global Oil&Gas production markets and demand for on-shore and off-shore production plant show constant growth. Several significant new orders were acquired during the quarter: in the particularly important orders for drilling equipment totalling USD 340 million were acquired by the Oil&Gas division, mainly in Latin America Latina and the Middle East. In the quarter under review, the initial production phase started for many of recently acquired oil drilling plant contracts through an intense stage of project planning, the issue of orders to suppliers and sub-contractors and the production of components; this is particularly reflected in the increase in inventories and in the net debt of Drillmec. A large part of the delivery and payment for these contracts will be concentrated between May and November.

Net invested capital was Euro 1,004.1 million, representing an increase compared to the figure at 31 December 2013 (Euro 874.5 million) and Euro 84.7 million higher than in the same period of the previous year. Gross investments in tangible fixed assets for the period were Euro 14.7 million (Euro 24.3 millio at 31 March 2013, representing a reduction of 39.7%) and

were mainly for machinery and equipment for contracts begun during the quarter or to be carried out in subsequent quarters. At 31 March 2014, inventories totalled Euro 568.9 million (Euro 520.9 million at 31 December 2013), which was Euro 18.2 million higher than at 31 March 2013. The increase in inventories reflects the planning of production and deliveries in the Mechanical Engineering Division and, in particular, at Drillmec, which should guarantee an increase in sales through the remainder of the year.

Total net debt was Euro 574.1 million, representing an increase in the net debt position of 28.9% compared to the position at 31 March 2013, and 29.6% higher than at 31 December 2013, primarily due to a delay in the acquisition of orders in the Mechanical Engineering Division. There should be a significant improvement in net debt in the coming quarters as payment is received for several important contracts in the Oil & Gas sector.

Group net equity was Euro 405.2 million, 6.8% lower than in the first quarter of 2013.

The main financial ratios were as follows: Net Debt /Equity of 1.34 (1.03 at 31 December 2013) and Net Debt /EBITDA of 4.22 (3.08 at 31 December 2013).

The gross operating profit was Euro 31.1 million representing a margin of 11.7% on revenues; in the first quarter of 2013, the gross operating profit was Euro 38.7 million, a margin of 12.5%. After depreciation of Euro 13.8 million and risk provisions of Euro 0.2 million, the operating profit was Euro 17 million (6.4% of total revenues); in the first quarter of 2013, the operating profit was Euro 23.1 million (7.5% of total revenues). Net financial expenses were Euro 7.6 million, and exchange rate losses totalled Euro 3.4 million.

TREVI Group is actually involved in several important contracts that would surely be change and influence the current year results and should guarantee an increase in sales through the remainder of the year.



## Rating Factors

## Negative data

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### Negative Events

**Protests**

No protests have been found neither on the company, nor on its linked subjects. The double checks carried out on “doubtful” cases excluded possible homonymy thanks to detailed verifications.

**Bankruptcies and bankruptcy procedures**

No Bankruptcies and /or severe Bankruptcy Procedures have been found against the enterprise, nor against its linked subjects.

**Prejudicial actions**

No Prejudicial Actions coming from Curatorship have been found against the enterprise, nor against its linked subjects.

**Negative press review**

From our press review, which includes the daily analysis of almost 100 national, regional and above all provincial daily papers, we found no negative elements on the above-mentioned enterprise.

## Rating Factors

## Competitive positioning

Trevi Finanziaria Industriale S.p.A., the operating holding company of the Trevi Group and the companies it controls carry out their activities in the sectors *foundation engineering services for civil, infrastructure and industrial works and oil well drilling services* with the Foundation and Drilling Services Division and in the *construction of equipment, machinery and rigs for special foundations and for well drilling for hydrocarbon extraction and water exploration* with the Metalworking Division.

Trevi Group operates in sectors and in a market, like the international one, characterized by a limited number of operators in a dominant, leadership position like Trevi's and therefore featuring a low degree of concentration, a factor that accentuates competitiveness in some geographic areas but leaves openings for commercial and territorial expansion.

The reference market is characterized by a competitive scenario with high entry barriers. Size, experience, reputation and know-how are necessary requisites and reduce the number of competitors on the international stage. The companies of these sectors operating at the global level are notably limited in number and stand out for their critical mass, organizational structure and range of action.

The Group's chief competitors are large international operators, operators in leadership positions that are often listed on their respective financial markets.

On the individual markets the Group finds itself competing with a series of small players whose number depends on the level of fragmentation of the sector. Absolute world market shares are not found, and relative market shares can be identified. The competition for Trevi is therefore represented by companies that have a historical presence in the reference markets where the Group is in an analogous leadership position today also at the global level. In the Drilling sector, where until a few years ago it presented itself as a new competitor or a new entrant, today with the Drillemec Division one can confirm significant development of Trevi in the oil & gas sector benefiting from a phase of strong development of the sector and of the sector leading companies. Drillemec presents itself with the right credentials, the right production capabilities and cutting-edge technologies. Trevi's chief competitors can be distinguished by divisional competition.

In the Foundations Division, in the various geographic areas and with different competitive intensity, Trevi S.p.A.'s Foundations Division finds itself competing with Keller Group Plc (UK), Soletanche Bachy (France) and Bauer AG (Germany). The Soilmec Division has its main competitors in Bauer AG, which like Trevi Group is present in services and in the metalworking sector, and the Italian Casagrande Group. On the international scale, however, Soilmec's network constitutes a solid, hard to replicate competitive advantage.

In the Drilling Division, Drillemec's competitors are, historically, NOV (National Oilwell Varco, U.S.), a world leader in terms of revenue, present on the market since 1841 with production sites on an international scale, and the German BAUER A.G. of the Bauer Group, its most similar competitor because, like Trevi, it is present in both sectors. Listed on the Frankfurt Stock Exchange, the polyvalent Bauer is very active on the domestic and international markets.

## Competitors:

- ✓ Keller Group Plc (UK). The Keller Group is listed on the London Stock Exchange and is strongly present in the United Kingdom, the United States and Australia. Historically it is focused on foundations in the residential, commercial and industrial sectors.
- ✓ Soletanche Bachy. Soletanche Bachy (Vinci Group) is characterized by a dominant, monopoly position in the French domestic market and a consolidated presence in the Far East, where it boasts solid leadership.
- ✓ Bauer Spezialtiefbauer. The Bauer Group, listed on the Frankfurt Stock Exchange, boasts a strong presence in its domestic market, where it earns a sizeable share of its revenues.
- ✓ Trevi Group. The Trevi Division has an extremely distributed geographic presence and an absolute size in terms of revenues similar to that of Bauer.

## Factors of Rating

## Quality of customer portfolio

As far as the customer portfolio of Italian customers of Gruppo Trevi is concerned, we would like to point out that the domestic market share has remarkably decreased and is mainly concentrated in Società Trevi S.p.A., on which a detailed analysis has been carried out concerning its risk level following the number of most significant customers at national level and the corresponding degree of credit lines, and following the number of customers and corresponding revenues on the same date.

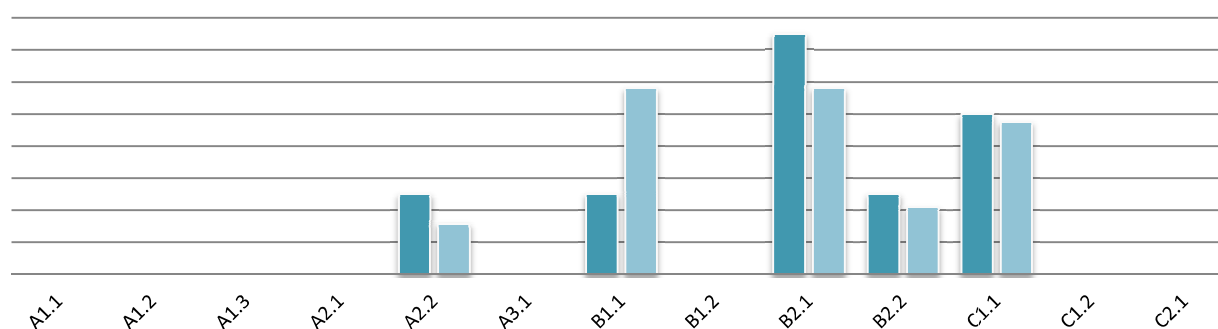
The strong presence of the Group on the International markets is witnessed by the percentage of sales abroad, as high as 92.4% of the total and since 2014 further oriented on foreign countries because of a further decrease of investment on infrastructure in Italy; the weight of the Italian area on total revenues of the Group further decreased to 7.6%, corresponding to only 97 milion Euros on a total amount of 1,275.8.

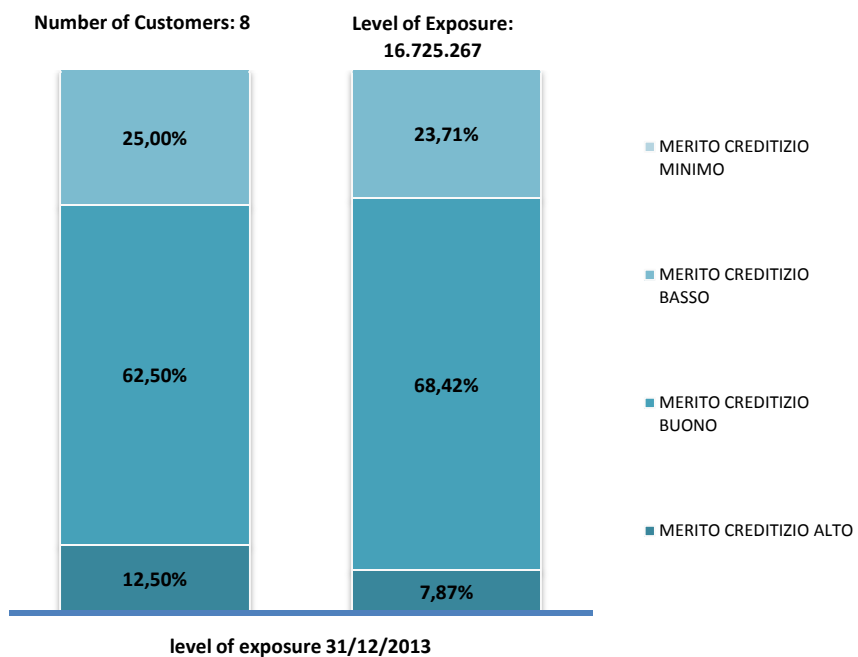
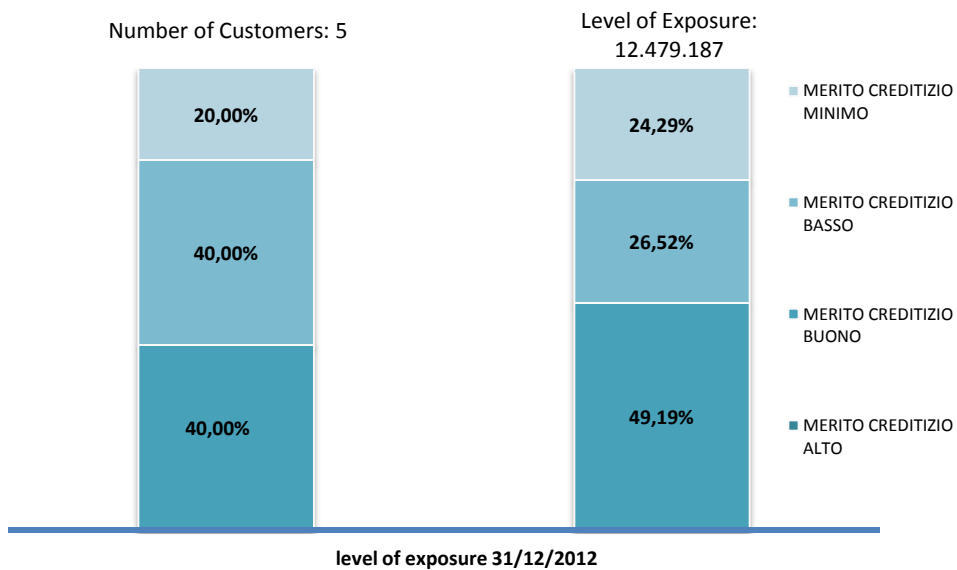
The charts show the percentage subdivision of customer enterprises and their credit lines as well as their turnover as per portfolio for class of credit merit, whereas the charts here below show the distribution of the number of enterprises and their credit lines as contained in the Cerved Group database for classes of Rating.

The score of the Italian customer portfolio is higher in the division Trevi if compared to the other divisions, it stands anyway for 7% of total revenues. On 31.12.2013 and also before, that is to say on 31/12/2012, it synthetically expresses a judgment on risk level which ranks in *class B* showing a medium risk of insolvency and a moderate value of risk capital for the Italian customers. On 31.12.2013 the estimation of the expected loss represents a poor percentage on the overall credit line. Moreover, the estimation of the expected loss on revenues between the two years has improved: the lower degree of risk comes from a different concentration of the level of credit line towards customers with higher classes of merit. All in all, both the higher number of customer enterprises as well as the enterprises with the highest credit lines rank within a positive level of solvability, constant both in 2012 and in 2013. We would also like to underline that we are dealing with the corporate customer portfolio of Trevi S.p.A. at the head of the Special Foundation Services Division.



Portfolio Risk Level - Italy 2013





## Rating Factors

**Degree of concentration of the customers**

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92.9% of commercial credits of the mother company TREVI – Finanziaria Industriale S.p.A. consists of credits towards linked companies. The credit risk concerning financial instrument can be considered as null, as they are represented by *liquidity and Bank current accounts*.

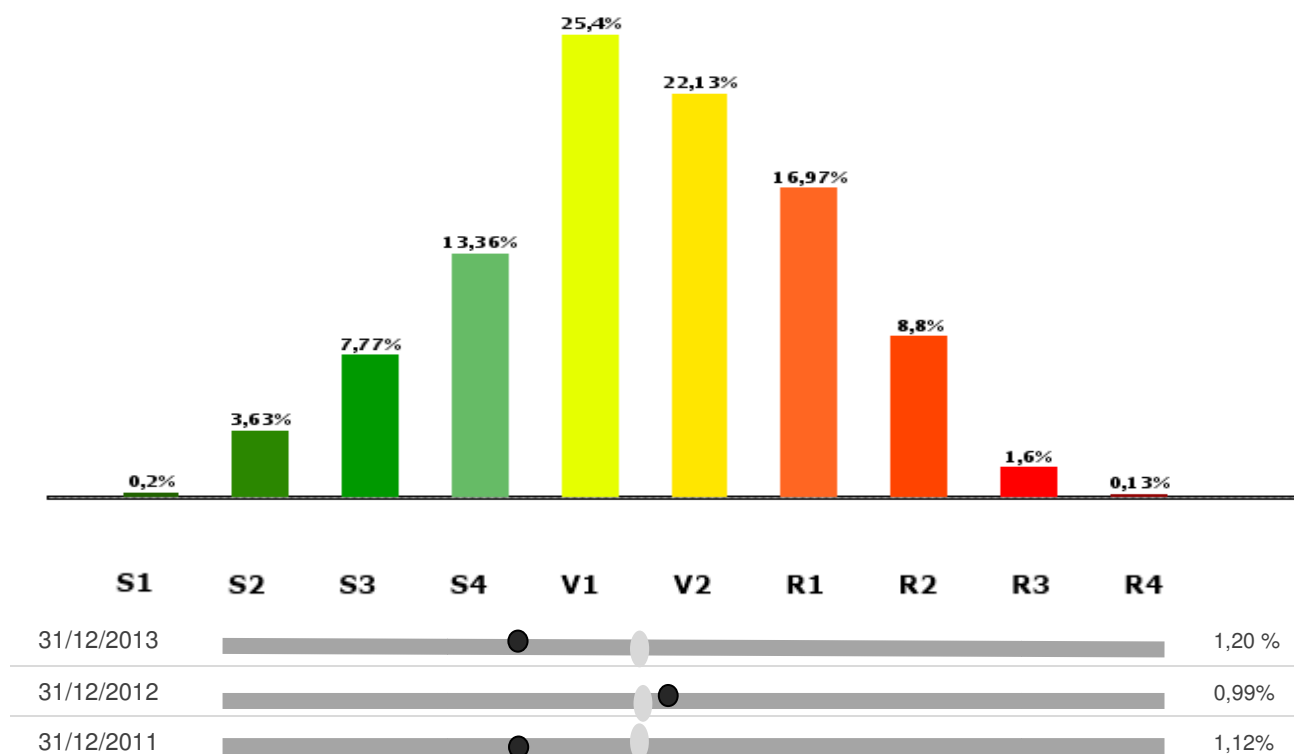
*As far as the level of concentration of the customers is concerned*, we analyzed Gruppo TREVI and its main operative Companies at the head of the Divisions that both on 31.12.2012 and on 31.12.2013 show the most significant credit line, towards linked Companies active within the Network of enterprises at global level of Gruppo Trevi. In general, both in 2012 and 2013, there is a limited concentration of customers falling within the companies of Gruppo Trevi. The strong presence of the Group on the International markets is witnessed by the percentage of sales abroad, as high as 92.4% of the total and since 2014 further oriented on foreign countries because of a further decrease of investment on infrastructure in Italy; the weight of the Italian area on total revenues of the Group further decreased to 7.6%, corresponding to only 97 million Euros on a total amount of 1,275.8.

The project portfolio of the Group is as high as 877.4 million Euros, 35% in South America, 10% in US, 18% in Middle East and 11% in Africa. The Added Value is as high as 375.3 million Euros (+4,1%); its incidence on Total Revenues being 29.4% (31.2% during previous year).

Among their customers there are public bodies, ministries, Main Contractors, big building enterprises and public projects, it usually takes part in Group of Contracts and other temporary enterprise associations for the development of big projects at national and international level; Drilling activities are carried out by its divisions Drillmec and Petreven and are oriented towards the most important “oil companies” for the drilling of oil dwells in Chile, Venezuela, Peru, Argentina, Brazil and Colombia.

## Economic – Financial Evaluation

*It represents the distribution of the enterprises of the sector following the categories of economic-financial risk and compares the risk of the enterprise with the one of the sector over the last three years.*



- S1 High safety
- S2 Safety
- S3 High solvency
- S4 Solvency
- V1 Limited solvency
- V2 Low solvency
- R1 Limited risk
- R2 Risk
- R3 High risk
- R4 Very high risk

During the last year taken into consideration, the subject ranks in class V2 of the economic-financial evaluation scale, showing a higher level of risk compared with the average of its sector of activity

## Rating Factors

**Economic, equity and financial situation****Trevi Finanziaria Industriale S.p.A.**

From comparative analysis of the financial statements relative to the years 2011, 2012 and 2013, reclassified, it emerges that the total *assets* of the balance sheet as at 31 Dec. 2013 amount to €410,640,000, registering a 2.52% increase over the previous years. On the total of the fixed assets the greatest incidence is represented by the financial assets, for €353,727,000, financial receivables for €227,722,000 and equity investments for €115,773,000.

The *liabilities* instead show equity of €140,347,000 (+0.87%) and a total debt exposure of €240,206,000 (+1.50%). The equity structure showed a change of +6.50%.

The total debt appears to have grown from the monetary standpoint, but is still sustainable by the structure of the Company and of the Group.

There was increase in income from investments (Euro 7.721 million in 2013 compared to Euro 6.878 million in the 2012 financial year, an increase of Euro 0.843 million, due to the dividends of 15 Euro 7.634 million received from Drillmec S.p.A. and of Euro 0.353 million from Petreven S.p.A.); and an increase in interest received from financing agreements between the Company and its subsidiaries (Euro 15.001 million in 2013 compared to Euro 14.313 million in 2012, an increase of Euro 0.688 million), mainly due to an increase in the number of financing agreements between the Company and its subsidiaries and to the rise in the relevant interest rates in line with market conditions. In the financial period under review, gross investments in tangible fixed assets included Euro 4.013 million for land and buildings, which was for the property in Cesena that will be used to expand the adjacent production facilities of Soilmec S.p.A. and Trevi S.p.A. As regards directly-held investments, there was an increase in the investment in the subsidiary Trevi Energy S.p.A., which is active in the research, development and generation of energy from renewable sources, mainly wind energy, for a payment of Euro 0.600 million on account of a future share capital increase to support the important development plan of the company.

Guarantees given to credit institutions totalled Euro 332.430 million at 31 December 2013 compared to Euro 311.498 million in the previous financial year, an increase of Euro 20.932 million mainly due to the increase in business in various countries, to the signing of medium/long-term financing agreements by subsidiaries and to the use of credit lines, mainly for trade guarantees, concentrated in the Parent Company. Guarantees given to insurance companies totalled Euro 39.010 million at 31 December 2013 compared to Euro 68.514 million in the previous financial year, a decrease of Euro 29.504 million that was mainly due to guarantees given to subsidiaries for existing contracts; these guarantees decrease in direct relation to the remaining work to be carried out at the end of each financial year.



La Posizione Finanziaria Netta Consolidata al 31/12/2013 è la seguente:

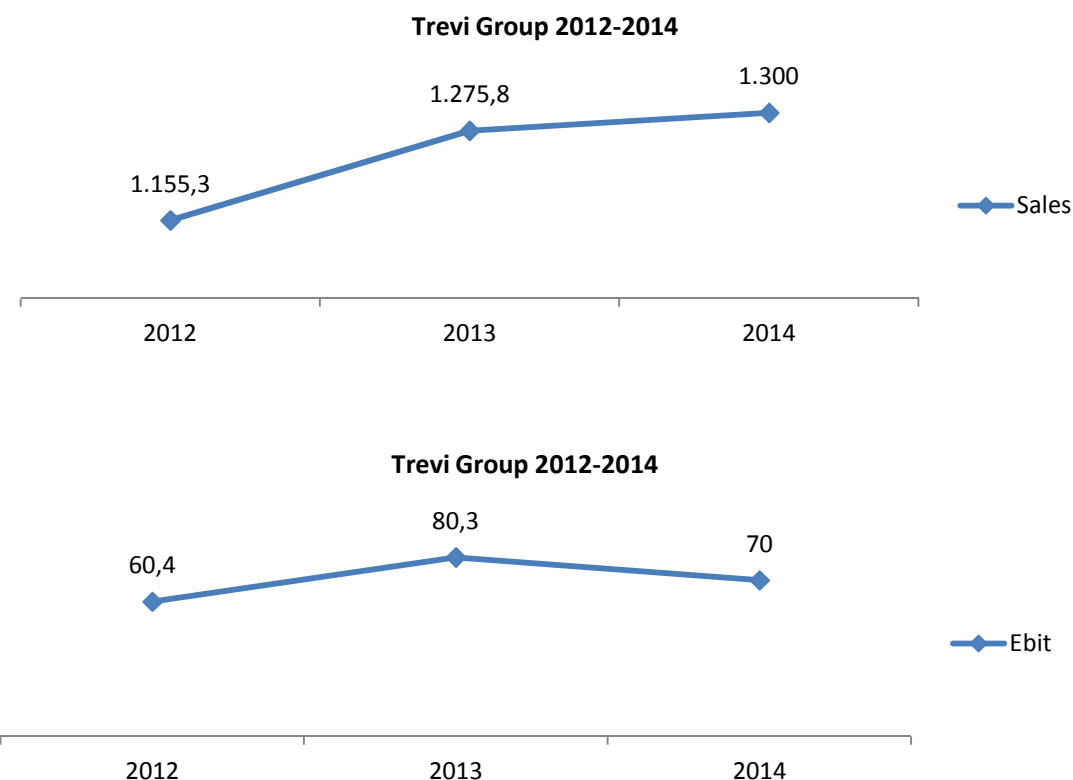
<b>POSIZIONE FINANZIARIA</b>	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>Variazioni</b>
Current debt	(371.965)	(332.854)	(39.110)
Payables for other current financing	(38.672)	(28.477)	(10.195)
Current financial derivatives	(127)	30	(157)
Cash and cash equivalents	220.306	202.643	17.663
<b>Total current financing</b>	<b>(190.457)</b>	<b>(202.643)</b>	<b>(31.799)</b>
Non-current debt	(211.588)	(188.888)	(22.700)
Payables for other non-current financing	(40.201)	(50.684)	10.483
Non-current financial derivatives	(1.397)	(2.418)	1.021
<b>Total non-current financing</b>	<b>(253.187)</b>	<b>(241.991)</b>	<b>11.196)</b>
Net Debt	<b>(443.644)</b>	<b>(400.648)</b>	<b>(42.995)</b>
Treasury shares	<b>751</b>	<b>519</b>	<b>233</b>
<b>Net Financial Position</b>	<b>(442.892)</b>	<b>(400.129)</b>	<b>(42.763)</b>

#### Trevi Group

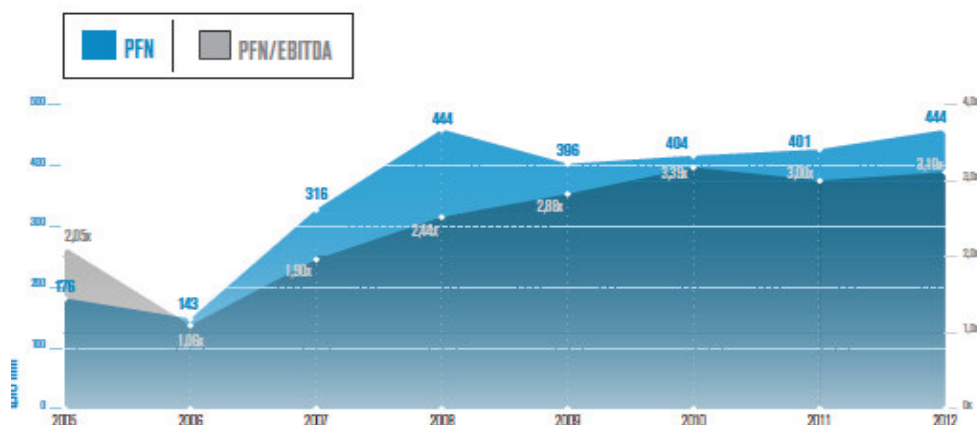
Compared to 31 December 2012, there was an increase in current debt of approximately Euro 31.8 million, which caused the figure to rise from Euro 158.7 million to Euro 190.5 million. In the same period, non-current debt increased by Euro 11.2 million, moving from Euro 241.9 million to Euro 253.2 million. The total net financial position, which includes treasury shares held, deteriorated by approximately Euro 42.8 million in 2013. Free cash flow was Euro 18.7 million (compared to Euro 33.9 million in 2012) and was impacted by investments in tangible and intangible fixed assets, net of exchange rate translation effects, of approximately Euro 94.8 million and a Euro 2.4 million decrease in working capital; the Net debt/Ebitda ratio was 3.08x (3.03x at 31 December 2012).

The strong presence of the Group on international markets is shown by the percentage of revenues generated outside Italy. These were approximately 92.4% of total revenues. Revenues from Italy fell once again to 7.6% of total revenues and accounted for just Euro 97 million of the total revenues of Euro 1,275.8 million. The geographical breakdown of the order portfolio of approximately Euro 877.4 million is 35% in Latin America, 10% in the USA, 18% in the Middle East and 11% in Africa. Value added was Euro 375.3 million (+4.1%), a margin on total revenues of 29.4% (31.2% at the end of the preceding financial year). The value of production increased from Euro 1,197.6 million to Euro 1,310 million (+9.4%). The increase of Euro 32.7 million in fixed assets for internal use (Euro 28 million in the previous financial year) was mainly due to machinery produced by the Mechanical Engineering Division for use by the Special Foundations and Drilling Services companies. The gross operating profit was Euro 143.7 million (+8.8%), a margin of 11.27% of revenues; in the preceding financial year it was Euro 132.2 million, a margin of 11.4%. After depreciation of Euro 55.2 million and provisions of

Euro 8.3 million, the operating profit increased 32.9% to Euro 80.3 million (6.3% of total revenues); in 2012 the operating profit was Euro 60.4 million (5.2% of total revenues).



Free cash flow was Euro 18.7 million (compared to Euro 33.9 million in 2012) and was impacted by investments in tangible and intangible fixed assets, net of exchange rate translation effects, of approximately Euro 94.8 million and a Euro 2.4 million decrease in working capital; the Net debt/Ebitda ratio was 3.08x (3.03x at 31 December 2012). Liquidity risk is the risk that available financial resources will be inadequate to meet maturing obligations. At the current date, the Group maintains that its cash flow from operations, the 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 aiming at an appropriate mix of sources of financing for its various companies, which permits the Group to maintain a balanced capital structure (financial debt/equity) and debt structure (non-current debt/ current debt), as well as balancing the maturities of the debt financing. In addition to the constant monitoring of liquidity, all the companies within the Group produce periodic statements of cash flows and projections, which are consolidated and analysed by the Parent Company.



Net invested capital was approximately Euro 874.5 million, an increase of Euro 26.2 million compared to the figure at 31 December 2012; net working capital was almost unchanged and there was a 7.7% increase in the value of fixed assets. Group net equity decreased approximately Euro 13.5 million (-3,2%). The net profit generated by the Group impacted this figure for Euro 13.8 million but there was a negative impact from the translation reserve (of approximately Euro 17.2 million), mainly due to the depreciation of the US dollar (and of currencies linked to the US dollar, in particular the United Arab Emirates dirham) against the Euro. Compared to 31 December 2012, there was an increase in current debt of approximately Euro 31.8 million, which caused the figure to rise from Euro 158.7 million to Euro 190.5 million. In the same period, non-current debt increased by Euro 11.2 million, moving from Euro 241.9 million to Euro 253.2 million. The total net financial position, which includes treasury shares held, deteriorated by approximately Euro 42.8 million in 2013).

The net debt/equity ratio was 1.03.

Trade receivables and other current receivables, At 31 December 2013 these totalled Euro 577.709. The entry, trade receivables, is net of non-recourse transfers of receivables through factoring transactions. At 31 December 2013, the Group had made non-recourse transfers of trade receivables to factoring companies for a total of Euro 104.818 million (Euro 145.790 million at 31 December 2012).

The Group is exposed to credit risk should a financial or commercial counterpart become insolvent. The nature of the Group's business, which covers several sectors, with a marked geographical spread of its production units and the number of countries in which it sells its plant and equipment (approximately 80), means it has no concentrated client or country risk. In fact, the credit risk is spread over a large number of counterparts and clients. The credit risk associated with normal commercial operations is monitored both by the company involved and by the Group finance division. The aim is to minimise the counterpart risk by maintaining exposure within limits consistent with the credit rating given each counterpart by the various Credit Managers of the Group, based on the past history of the insolvency rates of the clients. The Mechanical Engineering Division is mainly active in foreign markets and uses market financial instruments to cover credit risk, in particular letters of credit. For large engineering projects, the Special Foundations and Services Division uses advance payment instruments, letters of credit and SACE S.p.A. (the Italian Export Credit Agency) insurance policies and buyers' credits. The Group also uses without recourse sales of trade receivables. A more in-depth analysis and statement of exposure to credit risk of the commercial activities is given in Note 11 to the Financial Statements. Credit risk on cash assets is inexistent since these are made up of cash and cash equivalents, bank current accounts and post-office accounts. The provision for doubtful receivables was Euro 17.778 million. Provisions totalled Euro 5.989 million (Euro 7.338 million in the previous financial year) and refer to individual valuations of receivables based on a specific analysis of each situation where there may be a payment risk. The figure was attributable to various companies in the Group.

## Rating Factors

**Credit relations**

With regard to *short term* credit relations, no prejudicial elements emerge with respect to the examined Group, which maintains a conduct marked by correctness.

Since its origins, Trevi Group has been able to count on ample support of the local banks, which have accompanied the founder in his idea from the start. The banks have thus supported Trevi and its business as authentic industrial partners, approving its development projects.

The listing of Trevi Finanziaria Industriale S.p.A. on the Milan Stock Exchange in July 1999 gave important visibility to the company at the international level, attracting interest and favouring relations with some of the world's major credit institutions.

The bank financing of the Trevi flagship company Finanziaria Industriale S.p.A. amounts to €103,682,083 short term and €134,473,936 medium-long term at the end of 2013.

The Group's bank financing at the end of financial year 2013 amounts to €371,965,000 short term and €211,589,000 long term.

The Company is financed through the generation of cash flows deriving from its industrial activity, the broad diversification of its sources of finance and the availability of credit lines in all the technical forms necessary for carrying out the activity. At the current date the company has access to sufficient financing sources to satisfy its planned financial needs. The Group controls the liquidity risk by focusing on an adequate mix of finance sources for the different companies, which makes it possible to maintain a balanced Group capital and debt structure, as well as balancing the maturities of its debt financing and the diversity of the sources of finance. In order to cope adequately with the liquidity risk, the Group has committed credit lines available, stipulated with financial counterparties of high standing, for a total of €300.9 million. In addition to the lines described above and the ceilings for guarantees, the Group has bank credit facilities for commercial and financial operations for around €630 million with both Italian and international financial counterparties. The Group's lines of credit total more than €1.25 billion. The funding activity is carried out chiefly by the flagship company and by the subholdings. However, in case of operational necessities, finance is also raised by the Group's individual operating companies.

With the goal of reducing the amount of financial debt, subject to the fluctuation of interest rates, and the cost of the financial provisions (cash flow hedge), the company and the entire Group use interest rate swap (IRS) contracts. Trevi has existing interest rate hedge contracts concerning bank financing, stipulated for non-speculative purposes. Exposure to the risk of variations of market interest rates is connected with both short and long term financing operations, with a variable interest rate. It is Group policy to conclude funding operations at variable rates and then evaluate whether to hedge the interest rate risk by converting a variable rate exposure to a fixed rate exposure through a derivatives contract. To do this, interest rate swap contracts have been stipulated in which the Group accepts to exchange, at defined intervals, the difference between fixed interest rate and variable interest rate calculated with reference to a predefined notional capital. As of 31 December 2013, the Company has four existing interest rate swap contracts with major financial counterparties for the purposes exclusively of coverage of existing operations without speculative aims.

As at 31 December 2013, considering the effect of these contracts, approximately 17% of the financing of the Company is at fixed rates.

In addition, the current and prospective financial situations and the availability of adequate bank credit lines are constantly monitored.

The Trevi Group carries out systematic monitoring of the financial risks, intervening if necessary also through the use of financial derivatives in order to mitigate and reduce such risks to the minimum. The financial derivatives are used to manage the exchange risk on instruments denominated in currencies other than the euro and to manage the interest risk on variable rate financing. With a view to protection from the fluctuation of exchange rates, during the year the Group stipulated numerous forward purchase and sale agreements with financial counterparties of high standing. Specifically, the Metalworking Division has, as of 31 December 2013, existing hedging transactions for a total of US\$ 5,000,000 with maturity in the course of 2014 whose fair value, valued at mark to market, amounts to positive €103,000, while as of 31 December 2013 the Services Division has hedging transactions for a total of US\$ 2,025,000 with maturity in the course of 2014 whose fair value, valued at mark to market, amounts to a net of negative €5,000.

Fattori di Rating

## Management quality

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The judgment on management is highly positive thanks to its innovation ability, high competence, technical and managerial experience of its Management and Founder, Cav. Davide Trevisani, whose idea and technology were developed in the '60s and are still successful. Trevi managed to create a business model which is still updated, characterized by an enterprise manufacturing equipment, SOILMEC, and by an enterprise operating all over the world and using this equipment to further spread its know-how also to its competitors which have become more and more customers or partners; the same model was also used in the Oil & Gas sector, with the companies DRILLMEC and PETREVEN, that managed to reach remarkable performances under the points of view of economy, growth and geographic development. Its strategies enabled durable competitive advantages and the ongoing strengthening of the mark and identity of the Group.

# Informations

Informations

## Company profile

### Anagrafica

Company name	TREVI FINANZIARIA INDUSTRIALE S.p.A.
Address	VIA LARGA, 201 – 47522 - CESENA (FO)
Telephone	0547/319311
Website	<a href="http://www.trevifin.com">www.trevifin.com</a>
Certified Email	<a href="mailto:TREVIFINANZIARIA@LEGALMAIL.IT">TREVIFINANZIARIA@LEGALMAIL.IT</a>
Company legal form	SOCIETA' PER AZIONI
Activity status	ATTIVA since 20/06/1983
Incorporation date	20/06/1983
Activity start date	20/06/1983
Authorized Share capital	35.097.150
Subscribed Share capital	35.097.150
Paid-up Share capital	35.097.150
REA code / Registered on	FO201271, Enrolled on 12/09/1983
Fiscal code	01547370401
VAT Number	01547370401
ISTAT code	71121
Nace code	71.12
Rae Code	830
Sae Code	430
Company belonging to the group	TREVI GROUP – IFIT (in the role of Ultimate parent company)
Ultimate parent company's name	TREVI – Finanziaria Industriale S.p.A.
Number of branches	0

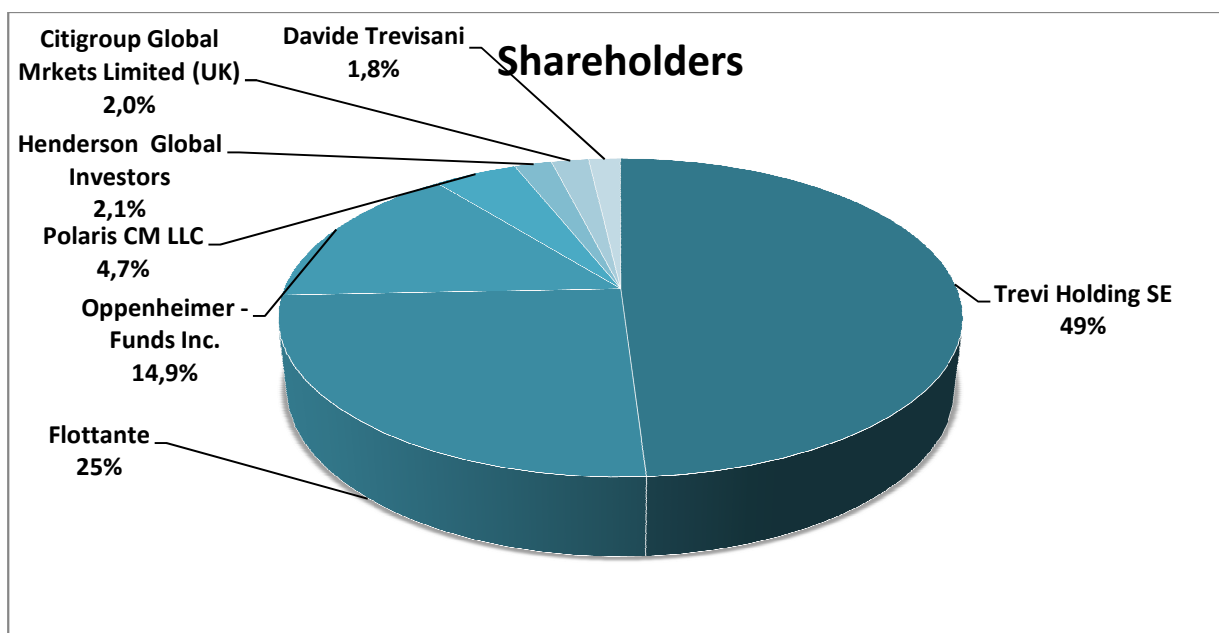
## Share Capital & Governance

Trevi Finanziaria Industriale S.p.A. is controlled by Trevi Holding SE which holds 49% of the share capital, controlled by I.F.I.T. S.r.l. (51%).

TREVI – Finanziaria Industriale S.p.A. has been listed on the Milan stock exchange since July 1999.

The Share Capital of Trevi Finanziaria Industriale S.p.A. amounts to EUR 35,097,150 that is represented by 70,194,300 of ordinary shares with a par value of Euro 0,50. Trevi Finanziaria Industriale S.p.A. is controlled by TREVI Holding SE, which holds at 31 December 2013, 34.170.500 ordinary shares, 48,68% of the Share Capital. At 31 December 2013 (according to Consob data) shareholders, other than the majority shareholder, that were registered as having a shareholding in excess of 2% of the share capital were Oppenheimer Funds Inc. (USA) con una quota del 14,9844%, Polaris Capital Management LLC (4,7066%), Henderson Global Investors Limited (2,105%), Citigroup Inc. (2,092%).

TREVI Holding SE at 22 May 2014 announced to increase at n. 34.399.000 ordinary shares, i.e. 49,005% of the share capital of TREVI – Finanziaria Industriale S.p.A..



The organizational structure of Trevi Finanziaria Industriale S.p.A. conforms to the traditional model and management is entrusted exclusively to the Board of Directors, elected by the Meeting of Shareholders, the Company's central governing body. The oversight functions are attributed to the Board of Statutory Auditors and the auditing functions to the audit firm selected by the shareholders.



The Board of Directors of Trevi Finanziaria Industriale S.p.A. currently in office was elected by the Meeting of Shareholders on 29 April 2013 for the 2013-2014-2015 financial years and the Board Chairman is Cav. Davide Trevisani.

The Board of Directors has appointed four Managing Directors in the persons of Davide, Gianluigi, Cesare and Stefano Trevisani.

The Meeting of Shareholders of 29 April 2008 appointed the audit company Reconta Ernst & Young S.p.A. for the auditing of financial years 2008 through 2016. The manager responsible for preparing the company's financial reports was appointed by the Board of Directors on 14 May 2007 in the person of Dr Daniele Forti, who holds the post of General Director of Group Administration, Finance and Control.

The four sector head operating companies were defined as subsidiaries of strategic importance: TREVI S.p.A., Soilmec S.p.A., Drillmec S.p.A. and Petreven S.p.A.

The company has set up internally, as foreseen by the Code, a Remuneration Committee, a Control and Risks Committee and, starting with financial year 2010, also a Related Parties Committee.

Finally, to favour continuing dialogue with the generality of the shareholders, and in particular with institutional investors, the Company has appointed a head of financial communication, the Investor Relator.

## Gruppo Trevi

The Trevi Group is a world leader in all-round underground engineering, special foundations, tunnel excavation, soil consolidations, and cleanup of polluted sites, in the design and commercialization of specialized technologies in the sector, in the fields of drilling, oil, gas and water, both as a manufacturer of drilling rigs and as service provider and, although in a more marginal manner, in the construction of automated underground multi-level car parks.

Trevi Finanziaria Industriale S.p.A., the Group's flagship company, has been listed on the Milan Stock Exchange since July 1999.

The Trevi Group operates through two divisions: the Foundations and Drilling Services Division, specialized in the execution of foundation engineering work for civil and infrastructure projects and oil well drilling, and the Metalworking Division for the construction of rigs and machinery for special foundations, well drilling, hydrocarbon extraction and water exploration.

The activities of the divisions are coordinated through the Group's four operating companies, also referred to as sector head companies: Trevi and Petreven in the Services Division and Drillmec and Soilmec in the Metalworking Division.

With the founding of Trevi Energy, the Group also entered the renewable energies sector with an experimental research project.

Trevi Finanziaria Industriale S.p.A. and the four companies are moreover at the head of an extensive network of 69 business units located in 38 countries and 57 operating companies as of 31 Dec. 2013, a network made up of subsidiaries and affiliates, branches of the four operating companies Trevi, Soilmec, Drillmec and Petreven that operate at the global level, continuing to constantly reap new business opportunities following the completion of job orders.

The Special Foundations and Drilling Services Division had total revenues of Euro 598.2 million, in line with the figure for the preceding financial year. Value added was 41.9% of revenues. The gross operating profit was Euro 94.6 million. After depreciation of Euro 39.7 million and provisions of Euro 6.5 million, the operating profit was Euro 48.4 million, approximately 8.1% of revenues.

In 2013 the Mechanical Engineering Division had total revenues of Euro 711.7 million, compared to Euro 583.2 million in the previous financial year, an increase of 22%. The gross operating profit was Euro 51.3 million, a margin of 7.2% of total segment sales. The operating result was Euro 33.9 million, 4.8% of total segment revenues (+102.6% compared to the previous financial year). The fourth quarter of 2013 proved to be a turning point as total segment revenues rose from Euro 150.5 million in the third quarter to Euro 188.6 million in the fourth quarter and net debt declined by Euro 34 million.

Trevi S.p.A. specializes and operates in specialized underground engineering services, in the Special Foundations sector, in tunnel construction and consolidation, in maritime works, in dam restoration, and in foundations for the building industry in general. Trevi has consolidated an unrivalled ability to solve any problems involving underground engineering or special foundations needed to support complex projects of human ingenuity such as at Ground Zero in New York or for the Pentominium Tower in Dubai, also in relation to the excavation of galleries and tunnels like in the Cityringen metro line in Copenhagen and the rehabilitation of dams like the Wolf Creek Dam in Kentucky or levee LPV-111 in New Orleans. The special

projects also include having participated in the salvaging of the *Costa Concordia* at island of Giglio in Italy.

For over 55 uninterrupted years Trevi S.p.A. has been a leader in its sector, known world-wide for its underground engineering. The company has succeeded in combining continuous studies, innovation, experience and a constant search for quality with a shrewd entrepreneurial tradition, managing to satisfy the most varied demands of the foundations sector in a vast variety of cultural environments. Trevi has succeeded in developing innovative global technologies thanks to a team of professionals, modern, dynamic production systems and the hard work of personnel stationed in distant lands.

Soilmec, which produces and develops the machines and drilling rigs for underground engineering, is at the core of Trevi's engineering and technological excellence. Founded 60 years ago, the company traces its roots to Impresa Palificazioni Trevisani Geom. Davide, today known as Trevi S.p.A. In 1969 the brothers Davide and Gianluigi Trevisani founded Soilmec S.r.l., now Soilmec S.p.A., a company specialized in the design and production of rigs and machinery used in underground engineering: an intuition that sanctions the birth of a company that is now a world leader in the field of equipment for foundations and is present on a new important market sector in the field of geotechnics.

Today Soilmec operates in 70 countries through a network of affiliates, partnerships and joint ventures. Despite its global presence the company remains deeply tied to its origins and home territory, Emilia Romagna, the heart of Italian mechanical engineering excellence.

In financial year 2013 Soilmec was characterized by an uneven sales trend. In the first half of the year it recorded lower sales volumes than in the previous period; only in the third quarter was there an alignment between the volumes of the two years and in the last quarter it saw a notable recovery. Overall there was a decline in sales from the previous year (-6.5%), the result of a set of opposing economic conditions in the various geographic areas (China, India) while the Americas represented a more dynamic market. In the Middle East, important projects were started in the first part of 2014. Countries like Qatar, Kuwait and the UAE confirmed their investments in new infrastructure with the start of works in the first half of 2014.

Net Financial Debt fell by around 7%. In this economic context, Soilmec S.p.A. operated in such a way as to maintain its market shares, looking especially closely at the areas that presented the greatest growth potential in recent years. Much attention was placed on the principal asset indicators: inventory significantly declined, which, if read together with the market demand to purchase only spot goods, demonstrates the good work carried out by the company. The main directions of development foresee a rationalization and reorganization of production based on orders and definitive projects.

Among the works of significant value both in the history of the sector and of Trevi we point to: the realization of the Ertan Dam in China, the consolidation of the Leaning Tower of Pisa, the construction of the new Library of Alexandria in Egypt, the foundations of the Vasco da Gama Bridge over the River Tagus in Portugal, the foundation works of the new World Trade Center in New York, the consolidation of the Buddha niches of Bamiyan, Afghanistan, the repair of the Wolf Creek Dam in the U.S., participation in the *Costa Concordia* salvage project and the works on the Cityringen metro line in Copenhagen, Denmark.

Petreven is active in oil drilling services and Drilmec produces and develops the conventional and automatic rigs for oil, gas and water drilling.

Drillmec, born from the merger of five important companies in the sector, is instead the Trevi Group company specialized in the engineering and construction of drilling rigs for the oil, geothermal and water well industries, able to offer avant-garde technology like the HH Series drilling rigs. Drillmec drilling rigs find applications both on- and off-shore.

**Pricing policy:  
price premium &  
niche markets**

The basis of the Group's world-wide success lie in the strong points that have characterized it historically, its vertical integration, technological innovation, geographic location and highly specialized and qualified human resources.

Its capacity for innovation is Trevi's biggest competitive edge, fed by the continuous interaction between the Metalworking Division (Soilmec and Drillmec) and the Services Division (Trevi and Petreven), which often sees them involved in the development of rapid and contingent process innovations in relation to the type of works and/or particular, different or changeable environmental conditions.

**R & D**

The requests of the Services Division are generally transmitted to the Metalworking Division, which translates them into technological innovations by adapting them to the needs of the clientele and to the requirements of the particular morphology of the environmental conditions. This unique business model that the Group benefits from has gradually generated a virtuous circle and shapes up to be a lasting competitive advantage gained over time thanks to the Group's human capital.

Finally, the quality of Trevi's products and services enables the Group to exercise a significant price premium in the sales phase.

Its competitive positioning from the technological standpoint and its ability to carve out niche markets for individual types of processing, such as the operability segments of maritime and dam works where it has developed know-how and excellence, enable it to obtain longer-term contracts than those of its direct competitors and higher net operating margins.

Also in the oil & gas sector, Petreven, thanks to its process know-how and its privileged use of the HH technology developed by Drillmec, is able to obtain favourable conditions, sizeable contract advances and contract durations longer than the market averages, focusing on long-term contracts for all rigs currently under contract.

Soilmec ranks as the number two operator in the world in its reference market, and this is also reflected in the prices applied.

Drillmec is client-oriented, as are all the companies of the Trevi network. The division valorizes on the market its ability to develop rigs and machinery specifically designed to meet the client's needs, freeing itself from price competition. The success of the Group and of the Trevi Group brand in a large number of markets and the ability to complete works even of extreme technological complexity have progressively strengthened the Group's brand and corporate identity.

In the course of Trevi's history, technological innovation has constituted a distinctive feature on which a lasting competitive advantage has been built and developed thanks to process innovations, many of them patented by the Soilmec Division although some are difficult to protect through patents. Its research and development activity has been decisive for Trevi's growth and success, absorbing notable financial resources every year.

Drillmec owes its success to research and development in technologically advanced drilling rigs. Indeed, the HH series of hydraulic rigs has enabled it to enter the oil & gas market and to take its place among the world leaders in the sector in synergy with Petreven, which has

become a drilling services company with the highest levels of safety and productivity in the world.

In the past few years innovative efforts have also been directed at renewable energy sources with reference to offshore wind and high and medium enthalpy geothermal energy.

The innovation has been possible thanks to the constant interaction between the services divisions, metalworking, the collaboration with research centres and universities, inventors, and interaction among personnel, clients and complex projects.

## Current Directors

Main Officials	Function
<b>DAVIDE TREVISANI</b> Born in: CESENA (FC) on 09/01/1937 Address: VIA G. PASCOLI 680, 47023 CESENA (FO) (Fiscal address) Fiscal code TRVDVD37A09C573S	<b>PRESIDENT OF THE BOARD OF DIRECTORS</b> Start date 15/05/2004  <b>GENERAL MANAGER</b> Start date 30/04/2001 <b>MEMBER OF THE BOARD</b> Start date 30/04/2001
<b>GIAN LUIGI TREVISANI</b> Nato a: CESENA (FC) il 29/08/1942 Indirizzo: PIAZZA GIOVANNI PAOLO II 3, 47521 CESENA (FO) Codice Fiscale TRVGLG42M29C573I	<b>DEPUTY PRESIDENT OF THE BOARD OF DIRECTORS</b> Start date 30/04/2001  <b>GENERAL MANAGER</b> Start date 30/04/2001  <b>MEMBER OF THE BOARD</b> Start date 30/04/2001
<b>STEFANO TREVISANI</b> Born in: CESENA (FC) on 29/08/1942 Address: PIAZZA GIOVANNI PAOLO II 3, 47521 CESENA (FO) Fiscal code TRVGLG42M29C573I	<b>GENERAL MANAGER</b> Start date 28/03/2008 <b>MEMBER OF THE BOARD</b> Start date 30/04/2001
<b>CESARE TREVISANI</b> Born in: CESENA (FC) on 08/07/1951 Address: VIA MADONNA DELL'OLIVO 6455, 47023 CESENA (FO) Fiscal code TRVCSR51L08C573I	<b>GENERAL MANAGER</b> Start date 30/04/2001 <b>MEMBER OF THE BOARD</b> Start date 30/04/2001
<b>CRISTINA FINOCCHI MAHNE</b> Born in: TRIESTE (TS) on 01/07/1965 Address: VIA BIGLI 15, 20121 MILANO (MI) Fiscal code FNCCST65L41L424T	<b>MEMBER OF THE BOARD</b> Start date 29/04/2013
<b>RICCARDO PINZA</b> Born in: FORLI' (FC) on 02/10/1969 Address: VIA MARCO FANTUZZI 10, 47100 FORLI' (FO) (Fiscal address) Fiscal code PNZR69R02D704O	<b>MEMBER OF THE BOARD</b> Start date 07/05/2007

**GUGLIELMO ANTONIO CLAUDIO MOSCATO**

Born in: GELA (CL) on 10/06/1936  
Address: VIALE KENNEDY 29/B, 20097 SAN DONATO MILANESE (MI)  
Fiscal code MSCGLL36H10D960V

**MEMBER OF THE BOARD**

Start date 30/04/2001

**CRISTIANO SCHENA**

Born in: MARCHIENNE AU PONT on 09/02/1949  
Fiscal code SCHCST49B09Z103F

**MEMBER OF THE**

Start date 29/04/2013

**FORTI DANIELE**

Born in CESENA (FO) il 24/07/1950  
Fiscal Code FRTDNL50L24C573F  
Residence adress CESENA (FO) VIA CELINCORDIA 50

**SPECIAL PROXY HOLDER**

Start date 21/06/2001

**FRANCHINI PIO**

Born in NAPOLI (NA) il 24/06/1955  
Fiscal Code FRNPIO55H24F839K  
Address: RAVENNA (RA) PIAZZA CADUTI PER LA  
LIBERTA 34

**SPECIAL PROXY HOLDER**

Start date 22/12/2011

## Informations

**Economic-financial profile****Abridged Balance Sheets - Trevi Finanziaria Industriale S.p.A. 2011-2012-2013: Abridged Profit and Loss Accounts****Economic – Financial Information**

*Note: only the balance sheets with a comparable reclassification are given*

AMOUNTS EXPRESSED IN THOUSANDS OF EUROS

TREVI FINANZIARIA INDUSTRIALE S.p.A.				2013 on production value			
ECONOMIC-FINANCIAL INFORMATION	31/12/2011	31/12/2012	31/12/2013	enterprise (%)	Sector (%)	2012/2011 (%)	2013/2012 (%)
+ Receivables interests on securities	0	0	0	0	0,13	n.c.	n.c.
+ Dividends and other financial incomes	11.790	6.877	7.721	1,88	3,27	n.c.	n.c.
+ Other receivables interests	11.778	14.322	15.010	3,66	0,67	21,6	4,8
<b>Interests and gross financial assets</b>	<b>23.568</b>	<b>21.199</b>	<b>22.731</b>	<b>5,54</b>	<b>4,07</b>	<b>-10,05</b>	<b>7,23</b>
+/- Profits and losses of negotiations, participations and securities	0	0	0	0	0,23	n.c.	n.c.
- Provisions to risk fund on credits	0	0	0	0	0,05	n.c.	n.c.
+/- Value adjustments on credits/part./financial assets	0	0	0	0	-2,17	n.c.	n.c.
<b>Net financial incomes</b>	<b>23.568</b>	<b>21.199</b>	<b>22.731</b>	<b>5,54</b>	<b>2,08</b>	<b>-10,05</b>	<b>7,23</b>
+ Net income on goods and services	11.186	10.942	12.631	3,08	1,6	-2,18	15,44
- Purchases and external services	8.005	8.560	10.825	2,64	1,38	6,93	26,46
- Labour costs	4.247	4.243	4.484	1,09	0,45	-0,09	5,68
- Material depreciations	1.928	1.613	1.563	0,38	0,1	-16,34	-3,1
+/- Result other incomes and expenses	1.513	2.281	1.449	0,35	-0,01	50,76	-36,48
<b>Profit of the year before financial costs</b>	<b>22.087</b>	<b>20.006</b>	<b>19.939</b>	<b>4,86</b>	<b>1,74</b>	<b>-9,42</b>	<b>-0,33</b>
- Payable interests	7.024	9.071	8.959	2,18	1,34	29,14	-1,23
<b>Profit of the year</b>	<b>15.063</b>	<b>10.935</b>	<b>10.980</b>	<b>2,67</b>	<b>0,4</b>	<b>-27,4</b>	<b>0,41</b>
+/- Extraordinary result	-78	16	-108	-0,03	0,05	n.c.	n.c.
<b>Adjusted result before taxes</b>	<b>14.985</b>	<b>10.951</b>	<b>10.872</b>	<b>2,65</b>	<b>0,45</b>	<b>-26,92</b>	<b>-0,72</b>
- Taxes	1.579	1.929	1.160	0,28	-0,05	22,17	-39,87
<b>Adjusted net result</b>	<b>13.406</b>	<b>9.022</b>	<b>9.712</b>	<b>2,37</b>	<b>0,5</b>	<b>-32,7</b>	<b>7,65</b>
Variation provisions on general financial risks	0	0	0	0	0	n.c.	n.c.
+/- Result other items	0	0	0	0	0,01	n.c.	n.c.
<b>Profit (Loss) of the year</b>	<b>13.406</b>	<b>9.022</b>	<b>9.712</b>	<b>2,37</b>	<b>0,5</b>	<b>-32,7</b>	<b>7,65</b>



TREVI FINANZIARIA INDUSTRIALE S.P.A.				2013 % on assets			
ASSETS	31/12/2011	31/12/2012	31/12/2013	enterprise (%)	sector (%)	2012/2011 (%)	2013/2012 (%)
Liquidity	1.776	1.089	10.232	2,49	3,93	-38,68	839,58
Financial credits at sight	0	0	0	0	0,12	n.c.	n.c.
Bonds	0	0	0	0	0,07	n.c.	n.c.
Shares	0	0	0	0	1,99	n.c.	n.c.
Financial credits	212.913	238.287	227.722	55,46	17,36	11,92	-4,43
Participations	112.333	112.973	115.773	28,19	67,54	0,57	2,48
Financial assets	327.022	352.349	353.727	86,14	91,01	7,74	0,39
Credits within following year	16.964	20.185	24.821	6,04	3,92	18,99	22,97
of which: towards customers	10.292	10.735	14.488	3,53	1,34	4,3	34,96
Stocks and other assets	0	0	0	0	0,55	n.c.	n.c.
Other credits beyond following year	395	1.109	4.161	1,01	1,15	180,76	275,2
Tangible assets	28.808	26.716	27.755	6,76	2,97	-7,26	3,89
Intangible assets	304	194	176	0,04	0,39	-36,18	-9,28
<b>Assets</b>	<b>373.493</b>	<b>400.553</b>	<b>410.640</b>	<b>100</b>	<b>100</b>	<b>7,25</b>	<b>2,52</b>

TREVI FINANZIARIA INDUSTRIALE S.P.A.				2013 % on total liabilities			
Total Liabilities	31/12/2011	31/12/2012	31/12/2013	enterprise (%)	sector (%)	2012/2011 (%)	2013/2012 (%)
Financial debts tw. Banks within following year	42.006	79.246	99.375	24,2	3,5	88,65	25,4
Financial debts tw. third parties within following year.	1.506	7.778	4.724	1,15	10,43	416,47	-39,26
Financial debts tw. Banks beyond following year	163.295	146.701	134.474	32,75	3,73	-10,16	-8,33
Financial debts tw. third parties beyond following year	5.555	2.940	1.633	0,4	7,73	-47,07	-44,46
Issued bonds and shares	0	0	0	0	8,75	n.c.	n.c.
Subordinated liabilities	0	0	0	0	n.c.	n.c.	n.c.
<b>Financial liabilities</b>	<b>212.362</b>	<b>236.665</b>	<b>240.206</b>	<b>58,5</b>	<b>34,14</b>	<b>11,44</b>	<b>1,5</b>
Commercial debts within following year.	3.738	3.707	2.373	0,58	0,91	-0,83	-35,99
Other debts within following year	13.622	17.184	24.108	5,87	3,67	26,15	40,29
Commercial and other debts beyond following year.	0	0	0	0	0,68	n.c.	n.c.
Risk funds on credits	0	0	0	0	0	n.c.	n.c.
Other undistributed funds	2.774	2.900	2.530	0,62	1,33	4,54	-12,76
Severance pay fund	789	956	1.076	0,26	0,15	21,17	12,55
Paid-up capital	111.304	111.297	111.297	27,1	40,16	-0,01	0
Reserves	24.623	27.947	28.463	6,93	19,49	13,5	1,85
Profit(loss) of the year	<b>13.406</b>	<b>9.022</b>	<b>9.712</b>	<b>2,37</b>	<b>0,5</b>	<b>-32,7</b>	<b>7,65</b>
(-)General financial risk fund	9.125	9.125	9.125	2,22	1,03	0	0
<b>Shareholders' Equity</b>	<b>140.208</b>	<b>139.141</b>	<b>140.347</b>	<b>34,18</b>	<b>59,12</b>	<b>-0,76</b>	<b>0,87</b>
Liabilities	373.493	400.553	410.640	100	100	7,25	2,52

## Economic – Financial Ratios

TREVI FINANZIARIA INDUSTRIALE S.P.A.	31/12/2010	31/12/2011	31/12/2012	Sector 2012
<b>Development ratios</b>				
Variation % assets	10,10	7,30	2,50	1,86
Variation % financial assets	23,80	7,70	0,40	1,61
Variation % financial liabilities	-4,40	11,40	1,50	1,67
Variation % shareholders' funds	52,10	-0,80	0,90	1,52
Variation % result of the year	53,60	-27,40	0,40	134,00
<b>Profitability indicators</b>				
R.O.I. (%)	6,00	4,90	4,80	1,96
R.O.E. (%)	10,70	6,10	6,50	0,83
Turnover (revenues/assets)				
Current result before financial costs/assets	6,20	5,20	4,90	1,76
Profitability of financial assets	8,00	6,20	6,40	4,33
<b>Productivity indicators</b>				
Assets per capital (€/000)	8.289	9.214	9.013	8.783
Financial assets per capital (€/000)	6.873	8.087	7.845	8.003
Work costs per capital (€/000)	98,8	101	99,6	40,11
<b>Gestione del circolante Struttura Finanziaria</b>				
Financial assets/Financial liabilities	154,00	149,90	147,30	266,55
Shareholders' funds / Financial liabilities	66,00	58,80	58,40	173,17
Tangible Shareholders' funds / Financial liabilities	65,90	58,70	58,40	172,02
Short-term debts tw. Banks/ Financial liabilities	19,80	33,50	41,40	10,26

## Financial Results

TREVI FINANZIARIA INDUSTRIALE S.P.A.	31/12/2010	31/12/2011	31/12/2012
<b>NET SELF-FINANCING</b>	<b>6.192</b>	<b>289</b>	<b>-445</b>
- Variation in operative money	-41.227	11.162	16.060
<b>= RESULTY BEFORE FINANCIAL COSTS RESULTS</b>	<b>28.339</b>	<b>1.081</b>	<b>-2.163</b>
- Net investments operative assets	61.733	26.024	-7.717
<b>NET FINANCIAL RESULT</b>	<b>-33.394</b>	<b>-24.933</b>	<b>5.602</b>
+ Net Capital increases	-674	-57	0
+ Variation financial debts	35.240	24.303	3.541
<b>VARIATION ON LIQUIDITY</b>	<b>1.172</b>	<b>-687</b>	<b>9.143</b>

**CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2013:****TREVI GROUP****Consolidated Statement of Financial Position**

%

*(Euro '000)*

<b>Attivo</b>	<b>31/12/2013</b>	<b>31.12.2012</b>	<b>Change</b>
<b>A) Fixed Assets</b>			
Tangible fixed assets	359.634	347.836	
Intangible fixed assets	48.271	28.035	
Financial fixed assets	6.001	8.500	
	<b>413.906</b>	<b>384.371</b>	<b>7,7</b>
<b>B) Net working capital</b>			
Inventories	520.882	493.823	
Trade receivables	387.902	357.036	
Trade payables	(303.023)	(210.573)	
Pre-payments	(131.842)	(153.221)	
Other assets/ (liabilities)	6.904	(3.830)	
	<b>480.823</b>	<b>483.236</b>	<b>0</b>
<b>C) Invested capital less liabilities for the period (A+B)</b>	<b>894.728</b>	<b>867.607</b>	<b>3,1</b>
<b>D) Post-employment benefits (-)</b>	<b>(20.222)</b>	<b>(19.335)</b>	<b>5</b>
<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>874.506</b>	<b>848.273</b>	<b>3,1</b>
<i>Financed by:</i>			
<b>F) Group net shareholders' funds</b>	<b>405.797</b>	<b>419.261</b>	<b>3,2</b>
G) Share of net shareholders' funds attributable to non-controlling interests	25.065	28.364	
<b>H) Net debt</b>	<b>443.644</b>	<b>400.648</b>	<b>11</b>
<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>874.505</b>	<b>848.273</b>	<b>3,1</b>

**TREVI GROUP****Consolidated Income Statement**

%

*(Euro '000)*

	31/12/2013	31.12.2012	Change
<b>TOTAL REVENUES</b>	<b>1.275.836</b>	<b>1.155.381</b>	<b>10,45</b>
Changes in inventories of finished and semi-finished products	1.507	14.232	
Increase in fixed assets for internal use	32.696	28.042	
<b>VALUE OF PRODUCTION</b>	<b>1.310.039</b>	<b>1.197.655</b>	<b>9,4</b>
Raw materials and external services	916.446	821.132	
Other operating costs	18.590	16.298	
<b>VALUE ADDED</b>	<b>375.002</b>	<b>360.226</b>	<b>4,1</b>
Personnel expenses	231.212	228.024	
<b>GROSS OPERATING PROFIT</b>	<b>143.791</b>	<b>132.202</b>	<b>8,8</b>
Depreciation	55.166	50.508	
Provisions and impairments	8.314	21.250	
<b>OPERATING PROFIT</b>	<b>80.311</b>	<b>60.444</b>	<b>32,9</b>
Financial revenue/ (expenses)	(27.649)	(21.602)	
Gains/ (losses) on exchange rates	(10.119)	4,880)	
Other Profit / (loss)	1.244	0	
<b>PRE-TAX PROFIT</b>	<b>43.787</b>	<b>33.692</b>	<b>28,9</b>
Tax	14.906	7.964	
Result attributable to non-controlling interests	15.117	14.495	
<b>GROUP NET PROFIT</b>	<b>13.764</b>	<b>11.503</b>	<b>19,7</b>

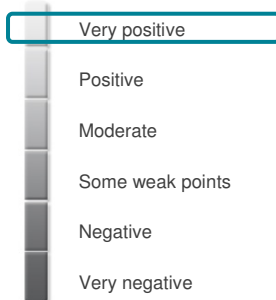
# Evaluations

## Evaluations

### Grading

#### Analyst evaluation

*It expresses synthetically the opinion of a Cerved Rating Agency analyst specifically drawn up for the Large Corporate sector and taking into consideration the whole group.*



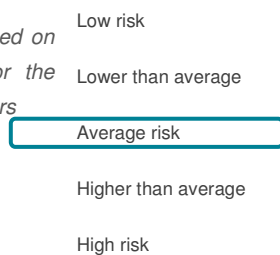
#### Economic-Financial Situation

*It evaluates the economic-financial solidity of an enterprise, placed in its current and future system of reference...*



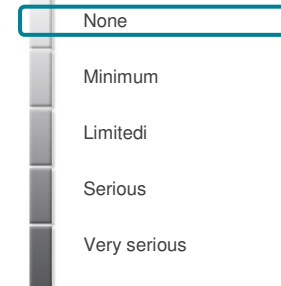
#### Risk of the sector

*It gives a risk class based on the trends expected for the subject and its competitors*



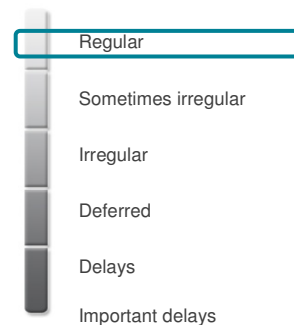
#### Negative events

*It evaluates the seriousness of negative events as they have been registered by the company and its linked entities..*



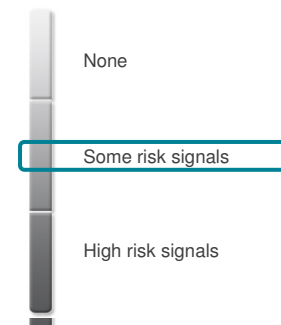
#### Payment terms

*It expresses the punctuality of payments of the company towards its suppliers gathered through the Payline system..*



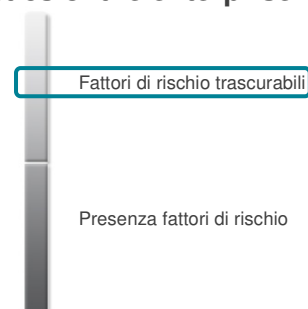
#### Risk perceived by the market

*It evaluates the information requests received by Cerved Group considering the peculiarities of the company and its sector*



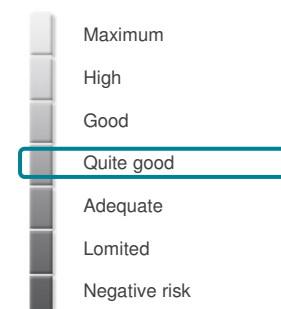
#### Structural characteristics of the enterprise

*Valuta il complesso di informazioni reperite dal Registro Imprese, che delinea il profilo anagrafico e di governance.*



#### Management solidity

*It evaluates all the information Judgment on the entrepreneurial abilities of the top management of the company*



*The Cerved Group rating is an opinion on the credit worthiness that summarizes the reliability or the insolvency probability of the subject.*

*Cerved Group issues solicited ratings, that is to say evaluations on credit reliability requested by a third party. The issued rating is subject to an on-going monitoring until the indicated expiry date. Until this date Cerved Group guarantees the update of official and owned information concerning the subject and, if necessary, the immediate communication to the customer of possible modifications of the given rating.*

*The Cerved Group rating is not an investment advice, nor a form of financial consultancy; it is not a recommendation for the purchase or sale of shares or for making particular investments, nor gives it any advice to a particular investor to make a particular investment.*