



## OUTLOOK REVISED FOR 2015

**Cesena, 30 July 2015** – The Board of Directors of TREVI - Finanziaria Industriale SpA, the holding company of TREVI Group, met today to announce to the market that it is experiencing significant issues in the completion of the Drillmec contract of offshore rigs.

The completion process of the rigs resulted in extraordinary costs, which will be expensed on June 30<sup>th</sup> 2015, including the losses of the months of July and August during which the contract will be completed. These extra costs are mainly attributable to the issues raised during the pre-delivery, by sea transport and installation on the platform, given a combination of highly unfavorable circumstances during the months of May, June and July (due to highly adverse weather conditions encountered at sea given strong winds). These additional costs have been and will be incurred by Drillmec until the end of the contract with the strong intention to meet its contractual commitments with the final customer.

An internal *full reassessment* process of completion costs and time of delivery has been completed and the Group has recognized an economic loss on the contract of 82 million Euro; the first half EBIT effect of the project accounts to 100 million Euro. The company is not exposed to additional costs and / or losses related to that contract.

Considering the before mentioned facts and in view of the fact that the evaluation of the critical aspects has been substantially completed and that the terms of the closing of the contract with the customer have been recently concluded, TREVI Group announces the reduction of the 2015 EBIT guidance from 70 million Euro to -30/-40 million Euro. Without considering this extraordinary event, the Group confirms a trend in line with previous forecasts. The net financial position at the end of 1H15 is expected to be about 470 million Euro and by the end of 2015 it is expected to improve by an additional 20 million Euro.

Within the business unit, the Group is taking corrective actions to improve risk management among different departments, in particular within the legal, the contract acquisition and project management offices.

The CEO of TREVI Group, Davide Trevisani, commented – *“In an effort to enter the offshore market we encountered unforeseen operational issues that resulted to be particularly costly given the complex context of the contract. It is nonetheless important to underline that Drillmec has a solid order backlog which will allow the company to deliver results in line with expectations in the coming quarters. TREVI Group’s business model remains solid: in particular the Foundation Sector will register a good performance. The recently acquired orders as well as those under negotiations support a solid recovery of performance within the second part of the year”*.

#### **About TREVI GROUP:**

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

The parent company TREVI – Finanziaria Industriale Spa has been listed on the Milan stock exchange since July 1999. The key financial figures for 2014 are: Total revenues of €1,250.7 million, EBITDA of €126.4 million (margin of 10.1%), EBIT of €62.6 million (margin of 5.0%), and NET PROFIT of €24.4 million.

More information can be found on the website: [www.trevifin.com](http://www.trevifin.com).

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