

TREVI Group

RESULTS ENDED 30 JUNE 2014

Consolidated key financial and economic data 1H14

- Value of Production €567m
- Revenues €558m
- EBITDA €65m
- EBIT €36m
- Net Financial Position €534m
- Backlog €1,038m

Cesena, August 28th 2014 – The Board of Directors of TREVI - Finanziaria Industriale S.p.A., the holding company of the **TREVI Group**, one of the world's leaders in engineering services for special foundations and in the manufacturing of machinery for special foundations and for drilling, approved the First Half Financial Statements ended June 30th 2014.

The Chairman Davide Trevisani, commented – *"The results for the first half of 2014 are in line with expectations and with the achievement of the guidance at year end. The positive trend of the works acquired during the first quarter of 2014 in the engineering division points to a significant improvement in revenues and margins in the second half of the year as most of the deliveries of rigs will occur. Cash receipts from customers are estimated to be collected mainly in the second half of the year. The services division recorded in the first half of 2014 margins that were broadly in line with the average of recent years and despite the current market scenario, the results were very reassuring. The value of the backlog, which showed an increase of 10.6% compared to the same levels as last year, was well above the one billion euro mark. The operating results for the first half show that the Group is in line with its objectives at year end"*.

SEMESTER RESULTS

The **ORDER PORTFOLIO** was Euro **1,037.7** million increasing 10.6% with respect to the figure at of 30 June 2013 of Euro **938.7*** million and increasing of about 19% with respect to end of 2013.

At a **Consolidated** level, the First Half **TOTAL REVENUES** were Euro **558.0** million, decreasing **17.6%** if compared to the 2013 figure of Euro **677.2*** million.

(*)The Group has applied, for the first time, some principles and changes that require the restatement of previous financial statements. Among these, IFRS 10, IFRS 11, IFRS 12, IAS 19, IFRS 13 and IAS 1.

The **value of production** was Euro **566.9** million decreasing **18.0%** if compared to Euro **691.3*** million of the first half of 2013.

EBITDA was Euro **64.6** million (a margin of 11.6% on total revenues) compared to Euro **84.7*** million in 2013, decreasing **23.7%** with respect to last year. **EBIT** was Euro **35.7** million (an EBIT margin of 6.4%) compared to Euro **52.2*** million of the same period last year.

PROFIT BEFORE TAX AND NON-CONTROLLING INTERESTS was Euro **17.2** million compared to Euro **32.3*** million in 2013; **Group NET PROFIT** was Euro **4.6** million compared to the Euro **10.9*** million of the previous year.

QUARTER RESULTS

At the **Consolidated** level the second quarter **TOTAL REVENUES** were Euro **292.2** million, an decrease of **20.7%** if compared to the 2013 figure of Euro **368.7*** million.

The value of production was Euro **299.4** million from Euro **373.2*** million of the same period last year.

EBITDA was Euro **33.6** million (a margin of 11.5% on total revenues) decreasing **27.1%** if compared to Euro **46.0*** million of the same period last year. **EBIT** was Euro **18.7** million (a margin of 6.4%) compared to Euro **29.0*** million of the same period last year.

PROFIT BEFORE TAX AND NON-CONTROLLING INTERESTS was Euro **10.5** million compared to Euro **17.8*** million in 2013; **Group NET PROFIT** was Euro **4.8** million compared to the value of last year of Euro **7.6*** million.

The 2014 first half **ROI** was **7.45%** compared to **11.6%*** in same period last year; the 2014 **ROE** was **2.16%**.

NET DEBT was at Euro **533.9** million compared to Euro **446.3*** million on 30 June 2013.

TOTAL NET EQUITY was Euro **422.9** million compared to Euro **456.1*** million of the same period last year.

The **NET DEBT/EQUITY** ratio was **1.26x** (0.98x* on 30 June 2013) and **NET DEBT/EBITDA** was **4.13x** (2.63x* on 30 June 2013).

The CFO, Daniele Forti, the manager responsible for the preparation of the company's accounts states that, in accordance with paragraph 2 of article 154 bis of the Testo Unico della Finanza (Consolidated Financial Law), the accounting information contained in the present communication corresponds to the company's documented results, accounts and reports.

Cesena (FC), 28 August 2014

The manager responsible for the preparation of the company's accounts.

Daniele Forti

About TREVI GROUP:

Trevi Group is a worldwide leader in the field of soil engineering (special foundations, tunnel excavation, soil consolidation and the building and marketing of special rigs and equipment relevant to this engineering sector); the Group is also active in the drilling sector (oil, gas and water) both in the production of plant and the supply of services, and it also builds automated underground car parks. The Group was established in Cesena in 1957 and today has more than 30 branches and is present in over 80 countries. Its success is due to the vertical integration of the main divisions making up the Group: **Trevi**, the division that supplies special services in the field of soil engineering, **Petreven**, the oil drilling division of the Group, **Soilmec**, the division that produces and develops plant and machinery for soil engineering and **Drillmec** the division that produces and develops drilling rigs (oil, gas and water).

The parent company TREVI – Finanziaria Industriale Spa has been listed on the Milan stock exchange since July 1999.

The key financial figures for 2013 are: Total revenues of €1,275.8 million, EBITDA of €143.8 million (margin of 11.3%), EBIT of €80.3 million (margin of 6.3%), and NET PROFIT of €13.8 million.

More information can be found on the website: www.trevifin.com.

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TREVI GROUP
HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In thousands of Euro)

ASSETS	30/06/2014	31/12/2013
Non-current Assets		
Tangible Fixed Assets		
Land and buildings	94,624	96,387
Plant and equipment	210,829	214,213
Industrial and commercial equipment	26,813	26,078
Other assets	17,647	16,054
Fixed assets under construction and pre-payments	3,160	6,902
Total Tangible Fixed Assets	353,073	359,634
Intangible Fixed Assets		
Development costs	29,736	26,749
Industrial patents and use of intellectual property	583	674
Concessions, licences, brands	881	780
Goodwill	6,001	6,001
Fixed assets under construction and pre-payments	12,199	8,401
Other intangible fixed assets	5,039	5,667
Total Intangible Fixed Assets	54,439	48,271
Investments	2,111	1,861
- <i>investments in associates and joint-ventures valued at equity</i>	906	708
- <i>other investments</i>	1,205	1,153
Tax assets for pre-paid taxes	28,923	27,437
Non-current financial derivatives	59	0
Other non-current financial receivables	4,698	4,140
- <i>of which with related parties</i>	2,965	2,483
Trade receivables and other non-current assets	24,840	20,176
Total Financial Fixed Assets	60,631	53,613
Total Non-current Assets	468,143	461,519
Current Assets		
Inventories	307,885	323,835
Trade receivables and other current assets	593,377	542,428
- <i>of which with related parties</i>	9,068	13,414
Tax assets for current taxes	38,647	35,281
Current financial derivative instruments and trading instruments at fair value	124	0
Cash and cash equivalents	206,543	220,306
Total Current Assets	1,146,576	1,121,851
TOTAL ASSETS	1,614,719	1,583,369

TREVI GROUP
HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In thousands of Euro)

Shareholders' Funds	30/06/2014	31/12/2013
Share Capital and Reserves		
Share capital	35,033	35,033
Other reserves	90,446	88,886
Retained profits including profit for the period	273,853	281,878
Group Net Shareholders' Funds	399,332	405,797
Net shareholders' funds attributable to non-controlling interests	23,614	25,065
Total Net Shareholders' Funds	422,946	430,862
LIABILITIES		
Non-current Liabilities		
Non-current financing	143,028	211,589
Other non current financing	41,050	40,201
Non-current financial derivatives	1,850	1,397
Tax payables for deferred taxes	31,090	30,946
Post-employment benefits	21,507	20,222
Non-current provisions	3,500	12,835
Other non-current liabilities	293	189
Total Non-current Liabilities	242,318	317,379
Current Liabilities		
Trade payables and other current liabilities	371,288	401,647
- of which with related parties	16,466	11,203
Tax liabilities for current taxes	20,791	21,847
Current debt	521,253	371,965
Payables for other current financing	34,121	38,672
Current financial derivatives	159	127
Current provisions	1,843	870
Total Current Liabilities	949,455	835,126
TOTAL LIABILITIES	1,191,773	1,152,507
TOTAL NET SHAREHOLDERS' FUNDS AND LIABILITIES	1,614,719	1,583,369

TREVI GROUP
HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED INCOME STATEMENT
(In thousands of Euro)

	30/06/2014	30/06/2013(*)
Revenues from sales and services	536,288	660,749
- of which with related parties	1,957	5,560
Other operating revenues	21,668	16,462
Sub-total of Total Revenues	557,956	677,211
Raw materials and consumables	208,214	330,208
Changes in inventories of raw materials, ancillary materials, consumables and products	19,565	(1,276)
Personnel expenses	112,541	115,864
Other operating expenses	161,962	161,790
- of which with related parties	17,693	5,830
Depreciation	27,546	26,195
Provisions and impairments	1,400	6,384
Increase in fixed assets for internal use	(10,059)	(6,091)
Changes in inventories of finished and semi-finished products	1,106	(8,026)
Operating Profit	35,680	52,164
Financial revenue	1,044	1,084
(Financial expenses)	(17,222)	(14,280)
Exchange rate gains /(losses)	(3,994)	(6,545)
Sub-total of Financial revenue/ (expenses) and Exchange rate gains/ (Losses)	(20,172)	(19,741)
Adjustments to financial assets	1,643	(152)
Pre-tax Profit	17,151	32,271
Tax	4,411	9,994
Net Profit	12,740	22,277
Attributable to:		
Parent Company shareholders	4,564	10,924
Non-controlling interests	8,176	11,353
	12,740	22,277
Group Earnings per Share:	0.065	0.156
Diluted Group Earnings per Share:	0.065	0.156

(*) Certain amounts reported in this column do not correspond with those of the previous budget, because they reflect the adjustments made in accordance with the adoption of what detailed by the new accounting principles

TREVI GROUP
CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In thousands of Euro)

	30/06/2014	30/06/2013(*)
Profit/ (loss) for the period	12,740	22,277
Other components of comprehensive income, which will subsequently be reclassified in profit / (loss) for the year		
Cash flow hedge reserve	(464)	856
Tax	149	(274)
Change in cash flow hedge reserve	(315)	582
Translation reserve	1,193	2,782
Total other components of comprehensive income which will subsequently be reclassified in profit / (loss) for the year after tax	878	3,364
Other components of comprehensive income will not subsequently be reclassified in profit / (loss) for the year:		
Actuarial profit/ (loss)	-	139
Tax	-	(23)
Total other components of comprehensive income will not subsequently be reclassified in profit / (loss) for the year after tax	0	116
Comprehensive income net of tax	13,618	25,758
Parent Company shareholders	5,536	14,435
Non-controlling interests	8,082	11,323

TREVI GROUP
CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
(In thousands of Euro)

Descrizione	Share Capital	Other Reserves	Accumulated Profit	Group Total	Share of non controlling interests	Total Net Equity
Balance at 01/01/2014	35,033	88,886	281,878	405,797	25,065	430,862
Profit for the period			4,564	4,564	8,176	12,740
Actuarial profit/ (loss)		0		0	0	0
Other comprehensive profits/ (losses)		972		972	(94)	878
Total comprehensive profits/ (losses)	0	972	4,564	5,536	8,082	13,617
Allocation of profit for 2013 and dividend distribution		588	(9,712)	(9,124)	(5,995)	(15,119)
Change in area of consolidation			(3,472)	(3,472)	(3,538)	(7,010)
Purchase of minority shares			595	595	0	595
Balance at 30/06/2014	35,033	90,446	273,853	399,332	23,614	422,946
Balance at 01/01/2013	35,033	104,888	279,337	419,258	28,364	447,622
Profit for the period			10,924	10,924	11,353	22,277
Actuarial profit/ (loss)		116		116		116
Other comprehensive profits/ (losses)		3,394		3,394	(30)	3,364
Total comprehensive profits/ (losses)	0	3,510	10,924	14,434	11,323	25,757
Allocation of profit for 2012 and dividend distribution		(49)	(9,076)	(9,125)	(13,889)	(23,014)
Sale/(Purchase) of own shares			(1,599)	(1,599)	7,302	5,702
Balance at 30/06/2013(*)	35,033	108,349	279,586	422,967	33,099	456,067

(*) Certain amounts reported in this column do not correspond with those of the previous budget, because they reflect the adjustments made in accordance with the adoption of what detailed by the new accounting principles

TREVI GROUP
HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands of Euro)

	Six months to 30/06/2014	Six months to 30/06/2013(*)
Net income for the period	12,741	22.278
Income taxes for the period	4,411	9.994
Pre-tax profit	17,152	32.272
Depreciation	27,546	26.195
Financial (revenues)/ expenses	16,179	13.196
Changes in reserve for risk and costs and for post-employment benefits	(7,077)	(3.130)
Adjustments to financial assets	(1,643)	152
(Gains) / losses from sale or write-downs of fixed assets	63	174
(A) Cash Flow from Operations before Changes in Working Capital	52,220	68.859
(Increase)/Decrease trade receivables	(36,548)	(101.468)
(Increase)/Decrease inventories	15,952	(10.031)
(Increase)/Decrease other assets	(24,475)	953
Increase/(Decrease) trade payables	(33,153)	90.894
Increase/(Decrease) other liabilities	1,792	(37.427)
(B) Changes in Working Capital	(76,432)	(57.078)
(C) Cash out for interest and other expenses	(16,179)	(13.196)
(D) Cash out for taxes	(4,221)	(8.159)
(E) Cash Flow generated (absorbed) by operations (A+B+C+D)	(44,614)	(9.574)
Investments		
Operating (investments)	(45,132)	(41.112)
Operating divestments	19,798	7.165
Net change in financial assets	1,392	1.645
(F) Cash Flow generated (absorbed) by investments	(23,942)	(32.302)
Financing activities		
Increase/(Decrease) in share capital for purchase of own shares	0	(0)
Other changes including those in non-controlling interests	(16,543)	9.374
Increase/(Decrease) in debt, financing and derivative instruments	77,259	31.228
Increase/(Decrease) in leasing liabilities and other financing debt	(3,701)	(1.031)
Dividend distribution	(5,995)	(13.889)
(G) Cash Flow generated (absorbed) from financing activities	51,020	25.682
(H) Net Change in Cash Flows (E+F+G)	(17,534)	(16.195)
Opening Balance of Net Liquid Funds	211,938	195.937
Net Changes in Liquid Funds	(17,534)	(16.195)
Closing Balance of Net Liquid Funds	194,404	179.742

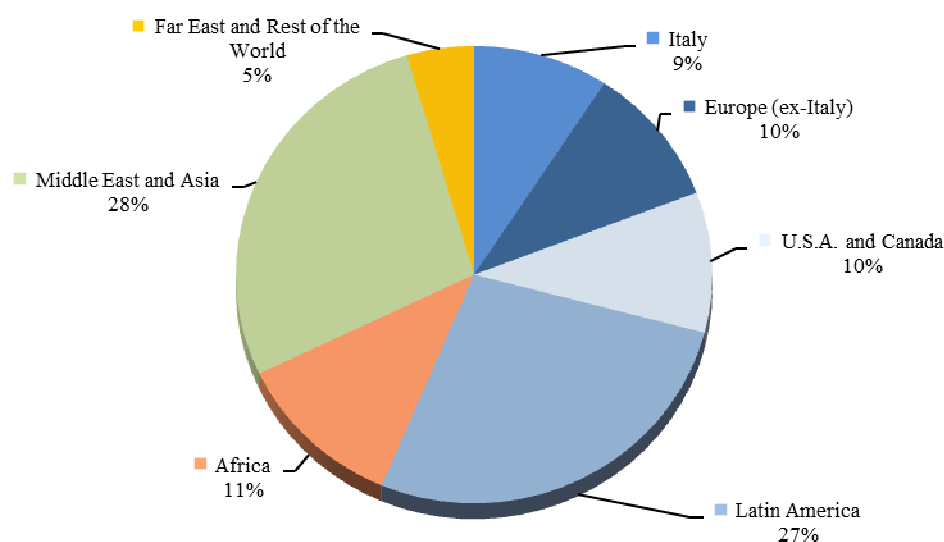
Nota: la voce disponibilità liquide nette comprende: il valore delle disponibilità liquide (nota 10), al netto della voce scoperti (nota 17).

Description	Six months to 30/06/2014	Six months to 30/06/2013 (*)
Cash and cash equivalents	206,543	189,687
Bank overdrafts	(12,139)	(9,945)
Cash and cash equivalents net of bank overdrafts	194,404	179,742

() Certain amounts reported in this column do not correspond with those of the previous budget, because they reflect the adjustments made in accordance with the adoption of what detailed by the new accounting principles*

TREVI GROUP
TOTAL REVENUES
(In Thousands of Euro)

Geographic area	30/06/2014	%	30/06/2013 (*)	%	Change	%
Italy	51,394	9.2%	41,653	6.2%	9,741	23.4%
Europe (ex-Italy)	55,527	10.0%	110,086	16.3%	(54,559)	-49.6%
USA and Canada	55,401	9.9%	70,000	10.3%	(14,600)	-20.9%
Latin America	152,013	27.2%	195,561	28.9%	(43,548)	-22.3%
Africa	64,426	11.5%	65,390	9.7%	(964)	-1.5%
Middle East and Asia	153,745	27.6%	159,839	23.6%	(6,094)	-3.8%
Far East and rest of the World	25,450	4.6%	34,683	5.1%	(9,233)	-26.6%
TOTAL REVENUES	557,956	100%	677,212	100%	(119,256)	-17.6%



TREVI GROUP
BUSINESS SECTOR
(In Thousands of Euro)

	30/06/2014	%	30/06/2013(*)	%	Change	Ch.%
Special foundation services	233,585	42%	255,335	38%	(21,750)	-8.5%
Drilling services	60,996	11%	63,440	9%	(2,444)	-3.9%
Interdivision eliminations and adjustments	(2,459)		(1,776)		(683)	
Sub-total of the Foundations and Drilling Services Division	292,121	52%	316,999	47%	(24,878)	-7.8%
Manufacture of special foundation machinery	100,266	18%	95,094	14%	5,172	5.4%
Oil, gas and water drilling equipment	181,688	33%	277,945	41%	(96,256)	-34.6%
Interdivision eliminations and adjustments	(6,464)		(370)		(6,094)	
Sub-total of the Mechanical Engineering Division	275,491	49%	372,668	55%	(97,178)	-26.1%
Parent Company	8,086		7,254		832	11.5%
Interdivision and Parent Company eliminations	(17,742)		(19,710)		1,968	
TREVI GROUP	557,956	100%	677,212	100%	(119,256)	-17.6%

SPECIAL FOUNDATIONS AND DRILLING SERVICES**Summary Income Statement**

(In thousands of Euro)

	30/06/2014	30/06/2013 (*)	Change	Ch %
TOTAL REVENUES	292,123	316,999	(24,876)	-7.8%
<i>-of which inter-divisional</i>			0	
Changes in inventories of work in progress, semi-finished and finished goods	248	917	(669)	
Increase in fixed assets for internal use	5,487	3,352	2,135	
Other operating revenues	0	0	0	
VALUE OF PRODUCTION	297,858	321,268	(23,410)	-7.3%
Raw materials and external services	166,807	171,650	(4,843)	-2.8%
Other operating expenses	6,321	6,738	(417)	
VALUE ADDED	124,730	142,880	(18,150)	-12.7%
<i>% of Total revenues</i>	<i>42.7%</i>	<i>45.1%</i>		
Personnel expenses	74,705	78,664	(3,959)	
GROSS OPERATING PROFIT	50,024	64,216	(14,192)	-22.1%
<i>% of Total revenues</i>	<i>17.1%</i>	<i>20.3%</i>		
Depreciation	20,061	19,198	863	
Provisions and write-downs	1,164	5,285	(4,121)	
OPERATING RESULT	28,800	39,733	(10,933)	-27.5%
<i>% of Total revenues</i>	<i>9.9%</i>	<i>12.5%</i>		

SPECIAL FOUNDATIONS AND DRILLING SERVICES**Summary Statement of Financial Position**

(In Thousands of Euro)

	30/06/2014	31/12/2013
A) Fixed assets	267,503	269,597
B) Net invested capital		
- Inventories	113,840	106,304
- Trade receivables	215,069	209,886
- Trade payables (-)	(141,550)	(137,931)
- Pre-payments (-)	(41,182)	(40,886)
- Other assets (liabilities)	9,557	(14,881)
	155,733	122,492
C) Invested capital less liabilities for the year (A+B)	423,237	392,090
D) Post-employment benefits (-)	(15,230)	(13,869)
E) NET INVESTED CAPITAL (C+D)	408,007	378,220
<i>Financed by:</i>		
F) Group net equity	249,995	242,564
G) Share of non-controlling interests	14,089	12,161
H) Net debt	143,922	123,496
I) TOTAL SOURCES OF FINANCING (F+G+H)	408,007	378,220

MECHANICAL ENGINEERING**Summary Income Statement***(In thousands of Euro)*

	30/06/2014	30/06/2013	Change	Ch %
TOTAL REVENUES	275,491	372,668	(97,177)	-26.1%
<i>-of which inter-divisional</i>			0	
Changes in inventories of work in progress, semi-finished and finished goods	(2,629)	7,110	(9,739)	
Increase in fixed assets for internal use	1,550	1,145	405	
Other operating revenues	0	0	0	
VALUE OF PRODUCTION	274,412	380,923	(106,511)	-28.0%
Raw materials and external services	221,734	323,198	(101,464)	-31.4%
Other operating expenses	1,937	1,627	310	
VALUE ADDED	50,741	56,098	(5,357)	-9.5%
<i>% of Total revenues</i>	18.4%	15.1%		
Personnel expenses	34,669	34,277	392	
GROSS OPERATING PROFIT	16,072	21,821	(5,749)	-26.3%
<i>% of Total revenues</i>	5.8%	5.9%		
Depreciation	7,571	6,962	609	
Provisions and write-downs	269	1,128	(859)	
OPERATING RESULT	8,233	13,731	(5,498)	-40.0%
<i>% of Total revenues</i>	3.0%	3.7%		

MECHANICAL ENGINEERING**Summary Statement of Financial Position***(In Thousands of Euro)*

	30/06/2014	31/12/2013
A) Fixed assets	129,755	127,300
B) Net invested capital		
- Inventories	492,056	413,953
- Trade receivables	183,816	223,354
- Trade payables (-)	(176,641)	(216,367)
- Pre-payments (-)	(122,093)	(88,408)
- Other assets (liabilities)	23,957	7,146
	401,096	339,679
C) Invested capital less liabilities for the year (A+B)	530,851	466,978
D) Post-employment benefits (-)	(5,384)	(5,169)
E) NET INVESTED CAPITAL (C+D)	525,466	461,809
<i>Financed by:</i>		
F) Group net equity	133,678	138,428
G) Share of non-controlling interests	8,044	11,468
H) Net debt	383,744	311,913
I) TOTAL SOURCES OF FINANCING (F+G+H)	525,466	461,809