

COMUNICAZIONE DI RATING

Milano, 07/08/2015

Cerved Rating Agency S.p.A. confirms the following Public Rating:

A2.1

assigned to:

Trevi Finanziaria Industriale S.p.A.

Headquarter in Cesena (FC) – Via Larga 201 – Italia
Tax Code - Forlì – Cesena: 01547370401

On 07/08/2015 Cerved Rating Agency carried out a rating action to evaluate the rating assigned to Trevi Finanziaria Industriale Spa, following a full reassessment on 30/07/2015 which amended the Group forecasts for 2015. Cerved hereby confirms the A2.1 rating that was previously assigned subject to the verification of the results that are to be published for the first half of the year for Trevi Group, in order to determine the actual impact on the Group's objectives for 2015 of the extraordinary costs sustained by the subsidiary Drillmec SpA.

The Trevi Group was founded in 1957 and operates through 4 divisions with a presence in more than 80 Countries: the Foundations sector includes the Trevi Division and the Soilmec Division, whose companies are coordinated by Trevi Spa and Soilmec Spa respectively; the Oil&Gas sector comprises the Drillmec Division and the Petreven Division, that are guided by Drillmec Spa and Petreven Spa respectively. Trevi Spa provides special foundation services, especially for maritime works, dams, industrial and civil construction, communication routes and large refurbishments; Soilmec Spa designs and produces equipment for sub-soil engineering. Drillmec Spa is active in the design, production and personalisation of the on-shore perforation systems and has recently also entered the off-shore segment; Petreven Spa provides perforation services for the sub-soil for the extraction of oil, gas and water.

Key Rating Factors

Business model and strategies

The Trevi Group is characterised by a high innovation capacity, that is in turn driven by the continual interaction between the sectors and divisions, as well as the quality and reliability of its services. The experience it has acquired in the sectors in which it operates has enabled it to acquire an extremely specific know-how which will be difficult to replicate. This know-how is the result of continual and significant investment in Research and Development. The Group's successful business model based on its significant organisation and coordination abilities, and has enabled the establishment of profitable and durable relations with institutions and companies in Countries with the most diverse legislations and cultures. The Group operates all throughout the world and continually acquires large contracts because its products and services are sought after by its very customers. The continuity of the business is also guaranteed by the extremely high level of diversification that characterises the outlet sectors, the Countries in which the Group operates and its customer portfolio.

Market positioning

In the Foundations sector the Group has reached a position of leadership at an international level because technological innovation, in terms of both the products and processes, has enabled it to develop a durable competitive advantage. Despite it being a new player in the Oil&Gas sector until just a few years ago, thanks to constant investments in R&D and

the development of highly innovative technology like the modular perforation systems, the company has succeeded in reinforcing and consolidating its position.

Economic and financial situation

Following the criticalities that emerged in relation to a Drillmec contract relating to offshore plants, the Group considered it necessary to make a reassessment of the finishing costs and the delivery timeframes, that resulted in a progressive multi-year financial loss on this contract of Euro 82 million; the impact of the contract on EBIT for the first semester is circa Euro 100 million. The extraordinary costs which emerge in the delivery phase will be sustained by Drillmec until the delivery date agreed with the customer, even if the contract is completed. The additional costs charged to the income statement at 30.06.2015 also include the losses that are expected for the months of July and August, when the contract is expected to be finalised. Aside from the extraordinary nature of the event, the Group confirms a performance that is in line with forecasts in terms of the other contracts in the portfolio, the scheduled deliveries and the respective revenues and Ebitda targets. The Net Financial Position at 30 June is around Euro 470 million and at the end of 2015 is expected to decrease.

Liquidity

The Free Cash Flow at 31/12/2014 is negative to the tune of Euro 107 million, and is influenced by investments in property, plant and equipment and intangible fixed assets, net of the conversion effects for foreign currencies and the variation in the working capital. To monitor in a continual manner the liquidity situation, the Companies of the Group prepare revolving periodic and forecast cash flows that are analysed and consolidated by the Parent Company. In order to suitably meet its liquidity requirements the Group has committed lines of credit totalling with Euro 432.8 million, with counterparties of major standing, many of which were not use at the end of the financial year, and bank overdrafts of Euro 820 million (national and international).

Rating assumptions

- *Maintenance of the Ebitda forecast and Revenues target thanks to the deliveries scheduled for 2nd H 2015*
- *The Net Financial Position being kept at a level of Euro 420/440 Million despite the criticalities*

Rating sensitivities

- *Reaching the objectives of the development plan would allow the rating class that has been assigned to be maintained;*
- *Failure to reach the company's targets and a worsening of the results and the Net Financial Position may lead to a downgrading of the opinion on the credit-worthiness.*

The used methodology is available on Cerved Rating Agency web-site at the following link www.ratingagency.cerved.com

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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.