

# Gruppo **TREVI**

TREVI- Finanziaria Industriale S.p.A.

Interim Management Report

Third Quarter 2009

TREVI – Finanziaria Industriale S.p.A.  
Registered Office Cesena (FC) - Via larga 201 - Italy  
Share Capital € 32,000,000  
Forlì – Cesena Chamber of Commerce Business Register No.201,271  
Tax Code, Vat no. and Forlì – Cesena business registry :01547370401  
Website: [www.trevifin.com](http://www.trevifin.com)

## **Board of Directors**

### **Chairman**

Davide Trevisani

### **Managing Directors**

Gianluigi Trevisani  
Cesare Trevisani  
Stefano Trevisani

### **Directors**

Enrico Bocchini  
Guglielmo Antonio Claudio Moscato  
Franco Mosconi  
Riccardo Pinza  
Pio Teodorani Fabbri

### **Board of Statutory Auditors:**

#### **Statutory auditors**

Adolfo Leonardi (Chairman)  
Giacinto Alessandri  
Giancarlo Poletti

#### **Alternate auditors**

Silvia Caporali  
Giancarlo Daltri

### **Committee for internal control and remuneration**

Enrico Bocchini – Independent director- Chairman  
Franco Mosconi – Independent director  
Riccardo Pinza – Independent director

### **Group Chief Financial Officer**

Daniele Forti  
Designated manager for the preparation of of company accounts as approved by the Board of Directors' meeting of 14 May 2007

### **Lead Independent Director**

Enrico Bocchini

### **Independent auditors**

(Appointed on 29 April 2008 with a mandate until the date of the shareholders meeting to approve the financial statements for the year ending 31 December 2016)

Reconta Ernst &Young S.p.A.

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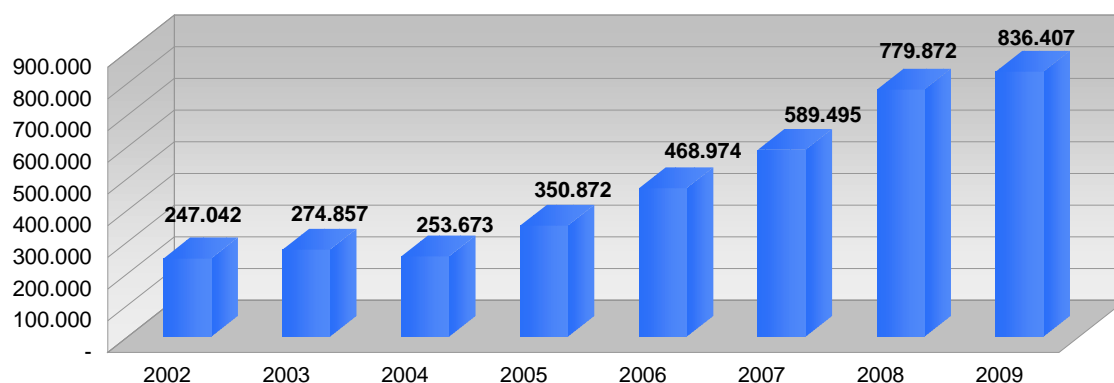
The interim report is not subject to audit.

## KEY ECONOMIC AND FINANCIAL DATA

(€ '000)		(€ '000)	(€ '000)		III° Quarter 2009	III° Quarter 2008	Ch. %
31.12.2008		30.09.2009	30.09.2008	Change			
<b>1,201,784</b>	Value of production	894,981	857,532	4.4%	261,581	314,168	-16.7%
<b>1,069,155</b>	Total revenues	836,407	779,872	7.2%	264,854	287,271	-7.8%
<b>313,212</b>	Value added	286,638	232,720	23.2%	86,713	86,808	-0.1%
<b>29.3%</b>	as % of Total revenues	34.3%	29.8%		32.7%	30.2%	
<b>166,307</b>	Gross operating profit	161,268	131,017	23.1%	45,573	52,386	-13.0%
<b>15.56%</b>	as % of Total revenues	19.28%	16.80%		17.21%	18.24%	
<b>127,601</b>	Operating profit	109,687	106,375	3.1%	31,923	43,602	-26.8%
<b>11.93%</b>	Operating profit/Total revenues	13.11%	13.64%		12.05%	15.18%	
<b>74,661</b>	Group net profit	70,073	57,269	22.4%	18,820	24,376	-22.8%
<b>7.0%</b>	as % of Total revenues	8.4%	7.3%		7.11%	8.49%	
<b>117,230</b>	Gross technical investments	58,240	79,123	-26.4%			
<b>557,422</b>	Net invested capital	740,677	474,701	56.0%			
<b>(316,388)</b>	Total net financial position	(441,755)	(247,939)	-78.2%			
<b>235,339</b>	Total net equity	294,373	218,426	34.8%			
<b>226,436</b>	Group net equity	280,914	209,076	34.4%			
<b>8,903</b>	Minority interests	13,459	9,350	43.9%			
<b>5,898</b>	Employees (no.)	6,252	5,709				
<b>1,108,962</b>	Order portfolio	783,457	1,228,666	-36.2%			
<b>1.178</b>	Earnings per share (€ )	1.107	0.893				
<b>1.107</b>	Diluted earnings per share (€ )	1.034	0.839				
<b>22.89%</b>	Net operating profit/ Net invested capital (R.O.I.)	(1)	19.75%	29.88%			
<b>31.73%</b>	Net profit/ Net equity (R.O.E.)	(1)	31.74%	34.96%			
<b>11.93%</b>	Net operating profit/ Total revenues (R.O.S.)	13.11%	13.64%				
<b>1.90</b>	Total net financial position/ EBITDA	2.05	1.42				
<b>9.68</b>	EBITDA /Net financial income (costs)	11.73	11.19				
<b>1.34</b>	Total net financial position/Total net equity	1.50	1.14				

(1) The figures relating to the first nine months are calculated on an annual basis.

### TOTAL REVENUES (EUR'000) 30/09/2009



\* 2002-2004 Italian Gaap; 2005-2009 IAS/IFRS

# DIRECTORS' REPORT FOR THE QUARTER

## Group profile and activities

TREVI - Finanziaria Industriale S.p.A. (hereinafter “the Company”) and the companies it controls (hereinafter “Gruppo TREVI or “the Group”) is active in the following two sectors:

- Engineering services for special foundations for civil engineering and infrastructure projects and oil well drilling services (hereinafter “Foundations and drilling services division”);
- Manufacture of plant and equipment for special foundations and drilling rigs for the extraction of hydrocarbons and water exploration (hereinafter “Engineering division”).

These activities are organised within the four main companies of the Group:

- Trevi S.p.A., which heads the division for foundation engineering;
- Petreven C.A. which is active in the drilling sector providing oil drilling services;
- Soilmec S.p.A., which heads the division manufacturing and marketing equipment for foundation engineering;
- Drillmec S.p.A. which produces and sells drilling equipment for the extraction of hydrocarbons and water exploration.

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

These financial statements were approved and publication of them authorized by the Board of Directors on 13 November 2009.

For information on the business areas in which the Group operates, on related party transactions and on events subsequent to the balance sheet period end, please refer to the Review of Operations.

## Accounting principles and Valuation criteria

The Interim results have been prepared on a consolidated basis since the Company is required to prepare Consolidated accounts.

Pursuant to EC regulation n° 1606/2002 of 19 July 2002, the Consolidated Financial Statements of the “Group” for the third quarter of 2009 have been prepared and presented in accordance with the International Accounting Standards issued by the I.A.S.B. – International Accounting Standards Board and adopted by the European Commission (henceforth singly IAS/IFRS or together IFRS) and in accordance with the related interpretation principles SIC/IFRIC, utilising the same accounting principles, consolidation methodology and foreign exchange conversion criteria adopted for the preparation of the Financial Statements to 31 December 2008, with the particular adjustments demanded by the preparation of accounts for an interim period of nine months of the year.

The information presented is not generally materially affected by the application of estimation procedures different to those normally adopted in the preparation of annual and six-monthly consolidated financial statements.

Income taxes are recognised on the basis of the best estimate of the average weighted rate expected for the full year.

The interim results are not subject to audit.

The consolidation area at 30 September 2009 has changed with respect to the consolidation area of 31 December 2008 as follows:

Acquisitions:

- Through the subsidiary Trevi Austria GesMbh, the Group has acquired 85% of the company Arabian Soil Contractors Ltd, which has its registered office in Saudi Arabia.
- Through the subsidiary Soilmec International BV (Holland), the Group has acquired 80% of the company Watson Inc., which has its registered office in the United States.

Formation of new companies:

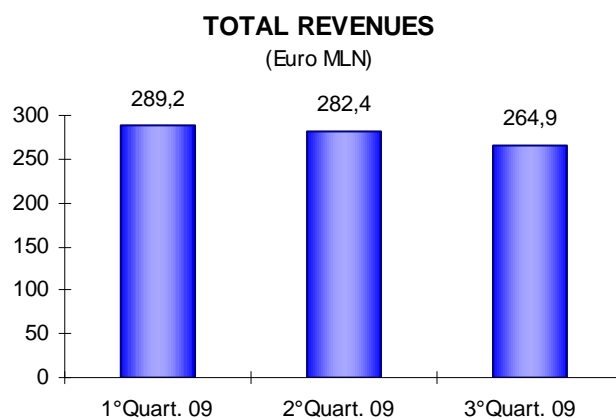
- The company Trevi Galante SA was set up, (Republic of Panama ) and is 70% controlled by Trevi Panamericana SA.
- The company Soilmec Wujiang Co. Ltd. Was set up, has its registered office in China and is 100% controlled by Soilmec S.p.A.
- The company Petreven S.p.A. was set up with its registered office in Italy, it is 78.38% controlled by TREVI-Finanziaria Industriale S.p.A. and 21.62% by Trevi S.p.A.

## **General trend of the nine month period**

Total Consolidated Revenues rose by € 779.87 million in the first nine months of 2008 to € 836.40 million in the same period of the current year (+7.2%); the positive trend is primarily attributable to the foundations and drilling services segment which reported an increase of almost 20%.

The divisions Trevi and Petreven operate primarily in developing countries and in North America where the markets for special foundations engineering services for infrastructure projects benefited during the period from the effects of fiscal stimulus programmes.

The engineering segment reported a modest decline of about 6% although we would stress that sales of oil and gas drilling equipment continue at a very satisfactory level.

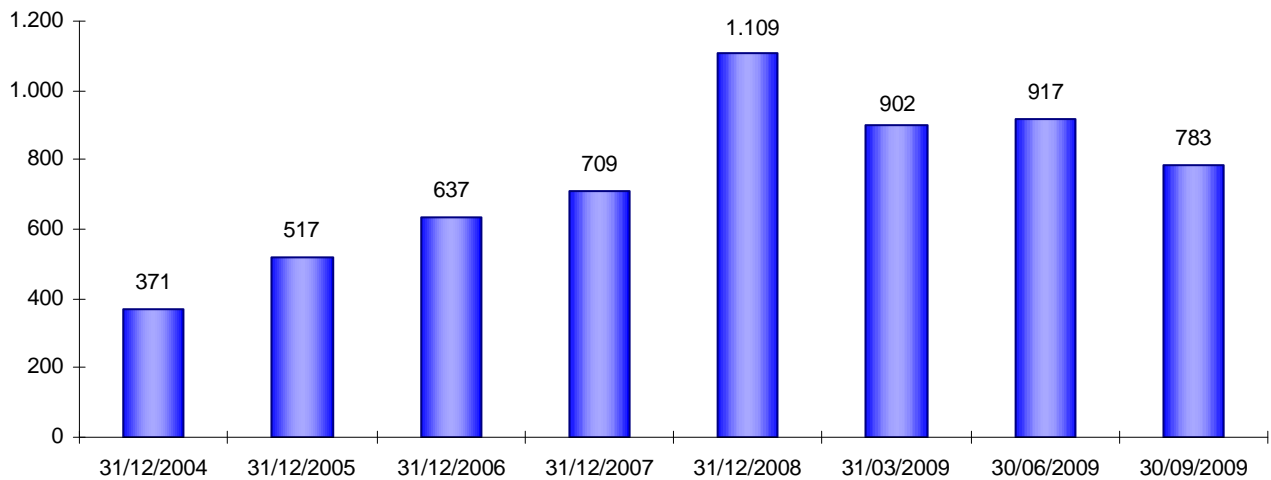


The Gross Operating Margin was € 161.27 million representing a margin of 19.28% of revenues; in the same period of the previous year it was € 131.08 million representing a margin of 16.8%. Following the deduction of depreciation of € 31.9 million and provisions to risk reserves of € 19.7 million, the Operating Result rose by 3.1% to € 109.68 million (equal to 13.11% of total revenues); in the period to 30.09.2008 the operating result was € 106.37 million (representing 13.64% of total revenues). Net financial expenses were € -13,7 million rising by € -2million compared with the period ended 30 September 2008 (€ -11.7 million) while net exchange rate differences were € +1.68 million and are principally attributable to the strengthening of the US dollar, and related currencies, against the Euro.

Pre-tax profit was € + 97.5 million, rising by € 5 million compared with the same period of 2008 (+6%), while Profit after tax and minorities was € 70.07 million, representing an increase of € 12.8 million compared with the same period of the previous year (+22.4%).

These results testify to the excellent performance of the Foundations and Drilling Services division, which recorded an increase of total revenues of about 19.1% and a 42% increase in Ebit compared with the same period of the previous year.

### Order Portfolio (Euro MLN)



The order portfolio at 30 September 2009 was about € 783.5 million, (-36.2% compared to the record levels reached at the end of the same period of the previous year) this value should however be considered highly satisfactory in the current macro-economic climate and of a sufficient level to provide ensure good visibility over the coming twelve months.

### Principal balance sheet data

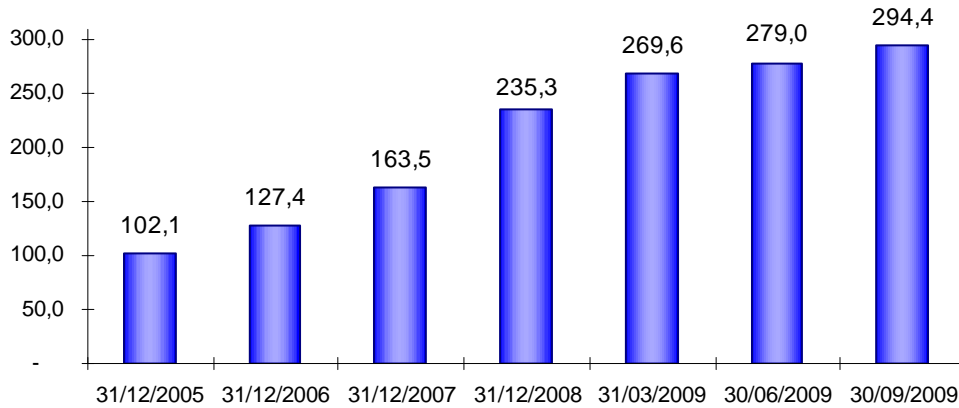
Net invested capital of € 740.7 million rose by € 85.9 million compared to 30 September 2008.

In particular, gross investment in tangible assets during the period was € 58.2 million (€ 79.1 million in the period to 30 September 2008), and relates to investment in plant and equipment essential both to orders in progress and to those projects begun during the quarter.

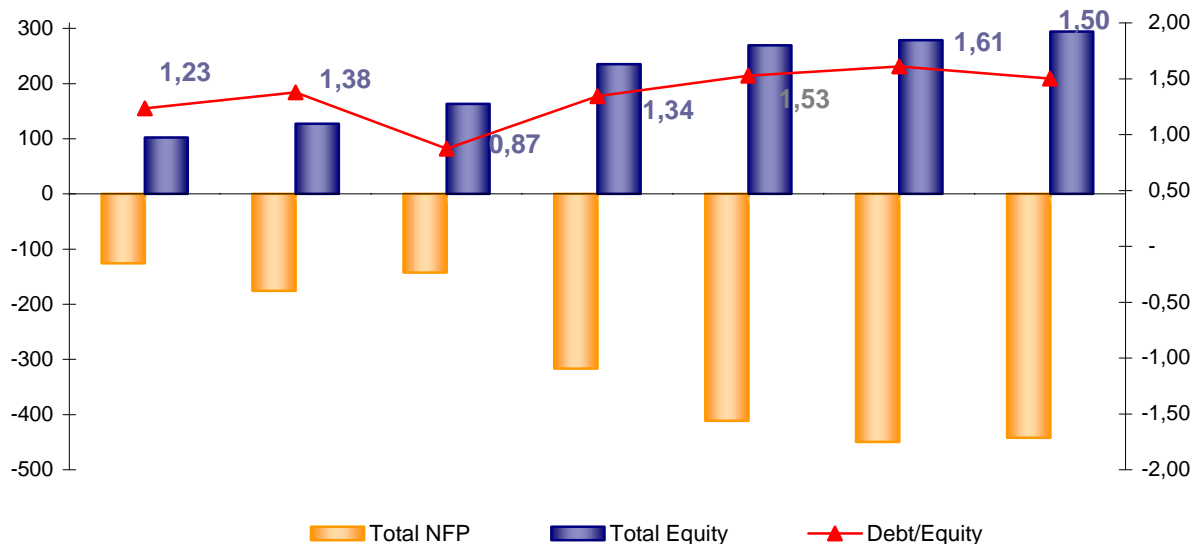
Inventories at 30 September 2009 were € 404 million (this represents a decline during the third quarter of about € 47 million from € 450.8 million at 30 June 2009 to € 404 million).

Compared to the situation at 30 September 2008 inventories rose by € 74.2 million. The total increase in inventories is primarily attributable to the build up of stocks of finished goods in the Engineering Division.

**TOTAL EQUITY**  
(Euro MLN)



The Total Net Financial Position, (net of own shares) remains solid. At 30.09.2009 the Group had net debt of € -441.8 million, a slight improvement of € 7.6 million compared with the position at 30 June (twelve months ago it was € -247.94 million). Short term debt rose by about € 106 million compared with the same period of the previous year, while medium and long term debt rose by € 127.8 million. Gruppo Trevi's financial solidity is also reflected in the main financial indicators: the ratio of Net Debt to Total Net Equity at 30.09.2009 was 1.50x (it was 1.61x at 30 June 2009 and 1.34x at 31 December 2008); the Net Debt/Ebitda ratio was 2.05x at 30 September 2009 (it was 1.94x at 30 June 2009); Interest Cover was 11.73x (it was 12.1x at 30 June 2009). About 75% of net financial debt is medium – long term debt. There are adequate lines of unutilised credit available to the Group to allow it to meet its future requirements.

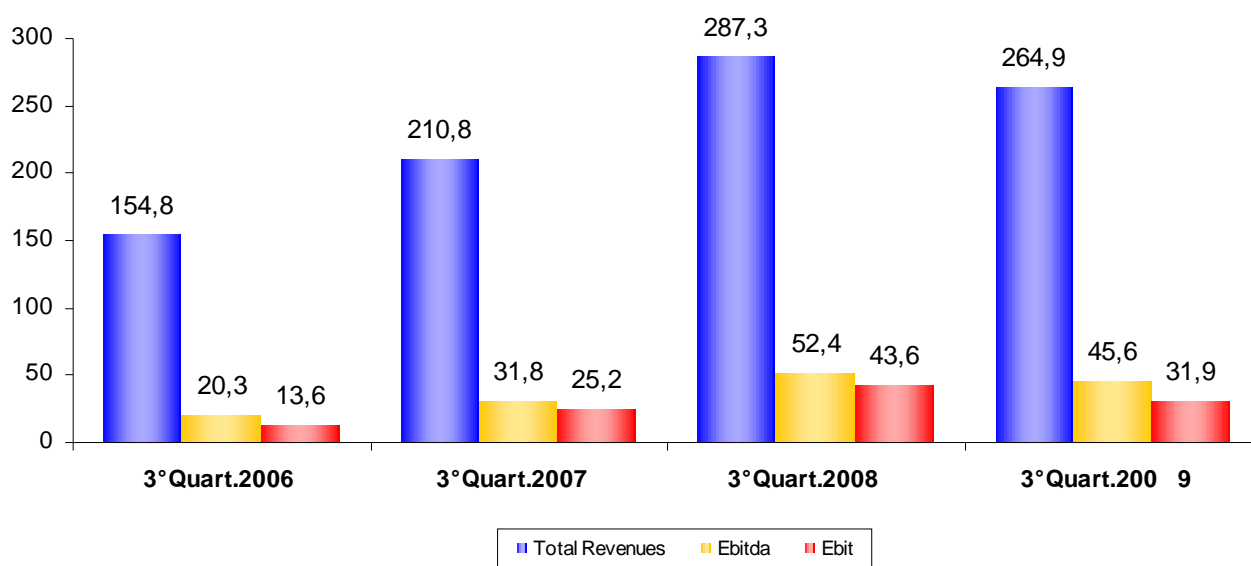


## Principal income statement data for the third quarter

Total Revenues in the period July to September were € 264.85 million, while in the same quarter of the previous year they were € 287.27 million (-16.7%). The Gross Operating Margin was € 45.57 million representing a margin of 17.21% of revenues; in the 3rd quarter of the previous year it was € 52.38 million representing a margin of 18.24%.

Following deduction of amortisation of € 11.16 million and risk provisions of € 2.49 million, the Operating Result was € 31.92 million (equal to 12.05% of total revenues); in the same quarter of the previous year the Operating Result was € 43.6 million (equal to 15.18% of total revenues).

Net financial expenses were € -4.1 million (€ -4.7million in the 3rd quarter 2008) while exchange rate differences were € +0.7 million.

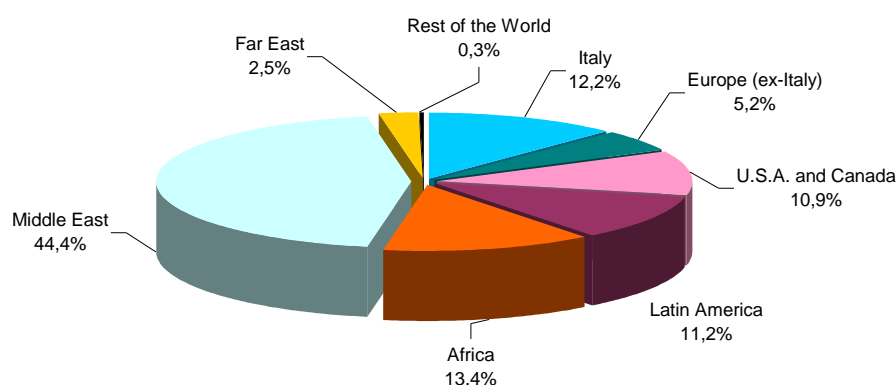


## Geographical breakdown

The following table highlights the internationalisation of the Group and illustrates the breakdown of total revenues by geographical area:

(€ '000)

AREA	30/09/2009	%	30/09/2008	%	Change	
Italy	102,071	12.2%	94,586	12.1%	7,485	7.9%
Europe (ex-Italy)	43,674	5.2%	116,346	14.9%	(72,672)	-62.5%
U.S.A. and Canada	90,971	10.9%	83,573	10.7%	7,399	8.9%
Latin America	93,522	11.2%	76,076	9.8%	17,446	22.9%
Africa	112,050	13.4%	90,787	11.6%	21,263	23.4%
Middle East	370,980	44.4%	271,749	34.8%	99,231	36.5%
Far East	20,624	2.5%	44,729	5.7%	(24,106)	-53.9%
Rest of the World	2,515	0.3%	2,026	0.3%	489	24.1%
<b>TOTAL REVENUES</b>	<b>836,407</b>	<b>100%</b>	<b>779,873</b>	<b>100%</b>	<b>56,534</b>	<b>7.2%</b>



Compared with the same period of 2008, a strong increase is evident in the Middle Eastern area due mainly to orders awarded to Drillmec S.p.A., the highlights of which include the provision of three 1500HP plants and three 2000HP plants and to the new subsidiary, Arabian Soil Contractors which has its registered office in Saudi Arabia.

Activities in North America mainly relate to the activity of the subsidiary Trevi Icos South for the Tuttle Creek (Kansas) contract and to the JV Trevi Icos-Soletanche for the Wolf Creek contract and to the incorporation of the new acquisition Watson Inc USA. The increase in the American area is essentially attributable to the subsidiaries Drillmec S.p.A. (in particular the completion of the “Weatherford” contract) and Drillmec Inc. The decline in the Far East is mainly due to the sale of the Soilmec Hong Kong. The increase in Africa is mainly attributable to projects involving the new subsidiary Trevi Orascom Skikda Ltd (50% of which was proportionally consolidated) and to operations in Nigeria and in Angola.

With regard to South America, the increase compared to September 2008 is attributable to the greater activity of Petreven U.T.E. Argentina, Petreven CA Venezuela and their subsidiaries and to Pilotes Trevi, it also includes the activities of the new subsidiary Galante SA (Colombia).

Finally it must be clarified that this item includes economic benefits of an operating nature realised in Venezuela through an exchange of goods to which a numerical value had been allocated, and which were originally denominated in currencies other than the Euro, and used by the client to settle contractual obligations. For purely comparative purposes, a reclassification of the value of transactions of a similar nature that were carried out in the first nine months of 2008 has been provided and is equal to € 4.145 thousand.

## Product lines

The breakdown in revenues between the main sectors of the Group at 30 September 2009 are as follows:

<i>(€ '000)</i>	<b>30/09/2009</b>	<b>%</b>	<b>30/09/2008</b>	<b>%</b>	<b>Change</b>	<b>Ch.%</b>
Manufacture of machinery for special foundation work	133,292	16%	251,087	32%	(117,795)	-46.9%
Manufacture of machinery for oil, gas and water drilling	285,247	34%	195,321	25%	89,926	46.0%
Intergroup eliminations and adjustments	(1,431)		(2,062)		631	
<b>Sub-total of Mechanical Engineering Division</b>	<b>417,107</b>	<b>50%</b>	<b>444,346</b>	<b>57%</b>	<b>(27,239)</b>	<b>-6.1%</b>
Special foundation services	382,312	46%	318,981	41%	63,331	19.9%
Drilling services	50,289	6%	42,300	5%	7,990	18.9%
Intergroup eliminations and adjustments	(4,695)		(1,881)		(2,814)	
<b>Sub-total of Special Found. and Drilling Services Division</b>	<b>427,906</b>	<b>51%</b>	<b>359,400</b>	<b>46%</b>	<b>68,506</b>	<b>19.1%</b>
<b>Parent Company</b>	10,994		9,490		1,505	15.9%
Intergroup and Parent Company eliminations	(19,601)		(33,364)		13,763	
<b>TREVI GROUP</b>	<b>836,407</b>	<b>100%</b>	<b>779,872</b>	<b>100%</b>	<b>56,535</b>	<b>7.2%</b>

## Significant events occurring after the close of the quarter

No events of a significant nature occurred after the close of the quarter.

Cesena, 13 November 2009

For the Board of Directors

Ing. Davide Trevisani

Chairman

\*\*\*\*

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

# SUMMARY OF THE ECONOMIC, CAPITAL AND FINANCIAL SITUATION OF THE GROUP

## TREVI GROUP

### CONSOLIDATED FINANCIAL STATEMENTS - INCOME STATEMENT

(€ '000)

31/12/2008		III° Quarter 2009	III° Quarter 2008	From 01/01/09 to 30/09/09	From 01/01/08 to 30/09/08	Change	%
<b>1,069,155</b>	<b>TOTAL REVENUES</b>	<b>264,854</b>	<b>287,271</b>	<b>836,407</b>	<b>779,872</b>	<b>56,535</b>	<b>7.2%</b>
82,351	Changes in inventories of finished and semi-finished products	(8,658)	21,209	42,540	46,334	(3,793)	
50,278	Increase in fixed assets for internal use	5,384	5,688	16,033	31,326	(15,293)	
<b>1,201,784</b>	<b>VALUE OF PRODUCTION</b>	<b>261,581</b>	<b>314,168</b>	<b>894,981</b>	<b>857,532</b>	<b>37,449</b>	<b>4.4%</b>
878,107	Raw materials and external services	172,983	226,543	601,101	618,128	(17,027)	
10,465	Other operating costs	1,885	818	7,242	6,684	558	
<b>313,212</b>	<b>VALUE ADDED</b>	<b>86,713</b>	<b>86,808</b>	<b>286,638</b>	<b>232,720</b>	<b>53,918</b>	<b>23.2%</b>
146,904	Personnel expenses	41,140	34,421	125,370	101,703	23,667	
<b>166,307</b>	<b>GROSS OPERATING PROFIT</b>	<b>45,573</b>	<b>52,386</b>	<b>161,268</b>	<b>131,017</b>	<b>30,251</b>	<b>23.1%</b>
15.6%	<i>% on Total Revenues</i>	17.2%	18.2%	19.3%	16.8%		
32,398	Depreciation	11,154	6,843	31,869	21,519	10,350	
6,308	Provisions and write-downs	2,495	1,942	19,712	3,123	16,589	
<b>127,601</b>	<b>OPERATING PROFIT</b>	<b>31,923</b>	<b>43,602</b>	<b>109,687</b>	<b>106,375</b>	<b>3,312</b>	<b>3.1%</b>
11.9%	<i>% on Total Revenues</i>	12.1%	15.2%	13.1%	13.6%		
(17,176)	Financial revenue/ (expenses)	(4,106)	(4,732)	(13,743)	(11,710)	(2,033)	
(1,250)	Gains/ (losses) on exchange rates	742	2,728	1,678	(2,665)	4,343	
0	Profit/ (loss) from associates	(612)	0	(100)	0	(100)	
<b>109,175</b>	<b>PRE-TAX PROFIT</b>	<b>27,947</b>	<b>41,598</b>	<b>97,522</b>	<b>92,000</b>	<b>5,522</b>	<b>6.0%</b>
31,820	Income Taxes	8,167	16,450	25,242	32,205	(6,964)	
2,694	Minorities	960	772	2,207	2,526	(319)	
<b>74,661</b>	<b>GROUP NET PROFIT</b>	<b>18,820</b>	<b>24,376</b>	<b>70,073</b>	<b>57,269</b>	<b>12,804</b>	<b>22%</b>
7.0%	<i>% on Total Revenues</i>	7.1%	8.5%	8.4%	7.3%		
29.1%	<b>Tax rate</b>	29.2%	39.5%	25.9%	35.0%		

**TREVI GROUP**  
**Reclassified Consolidated Statement of Financial Position**

(€ '000)		(€ '000)	(€ '000)		
31.12.2008		30.09.2009	30.09.2008	Change	%
	<b>A) Fixed assets</b>				
293,823	- Tangible fixed assets	309,118	263,518	45,600	
6,073	- Intangible fixed assets	12,933	6,271	6,662	
5,036	- Financial fixed assets	4,642	4,803	(160)	
<b>304,933</b>		<b>326,694</b>	<b>274,592</b>	<b>52,102</b>	<b>19%</b>
	<b>B) Net working capital</b>				
373,753	- Inventories	404,018	329,805	74,213	
310,473	- Trade receivables	330,444	307,843	22,601	
(340,223)	- Trade payables (-)	(209,213)	(306,247)	97,034	
(94,732)	- Pre-payments (-)	(88,837)	(114,835)	25,998	
18,609	- Other assets/ (liabilities)	(4,222)	(1,439)	(2,784)	
<b>267,880</b>		<b>432,190</b>	<b>215,129</b>	<b>217,061</b>	<b>101%</b>
<b>572,813</b>	<b>C) Invested capital less operating liabilities (A+B)</b>	<b>758,884</b>	<b>489,721</b>	<b>269,163</b>	<b>55%</b>
<b>(15,391)</b>	<b>D) Post-employment benefits (-)</b>	<b>(18,207)</b>	<b>(15,019)</b>	<b>(3,188)</b>	<b>21%</b>
<b>557,422</b>	<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>740,677</b>	<b>474,701</b>	<b>265,976</b>	<b>56%</b>
	<i>Financed by:</i>				
226,436	<b>F) Group net shareholders' equity</b>	<b>280,914</b>	<b>209,076</b>	<b>71,838</b>	<b>34%</b>
8,903	G) Minority interests	13,459	9,350	4,109	
<b>322,084</b>	<b>H) Net debt</b>	<b>446,303</b>	<b>256,275</b>	<b>190,028</b>	<b>-74%</b>
<b>557,422</b>	<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>740,677</b>	<b>474,701</b>	<b>265,976</b>	<b>56%</b>

**TREVI GROUP**  
**Consolidated Net Financial Position**  
(€ '000)

31.12.2008		30.09.2009	30.09.2008	Change
(182,617)	Current Bank Payables	(229,443)	(123,323)	(106,120)
(9,557)	Payables for other current financing	(30,445)	(8,322)	(22,123)
800	Current financial derivatives	2,529	45	2,484
88,065	Cash and cash equivalents	149,197	68,381	80,816
<b>(103,309)</b>	<b>Total current financing</b>	<b>(108,162)</b>	<b>(63,219)</b>	<b>(44,943)</b>
(182,604)	Long Term Banks Payables	(289,521)	(161,746)	(127,775)
(36,166)	Payables for other non-current financing	(48,177)	(31,356)	(16,821)
(4)	Non-current financial derivatives	(443)	46	(489)
<b>(218,775)</b>	<b>Total non-current financing</b>	<b>(338,141)</b>	<b>(193,056)</b>	<b>(145,086)</b>
<b>(322,084)</b>	<b>Net debt</b>	<b>(446,303)</b>	<b>(256,275)</b>	<b>(190,028)</b>
<b>5,696</b>	Treasury stock	<b>4,548</b>	<b>8,336</b>	<b>(3,788)</b>
<b>(316,388)</b>	<b>Total net financial position</b>	<b>(441,755)</b>	<b>(247,939)</b>	<b>(193,816)</b>

**TREVI GROUP**  
**CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET**

	(€ '000)	(€ '000)
<b>ASSETS</b>	<b>30/09/2009</b>	<b>31/12/2008</b>
<b>Non-current Assets</b>		
Tangible Fixed Assets	309,072	293,750
Intangible Fixed Assets	12,932	6,073
Investment property	46	73
Investments	2,045	1,299
Deferred tax assets	14,666	15,395
Trade receivables and other non-current assets	18,520	15,065
<b>Total Non-current Assets</b>	<b>357,282</b>	<b>331,656</b>
<b>Current Assets</b>		
Inventories	369,929	335,551
Trade receivables and other current assets	403,678	378,127
Current tax receivables	24,260	23,966
Current financial derivative instruments	2,691	956
Cash and cash equivalents	149,197	88,065
<b>Total Current Assets</b>	<b>949,755</b>	<b>826,666</b>
<b>TOTAL ASSETS</b>	<b>1,307,037</b>	<b>1,158,322</b>
<b>EQUITY</b>	<b>30/09/2009</b>	<b>31/12/2008</b>
<b>Share Capital and Reserves</b>		
Share capital	31,809	31,614
Other reserves	13,187	21,296
Accumulated profits	165,845	98,864
Group share of net profit	70,073	74,661
<b>Group net equity</b>	<b>280,914</b>	<b>226,436</b>
Minorities share of capital and reserves	11,252	6,209
Minorities share of profit for the period	2,207	2,694
<b>Minority interests</b>	<b>13,459</b>	<b>8,903</b>
<b>TOTAL EQUITY</b>	<b>294,374</b>	<b>235,339</b>
<b>Non-current Liabilities</b>		
Non-current financial liabilities	337,699	218,771
Non-current financial derivative instruments	443	4
Deferred tax liabilities	24,357	22,751
Post-employment benefits	18,207	15,391
Non-current provisions	9,206	5,307
Other non-current liabilities	518	475
<b>Total Non-current Liabilities</b>	<b>390,429</b>	<b>262,698</b>
<b>Current Liabilities</b>		
Trade payables and other current liabilities	323,256	442,135
Income taxes payable	38,929	25,819
Current debt	259,888	192,175
Current financial derivative instruments	162	156
<b>Total Current Liabilities</b>	<b>622,235</b>	<b>660,285</b>
<b>TOTAL LIABILITIES</b>	<b>1,012,664</b>	<b>922,983</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,307,037</b>	<b>1,158,322</b>

During the period the definitive allocation of the business combination Galante was finalised, € 0.4 million of the € 1.9 million goodwill recognised at 31/12/08 was allocated to the item Buildings and the remaining € 1.5 million was allocated to the item Plant and Machinery; for this reason, as required by IFRS-3 the balance sheet for the period ended 31 December 2008 has been re-presented.

**Reconciliation of the Reclassified Statement of Financial Position with the Consolidated Statement of Financial Position in accordance with IAS 11**

(€ '000)

<b>Net working capital</b>	<b>30/09/2009</b>	<b>Ias 11</b>	<b>30/09/2009</b>
- Inventories	404,018	(34,089)	369,929
- Trade receivables	330,444	16,512	346,956
- Trade payables (-)	(209,213)		(209,213)
- Pre-payments (-)	(88,837)	17,072	(71,765)
- Other assets (liabilities)	(4,222)	505	(3,717)
<b>Total</b>	<b>432,190</b>	<b>0</b>	<b>432,190</b>

**TREVI GROUP**

**CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY**

(€ '000)

<b>Description</b>	<b>Share capital</b>	<b>Other Reserves</b>	<b>Accumulated profits</b>	<b>Group Total</b>	<b>Share of Minorities</b>	<b>Total Net Equity</b>
<b>Balance at 01/01/08</b>	<b>31,817</b>	<b>19,395</b>	<b>49,476</b>	<b>55,788</b>	<b>7,001</b>	<b>163,477</b>
Allocation of profit for 2007 and dividend distribution			49,388	(55,788)	(178)	(6,578)
Changes in the translation reserve		7,059				7,059
Other changes		(1,421)				(1,421)
Cash flow hedge reserve		(42)				(42)
Purchase of own shares	(176)	(3,689)				(3,865)
Net profit for the period				57,269	2,526	59,795
<b>Balance at 30/09/08</b>	<b>31,641</b>	<b>21,302</b>	<b>98,864</b>	<b>57,269</b>	<b>9,349</b>	<b>218,425</b>
<b>Balance at 01/01/09</b>	<b>31,614</b>	<b>21,296</b>	<b>98,864</b>	<b>74,661</b>	<b>8,903</b>	<b>235,339</b>
Allocation of profit for 2008 and dividend distribution			66,981	(74,661)	(458)	(8,138)
Changes in the translation reserve		(12,097)			(280)	(12,377)
Other changes					3,087	3,087
Cash flow hedge reserve		(124)				(124)
Purchase of own shares	195	4,112				4,307
Net profit for the period				70,073	2,207	72,280
<b>Balance at 30/09/2009</b>	<b>31,809</b>	<b>13,187</b>	<b>165,845</b>	<b>70,073</b>	<b>13,459</b>	<b>294,374</b>

**TREVI GROUP**  
**CONSOLIDATED CASH FLOW STATEMENT**

(€ '000)	Nine months to 30/09/2009	Nine months to 30/09/2008
Net income for the year	72,281	59,795
Income taxes for the year	25,242	32,205
<b>Pre-tax profit</b>	<b>97,522</b>	<b>92,000</b>
Depreciation and amortisation	31,869	21,519
Financial (income)/ expenses	13,743	11,710
Change in provisions for risks and post-employment benefits	2,816	186
Share of profits from associates	100	(0)
(Gains) / losses from sale or write-downs of fixed assets	(104)	(106)
<b>(A) Cash Flow from (used in) operating activities before Changes in Working Capital</b>	<b>145,947</b>	<b>125,310</b>
(Increase)/Decrease in trade receivables	(31,375)	(102,226)
(Increase)/Decrease in inventories	(34,379)	(100,602)
(Increase)/Decrease in other assets	2,804	(33,092)
Increase/(Decrease )in trade payables	(131,010)	69,590
Increase/(Decrease ) in other payables	8,232	39,356
<b>(B) Changes in working capital</b>	<b>(185,728)</b>	<b>(126,973)</b>
(C) Interest paid	(12,434)	(10,468)
(D) Income taxes paid	(3,995)	(22,762)
<b>(E) Cash Flow from (used in) operating activities (A+B+C+D)</b>	<b>(56,209)</b>	<b>(34,893)</b>
<b>Investing activities</b>		
Operating (investments)	(57,747)	(80,677)
Operating divestments	3,827	2,337
Net change in financial assets	(846)	(1,955)
<b>(F) Cash Flow from (used in) by investing activities</b>	<b>(54,766)</b>	<b>(80,295)</b>
<b>Financing activities</b>		
Increase/(Decrease) in share capital for purchase of own shares	194	(176)
Other changes including those in minorities	(5,761)	8,282
Change in financial liabilities and derivative instruments	152,659	87,817
Change in financial lease liabilities	32,899	2,280
Dividend Paid	(7,680)	(6,550)
<b>(G) Cash Flow from (used in) by financing activities</b>	<b>172,311</b>	<b>91,653</b>
<b>(H) Net increase/(decrease) in Cash and Cash Equivalents (E+F+G)</b>	<b>61,335</b>	<b>(23,536)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>85,543</b>	<b>89,060</b>
<b>Net Changes in Cash and Cash Equivalents</b>	<b>61,335</b>	<b>(23,536)</b>
<b>Closing Balance of Net Cash and Cash Equivalents</b>	<b>146,878</b>	<b>65,525</b>
	<b>Nine months to 30/09/2009</b>	<b>Nine months to 30/09/2008</b>
<b>Description</b>		
Cash and cash equivalents	149,197	68,381
Bank overdrafts	(2,316)	(2,856)
<b>Cash and cash equivalents net of bank overdrafts</b>	<b>146,878</b>	<b>65,525</b>

## SPECIAL FOUNDATIONS AND DRILLING SERVICES DIVISION (\*)

### SUMMARY INCOME STATEMENT

(€ '000)	30/09/2009	30/09/2008	Change	Ch%
<b>TOTAL REVENUES</b>	<b>427,906</b>	<b>359,400</b>	<b>68,506</b>	<b>19.1%</b>
Changes in inventories of work in progress, semi-finished and finished goods	114	8	106	
Increase in fixed assets for internal use	7,212	8,867	(1,655)	
<b>VALUE OF PRODUCTION</b>	<b>435,232</b>	<b>368,275</b>	<b>66,957</b>	<b>18.2%</b>
Raw materials and external services	224,841	226,655	(1,814)	
Other operating expenses	6,354	4,164	2,190	
<b>VALUE ADDED</b>	<b>204,037</b>	<b>137,456</b>	<b>66,581</b>	<b>48.4%</b>
<i>% on Total revenues</i>	<i>47.7%</i>	<i>38.2%</i>		
Personnel expenses	85,866	67,698	18,168	
<b>GROSS OPERATING PROFIT</b>	<b>118,172</b>	<b>69,758</b>	<b>48,414</b>	<b>69.4%</b>
<i>% on Total revenues</i>	<i>27.6%</i>	<i>19.4%</i>		
Depreciation	25,099	14,930	10,169	
Provisions and write-downs	18,525	2,325	16,201	
<b>OPERATING RESULT</b>	<b>74,548</b>	<b>52,503</b>	<b>22,044</b>	<b>42.0%</b>
<i>% on Total revenues</i>	<i>17.4%</i>	<i>14.6%</i>		

## MECHANICAL ENGINEERING DIVISION (\*)

### SUMMARY INCOME STATEMENT

(€ '000)	30/09/2009	30/09/2008	Change	Ch%
<b>TOTAL REVENUES</b>	<b>417,107</b>	<b>444,346</b>	<b>(27,239)</b>	<b>-6.1%</b>
Changes in inventories of work in progress, semi-finished and finished goods	45,410	46,326	(915)	
Increase in fixed assets for internal use	5,219	1,576	3,643	
<b>VALUE OF PRODUCTION</b>	<b>467,736</b>	<b>492,248</b>	<b>(24,511)</b>	<b>-5.0%</b>
Raw materials and external services	388,789	392,906	(4,116)	
Other operating expenses	699	1,947	(1,248)	
<b>VALUE ADDED</b>	<b>78,248</b>	<b>97,395</b>	<b>(19,146)</b>	<b>-19.7%</b>
<i>% on Total revenues</i>	<i>18.8%</i>	<i>21.9%</i>		
Personnel expenses	35,017	30,438	4,579	
<b>GROSS OPERATING PROFIT</b>	<b>43,231</b>	<b>66,957</b>	<b>(23,726)</b>	<b>-35.4%</b>
<i>% on Total revenues</i>	<i>10.4%</i>	<i>15.1%</i>		
Depreciation	5,668	5,274	393	
Provisions and write-downs	1,186	797	390	
<b>OPERATING RESULT</b>	<b>36,377</b>	<b>60,885</b>	<b>(24,509)</b>	<b>-40.3%</b>
<i>% on Total revenues</i>	<i>8.7%</i>	<i>13.7%</i>		

(\*) The individual income statements shown above do not include netting out of interdivisional transactions; neither the Parent Company nor Trevi Energy S.p.A. are included.

**SPECIAL FOUNDATIONS AND DRILLING SERVICES DIVISION  
SUMMARY BALANCE SHEET**

(€ '000)

	30/09/2009	31/12/2008	Change
<b>A) Fixed assets</b>	<b>231,112</b>	<b>234,748</b>	<b>(3,635)</b>
<b>B) Net working capital</b>			
- Inventories	74,183	67,100	7,083
- Trade receivables	187,071	199,557	(12,486)
- Trade payables (-)	(116,128)	(145,490)	29,362
- Pre-payments (-)	(44,842)	(49,945)	5,103
- Other assets (liabilities)	(11,552)	2,149	(13,701)
	<b>88,732</b>	<b>73,372</b>	<b>15,361</b>
<b>C) Fixed assets plus net working capital (A+B)</b>	<b>319,845</b>	<b>308,119</b>	<b>11,725</b>
<b>D) Post-employment benefits (-)</b>	<b>(11,951)</b>	<b>(9,108)</b>	<b>(2,843)</b>
<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>307,894</b>	<b>299,011</b>	<b>8,883</b>
<i>Financed by:</i>			
<b>F) Group net equity</b>	<b>174,755</b>	<b>133,883</b>	<b>40,872</b>
G) Minority interests	5,501	4,309	1,192
<b>H) Net debt</b>	<b>127,637</b>	<b>160,819</b>	<b>(33,182)</b>
<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>307,894</b>	<b>299,011</b>	<b>8,883</b>

**MECHANICAL ENGINEERING DIVISION  
SUMMARY BALANCE SHEET**

(€ '000)

	30/09/2009	31/12/2008	Change
<b>A) Fixed assets</b>	<b>82,794</b>	<b>57,925</b>	<b>24,869</b>
<b>B) Net working capital</b>			
- Inventories	329,834	305,814	24,020
- Trade receivables	160,218	130,635	29,582
- Trade payables (-)	(146,287)	(247,143)	100,856
- Pre-payments (-)	(40,995)	(40,618)	(377)
- Other assets (liabilities)	(10,293)	7,278	(17,571)
	<b>292,477</b>	<b>155,967</b>	<b>136,510</b>
<b>C) Fixed assets plus net working capital (A+B)</b>	<b>375,271</b>	<b>213,892</b>	<b>161,379</b>
<b>D) Post-employment benefits (-)</b>	<b>(5,381)</b>	<b>(5,476)</b>	<b>95</b>
<b>E) NET INVESTED CAPITAL (C+D)</b>	<b>369,889</b>	<b>208,416</b>	<b>161,473</b>
<i>Financed by:</i>			
<b>F) Group net equity</b>	<b>112,752</b>	<b>96,213</b>	<b>16,538</b>
G) Minority interests	4,307	2,747	1,560
<b>H) Net debt</b>	<b>252,830</b>	<b>109,456</b>	<b>143,375</b>
<b>I) TOTAL SOURCES OF FINANCING (F+G+H)</b>	<b>369,889</b>	<b>208,416</b>	<b>161,473</b>

