

RATING PUBBLICO

TREVI FINANZIARIA INDUSTRIALE S.P.A.

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TREVI FINANZIARIA INDUSTRIALE S.p.A.

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Analytic Rating Report

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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	A2.1	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 a unique group, divided into two sectors, the core business "Special Foundations" and "Oil & Gas", in which it exploits the synergies achievable in their respective operating environments.

The pillars that have always underpinned Trevi's development are technology, always cutting-edge, 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 reliability of its products and services, the ability to reduce financial risks through attentive planning, budgeting, engineering and management control activities, and at the same time the ability to raise finance despite the strong volatility of the markets in this phase.

Its competitive advantages are its 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, its size, the organization and skill of a fully involved and active management, its capacity for technological and process innovation, and also its ability to innovate from within through new corporate governance.

Trevi Group operates through two main sectors, Foundations and Oil & Gas. Through underground engineering, a hi-tech niche in the construction sector, the Group is engaged in the provision of engineering services for special foundations for civil works and infrastructure projects throughout the world, in addition to the production of plants for special foundations. The Group is also among the leading players in the Oil & Gas sector with the production of rigs for both onshore and offshore oil drilling, in addition to providing oil drilling services to major oil companies 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 7,653 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. 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.

More recently, but with determination, Trevi has also entered the hydrocarbon drilling market, 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 sectors which has made it possible to expand this know-how and the technologies developed also externally, even to its competitors, which are at times customers or partners, representing the cornerstone of the success and affirmation of the Trevi brand.

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 revenue and income results achieved by Trevi in recent years appear more than satisfactory. Financial year 2014 is characterized by a strengthening of the Parent Company and of the entire Trevi Group to face the new market challenges, starting from the strengthening of its equity and financial structure. The guidances of the 2014-2016 industrial plan have been achieved for what regards the *Equity* and *Net Financial Position* objectives; the update of the 2015-2017 Business Plan instead underscores the necessity of continuing to pursue the *Revenue and Income* targets, always focusing on maintaining financial balance and at achieving margins and results able to permit balanced financial management also in the future. For this purpose, we emphasize that last year, 2014, was characterized by the strengthening of Trevi from the standpoint of its equity and financial structure and by renewal of its governance. In 2014 Trevi increased its share capital for a countervalue of Euro 198.6 million and the controlling shareholders signed an investment agreement that saw the entrance of the Fondo Strategico Italiano (FSI) in Trevi's capital in order to give the company new equity resources to pursue the development opportunities of its reference markets and bolster its financial structure. The Group's success also lies in the organization and ability of a fully involved and active management, but also in the ability to innovate from within through a new corporate governance which saw the redefinition of management roles on several levels with the appointment of company and functional officers to respond efficaciously to the new market challenges, which today sees the members Stefano Trevisani and Simone Trevisani respectively heading Trevi Group's two core sectors, Special Foundations and Oil & Gas.

In financial year 2014 the TREVI Group recorded revenues at the same level as the previous year (-2%), for Euro 1.251 million; the Profits pertaining to the Group increased from Euro 13.8 million to the current Euro 24.4 million. Net Financial Debt was reduced by 34.9% compared to the third quarter of 2014 and at the end of the year stood at Euro 379.6 million (-14% compared to the level at the start of the year). Also the order portfolio increased, from Euro 877 million to Euro 1,107 million at the end of 2014, and during the first months of 2015, Trevi Group acquired a significant volume of new contracts, bringing its orders in hand to Euro

1.121 billion as of 31 March 2015 and additional negotiations are close to signing, ensuring a high level of activity and coverage for the current year and for part of the industrial plan updated in 2015.

The Group's strong presence on the international markets is also confirmed in 2015, as attested by the percentage of sales and orders abroad, equal to around 90.3% of the total. The weight of the Italian area on the total of the Group's revenues remains modest and stands at 9.7%, corresponding to Euro 121.797 million of Revenues out of a total of Euro 1,250.7 million.

The Foundations Sector continues to show a positive trend and in 2014 its revenues marked a slight increase of around Euro 20.7 million, +3% compared to the previous year. In the Americas, despite a downturn linked to tensions on the financial markets, TREVI acquired important contracts for large works, such as thermal power plants in Argentina and consolidation and foundation works on the Panama Canal. Colombia acquired various infrastructure projects as well.

The Oil & Gas Sector showed signs of a downturn in December as a result of the fall in oil prices, suffering a downturn of 5.6% in revenues, partly ascribable also to the postponement of some deliveries and to the difficult crisis situation that regarded some countries, the resolution of which would unblock orders for which the costs have already been entirely incurred. The Drillemec Division continued to concentrate its efforts in the product innovation process, however, especially to acquire know-how in the offshore rig engineering sector and in the renewal of the HH range with the introduction of increasingly advanced technologies. The 2015 order portfolio points to a positive year in terms of volumes, and in the last months important contracts have been signed with leading counterparties.

The growth will continue according to the development drivers of the strategic business plan that was updated in 2015, which foresees growth by both external and internal lines, confirmed by positive results in terms of numerous projects and new orders in hand contracted just in the first months of the new financial year which are added to the already sizeable number of orders at the end of 2014 and in the first quarter of 2015, and the numerous deliveries foreseen starting from the second half of the year confirm expectations in terms of both volumes and results and benefiting, for Oil & Gas, from *new strategies and contractual terms* thanks to *more efficient credit management*.

Trevi is characterized by satisfactory solidity in equity/financial terms, especially thanks to its sizeable equity, which is, moreover, constantly strengthened by the choice to reinvest the profits made in its business. Its overall indebtedness is undoubtedly sustainable by the structure, as seen also from the analysis of two fundamental ratios, namely NFP/EBITDA and NFP/Equity, both characterized by values well within the averages considered safe. The short-term position has improved by approximately Euro 77.8 million since 31 December 2013, going from Euro -190.5 million to Euro -112.6 million. At the same time the medium and long-term debt increased by Euro 14 million, passing from Euro -253.2 million to Euro -267 million. The total net financial position, which includes own shares held in the portfolio, improved

overall in the course of 2014 by around Euro 63.6 million. The ratio between total Net Financial Position and total Equity is 0.6. The net financial position worsened in the first quarter of 2015, weighed down by the sizeable investments made for the start-up of numerous contracts in 2014/2015 and the acquisitions of the last months, in which deliveries foreseen in the second half of the year should make it possible to maintain the ratio between total Net Financial Position and total Equity at the levels of 2013, that is, equal to 1.03%, while the ratio between Net Financial Position and EBITDA (Net Debt/EBITDA) was 3.0 (3.1 at 31 December 2013).

Total Consolidated Revenues in the first quarter of 2015 were Euro 297 million; the Group Net Result was Euro 1.88 million. Compared to the revenues of the same quarter of the previous year of Euro 265.7 million, TREVI recorded an increase of 11.8%; moreover, in the three following quarters the Group should generate a high volume of revenues thanks to its order portfolio of Euro 1.121 billion and important negotiations for new contracts close to being concluded. The general trend on the global construction markets and in particular of infrastructure is positive; demand for new infrastructure on the emerging markets is a source of growth of foundation services (Trevi) of over 18% in the first quarter; the global Oil & Gas production markets and demand for onshore and offshore production plants are stalled because of the low price levels per barrel of petroleum, but Drillemec maintains its order portfolio stable at around Euro 363 million and the profitability of its backlog of orders is improved thanks to the combination of the strengthening dollar in relation to the euro and to more efficient operational management.

The targets are confirmed for 2015, greater profitability and growing volumes, with maintenance of technological primacy and leadership in the core sectors, of Special Foundations and greater consolidation in the Oil & Gas sector, to reap profits able to ensure orderly financial management. The EBITDA objective is also pursued through improved efficiency at all company levels and more attentive management of production, contracts and of the working capital employed to finance growth abroad in order to contain financial provisions and ensure the sustainability of the planned investments. Trevi also enjoys broad support from the national and international credit system, and on the relational level its relations with business and financial counterparts have been marked by correctness. The growth of Trevi Group, engaged in consolidation actions in the core sector 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. Trevi is characterized by an absence of significant problems in terms of liquidity. The development prospects appear to be adequately supported by consolidated group synergies, by the support of a Board of Directors and a Management that actively participate, and by a solid financial and equity situation. It is a company connoted by a very high capacity to cope with its financial commitments. The credit risk is limited.

Strengths

- 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;
- Specialty Contractor: Trevi is highly specialized and niche work with high entrance barriers.

Weak Points and risk factors

- Evolution is not always foreseeable for the regulatory context of the areas of operation, especially for the Oil & Gas sector, in regard to which updates relating to the topic of environmental impact are constant
- Necessity of improving time to market and lead to market for greater satisfaction of customers' needs
- Necessity of greater production efficiency and better rationalization of company resources

- Improvement of accountability at all levels
- Low growth at the national level, compensated by growth in emerging countries
- Significant exposure to risks tied to the instability of the political/economic situations of the countries where the business activities are concentrated, especially in the Oil & Gas sector

Regarding the *interest rate* risk, after concluding the funding operations at a variable rate the Group evaluates whether to cover the risk through the use of derivative contracts which make it possible to convert the variable rate exposure to a fixed rate exposure. In addition, a stress test is performed on the Euribor trend of reference regarding the existing financing.

Since the Trevi Group operates at the international level, its economic and equity results are exposed to the risk of unfavourable changes in *exchange rates*, particularly the EUR/USD exchange rate. This risk is mitigated by means of the instruments that correlate the cash flows and offset them in the same currency, advance commercial financing in the same currency as the sales contract, forward selling/purchasing of currency, and derivative instruments.

The Group's credit exposure, thanks to its significant geographic diversification, is distributed over a very large number of counterparties and customers; however, the credit risk is partially prevented since the Group's various credit managers assign a judgement of creditworthiness to the counterparties and exposure to them is kept within the limits of the evaluation carried out. In addition to prevention and monitoring, the Group also uses coverage instruments such as letters of credit, advance payment instruments, buyer's credit, without recourse sales of trade receivables and SACE S.p.A. (the Italian export credit agency) insurance policies.

To control the *liquidity risk* the Group resorts to an appropriate mix of financing for its various companies which, moreover, prepare periodic statements of cash flows and projections which are consolidated and analysed by the Parent Company.

In regard to the operating risk, the Group has adopted an organization, management and control model that is part of a policy aimed at promoting fairness and transparency in carrying out its activities and in relations with third parties. With the aim of mitigating the risk of losses due to errors, violations, interruptions and damages caused by personnel, internal processes and systems, the Company has set up a supervisory body and adopted a code of ethics.

For what concerns the risk relating to the concentration of authorizations in the hands of few persons, the Group is undertaking an organizational evolution with the main goals of greater clarity and definition of roles and more widespread managerialization.

Rating

Performance

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

Its order portfolio has grown from Euro 877 million to Euro 1.107 billion as of 31 Dec. 2014. During the first months of 2015 Trevi Group acquired a significant volume of new contracts that ensure coverage of the developments foreseen in 2015 and of the updated 2015-2017 plan. Its order portfolio as of 31 March 2015 stands at Euro 1.121 billion, in addition to negotiations for important new contracts which are close to being signed.

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 reassuring factors for the continuity and stability of its production volumes and revenues.

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. Trevi confirms a constant trend thanks to contracts for significant amounts. As of 31 Dec. 2014 the Company was achieving its objectives of equity and financial strengthening, while the business and revenue growth guidances already included in the 2014-2016 Industrial Plan are reconfirmed in 2015.

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

It occupies a position of world leader both in special foundations and in Oil & Gas. Over the years it has worked and expanded 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. Trevi Group has with a diversified portfolio of customers 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 specialty contractor and as subcontractor of main contractors, typically large national and international construction companies and public works.

In 2014 the Group acquired a series of important contracts. In the foundation services division (TREV I) 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 major contracts executed in 2014 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 its 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).

The Foundations Sector with the TREVI Division continues to acquire significant contracts in areas of particular importance. In the course of 2014 its volume of business increased by 3%, reaching Euro 703.4 million. In North America, the works related to the extraordinary maintenance project on the Wolf Creek Dam in Kentucky continued, reaching a point of near completion. We also point to the new acquisitions on behalf of the US Stratcom Facility in Nebraska and Bolivar Dam in Ohio. New works were also acquired in the field of civil works in New England and Washington, D.C. TREVIICOS, an American company of the Trevi Division, is working on the First Street road tunnel in Washington, and will also participate on the realization of the highest residential tower in Boston, having been awarded the foundations and the package of construction site works for the new tower. TREVIICOS will also operate as main contractor for the package under the management of Suffolk Construction. Trevigeos, a Brazilian branch of the Trevi Group, is instead working on the project for the expansion and modernization of the pier of Outeirinhos, located in São Paulo State in Latin America's largest port, with various offshore works that will be completed by 2015 and onshore works scheduled for completion by February 2016. In the Middle East, the Trevi Group has acquired a contract for the realization of strategic infrastructure and road works for urban expansion in Kuwait. The works will involve the execution of special foundations, ground consolidation and driven piles. Trevi Foundations Kuwait is engaged in the Middle East, in Kuwait City, Kuwait, to be exact, in the construction of the Sheikh Jaber Al-Ahmad Al-Sabah Causeway Project. The causeway, named after the last Emir, Sheikh Jaber al-Ahmad al-Sabah, is to connect Kuwait City, the capital, with the northern zone of Subiya, site of the Silk City project. This is a mammoth project that also includes the construction of two artificial islands.

Treviicos was also awarded a project for the stabilization of faults along the Mississippi River in Illinois. Also in this case the company will operate as main contractor for the project under the supervision of the Southwestern Illinois Flood Prevention District Council.

The Foundations Sector is specialized in maritime, metro and dam works and continues to pursue the objective of further development as well as maintenance of its leadership in special foundations and its technological primacy.

Among the metropolitan works TREVI's order portfolio includes the automated metro of Riyadh, the largest urban transport project currently being executed in the world.

The TREVI Division, in addition to the contracts that are ordinarily acquired, was awarded an important new contract in Egypt for an overall value of approximately Euro 75 million. The contract regards infrastructure works in the transport sector, considered strategic for the country's development.

This positive trend is also confirmed by numerous contracts signed in the first months of 2015 and by a positive trend foreseen in the United States and the Middle East, where the building & residential works market is showing itself to be particularly promising, and contracts recently acquired in Boston, Kuwait, and also in South America, in Colombia, are the confirmation. The

trend on the global construction markets, particularly of infrastructure, appears to be positive; the demand for new infrastructure in emerging markets is a source of growth of foundation services (Trevi) by over 18% in the first quarter compared to the same quarter of the previous year. In this sector major contracts were acquired for around Euro 197 million in the first quarter, concentrated in the areas of the Middle East and Western Africa. Also benefiting from this positive trend is Soilmec, with an increase in revenues of almost 24%. In general the Foundations Sector (core business) saw its revenues increase by nearly 20%. EBITDA of the Sector was Euro 17.5 million (9.3%).

Soilmec continues to set its sights on greater production efficiency and is completing 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 closely operates in synergy, and responding also for new awards and contracts on hand, the latter more selective and aimed at completion of the product range. Among the recent awards we cite the supply of plant and machinery for the first time in Colombia, where the technology of excavating with hydrocutters is being introduced thanks to Soilmec's specialized equipment. In the South American country Galante S.A. is a pioneer in this technology, as it is using a hydrocutter for the foundations of the World Americas Business Center (América Centro Mundial de Negocios) project in the "El Pedregal" zone of Bogotá.

Soilmec assists the group in internal and technological growth with the implementation of rotary rigs, which register good demand in 2015, in particular micro pilings and crane rigs.

Among the new orders in the Oil & Gas sector, the Drillmec Division, a company of the Trevi Group, has signed new contracts in the Middle East. Drillmec signed an important contract for the supply of five 2000 HP rigs and two 3000 HP rigs with *Enafor*, an Algerian company that is a leader in drilling services operating on behalf of *Sonatrach*; two 3000 HP rigs will be the first of this power purchased by ENAFOR and will be used for hydrocarbon extraction from particularly great depths characterized by high temperatures and pressures. The other five 2000 HP rigs will instead be used for drilling new oil wells foreseen by the expansion programme of the national oil company. The exploration and production programme recently announced by Algerian energy minister Youcef Yousefi calls for drilling new oil and gas wells. Drillmec has also signed an agreement for the supply of two 2000 HP AC HSL (Hydraulic Swing Lift) rigs with one of the most important drilling contractors operating in Saudi Arabia, *Aramco*, the country's leading oil company and a world leader for ascertained reserves.

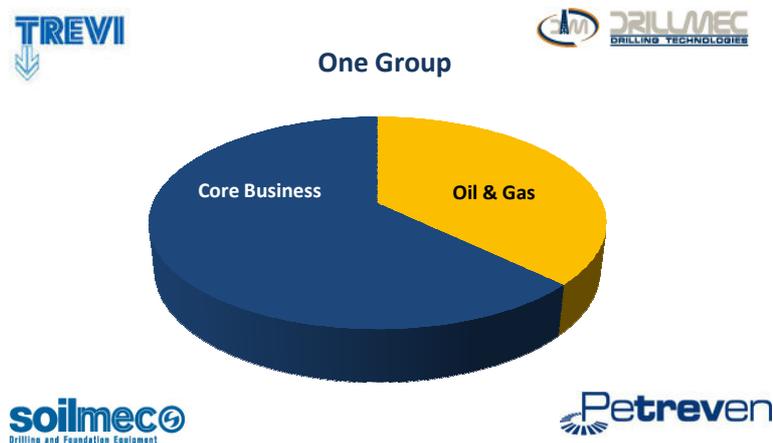
In the Drillmec works in Piacenza, Italy, production continues to advance on drill rigs for export to Algeria, despite being limited in the first quarter by the initial phase of setting up for execution, through intensive design and construction activity that determined an increase in inventory and financial debt. A large part of the deliveries and the related collections will be concentrated between June and November and are guaranteed by letters of credit, with partial payments as the work progresses.

Drillmec is also engaged in the growth of the offshore division with investments in the mid-shallow water and modular rigs segment.

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

In 2014, four of its 17 rigs were partially inactive; at the start of 2015, one of them is again under contract. The development objectives for the Petreven Division remain the completion of new contracts, also for the short and medium term, and where possible the maximization of contract durations. The development and consolidation objectives of the operation & maintenance segment, expansion and consolidation to new geographic markets, testing activities on new technological solutions and new rigs produced by the Drillmec Division remain unchanged.

Overall, TREVI Group has identified development and efficiency improvement drivers at all levels of the Group which focus on the objectives of consolidation of geographic markets, controlled, selective growth by external lines, strengthening of the role of general specialty contractor and improvement of production efficiency, with a reduction of inventory and a more time-to-market production. The objectives are pursued through actions at group level and actions at the division level, seeking to rationalize and make more efficient the functional areas that require interventions in this direction.



The Group is a single entity but is divided into two sectors and four divisions, corresponding to the four main operating companies – Trevi, Soilmec, Drillmec and Petreven – and stands out for its ability to exploit the synergies that are created in the respective areas. The commitment is to continue with greater assumption of responsibility – accountability at all levels – to tackle the new challenges and difficulties to which they are subjected in a strongly globalized market, optimizing and rationalizing production and the related costs, reducing dispersion of time and money to improve the timing on the market with consequent advantages in the acquisition of new contracts or in problem management while always maintaining the balance between the

three pillars that underpin TREVI's development: technology, ability to produce income and finance, and reducing risks to the minimum.

The 2015 outlook is an increase in revenue, accompanied by growth of margins and operating results, consolidation and development of Drillmec in the offshore segment and the future development of modular rigs, objectives pursued through the realization of the numerous contracts on hand and those recently acquired, the deliveries of which are foreseen for the second half of 2015. Increased profitability is also pursued through careful control of management, production, contracts and the working capital used to finance orders, and growth abroad so as to contain financing and ensure sustainability of the planned investments and developments.

The Group is currently involved in a number of important negotiations from the technological and/or dimensional standpoint which are likely to have a positive influence on the results of the current year.

Rating

Scenarios

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., formed on 20 June 1983, is the flagship company of the *Trevi Group*. *Trevi Finanziaria Industriale* and the companies it controls are active in two sectors:

- Foundation engineering services for civil works and infrastructure projects and construction of equipment for special foundations (core business);
- Manufacture of drilling rigs for hydrocarbon extraction and water exploration and provision of oil drilling services (oil & gas).

These business sectors are coordinated by the Group's four main companies:

- *Trevi S.p.A.*, which heads the foundation engineering sector;
- *Petreven S.p.A.*, active in the drilling sector through the provision of oil drilling services;
- *Soilmec S.p.A.*, which heads the relative Division, manufacturing and marketing plant and equipment for foundation engineering;
- *Drillmec S.p.A.*, which manufactures and sells equipment for drilling wells for hydrocarbon extraction and water exploration.

The Group also operates in the renewable energy sector, mainly wind, through its subsidiary *Trevi Energy S.p.A.*, a company that operates in the sector of research, development and exploitation of energy from renewable sources, chiefly wind, by applying the technologies and skills developed for the realization of offshore wind farms.

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

The Parent Company engages in extensive financial activity which gives rise to a final positive result. Revenues from sales and services stand at Euro 17.570 million as against Euro 12.631 million in 2013 for an increase of Euro 4.940 million. Other revenues come to Euro 3.242 million, compared to Euro 1.855 million the previous year, for an increase of Euro 1.387 million, while financial income stands at Euro 15,265 million, as against Euro 22.732 million the year before, for a decrease of Euro 7.467 million, chiefly ascribable to the reduction of the dividends of the subsidiaries. The operating income is Euro 7.236 million, down from the Euro 9.712 million in 2013. The revenues of the Parent Company are almost exclusively realized through the companies of the Group. In addition to the business of leasing equipment, it carries out the management of the coordination of the planning service, research and development, management and administrative direction and support, management of human resources and personnel service, management of the IT service and of the integrated company management software, management of the group communication service, services

which flank the main activity of industrial flagship of the Trevi Group. For what regards the financial management, the Company shows a decrease in income from equity investments, equal to Euro 1.177 million in 2014, compared to Euro 7.721 million in 2013, for a decrease of Euro 6.546 million, and relate to the distribution of dividends for Euro 1.177 million by Petreven S.p.A., and on the other a decrease in earned interest relative to the financing granted by the Company to its subsidiaries, which amounted to Euro 14.041 million in 2014 versus the Euro 15.001 million of 2013, for a decrease of Euro 960,000. The financing granted to the subsidiaries is at interest rates in line with those of the market and its increase from the previous year occurred in the final part of the year as use of the funds of the share capital increase. We also point to a decrease in the tax burden on the company.

Trevi Group

In the course of 2014 the Trevi Group showed stable revenues at the same level as the previous year (-2%) for Euro 1.251 billion. The profits pertaining to the Group increased from Euro 13.8 million to Euro 24.4 million. At the same time the order portfolio improved, expanding from Euro 877 million to Euro 1.107 billion. During the first months of the new year, 2015, Trevi Group acquired a significant volume of new contracts that ensure a good level of business for the current year in keeping with the development guidances of the industrial plan. Pre-tax profits are Euro 35.3 million and value added is Euro 362.6 million (-3.3%); its incidence on total revenues is 29%, stable with respect to the 29.4% of the previous year. The value of production went from Euro 1.310 billion to Euro 1.283 billion (-2.1%); the increases of internally produced fixed assets, for Euro 54.3 million (Euro 33 million the previous year), are constituted chiefly by machinery built by the metalworking companies and used by companies belonging to the Group.

Trevi Group's success is based on integration and therefore continuous exchange between technological and process innovation among 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 geothermal energy 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, carrying out all the site consolidation and securing activities for the purposes of the subsequent construction and operating chiefly as subcontractor of the main contractors – typically large construction and public works companies.

2015 1st Quarter

The quarterly results exceed expectations and the appreciation of the dollar with respect to the euro had an important effect on the results and on the revaluation of the assets in America. The total consolidated revenues in the first quarter of the year are around Euro 297 million, while the Group net result was Euro 1.88m. Compared to the revenues of the same quarter of the previous year for Euro 265.7 million, an increase of 11.8% is recorded. The outlook is positive for the coming quarters in view of an order portfolio that continues to grow thanks to important new contracts in an advanced state of negotiation.

Rating Factors

Negative data

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

The Trevi Group operates at an international level in the sector of foundations and in the Oil&Gas sector.

The companies that operate in the foundation sector are Trevi Spa and Soilmec Spa: the former carries out engineering works in the subsoil, while the latter produces plant and machinery that are used to carry out said engineering works.

The Oil&Gas sector comprises Drillemec Spa which produces mechanical rigs, hydraulic rigs and the respective accessories for oil, geothermic and water drilling, and Petreven Spa which carries out drilling activities of oil wells in Venezuela, Colombia, Peru, Argentina and Chile on behalf of international companies.

Foundations

The foundations sector fits into the the broader international context of constructions, for which, in 2014, the estimated value of investments is Euro 6,801 billion, with a growth of 3.6% compared to 2013. The driving force is the investments in infrastructure in emerging countries, which makes up 62% of the total funding uses. In fact, the markets that offer the greatest opportunities are the geographical areas lacking infrastructure and in which a process of industrialisation is ongoing, such as Eastern Europe, the Middle East, Latin America and North Africa. Between 2000 and 2013 China and India are the markets which grew the most, but currently the Chinese market is showing signs of slowing down and is also a market that is difficult to penetrate for foreign companies. With regard to the segment of public works the demand depends on interventions scheduled by the government authorities of various countries, and is therefore not necessarily linked to the business cycle, as is instead the case for large non residential private buildings.

	2013	2014	Previsione 2015	Previsione 2016	Var% 13/12	Var% 14/13	Var% 15/14	Var% 16/15
Totale investimenti	6.540	6.801	7.083	7.372	3,5	4,0	4,1	4,1

INVESTMENTS IN CONSTRUCTION WORKS IN THE WORLD – in billion Euro

Fonte: CRESME/SIMCO 2014

Within the national borders the construction market has been heavily affected by the crisis, but in 2014 Italian demand began to show significant positive signs, thanks also to the fact that the segment of public works has been placed at the centre of government programmes for economic recovery. The main areas of activity are transport infrastructure, water works, energy production plants and civil and industrial construction. On the total new works of the

public works office the incidence of works with a value exceeding Euro 100 million is more than 50%.

Because of the significant dimension of the investments, the duration of the contracts and the payment terms which are sometimes very long, the companies of the sector are characterised by a significant use of working capital, a high incidence of short term financial indebtedness and a strong need for unsecured loan guarantees. In foreign markets the principals, including from the public sector, generally pay an advance of 10% of the total value of contract, thus allowing for a more limited need for financing through credit discounting.

The barriers to entry are significant and comprise experience acquired and the reputation that has been reached, organisational, as well as technology and operations and financial capacity, the complexity of the technology and the respective know-how and the capacity to operate in different political and economic contexts acquiring familiarity with the practices in different countries. *

Competition is greater in emerging markets, but the number of companies that are able to compete for the awarding of large international contracts is limited.

The main variables on which companies operating in the sector need to concentrate are:

- Technological innovation, which is fundamental for the execution of specific activities and for limiting costs
- The balance of the order portfolio in terms of the types of project, types of customers, the duration of contracts and mix of countries
- The development of consolidated relations with customers and financial counterparties
- The capacity to manage strategic alliances and country risk which involves facing unforeseen events.

The market for heavy equipment used for the works is strictly connected to the constructions sector. In 2014 Italian production fell by 0.5%, but forecasts for 2015 suggest a slight increase, which should improve in 2016. The production is largely directed to the foreign market and the main destination countries are United States, France, United Kingdom and China. The sector is dominated by about a dozen international groups from the USA, Sweden, Japan, Germany, Italy and the United Kingdom. A relevant barrier to entry is the intensity of capital, in fact major investments are necessary given the complexity and unitary price of the products and the breadth of the reference markets. A further barrier to entry in the sector is the need to have an efficient distribution and post-sales network through the presence of branches located in different countries. The companies must be attentive to innovation, making constant investments in research and development, to obtain significant competitive advantages in terms of performance, reliability, lower consumption, less noise and lower emissions. The technical frontiers are represented by gps technology and hybrid engines.

Oil&Gas

Global production of oil and natural gas is expected to increase slightly, especially because of the intensive use of new extraction techniques like fracking, which consists in using water pressure to create and spread, after drilling, a fracture in the rock strata and thus increase permeability and improve production. The main producers of oil are Saudi Arabia, Russia and the United States, while main natural gas producers are Iran, Russia and the United States. In particular by 2020 the United States is destined to become the main global producer of crude oil because of the increased use of fracking.

Demand for oil appears to be rising and is characterised by a wide usage and a relative cyclical nature, while demand for natural gas has a slow but continual growth and is characterised by a cyclical component linked to industrial use. Supply is concentrated and OPEC (Organization of the Petroleum Exporting Countries) acts as a cartel by establishing the production quotas of each member country and any production cuts to sustain the price of oil, which represents the the main factor of variability in the income margins of the oil companies.

The sector has a very high intensity of capital, since it requires investments with very long return periods and it is necessary to invest systematically in the exploration and development of new oilfields, with the additional difficult of managing the respective risks. The decision to make new investments is strictly linked to the price of oil, since high prices make it more convenient to explore /drilling more problematic and costly areas. In the final months of 2014 the price of oil fell significantly, with a reduction of circa 40%. Because of the excessive production of crude oil the market remains quite uncertain and the investments for 2015 were revised by many companies, with an average reduction for the sector of circa 20%, although a recovery is expected in 2016.

There is no real competition on price, which is determined by the dynamics of the international markets, but there is a high level of competition between companies for the awarding of the mining rights in the countries that have a good potential in terms of reserves. Through service contracts, the State or national company that do not have sufficient capital or technologies, entrust the exploration and production to foreign companies that are paid with a pre-established sum in cash or proportion of the product that depends on the actual production levels. The exploration risk can be borne more or less by the company on the basis of the conditions of the service contract. From this perspective it is fundamental to entertain, develop and maintain solid relations with producer countries. The main competitors of the Group are manor international operators, operators in a leadership position, who are often listed in the respective reference financial markets.

In conclusion, the peculiarities which characterise all of the operating sectors of the companies of the Trevi Group are:

- Intensity of capital
- Interesting opportunities in emerging countries, characterised by situations of uncertainty at a political and economic level, and which thus involve the capacity to know how to manage the country risk

- Necessity of geographic diversification with the resulting coverage of the reference markets
- Significant investments in research and development to obtain major advantages in terms of technological innovation
- Knowledge of specific know-how
- Significant barriers to entry and exit

In individual markets the Group competes with a series of small players the number of which depends on the level of fragmentation of the sector, there are no absolute global market shares, we can identify relative market shares. Competition for Trevi is therefore represented companies that have an historic presence in the reference markets in which the Group is today in a position of leadership at a global level even in the Drilling sector, where until a few years ago it was just a new competitor or new incoming company. Today with the Drilmec Division we can confirm a significant development of Trevi in the Oil&Gas sector through a strong development of the sector and the leading company in the sector, Drilmec, which has the right credentials and cutting-edge production and technological capacity. The main competitors for Trevi vary in accordance with the division.

The Trevi S.p.A. division, in the various geographical contexts and with a different competitive intensity, competes with Keller Group Plc (UK), Soletanche Bachy (France) and Bauer AG (Germany). The Soilmec division has as its main competitors Bauer AG which like the Trevi Group is present in services and in the metalworking sector and the Italian Casagrande Group; on an international scale Soilmec's network has a solid competitive advantage which is hard to replicate.

In the Drilling division the main competitors of Drilmec include the historic US company NOV, National Oilwell Varco, a global leader in terms of turnover with production sites at an international level. In the on-shore segment the only company that appears to have introduced a hydraulic model similar to that of Drilmec's is the Chinese company Honghua, although this offers a smaller range of products and operates exclusively in the local market.

The most similar competitor, since like the Trevi Group it is present in both sectors, is the German company BAUER A.G. of the Bauer Group, which is listed in the Frankfurt Stock Exchange.

Competitors:

- ✓ Keller Group Plc (UK), the Keller group is listed on the London Stock Exchange and has a strong presence in the United Kingdom, the United States and Australia; it has historically been focused on foundations in the residential, commercial and industrial sectors. In 2014 it had revenues of 1,599.7 million pounds, with an increase of 11% compared to 2013, of which circa 48% were generated in North America. The orders portfolio increased by 8% compared to the previous financial year and for 2015 there is expected to be an improvement in terms of revenues and profits for all divisions

except Australia. The objective for the group is to extend its presence at a global level, through the increase of its workforce and targeted acquisitions.

- ✓ Soletanche Bachy, is characterised by a dominant position, a monopoly position in the domestic French market and a consolidated presence in the Far East where it has a solid leadership position. It is a company specialising in foundations and technologies of the soil. It operates in more than 70 countries with a staff of 1,850 people, with revenues of circa Euro 1,400 million.

- ✓ Bauer Spezialtiefbauer, The Bauer Group, whose origins date back to 1790, is listed on the Frankfurt Stock Exchange and is present in circa 70 countries with more than 10,000 people. It is the most similar group to the Trevi Group in terms of its very distributed geographical presence and the dimension in terms of revenues. In 2014 it generated revenues of Euro 1,560.2 million, with an increase of 3.7% compared to 2013 and EBITDA of Euro 171 million, an increase of 37.9% on the previous financial year. After the loss of Euro 19.4 million in 2013, the 2014 financial year closed with a profit of Euro 15.7 million. 71.8% of revenues is generated outside the national market and 48% derives from the construction sector. The orders portfolio amounts to Euro 762.7 million, which is almost in line with 2013. In the first quarter of 2015 it had revenues of Euro 409.1 million, with an increase of 8.2% compared to the first quarter of 2014, orders also increased significantly (17.6%), increasing to Euro 848.2 million.

Rating Factors

Level of customer concentration

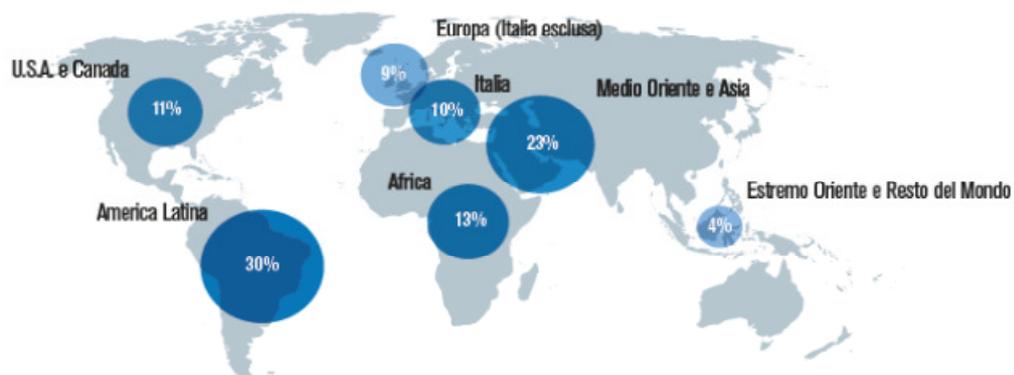
The trade receivables of the parent company TREVI – Finanziaria Industriale S.p.A. are mainly credits with subsidiaries. The credit risk relating to financial instruments can be considered nil, since these are cash and cash equivalents and bank current accounts.

In terms of customer concentration, we analysed the TREVI Group and the main operating companies in charge of the various Divisions with the most significant exposure, towards subsidiaries, and companies operating within the Network of global companies of the Trevi Group.

In general, even in 2014 there is still a quota of concentration of customers within the companies of the Trevi Group itself. The strong presence of the Group in the international markets is demonstrated by the percentage of sales abroad, which is circa 90.7% of the total with a slight recovery of the share of the domestic market, 9.7% compared to 7.6% of the previous year, despite remaining low because of the propensity of low growth in Italy and a reduction of investments in infrastructure in Italy; the weight of the Italian area on the Group's total revenues highlights a recovery on a total of Euro 1,121 million.

The works portfolio of the Group is distributed from a geographical perspective as follows: 29.7% in Latin America, 10.9% in USA and Canada, 22,8% in the Middle East and 13% in Africa. In Europe, excluding Italy the value is 9.1% and as described above Italy increases its share from 7.3 to 9.7%.

The customers include institutions, ministries, entities, Main Contractors, that are typically large construction and public works companies and in general the company participates actively in Group of Contracts and other temporary associations of companies for large works at both a national and international level; the Drilling activity, specifically for the divisional head companies, Drillemec and Petreven which mainly services the requirements of the leading "oil companies" for the drilling of oil wells in Chile, Venezuela, Peru, Argentina, Brazil and Colombia. a perforazione di pozzi petroliferi svolte in Cile, Venezuela, Perù, Argentina, Brasile e Colombia.



Rating Factors

Economic, equity and financial situation

Trevi Finanziaria Industriale S.p.A.

From a comparative analysis of the reclassified financial statements relating to the years 2012, 2013 and 2014, it emerges that the total *assets* of the balance sheet as at 31 Dec. 2014 amount to Euro 664,319 thousand, registering a 61.42% compared to the previous financial year.

At the same date the assets from the balance sheet, include a working capital of Euro 66,296 thousand (+87.99%) and a fixed capital which increased to Euro 598,023 thousand (+58.93%). The liabilities show a shareholders' equity of Euro 340,730 thousand (+126.91%) and total debt exposure of Euro 323,589 thousand (+23.80%), where short terms debts account for 39.59%.

On the total fixed assets, the greatest incidence is given by the fixed financial assets, which are equal to Euro 587,789 thousand, an increase compared to the 2013 level of Euro 353,727 thousand, financial credits of Euro 421,556 thousand compared to Euro 227,722 thousand at 31.12.2013 and shareholdings of Euro 136,132 thousand compared to Euro 115,773 thousand in 2013.

The *liabilities* highlight a shareholders' equity of Euro 328,508 thousand and total debt exposure of Euro 288,104 thousand, which is a slight increase compared to Euro 240,206 thousand at the end of 2013. The equity structure increased on the whole by +65,48%. From the value of the index of indebtedness (0.95) of the parent company of Trevi Group, we can see a good debt situation with ample company independence compared to the previous financial year, the ratio between third party capital and equity improved. Total indebtedness appears greater from a monetary perspective, but still sustainable by the structure of the Company and the Group.

The Company has net financial proceeds of Euro 18,083 thousand and has a current profit before financial charges of Euro 15,263 thousand. The current profit in 2014 is Euro 6,745 thousand and the net profit is instead equal to Euro 7,236 thousand after taxes and adding the balance of the extraordinary partite for a value of Euro 1,374 thousand. With regard to financial management at 31.12.2014 Trevi Finanziaria Industriale S.p.A. had a decrease in the proceeds from shareholdings (Euro 1,177 thousand in the 2014 financial year, compared to Euro 7,721 thousand in the 2013 financial year, with a decrease of Euro 6,546 thousand, and relate to the payment of dividends of Euro 1,177 thousand by Petreven S.p.A.), as well as a decrease in interest payments accrued on financing granted by the Company to its subsidiaries (Euro 14,041 thousand in the 2014 financial year compared to the Euro 15,001 thousand in the 2013 financial year, with a decrease of Euro 960 thousand); financing granted to subsidiaries have interest rates that are in line with the market rate and their increase compared to the previous financial year took place in the final part of the year come use of the funds from the increase in the share capital. In 2014 the company also experienced a decrease in the tax burden. With regard to property, plant and equipment, we report in the

2014 financial year gross investments relating to the entry Plant and Machinery of Euro 6,893 thousand and these relate mainly to the purchase of foundation equipment. With regard to the directly held shareholdings, there is an increase in the shareholding in the subsidiary TREVI S.p.A., a company operating in the sector of engineering of the sub-soil, due to payments for a future capital increase that were deliberated in the financial year by the company totalling Euro 19,957 thousand for both supporting the company's business, and for increasing equity to enable the company to sustain the working capital and have more competitiveness in its reference market. With regard to capital commitments, the guarantees provided to credit institutions for medium to long term financing and for the granting of commercial guarantees centralised on the parent company, amount at 31 December 2014 to Euro 310,720 thousand compared to Euro 332,430 thousand in the previous financial year, with a decrease of Euro 21,710 thousand due mainly to the reimbursement of medium to long term loans by the subsidiaries. The guarantees issued to insurance companies amount at 31 December 2014 to Euro 60,241 thousand compared to Euro 39,010 thousand in the previous financial year, with an increase of Euro 21,231 thousand. These guarantees reduce proportionally with the residual works that are still to be executed and are mainly released for projects in the USA.

The Consolidated Net Financial is as follows:

Net Financial Position	31.12.2014	31.12.2013	31.12.2012
Current debt	(319.320)	(371.965)	(332.854)
Payables for other current financing	(37.756)	(38.672)	(28.477)
Current financial derivatives	(12)	(127)	30
Cash and cash equivalents	244.468	220.306	202.643
Total current financing	(112.619)	(190.457)	(202.643)
Non-current debt	(221.904)	(211.588)	(188.888)
Payables for other non-current financing	(43.192)	(40.201)	(50.684)
Non-current financial derivatives	(1.914)	(1.397)	(2.418)
Total non-current financing	(267.009)	(253.187)	(241.991)
Net Debt	(379.629)	(443.644)	(400.648)
Treasury shares	363	751	519
Net Financial Position	(379.265)	(442.892)	(400.129)

Trevi Group

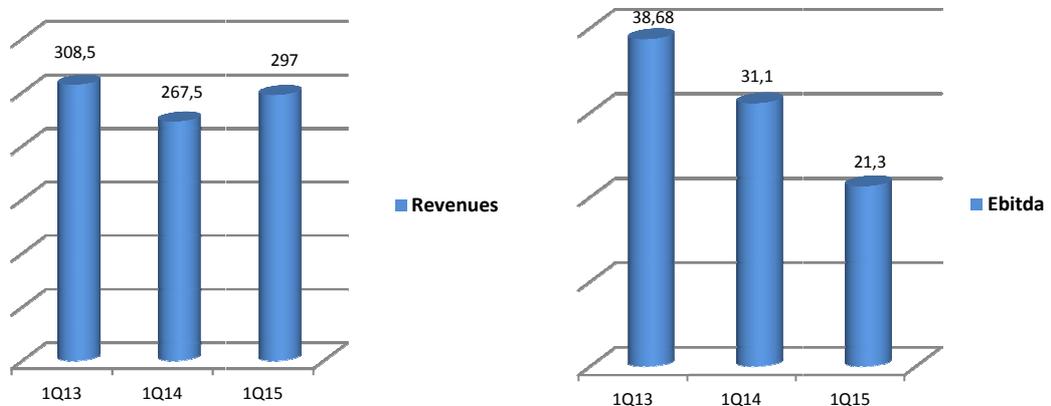
The short term position improved by circa Euro 77.8 million compared to 31 December 2013, going from Euro -190.5 million to Euro -112.6 million. At the same time the medium to long term indebtedness worsened by Euro 14 million, going from Euro -253.2 million to Euro -267 million. The total net financial position, which includes the company's own shares held in the portfolio, improved on the whole in 2014 by circa Euro 63.6 million.

The ratio between the Total net financial position and Shareholders' equity is 0.6.

Consolidated revenues at 31.12.2014 amount to Euro 1,251 million compared to Euro 1,275,836 thousand in 2013 (-2%) thus highlighting a stable trend, proving an ability to maintain market shares that were acquired and consolidated over time and being affected by delays in certain deliveries that could have led to revenues being in line with the levels forecasted in the strategic business plan. The Group operates in different business sectors and different geographical areas. The Group experienced an increase in the Middle Eastern and Asian area mainly as a result of the companies Soilmec and Drillmec.

The Middle Eastern area did not suffer such significant effects from the reduction in the price of oil since it has extremely low extraction costs, and the 2015 portfolio benefits from major contracts acquired in Algeria and Saudi Arabia. We report, however, that the Eastern market, and in particular Russia, which is affected by sanctions, has undergone a major fall due mainly to the application of said sanctions and to the resulting operational difficulties in generating business, rather than an actual lack of opportunities. The company is hoping for a quick solution to the crisis in Ukraine in order to restore its focus on a market with enormous potential and also give some continuity to the affiliate in Belorussia. The 2015 portfolio suggests it could be a positive years in terms of volumes. Soilmec confirms significant sales in North America, Great Britain and France. In the Middle Eastern markets there are signs of recovery, although volumes remain low. The most sold equipment continue to be the classic "rotary". We also report constant sale levels of machines for micropiles and cranes.

The impact of costs on turnover results can be seen in terms of the margins, with EBITDA equal to Euro 126.4 million (-12.1%) with an incidence of 10.1% on revenues; in the previous financial year it had been Euro 143.8 million with an incidence of 11.3%; after deducting amortisation and depreciation charges of Euro 57 million and provisions of Euro 6.7 million, earnings decreased by -22.1% to Euro 62.6 million (5% of total revenues); in 2013, earnings were Euro 80.3 million (equal to 6.3% of total revenues). The forecasts for the current 2015 financial year are favourable in terms of a growth in Revenues and earnings.



The Free Cash Flow¹ in 2014 was Euro -107 million (in 2013 it had been Euro 18.7 million) and was influenced by investment activities in property, plant and equipment and intangible fixed assets, net of the conversion effects of currencies, of circa Euro 95 million, the variation

in working capital of Euro 116.1 million; the ratio between net financial position and Net debt/Ebitda was equal to 3.0 (3.1 at 31 December 2013). Net financial indebtedness fell by 34.9% compared to the third quarter of 2014 and at the end of the year was around Euro 379.6 million (-14% compared to the level at the start of the year).

1st Quarter 2015

Net invested capital, which is equal to Euro 1,216.3 million, increased compared to net invested capital at 31 December 2014 (which amounted to Euro 1,046.4 million) and increased by Euro 212.2 million even with regard to the same period in the previous financial year; in particular, the gross investments in the period equated to Euro 18.8 million (Euro 17.4 million at 31 March 2014, +8%) and relate mainly to investments for machinery and equipment that are functional to the contracts that were started during the course of the quarter or to be started at a later period.

Stocks amounted at 31 March 2015 to Euro 809.4 million (of which Euro 479 million are made up of work in progress on orders), an increase compared to 31 March 2014 of Euro 240.4 million; the increased value of stocks derives from the planning of production and deliveries of the metalworking sector and Drillmec in particular to the tune of Euro 423 million of work in progress.

The total net financial position was around Euro 499.7 million in the first quarter of 2015, with an improvement of 13% compared to 31 March 2014, a reduction compared to 31 December 2014 of 31.8%. Before the negative cash flow impact of Euro 9.7 million relating to derivatives for the coverage of currency exchange the Net Financial Position reached Euro 490 million; the negative impact of the currency exchange coverage comes from the liquidation of the derivatives contracts covering long term exposure in dollars of major projects. In line with the Company's policy of coverage, exposure in dollars was neutralised through the renewal of the positions on derivatives that are normally settled within 12 months.

In the second quarter an improvement is expected in the Net Financial Position because of the liquidating effect of major contracts and increased proceeds for some customers in the Oil&Gas sector. The Shareholders' Equity of the Group is around Euro 699.7 million (Euro 405.2 million in the same period in the previous year). This was affected positively by the increase in the Currency Conversion Reserve by almost Euro 50 million, due to the revaluation of Assets denominated in dollars. With regard to the main financial indices at 31 March, the Net Debt /Equity is 0.7 (0.6 at 31 December 2014) and Net Debt /EBITDA is equal to 4.3 (3.0 at 31 December 2014).

Total consolidated Revenues at 31 March 2015, went from Euro 265.7 million in the first quarter of the previous financial year to 297 million in the present financial year (+11.8%). EBITDA equal Euro 21.3 million with an incidence of 7.2% on revenues; in the first quarter of the previous year it was Euro 31 million with an incidence of 11.7%. Having deducted amortisation and depreciation charges of Euro 15.2 million and provisions for the risk funds of Euro 1.1 million, earnings were Euro 5 million (equal to 1.7% of total revenues); in the same quarter of the previous financial year earnings were Euro 17 million (equal to 6.4% of total revenues). Net financial charges amount to Euro 5.6 million, while the net currency exchange differences are equal to Euro 3.6 million.

Minibond

In the 2014 financial year the parent company issued a *bond* with an overall value of Euro 50,000,000, comprising 500 bearer bonds with a nominal value of Euro 100,000 each, reimbursable in a single instalment on 28/07/2019. The bond is listed on the EXTRA MOT PRO market which is managed by Borsa Italiana. We report that at the Valuation Date at 31.12.2014 the Financial Parameters for the Trevi Group on the basis of the results of the consolidated and certified financial statement respect the regulations of the loan:

- *Interest Coverage Ratio* of the Group is equal to 4.0, reference value greater than 3.0;
- *Leverage Ratio* of the Group equal to 0.6, reference value lower than 2.5;
- *The ratio between Net Financial Indebtedness and EBITDA for the group is 3.0 and thus below the reference value, which has to be below 5.0.*

The Net Financial Position for the Group at the end of the financial year is Euro 379.3 million; the Shareholders' Equity is Euro 666.7 million and Ebitda is 126,4 million with Net Financial Charges of Euro 31.7 million.

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 parent company TREVI – Finanziaria Industriale S.p.A. at the end of 2014 amount to Euro 96,935,554 in the short term, a reduction of 6.5% compared to 2013 and to Euro 185,504,657 in the m/l term, an increase of circa 38%.

The Group's bank financing at the end of the 2014 financial year amount to Euro 319,320 thousand in the short term with a reduction of 14.2% and Euro 221,904 thousand in the m/l term, an increase of 4.8%.

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. To continually monitor the liquidity situation, the Companies of the Group prepare periodic revolving and forecast cash flows that are analysed and consolidated by the Parent company. In order to suitably cover the liquidity risk, the Group has committed lines of credit, stipulate with leading financial counterparties, totalling Euro 432.8 million, many of which were not used by the end of the financial year. Aside from said lines of credit and the ceiling for guarantees, the Group has bank overdrafts for commercial and financial transactions totalling circa Euro 820 million both with Italian financial counterparties and with international counterparties. The Group's total overdraft facilities exceed Euro 1,500 million. The funding activity is carried out mainly by the Parent company and by the sub-holding companies. However, in the event of operational requirements, financing is also taken out by the individual operating companies of the Group.

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 2014, the Company has two existing interest rate swap contracts with major financial counterparties. The original notional value was Euro 40 million and at 31 December 2014 it was Euro 33.33 million, with expiry in 2020.

At 31 December 2014, considering the effect of said contracts, circa 14% of the Company's financing is at a fixed rate.

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 Foundations Division has, as of 31 December 2014, existing hedging transactions for a total of USD 20,000,000 with maturity in the course of 2015 whose fair value, valued at mark to market, amounts to negative Euro 510,000, while as of 31 December 2014 the Oil&Gas Division has hedging transactions for a total of USD 2,000,000 with maturity in the course of 2015 whose fair value, valued at mark to market, amounts to a net of negative Euro 53,000.

The 2014 financial year of the parent company was characterised by the increase in the share capital which was concluded in the month of November 2014, with the complete subscription of 94,588,965 new shares, for a total equivalent value of Euro 198,636,826.50 and by the entry with a minority position within the company's capital of Fondo Strategico Italiano S.p.A. both directly and through a subsidiary.

For the financial activity and credit relations we report that, aside from the increase in share capital, the financial year is also characterised by the issuing of a *bond* for an overall value of Euro 50,000,000, comprising 500 bearer bonds, each with a nominal value of Euro 100,000, that is reimbursable with a single instalment on 28/07/2019. The Bond is listed on the EXTRA MOT PRO market that is managed by Borsa Italiana. From the analysis at the Valuation Date (31.12.2014) the Financial Parameters for the Trevi Group, on the basis of the results of the consolidated and certified financial statement, respect the regulations of the loan.

Rating Factors

Quality of the management

The opinion on the management is extremely positive, the capacity to innovate, the high level of know-how, the technical and management experience of its *Management and Founder, Cavaliere Davide Trevisani*, whose idea and technology that was developed in the '60s is still successful today. Trevisani has succeeded in creating a business model that is still contemporary, characterised by a company that produces equipment, *SOILMEC* and a company, *TREVI*, which operates all over the world, using said machinery and expanding this know-how to competitors that are increasingly customers or partners. The model was also replicated in the *Oil & Gas* sector, with the companies *DRILLMEC* and *PETREVEN*, that have permitted positive performances to be achieved even in financial terms and from the perspective of growth and geographical expansion. The described strategy has created durable competitive advantages and the constant strengthening of the brand and the Group identity. The history which guides the Group is a history of growth, thanks to good intuitions accompanied by a high level of know-how, but despite this success, the management has not rested on its laurels and has continued to grow and evolve.

Story of a successful business model

Trevi Group operates with a diversified portfolio of customers and business activities, industrial construction, maritime works, dams, foundations and consolidations for communications routes, hydrocarbon research. In the field of large works the Group is specialised in the so-called site set-up phase of the project, carrying out all of the consolidation and securing activities of the sites and operates as a Specialty Contractor, sub-contractor of Main Contractors, that are typically large construction companies and large national and international public works companies.

Since its listing on the Stock Exchange, which took place in July 1999, the Trevi Group has undergone major evolutions in all respects, recording a constant development of its business and reaching impressive dimensions and results.

The history of Trevi is a story of success and a winning business model in almost 60 years of trading. The Group has its roots in the experience it acquired in the sector of special foundations and originates from the company that was founded in 1957 by the current Chairman of Trevi Finanziaria Industriale (Chairman & CEO), Davide Trevisani, i.e. the company *Palificazioni Trevisani Geom. Davide*, that was created with the aim of becoming a point of reference in sub-soil engineering from a technological perspective.

A clear propensity towards technological innovation, the development of human resources, the development of process know-how, the design of innovative machinery and internationalization have allowed a rapid growth at a global level and are still the distinctive traits of the Trevi Group, and the companies and human capital that make it up.

In 1969 Davide and Gianluigi Trevisani incorporated *Soilmec S.r.l.* (currently a joint stock company - S.p.A.) specialising in the design and production of plant and machinery used for sub-soil engineering, and is today a global leader in the field of equipment for foundations.

As of the '70s a significant growth phase began for Trevi in international markets with a constant process of internationalization and the establishment of the Trevi brand.

In 1977 TREVI FOUNDATIONS NIGERIA LTD was incorporated, which began the foundation works of the Third Mainland Bridge in Lagos and marked the commencement of an intense activity and the incessant acquisition of contracts which increased in number, complexity and size.

The evolution led to the Company registering numerous trademarks, which led to it acquiring major contacts for the construction of foundations in Nigeria, for the construction of the Apapa Road which paved the way for numerous new references. The "Trevi Method" and the establishment of the Trevi brand took place in the '80s and Trevi S.p.A. experienced an intense period of constant growth in turnover, employees, projects, and technology with further specialisation in the digging of tunnels. In 1990 the recognition came from Japan which imported from Trevi the special Trevi Method technology which it applied to plant for digging tunnels for the Hasaki Tunnel & Bridge project, which further contributed to the establishment of the Trevi brand.

In 1992 the Company consolidated its presence in the Far East with a large project for the People's Republic of China, the Ertan Dam.

The Company acquired contracts of a major civil and environmental importance, and with a significant historical and cultural value, such as the consolidation works in 1995 of the Tower of Pisa

In the '90s the collaboration with Agip / ENI led to the Trevi Group carrying out experimental research and development activities for the design and construction of a new machine for the drilling of deep water wells and research for hydrocarbons: using the hydraulic technology developed by Soilmec in the sector of special foundations and the know-how of Agip in the oil sector, it produced the first rig in the Piacenza workshops, the forefather of the well known HH series that marked its entry into the oil & Gas sector.

The Trevi Group then began the drilling activities, as Drilling Contractor, based on the experimental technology and in 1999 Petreven was founded, a company specialising in services and drilling for the oil industry, which started operating with contacts in Venezuela, and subsequently extended its activity to other Countries in South America, such as Argentina, Colombia and Peru, operating on behalf of the major oil companies in South America and the United States, like Petrobras, Petròleo Brasileiro S.A., YPF S.A., PDVSA Petròleos, Chevron Texaco. In synergy with the new company Drilmec which was founded in 2004 from a spin-off of Soilmec, the production and sale activity of oil rigs grew and developed and succeeded in overcoming the typical resistance of the Oil & Gas sector that is historically linked to North American suppliers, to promote the new innovative technology of Trevi in a sector based on a mechanical as opposed to hydraulic culture.

Over the years Drilmec specialised in the design and construction of mechanical and hydraulic rigs for oil, geo-thermal and hydraulic drilling, strengthening the Group with a new dedicated company and a new production plant situated in Piacenza.

Trevi entered the market for drilling for hydrocarbons with force by replicating the same business model that had been successful for foundations.

Informations

Informations

Company Profile

Anagrafica

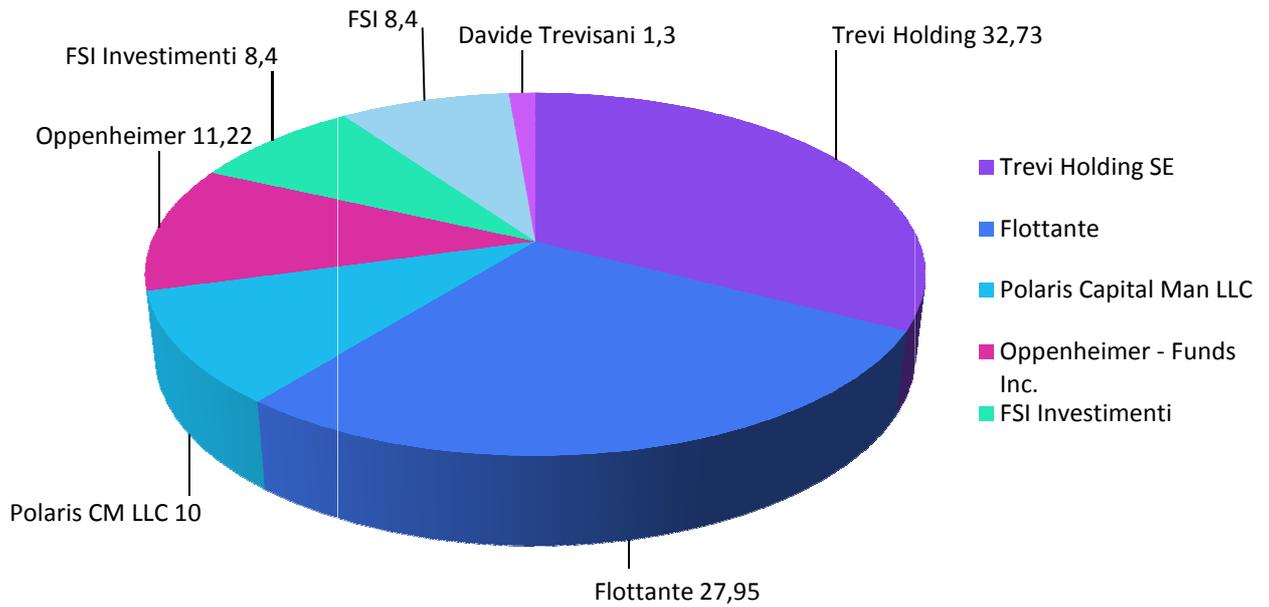
Company name	TREVI FINANZIARIA INDUSTRIALE S.p.A.
Address	VIA LARGA, 201 – 47522 - CESENA (FO)
Telephone	0547/319311
Website	www.trevifin.com
Certified Email	TREVIFINANZIARIA@LEGALMAIL.IT
Company legal form	SOCIETA' PER AZIONI
Activity status	In activity since 20.06.1983
Incorporation date	20/06/1983
Activity start date	20/06/1983
Authorized Share capital	82.391.633
Subscribed Share capital	82.391.633
Paid-up Share capital	82.391.633
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

The share capital of TREVI FINANZIARIA INDUSTRIALE SPA at 31 December 2014 amounts to Euro 82,391,632.50 Euro, which is entirely subscribed and paid-up, and is made up of 164,783,265 ordinary shares each with a value of Euro 0.50. The company is controlled by TREVI Holding SE which holds, on the basis of the data deposited with CONSOB, 32.727% of the capital, with 53,928,247 ordinary shares. The parent company is in turn subject to control by the company I.F.I.T Srl, which has a share of 51% of the capital. On 5 September 2014 the Extraordinary Assembly of Shareholders granted the Board of Directors the authority for a divisible increase in the share capital for cash within twelve months of the resolution. The Board of Directors resolved to issue 94,588,965 ordinary shares, with a nominal value of Euro 0.5, to be offered through an option to the shareholders of the Company, between 20 October and 6 November 2014, at a subscription price of Euro 2.10, of which Euro 1.60 as a share premium. During the option period 99.73% of the total shares were subscribed and the company then offered the non exercised rights to the Stock Exchange, which were not entirely sold in the first session of the Offer in the Stock Exchange, which took place on 10 November 2014 and were exercised on 13 November, thus concluding the share capital increase that was resolved in September.

In 2014 the Shareholders Davide Trevisani and TREVI Holding SE on the one side and Fondo Strategico Italiano SpA and the subsidiary FSI Investimenti SpA on the other, signed an investment agreement which Fondo Strategico Italiano SpA entered into, both directly and through its subsidiary, in a minority position in the capital of the company. Fondo Strategico Italiano SpA is a holding company for shares created with Ministerial Decree of 3 May 2011, which is 80% controlled by the CDP Group, while the 20% minority shareholding is held by the Bank of Italy. The entry of FSI has a significant relevance, since the fund acquires minority shareholdings in companies of significant national interest on the basis of their trading sectors and in the case of Trevi Group both sectors, since they are characterised by a major research and innovation component with a high technological content. Another criteria used to select the companies in which to invest is that these are in a position of equilibrium. At 4 May 2015, aside from the controlling shareholder TREVI Holding SE, shareholders with a share exceeding 2% of capital include: Oppenheimer Funds Inc. (USA) with a share of 11.22%, Polaris Capital Management LLC with 10%, Fondo Strategico Italiano SpA with 8.43% and FSI Investimenti SpA with a share of 8.43%. At 31 December 2014 the company has 128,400 own shares which are equal to 0.0779% of the share capital.

Shareholders



The Board of Directors of Trevi - Finanziaria Industriale S.p.A. currently in office was elected by the Shareholders' Assembly on 15 January 2015 for the 2015-2016-2017 financial years and the Chairman is Davide Trevisani.

The Shareholders' Assembly 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.

Trevi Group

The Trevi Group is a world leader in all-round underground engineering, special foundations, tunnel excavation, soil consolidations, and clean-up 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.

The Group operates through two sectors with 87 principal companies in more than 38 Countries and 92 business units with a presence of the business activities in more than 80 Countries: the foundations sector, which is led by Stefano Trevisani and the oil & gas sector, that is managed by Simone Trevisani. The foundations sector includes the Trevi Division, whose companies are coordinated by Trevi SpA, and the Soilmec Division, that is coordinated by Soilmec SpA. The Oil & Gas sector, is instead made up of the Drillmec Division and by the Petreven Division, that are coordinated respectively by Drillmec SpA and Petreven SpA. Each coordinating company is both an operating company and a sub-holding company of the respective sub-division, controlling (both directly and indirectly) and guiding the various subsidiaries and branches that operate all over the world in the same sector.

The Group also moved into the sector of renewable energy with the incorporation in 2007 of Trevi Energy SpA, that conducts, directly and on behalf of third parties, the development activities of concessions relating to wind farms which are primarily off-shore, but since 2010 it is also involved in the valuation of on-shore feasibility studies. In addition, the company designs and develops industrial plants for the production of electrical energy from renewable sources, in particular wind, and designs and constructs wind turbines. The Group's intention is one the one hand to adapt some of the technologies it has already developed and tested in other business segments, and on the other to develop new technological systems for a sector that it likely to expand.

Trevi

Trevi Spa, along with the companies of the division it leads, provides special foundation services which include the consolidation of the sub-soil, the digging of tunnels and the execution of micropiles, the installation of sheathing tubes in iron and sheet piles, the construction of diaphragm walls, the activities relating to the digging and creation of well pits, the creation of deep foundations and the construction of sheet piles for water proofing. In the execution of the foundation services significant technological and operational processes are developed, with the use of machinery that is mainly supplied by Soilmec and limiting use of sub-contractors. The company recorded a value of production of Euro 106.1 million, a reduction of 8.2% compared to the previous financial year and loss in the financial year of Euro 9.1 million. The negative turnover trend led to the adoptions of measures for optimising the available resources, through an interexchange with the foreign companies of the Division. In Italy the company generated revenues which increased by 22% from 2013, thanks to some important contracts like the works for the new dock for tankers in the port of Naples and aims to take part in the greatest number of tenders promoted in the context of the protection of the

territory and hydrogeological instability. There was a slowdown of the activity that was carried out abroad directly by the company, although this had in part been forecasted. In November 2014 the company shareholders' assembly allowed a payment for a future share capital increase, worth Euro 20 million, which the parent company Trevi Finanziaria Industriale SpA has already made, in terms of its shareholding of 99.8%, through the capital transformation of financing that had previously been granted in.

Trevi Division

In 2014 the Trevi Division reached a value of production of Euro 486.6 million, covering circa 39% of the total Group revenues. In North America it reached a turnover of Euro 53.5 million, obtaining important contracts like the US Stratcom Facility in Nebraska and the Bolivar Dam in Ohio. In Latin America it carried out contracts worth circa Euro 100.7 million, with major works like the thermo-electrical plants in Rosario and La Plata and the consolidation works for the Tercer Juego de Esclusas of the Panama Canal. In Europe revenues were Euro 16,8 million and the most significant contract was the consolidation work for the Copenhagen underground. In Africa the division executed contracts worth circa Euro 107.6 million relating above all to the construction of communication routes. In the Middle East revenues were Euro 102.1 million thanks to major contracts in the maritime transport and undergrounds sectors.

Soilmec

Soilmec Spa designs, assembles, sells and leases the equipment for the sector of sub-soil engineering, i.e. rigs and drills for special foundations. The company closed the 2014 financial year with a loss of Euro 3,819,678, with a reduction in sales of 18% for all geographical areas in which it operates except for the Middle East and South America, where sales increased compared to the previous financial year. In a complicated market situation, it is difficult for customers to schedule their work and components of the equipment have lengthy supply times. The management has therefore adopted a stock rationalisation policy which has seen a 19% reduction in inventories. In 2014 there was also a significant reduction, equating to 30%, in indebtedness, with Net Financial Position negative to the tune of Euro 88.9 million compared to 127 million in 2013.

Soilmec Division

The Soilmec Division generated revenues of Euro 231.3 million with an increase of 4.7% on 2013, but the 2014 financial year ended with a loss of Euro 2.98 million. Improvements are expected for 2015 as the Division looks set to benefit from the positive trend characterising the markets in which the Trevi Division operates. A process of reorganisation is ongoing, to reduce production costs and improve production efficiency through the modularisation of the product range, with the aim of reducing the time to market.

Drillmec

Drillmec Spa is one of the main operators at an international level in the design, production and personalisation of on-shore drilling rigs for the extraction of oil, gas and water; it recently also entered the off-shore drilling market for the extraction of oil and gas. The peculiarity of the equipment developed by the company and the hydraulic hoisting technology (HH) which enables an average increase in the drilling performances to be achieved, along with a significant reduction in the operating costs, the volumetric requirements of the drilling site, the transport costs, the start-up and dismantling, as well as increase of safety standards. For the

off-shore segment the company produces equipment for fixed platforms used in drilling of up to 1500 metres, while for the on-shore sector it develops equipment for all types of drilling. In 2014 the company closed the year with a positive result of Euro 4.7 million, a net improvement compared to the negative result of Euro 1.09 million which characterised the 2013 financial year.

Drillmec Division

The Drillmec Division generated revenues of Euro 426.8 million, with a decrease of 13.2% compared to the previous financial year and closed 2014 with a profit of Euro 6.06 million. The main focus has been on the innovation of the product to acquire know-how in the off-shore segment and to renew the range of HH equipment by introducing increasingly advanced technologies. Because of the reduction in the price of oil, the sector has shown signs of a slowdown, but the Middle Eastern area was not affected significantly since the extraction costs are extremely low. The greater operational difficulties were found in the Eastern European market, following the political tensions and the sanctions for Russia. The 2015 portfolio appears to be positive in terms of volume and the company has recently signed a contract for the supply of seven rigs with the Algerian drilling company ENAFOR and an agreement for the supply of two rigs with one of the major operators in the drilling sector in Saudi Arabia. With regard to Europe the company has been instructed to supply five complete rigs for the most important Dutch-Omani oil company (PDO) and has signed a letter of intent with the main Norwegian drilling operator (Odjell Drilling) for the supply of services relating to operations of mine closures and the abandonment of oil wells in the North Sea. In November 2014, during the Africa Oil & Gas Awards 2014, the company was awarded the Best New Technology of the Year prize for the new generation of completely automated rigs that allow a significant reduction of the surface area occupied by the rig.

Petreven

Petreven Spa provides, along with its subsidiaries, sub-soil drilling services for the extraction of oil, gas and water, as well as the manpower for the use of the rigs, that are provided exclusively by Drillmec SpA. In 2014 the company closed the year with a profit of Euro 899.9 thousand, an increase of circa 67% on 2013, despite a reduction in the volume of revenues, that was in part compensated by the increase in the leasing activities. The final result increased thanks to the interest payments accrued from financing granted to subsidiaries, the total value of which is Euro 1.25 million compared to 156 thousand in 2013. The profit in the financial year was also in part derived from the positive balance of the management of currency exchange.

Petreven Division

In 2014 the Petreven Division carried out the drilling activity of oil wells in Venezuela, Peru, Argentina, Chile and Colombia mainly on behalf of the oil companies Petrobras, YPF, Chevron Texaco and PDVSA, generating revenues of 144.6 million with an increase of 20.6% compared to the 2013 financial year and closing with a result of Euro 7.7 million. The Division operates with 17 oil drilling rigs on the basis of multi-year contracts which ensure a works portfolio of circa Euro 188 million. Because of the trend of the price of crude oil, the company has to face in 2015 a greater level of competition in the reference markets, but the strong portfolio of orders partially protects it from this difficult context. The main outlet market is

Argentina, where 52% of revenues were generated and at 31/12/2014 it represents 75% of the portfolio. In Peru there are set to be six new extraction fields in the jungle, that should be granted on licence in August 2015, while there are many new drilling activities in Chile, following the contract for 104 oil wells that was signed with China National Petroleum Corporation.

Pricing policy

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 sectors and divisions, 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. The establishment of the Group and the brand of the Trevi Group in a large number of markets and the capacity to bring to completion works of even extreme technological complexity have progressively strengthened the Group's brand and the corporate identity.

This unique business model which the Group benefits from has generated over time a virtuous cycle and represents a durable competitive advantage that was acquired over time, thanks to human capital. Finally the quality of Trevi's products and services, allows the Group to exercise a significant price premium in the sale phase.

With regard to the Foundations sector, the contracts in Kuwait, and all the contracts in the Middle East provide a good level of profitability, while the US contracts currently display a growing demand for work for special foundations in the private residential skyscrapers and banks segment, which are high-tech works with significant margins. These orders therefore have a positive impact on sales and profitability.

R & D

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 Drillemec, 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.

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

Drillemec is customer-oriented, as are all the companies of the Trevi network. The division valorises on the market its ability to develop rigs and machinery specifically designed to meet the customer's needs, freeing itself from price competition. The major novelty, implemented by Drillemec, is the modular technology that involves the creation of rigs through modules that are

to be assembled, thus the movement and retirement of the rigs themselves is much easier, which results in savings for oil companies in terms of management costs.

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 and absorbs 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. Currently the new generation of HH rigs has been completed, for which the potential appears to be extremely interesting since the brand is now known internationally.

Current Directors Main Officials	Function
<p>DAVIDE TREVISANI Born in: CESENA (FC) on 09/01/1937 Address: VIA G. PASCOLI 680, 47023 CESENA (FO) (Fiscal address) Fiscal code TRVDVD37A09C573S</p>	<p>PRESIDENT OF THE BOARD OF DIRECTORS start date 15/05/2004</p> <p>GENERAL MANAGER Start date 30/04/2001</p> <p>MEMBER OF THE BOARD Start date 30/04/2001</p>
<p>GIAN LUIGI TREVISANI Born in: CESENA (FC) on 29/08/1942 Address: PIAZZA GIOVANNI PAOLO II 3, 47521 CESENA (FO) Fiscal Code TRVGLG42M29C573I</p>	<p>DEPUTY PRESIDENT OF THE BOARD OF DIRECTORS Start date 30/04/2001</p> <p>GENERAL MANAGER Start date 30/04/2001</p> <p>MEMBER OF THE BOARD Start date 30/04/2001</p>
<p>CESARE TREVISANI Born in: CESENA (FC) on 08/07/1951 Address: VIA MADONNA DELL'OLIVO 6455, 47023 CESENA (FO) Fiscal code TRVCSR51L08C573I</p>	<p>DEPUTY PRESIDENT OF THE BOARD OF DIRECTORS Start date 15/01/2015</p> <p>MEMBER OF THE BOARD Start date 30/04/2001</p>
<p>STEFANO TREVISANI Born in: CESENA (FC) on 29/08/1942 Address: PIAZZA GIOVANNI PAOLO II 3, 47521 CESENA (FO) Fiscal code TRVGLG42M29C573I</p>	<p>MEMBER OF THE BOARD Start date 15/01/2015</p>
<p>SIMONE TREVISANI Born in: CESENA (FC) on 16/10/1971 Address: PIAZZA DELLA LIBERTA' 15, 47521 CESENA (FO) Fiscal Code TRVSMN71R16C573F</p>	<p>MEMBER OF THE BOARD Start date 15/01/2015</p>

Informations

Economic-financial profile

Abridged Balance Sheets - Trevi Finanziaria Industriale S.p.A. - 2012-2013-2014

Consolidated Balance Sheets - Abridged Profit and Loss Accounts:

ASSETS (Importi in Euro/000)						
	31/12/2014	%	31/12/2013	%	31/12/2012	%
Intangible Assets	81.804	4,7	50.033	3,3	28.292	2,0
Tangible Assets	757.033	43,4	697.549	46,5	640.238	44,8
(-) Depreciation Funds	380.653	21,8	344.816	23,0	304.112	21,3
Tangible Assets	376.380	21,6	352.733	23,5	336.126	23,5
Tangible assets in progress	10.482	0,6	6.902	0,5	3.345	0,2
Financial Assets	1.287	0,1	1.861	0,1	4.123	0,3
Financial Credits	3.956	0,2	3.354	0,2	3.655	0,3
Trade Credits	58.816	3,4	46.638	3,1	56.410	3,9
Fixed Financial Assets	64.059	3,7	51.853	3,5	64.188	4,5
Fixed Assets	532.725	30,5	461.521	30,7	431.951	30,2
Stocks (2)	452.825	26,0	378.798	25,2	352.322	24,7
Trade Credits	408.922	23,4	369.487	24,6	378.612	26,5
Financial Credits	0	0,0	0	0,0	8.495	0,6
Others	105.927	6,1	71.258	4,7	67.010	4,7
Financials	0	0,0	0	0,0	76	0,0
Cash	244.468	14,0	220.306	14,7	189.925	13,3
Liquidity	244.468	14,0	220.306	14,7	190.001	13,3
Short Term Assets	1.212.142	69,5	1.039.849	69,3	996.440	69,8
ASSETS	1.744.867	100,0	1.501.370	100,0	1.428.391	100,0
TOTAL LIABILITIES (IMPORTI IN EURO/000)						
	31/12/2014	%	31/12/2013	%	31/12/2012	%
Share Capital	82.328	4,7	35.033	2,3	35.033	2,5
Revaluation Reserves & fair value	227.766	13,1	76.263	5,1	76.263	5,3
Capitale versato	310.094	17,8	111.296	7,4	111.296	7,8
Revaluation Reserves & fair value	0	0,0	0	0,0	0	0,0
Other Fiscal Reserves	0	0,0	0	0,0	0	0,0
Other Reserves	0	0,0	0	0,0	0	0,0
Other Reserves	314.294	18,0	280.736	18,7	297.241	20,8
(-) Shares	0	0,0	0	0,0	0	0,0
Contributions	0	0,0	0	0,0	0	0,0
Net Reserves	314.294	18,0	280.736	18,7	297.241	20,8
Profit/Loss	24.415	1,4	13.763	0,9	10.803	0,8
EQUITY	648.803	37,2	405.795	27,0	419.340	29,4
Reserves towards others	10.990	0,6	9.948	0,7	11.854	0,8
Profit/Loss of third part	6.954	0,4	15.117	1,0	695	0,0
Equity of others	17.944	1,0	25.065	1,7	12.549	0,9
Funds & Debts within within 12 months	40.231	2,3	43.781	2,9	51.065	3,6
Staff indemnity fund beyond within 12 months	24.005	1,4	20.222	1,3	10.126	0,7
Funds beyond within 12 months	64.236	3,7	64.003	4,3	61.191	4,3
Bonds beyond within 12 months	0	0,0	0	0,0	0	0,0
Debts towards/shareholders beyond 12 months	0	0,0	0	0,0	0	0,0

Debts towards /banks (beyond 12 months)	221.904	12,7	211.589	14,1	188.888	13,2
Debts towards /other financers beyond 12 months	45.106	2,6	41.598	2,8	53.102	3,7
Trade Debts towards others beyond 12 months	103	0,0	189	0,0	22	0,0
CONSOLIDATED DEBTS	267.113	15,3	253.376	16,9	242.012	16,9
TOTAL CAPITAL	998.096	57,2	748.239	49,8	735.092	51,5
Debts towards /banks (within 12 M)	319.321	18,3	371.965	24,8	332.854	23,3
Debts towards /other financers (within 12 M)	37.768	2,2	38.799	2,6	28.522	2,0
Financial debts (within 12 M)	357.089	20,5	410.764	27,4	361.376	25,3
Debts towards/suppliers	304.861	17,5	303.021	20,2	209.684	14,7
Customer advances	0	0,0	0	0,0	89.054	6,2
Commercial Debts	304.861	17,5	303.021	20,2	298.738	20,9
Short-time fiscal /taxation debts	0	0,0	0	0,0	0	0,0
Altre Liabilities	84.821	4,9	39.346	2,6	33.185	2,3
Short - Term Liabilities	746.771	42,8	753.131	50,2	693.299	48,5
Total Liabilities	1.744.867	100,0	1.501.370	100,0	1.428.391	100,0

INCOME STATEMENT (Importi in Euro/000)						
	31/12/2014	%	31/12/2013	%	31/12/2012	%
REVENUES	1.226.897	100,0	1.258.018	100,0	1.099.913	100,0
Stocks variation	-21.963	-1,8	1.507	0,1	14.232	1,3
Works variation	54.329	4,4	32.696	2,6	28.042	2,5
Increase in immobilizations for inner works	249	0,0	281	0,0	964	0,1
PRODUCTION VALUE	1.259.512	102,7	1.292.502	102,7	1.143.151	103,9
Purchases	500.142	40,8	583.009	46,3	498.757	45,3
Raw materials variation	-42.731	-3,5	-14.714	-1,2	-32.782	-3,0
General expenses	371.459	30,3	329.680	26,2	280.004	25,5
VALUE ADDED	345.180	28,1	365.099	29,0	331.608	30,1
- Staff cost	236.250	19,3	231.212	18,4	223.038	20,3
GROSS OPERATING MARGIN (OPERATING EBITDA)	108.930	8,9	133.887	10,6	108.570	9,9
- Depreciations - tangible Assets	47.014	3,8	46.612	3,7	43.891	4,0
- Allocations	5.651	0,5	5.989	0,5	7.314	0,7
- Depreciations - intangible Assets	1.092	0,1	2.325	0,2	15.488	1,4
OPERATING PROFIT (EBIT)	55.173	4,5	78.961	6,3	41.877	3,8
(+/-) Result of different expenses/revenues	18.007	1,5	-1.555	-0,1	4.220	0,4
(+) Capitalization intangible assets	0	0,0	0	0,0	0	0,0
(-) Depreciation tangible assets	10.022	0,8	8.554	0,7	5.308	0,5
CURRENT PROFIT	63.158	5,1	68.852	5,5	40.789	3,7
(+) Financial Income	2.790	0,2	2.383	0,2	10.943	1,0
(-) Financial losses	0	0,0	0	0,0	0	0,0
CURRENT PROFIT BEFORE FINANCIAL CHARGES	65.948	5,4	71.235	5,7	51.732	4,7
(-) Financial charges	31.487	2,6	27.806	2,2	30.663	2,8
CURRENT PROFIT	34.461	2,8	43.429	3,5	21.069	1,9
(+/-) Capital Gain	1.596	0,1	-712	-0,1	-1.472	-0,1
(+/-) Value & Devaluation recoveries	2.033	0,2	1.244	0,1	0	0,0
(+/-) Result extraordinary incomes & charges	-2.839	-0,2	-176	0,0	1.385	0,1
RESULT BEFORE TAXES	35.251	2,9	43.785	3,5	20.982	1,9
(-) Operating Tax	3.882	0,3	14.905	1,2	9.484	0,9
(-) Equity Taxation	0	0,0	0	0,0	0	0,0
NET PROFIT	31.369	2,6	28.880	2,3	11.498	1,0
(+/-) OTHER	0	0,0	0	0,0	0	0,0
NET RESULT/LOSS	31.369	2,6	28.880	2,3	11.498	1,0
(-) Operating Tax	6.954	0,6	15.117	1,2	695	0,1
(-) Equity Taxation	24.415	2,0	13.763	1,1	10.803	1,0
Result on financial charges on liquidity and credits	31.251	2,5	27.481	2,2	30.185	2,7
Net Result on net charges/incomes and losses	28.697	2,3	25.423	2,0	19.720	1,8
CASH FLOW	88.690		97.687		87.806	
EBITDA	126.937		132.332		112.790	
STAFF	7.418		7.379		6.689	

	31/12/2014	%	31/12/2013	%	31/12/2012	%
SELF-FINANCING	136.688	11,1	132.221	10,5	105.876	9,6
(+) Gross financial income	2.790	0,2	2.383	0,2	10.943	1,0
(-) Gross financial charges	31.487	2,6	27.806	2,2	30.663	2,8
(+/-)EXTRAORDINARY GROSS INCOME/CHARGES	-2.839	-0,2	-176	0,0	1.410	0,1
(-) GROSS TAXATION	3.455	0,3	15.798	1,3	11.124	1,0
(-) Dividends	9.125	0,7	9.125	0,7	9.125	0,8
NET SELF-FINANCING	92.572	7,5	81.699	6,5	67.317	6,1
(+) Variation in inventories	3.589	0,3	169.288	13,5	-37.826	-3,4
(+)Variation commercial credits	79.636	6,5	-13.792	-1,1	-84.044	-7,6
(-)Variation commercial debts	-17.478	-1,4	149.603	11,9	-125.188	-11,4
Variation operating work capital	100.703	8,2	5.893	0,5	3.318	0,3
NET RESULT OF THE YEAR (A-B)	-8.131	-0,7	75.806	6,0	63.999	5,8
(-) Investments in intangible assets	41.760	3,4	28.802	2,3	12.514	1,1
(-) Investments in tangible assets	95.134	7,8	84.844	6,7	58.830	5,3
(+) Disinvestments TANGIBLE/INTANGIBLE	44.170	3,6	7.230	0,6	10.724	1,0
(-) Variation tangible	12.178	1,0	7.724	0,6	8.258	0,8
GROSS FINANCIAL RESULT	-113.033	-9,2	-38.334	-3,0	-4.879	-0,4
(-) Investments/ participations	0	0,0	0	0,0	27	0,0
(+) Disinvestments/participations	2.607	0,2	3.506	0,3	0	0,0
(-) Variations financial credits and titles	602	0,0	-301	0,0	374	0,0
(-) Variation on financial credits in current assets	0	0,0	-8.571	-0,7	-5.542	-0,5
(-) Investments/ participations	3.719	0,3	1.647	0,1	8.493	0,8
NET FINANCIAL RESULT	-114.747	-9,4	-27.603	-2,2	-8.231	-0,7
(+) Share capital increases	192.836	15,7	0	0,0	0	0,0
(+) Capitalized contributions	-14.075	-1,1	-2.601	-0,2	-222	0,0
(+) Share capital increases	0	0,0	0	0,0	0	0,0
VARIATION OF FINANCIALS DEBTS	64.014	5,2	-30.204	-2,4	-8.453	-0,8
(+) Variation on short-term debts towards banks	0	0,0	0	0,0	0	0,0
(+)Variation on short-term financial debts towards others	13.823	1,1	11.197	0,9	-46.201	-4,2
(+) Variation on short-term debts towards banks	77.837	6,3	-19.007	-1,5	-54.654	-5,0
(+)Variation on short-term debts towards banks.	-53.675	-4,4	49.388	3,9	81.964	7,5
VARIATION IN LIQUIDITY	24.162	2,0	30.381	2,4	27.310	2,5

EQUITY SUMMARIES (Importi in Euro/000)

	31/12/2014	%	31/12/2013	%	31/12/2012	%
EQUITY	648.803	39,0	405.795	28,0	419.340	30,0
EQUITY OF THIRD PART	17.944	1,1	25.065	1,7	12.549	0,9
(-) OTHER TANGIBLE SHAREHOLDER FUNDS	81.804	4,9	50.033	3,4	28.292	2,0
NET EQUITY	584.943	35,2	380.827	26,2	403.597	28,8
(+) Consolidated funds and debts	450.921	27,1	411.488	28,4	403.659	28,8
TOTAL STRUCTURE MARGIN	134.022	8,1	-30.661	-2,1	-62	0,0
(+) Consolidated funds and debts	331.349	19,9	317.379	21,9	303.203	21,7
CURRENT ASSETS	465.371	28,0	286.718	19,8	303.141	21,7
(-) Operative current assets	577.992	34,8	477.176	32,9	466.021	33,3
NET FINANCIAL POSITION BEYOND 12 months	-112.621	-6,8	-190.458	-13,1	-162.880	-11,6
(-) Crediti finanziari entro es.succ.	0	0,0	0	0,0	8.495	0,6
Financial Credits beyond 12 months	112.621	6,8	190.458	13,1	171.375	12,2
Total Net debts	379.631	22,8	443.645	30,6	413.365	29,5

	31/12/2014	%	31/12/2013	%	31/12/2012	%
Intangible assets	81.804	6,3	50.033	4,6	28.292	2,7
(+) tangible assets	386.862	30,0	359.635	32,8	339.471	32,8
(+) other assets	58.816	4,6	46.638	4,3	38.914	3,8
(+) Functional Operative current assets	580.195	44,9	477.859	43,6	483.533	46,7
(-) Risk and charges funds on Current assets	6.441	0,5	13.707	1,3	10.790	1,0
Net Capital invested	1.101.236	85,3	920.458	84,1	879.420	84,9
(-) Other risk and charges funds	36.096	2,8	30.946	2,8	39.571	3,8
(-) Severance indemnity	24.005	1,9	20.222	1,8	10.126	1,0
Net Capital invested (a+b)	1.041.135	80,7	869.290	79,4	829.723	80,1
Participation assets	1.287	0,1	1.861	0,2	4.123	0,4
(+) Financial Credits and non current titles	3.956	0,3	3.354	0,3	3.655	0,4
(+) Financial current and functional credits	0	0,0	0	0,0	8.495	0,8
(+) Liquidity	244.468	18,9	220.306	20,1	190.001	18,4
(-) Risks and losses funds on financial operations	0	0,0	0	0,0	742	0,1
Financial Incomes	249.711	19,3	225.521	20,6	205.532	19,9
EMPLOYED CAPITAL	1.290.846	100,0	1.094.811	100,0	1.035.255	100,0
Equity before deliberated dividends	648.803	50,3	405.795	37,1	419.340	40,5
Not current Debts	17.944	1,4	25.065	2,3	12.549	1,2
Functional Current Debts	275.714	21,4	260.431	23,8	394.821	38,1
SHARE CAPITAL	348.385	27,0	403.520	36,9	208.545	20,1
	1.290.846	100,0	1.094.811	100,0	1.035.255	100,0
VENTURE CAPITAL						
Net financial position	665.460	51,6	428.999	39,2	428.508	41,4
Current Net financial position	375.675	29,1	440.291	40,2	401.215	38,8
Functional and current net financial position	271.758	21,1	257.077	23,5	391.166	37,8
Functional current assets	103.917	8,1	183.214	16,7	10.049	1,0
Functional and working capital - operational risk fund	469.837	36,4	280.938	25,7	462.694	44,7
Functional and working capital - operational risk fund	573.754	44,4	464.152	42,4	472.743	45,7

Note: % ON WORKING CAPITAL

DISTRIBUZIONE VALORE AGGIUNTO (Importi in Euro/000)

	31/12/2014	%	31/12/2013	%	31/12/2012	%
Value added	345.180	94,1	365.099	99,7	331.608	95,7
Result of different expenses/revenues	18.007	4,9	-1.555	-0,4	4.220	1,2
Financial Incomes (on losses)	2.790	0,8	2.383	0,7	10.943	3,2
Income result /extraordinary charges	790	0,2	356	0,1	-87	0,0
TOTAL VALUE ADDED :	366.767	100,0	366.283	100,0	346.684	100,0

ripartito tra:						
Staff cost	236.250	64,4	231.212	63,1	223.038	64,3
Financial charges	57.036	15,6	55.166	15,1	49.199	14,2
Revenue and equity taxes	6.743	1,8	8.314	2,3	22.802	6,6
Dividends and other distributions	31.487	8,6	27.806	7,6	30.663	8,8
Invested value added:	3.882	1,1	14.905	4,1	9.484	2,7
	31.369	8,6	28.880	7,9	11.498	3,3
Tangible and intangible depreciations						
Adjusted and reinvested Net Profit	344.931	94,0	364.818	99,6	330.644	95,4

	31/12/2014	%	31/12/2013	%	31/12/2012	%
Consumptions	542.873	45,1	597.723	49,3	531.539	48,3
Services	371.459	30,8	329.680	27,2	280.004	25,4
Job	236.250	19,6	231.212	19,1	223.038	20,3
Depreciation on intangible assets	47.014	3,9	46.612	3,8	43.891	4,0
Operative Consumptions	6.743	0,6	8.314	0,7	22.802	2,1
TOTAL COSTS	1.204.339	100,0	1.213.541	100,0	1.101.274	100,0

Note: % ON OPERATIVE CONSUMPTIONS

Economic - Financial Ratios

	31/12/2014	31/12/2013	31/12/2012
DEVELOPMENT RATIOS			
Δ % Revenues (%)	-2,5	14,4	5,6
Δ. % Production Value (%)	-2,6	13,1	2,2
Δ. % Staff (%)	0,5	10,3	9,8
Δ. % Operative Added Value (%)	-5,5	10,1	8,9
Δ. % Added Value (%)	0,1	5,7	5,5
Δ. % Ebitda (%)	-18,6	23,3	-2,2
Δ. % Current Profit (%)	-20,7	106,1	-61,0
Δ. % Assets (%)	16,2	5,1	-6,4
Δ. % Net Capital Increases (%)	19,8	4,8	0,9
Δ. % Working Capital (%)	62,3	-5,4	-18,1
Δ. % Equity (%)	59,9	-3,2	-1,5
Δ. % Financial Debts MLT (%)	5,5	4,6	-16,0
Δ. % Financial Debts BT (%)	-13,1	13,7	29,3
PROFITABILITY INDICATORS			
Roe (%) (*)	4,6	3,3	2,6
Roe before tax (%) (*)	32,3	n.d.	5,6
Roi (%) (*)	5,7	6,7	2,6
Roi before tax (%) (*)	6,4	10,2	4,8
Roi before extraordinary (%) (*)	5,3	5,3	4,1
Roa (%) (*)	5,6	6,7	5,1
Roa current (%) (*)	5,5	6,7	5,1
ROS (%)	4,1	4,9	3,5
Operative Turnover (Value) (*)	6,9	8,4	6,2
Ebitda / operational assets (%) (*)	5,4	5,6	4,7
Revenues/operational assets (Value) (*)	1,3	1,5	1,3
Added Value/Value of production (%)	4,7	5,7	4,0
Costs/Production Value (%)	0,9	1,0	0,9
Ebitda/ Production Value (%)	27,4	28,3	29,0
Ebitda /added value (%)	95,6	93,9	96,3
Ebitda /Capital Increases (%) (*)	8,7	10,4	9,5
Cash flow/assets (%) (*)	31,6	36,7	32,7
Roe (%) (*)	8,3	11,4	N.D.
Roe before tax (%) (*)	5,5	6,7	6,0
PRODUCTIVITY INDICATORS			
Revenue Per Capita (Euro/000) (Value)	165,4	170,5	164,4
Value Added per capita (Euro/000) (Value)	46,5	49,5	49,6
Staff Cost per capita (Euro/000) (Value)	31,9	31,3	33,3
Tangible assets per capita (Euro/000) (Value)	98,0	90,7	72,7
Investments Tangible assets added value (%)	27,6	23,2	17,7
MANAGEMENT OF CURRENT ASSETS			
Immediate Liquidity' (%)	101,7	87,8	106,6
Liquidity BT (%)	162,3	138,1	143,7
Financial Debts Net Working Capital (%)	55,3	78,0	41,3
Average Days of stock rotation (Value)	80,5	60,1	65,1
Credit towards customers in days (Value)	43,1	38,2	44,2
FINANCIAL STRUCTURE			
Tangible shareholders' funds/total debts - liquidity (%)	69,5	41,0	54,2
Tangible shareholders' funds/financial debts (%)	106,8	64,9	71,6
Tangible shareholders' funds /financial debts -liquidity (%)	154,1	85,8	97,6
Tangible shareholders' funds +total debts twd Shareholders	170,9	91,5	101,5
Debts twd Banks/total financial debts (%)	2,8	6,2	3,0
Current financial Debts tw banks/revenues (%)	86,7	87,9	86,5
Financial Debts/liquidity/added value (%)	26,0	29,6	17,5

Short time Debts twd banks./tot. Financial debts (%)	103,5	121,1	119,2
Financial charges/ Ebitda (%)	57,2	61,9	59,9
Financial charges - financial incomes/Ebitda (%)	28,9	20,8	28,2
Equity/fixed assets (%)	26,3	19,0	18,2
Permanent capital/fixed assets (%)	121,8	87,9	97,1
Net Self-financing/investments on tangible assets (%)	187,4	162,1	170,2
Not current needs (%)	97,3	96,3	114,4
Net Self-financing/financial debts-liquidity (%)	184,3	78,0	53,3
(Financial charges + taxes + dividends)/(Net Self-Fin.+ financial incomes) (%)	23,3	17,4	15,8
Profit(loss) - dividends +share capital/previous equity (%)	31,6	39,2	43,6

Abridged Balance Sheets - Trevi Finanziaria Industriale S.p.A. - 2012-2013-2014

Assets (in Euro/000)							
	31/12/2014	%	31/12/2013	%	31/12/2012	%	
ASSETS	30.101	4,5	10.232	2,5	1.089	0,3	
Liquidity	0	0,0	0	0,0	0	0,0	
Financial credits at sight	0	0,0	0	0,0	0	0,0	
Bonds	421.556	63,6	227.722	55,5	238.287	59,5	
Shares	136.132	20,5	115.773	28,2	112.973	28,2	
Financial credits	587.789	88,6	353.727	86,1	352.349	88,0	
Participations	35.665	5,4	24.821	6,0	20.185	5,0	
Financial assets	19.659	3,0	14.488	3,5	10.735	2,7	
Credits within following year	0	0,0	0	0,0	0	0,0	
of which: towards customers	10.537	1,6	4.161	1,0	1.109	0,3	
Stocks and other assets	28.922	4,4	27.755	6,8	26.716	6,7	
Other credits beyond following year	189	0,0	176	0,0	194	0,0	
Tangible assets	663.102	100,0	410.640	100,0	400.553	100,0	
TOTAL LIABILITIES			TOTAL LIABILITIES				
			%	31/12/2013	%	31/12/2012	%
Financial debts tw. Banks within following year			10,5	99.375	24,2	79.246	19,8
Financial debts tw. third parties within following year.			4,2	4.724	1,2	7.778	1,9
Financial debts tw. Banks beyond following year			20,4	134.474	32,7	146.701	36,6
Financial debts tw. third parties beyond following year			0,7	1.633	0,4	2.940	0,7
Issued bonds and shares			7,5	0	0,0	0	0,0
Subordinated liabilities			0,0	0	0,0	0	0,0
Financial liabilities			43,4	240.206	58,5	236.665	59,1
Commercial debts within following year.			0,8	2.373	0,6	3.707	0,9
Other debts within following year			5,4	24.108	5,9	17.184	4,3
Commercial and other debts beyond following year.			0,0	0	0,0	0	0,0
Risk funds on credits			0,0	0	0,0	0	0,0
Other undistributed funds			0,6	2.530	0,6	2.900	0,7
Severance pay fund			0,2	1.076	0,3	956	0,2
Paid-up capital			46,8	111.297	27,1	111.297	27,8
Reserves			3,4	28.463	6,9	27.947	7,0
Profit(loss) of the year			0,0	0	0,0	0	0,0
(-)General financial risk fund			1,1	9.712	2,4	9.022	2,3
Shareholders' Equity			1,7	9.125	2,2	9.125	2,3
Liabilities			49,5	140.347	34,2	139.141	34,7
TOTAL LIABILITIES			100,0	410.640	100,0	400.553	100,0
ACCOUNTS	0			0		0	

Sales & Profit (Importi in Euro/000)

ECONOMIC-FINANCIAL INFORMATION

	31/12/2014	%	31/12/2013	%	31/12/2012	%
+ Receivables interests on securities	0	0,0	0	0,0	0	0,0
+ Dividends and other financial incomes	1.176	0,2	7.721	1,9	6.877	1,7
+ Other receivables interests	16.907	2,5	15.010	3,7	14.322	3,6
INTERESTS AND GROSS FINANCIAL ASSETS	18.083	2,7	22.731	5,5	21.199	5,3
+/- Profits and losses of negotiations, participations and securities	0	0,0	0	0,0	0	0,0
- Provisions to risk fund on credits	0	0,0	0	0,0	0	0,0

+/- Value adjustments on credits/part./financial assets	0	0,0	0	0,0	0	0,0
NET FINANCIAL INCOMES	18.083	2,7	22.731	5,5	21.199	5,3
+ Net income on goods and services	17.570	2,6	12.631	3,1	10.942	2,7
- Purchases and external services	15.292	2,3	10.825	2,6	8.560	2,1
- Labour costs	5.256	0,8	4.484	1,1	4.243	1,1
- Material depreciations	1.618	0,2	1.563	0,4	1.613	0,4
+/- Result other incomes and expenses	1.776	0,3	1.449	0,4	2.281	0,6
PROFIT OF THE YEAR BEFORE FINANCIAL COSTS	15.263	2,3	19.939	4,9	20.006	5,0
- Payable interests	8.518	1,3	8.959	2,2	9.071	2,3
PROFIT OF THE YEAR	6.745	1,0	10.980	2,7	10.935	2,7
+/- Extraordinary result	1.374	0,2	-108	0,0	16	0,0
ADJUSTED RESULT BEFORE TAXES	8.119	1,2	10.872	2,6	10.951	2,7
- Taxes	883	0,1	1.160	0,3	1.929	0,5
ADJUSTED NET RESULT	7.236	1,1	9.712	2,4	9.022	2,3
Variation provisions on general financial risks	0	0,0	0	0,0	0	0,0
+/- Result other items	0	0,0	0	0,0	0	0,0
PROFIT (LOSS) OF THE YEAR	7.236	1,1	9.712	2,4	9.022	2,3
Net Financial Incomes-Net Financial Charges	9.565	1,4	13.772	3,4	12.128	3,0
STAFF	44		45		42	

FINANCIAL RESULTS (in Euro/000)

	31/12/2014	%	31/12/2013	%	31/12/2012	%
Autofinanziamento	2.520	0,4	8.663	2,1	9.398	2,3
(-) Dividendi ed altre distribuzioni	9.109	1,4	9.108	2,2	9.109	2,3
AUTOFINANZIAMENTO NETTO	-6.589	-1,0	-445	-0,1	289	0,1
(-) Investimenti immobil. materiali	6.978	1,1	4.156	1,0	1.958	0,5
(+) Disinvestimenti in immob. materiali	5.439	0,8	1.576	0,4	2.457	0,6
(-/+) Investimenti netti in immobiliz. immateriali	103	0,0	92	0,0	17	0,0
(-/+) Variazione crediti commerciali e diversi	11.297	1,7	4.641	1,1	3.210	0,8
(+/-) Variazione debiti commerciali e diversi	12.856	1,9	5.595	1,4	3.520	0,9
(-/+) Variazione altre attiv/pass.non finanziarie	0	0,0	0	0,0	0	0,0
SALDO ANTE GESTIONE IMPIEGHI FINANZIARI	-6.672	-1,0	-2.163	-0,5	1.081	0,3
(-) Investimenti in partecipazioni	20.359	3,1	2.824	0,7	645	0,2
(+) Disinvestimenti in partecipazioni	0	0,0	24	0,0	5	0,0
(-) Variazione crediti finanziari a mlt	193.834	29,2	-10.565	-2,6	25.374	6,3
(-) Variazione crediti finanziari a bt	0	0,0	0	0,0	0	0,0
(-) Variazione titoli	0	0,0	0	0,0	0	0,0
SALDO FINANZIARIO NETTO	-220.865	-33,3	5.602	1,4	-24.933	-6,2
(+) Aumenti netti di capitale	192.836	29,1	0	0,0	-57	0,0
VARIAZIONE NETTA PASSIVITA' FINANZIARIE	-28.029	-4,2	5.602	1,4	-24.990	-6,2
(+) Variazione obbligazioni e titoli emessi a mlt	50.000	7,5	0	0,0	0	0,0
(+) Variazione debiti finanziari a mlt	-24.922	-3,8	2.944	0,7	20.527	5,1
(+) Variazione debiti finanziari a bt terzi non bancari	22.932	3,5	513	0,1	3.787	0,9
(+) Variazione debiti finanziari a bt v/banche	-112	0,0	84	0,0	-11	0,0
LIQUIDITY VARIATIONS	19.869	3,0	9.143	2,2	-687	-0,2

ECONOMIC - FINANCIAL RATIOS

	31/12/2014	31/12/2013	31/12/2012
DEVELOPMENT RATIOS			
Variation % assets	61,5	2,5	7,3
Variation % financial assets	66,2	0,4	7,7
Variation % financial liabilities	17,6	2,5	0,6
Variation % shareholders' funds	19,9	1,5	11,4

Variation % result of the year	49,5	34,2	34,7
RPROFITABILITY INDICATORS			
R.O.I. (%)	3,0	6,5	6,1
R.O.E. (%)	1,4	2,4	2,3
Turnover (revenues/assets)	1,3	2,7	2,8
Current result before financial costs/assets	2,2	2,7	2,6
Profitability of financial assets	3,8	6,4	6,2
Dividends/participations (%) (*)	0,9	6,8	6,1
Interest Rate Margin (a-b) (%)	0,6	2,7	2,2
PRODUCTIVITY INDICATORS			
Assets per capital (€/000)	12.201,6	9.013,3	9.214,8
Financial assets per capital (€/000)	10.699,1	7.845,3	8.087,8
Work costs per capital (€/000)	119,5	99,6	101,0
MANAGEMENT OF CURRENTI RATIOS			
FINANCIAL STRUCTURE			
Liquidity/Financial Assets	5,1	2,9	0,3
Liquidity/Financial debts	10,5	4,3	0,5
Financial assets/Financial liabilities	204,0	147,3	148,9
Shareholders' funds / Financial liabilities	114,0	58,4	58,8
Tangible Shareholders' funds / Financial liabilities	114,0	58,4	58,7
Short-term debts tw. Banks/ Financial liabilities	31,0	56,9	56,4

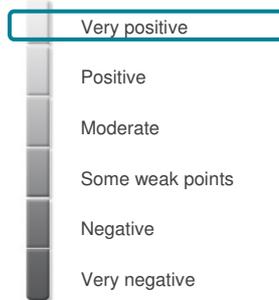
Evaluations

Evaluations

Grading

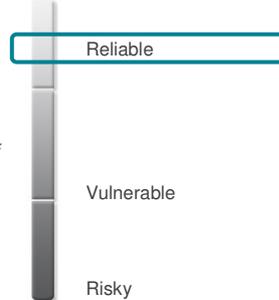
Analyst evaluation

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.



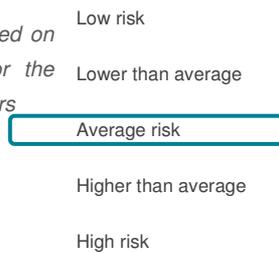
Economic-Financial Situation

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



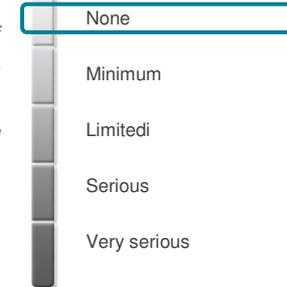
Risk of the sector

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



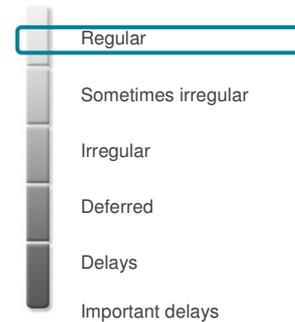
Negative events

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



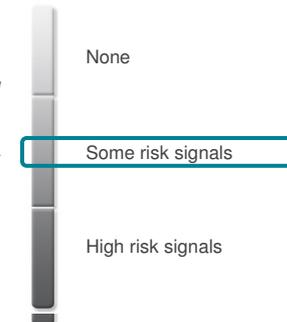
Payment terms

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



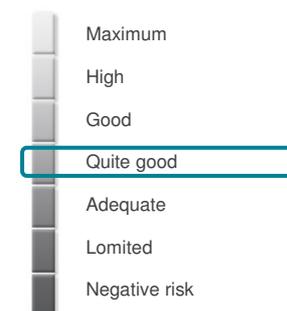
Structural characteristics of the enterprise

It evaluates the information of Corporate Governance.



Management solidity

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



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The rating of Cerved Rating Agency, issued in compliance with EU Regulation 1060/2009 and following amendments and integrations, is an opinion on the creditworthiness of the rated entity and it summarizes the reliability or the insolvency probability of the entity.

The issued rating was requested by the entity itself, which participated in the process supplying all necessary information requested by the analytical team. The rating was communicated to the rated entity within the terms provided for by the applicable regulation in order to allow the communication of any material errors. The issued rating is subject to an on-going monitoring. While monitoring Cerved Rating Agency guarantees the updating of official and proprietary information gathered on the rated entity and, if applicable, a prompt communication of the revised rating to the rated entity. The rating issued by Cerved Rating Agency 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 holding particular investments, nor gives it any advice to a particular investor to make a particular investment.