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**FINANCIAL STATEMENTS  
AS AT 31<sup>st</sup> DECEMBER 2014**

**AMBIENTHESIS SPA**

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**STATEMENT OF FINANCIAL POSITION AS AT 31/12/2014***(figures in Euros)*

|  |       | <b>31.12.2014</b>  | <b>31.12.2013</b>  |
|--|-------|--------------------|--------------------|
|  | Notes | total              | total              |
| <b>ASSETS</b>                                      |       |                    |                    |
| <b>NON-CURRENT ASSETS</b>                          |       |                    |                    |
| Property, plants, machinery and other fixed assets | 1     | 16,125,219         | 13,689,306         |
| Property investments                               | 2     | 17,409,872         | 17,409,872         |
| Goodwill   | 3     | 20,848,118         | 20,848,118         |
| Intangible assets                                  | 4     | 20,201             | 29,824             |
| Investments  | 5     | 14,543,672         | 15,769,172         |
| Other financial assets                             | 6     | 7,718,879          | 6,562,449          |
| Pre-paid tax assets                                | 7     | 3,003,995          | 1,221,177          |
| Other assets                                       | 8     | 383,050            | 384,881            |
| <b>Total non-current assets</b>                    |       | <b>80,053,006</b>  | <b>75,914,799</b>  |
| <b>CURRENT ASSETS</b>                              |       |                    |                    |
| Inventory  | 9     | 8,223              | 8,646              |
| Trade receivables                                  | 10    | 48,442,236         | 55,862,788         |
| Current tax assets                                 | 11    | 749,027            | 750,282            |
| Financial receivables and other financial assets   | 12    | 6,666,437          | 6,224,741          |
| Other assets                                       | 13    | 2,030,334          | 3,686,315          |
| Cash and cash equivalents                          | 14    | 551,496            | 383,995            |
| <b>Total current assets</b>                        |       | <b>58,447,753</b>  | <b>66,916,767</b>  |
| <b>Non-current assets held for sale</b>            | 15    | <b>0</b>           | <b>2,824,254</b>   |
| <b>TOTAL ASSETS</b>                                |       | <b>138,500,759</b> | <b>145,655,820</b> |

(FIGURES IN EUROS)

|   |       | 31.12.2014         | 31.12.2013         |
|---|-------|--------------------|--------------------|
|   | Notes | total              | total              |
| <b>EQUITY AND LIABILITIES</b>                         |       |                    |                    |
| <b>EQUITY</b>   |       |                    |                    |
|   | 16    |                    |                    |
| Share capital   |       | 48,204,000         | 48,204,000         |
| Reserves  |       | 39,278,047         | 40,336,318         |
| Treasury shares                                       |       | (2,564,876)        | (2,564,876)        |
| Financial year profit (loss)                          |       | (11,433,695)       | (987,288)          |
| <b>Total equity</b>                                   |       | <b>73,483,476</b>  | <b>84,988,154</b>  |
| <b>NON-CURRENT LIABILITIES</b>                        |       |                    |                    |
| Long-term financial liabilities                       | 17    | 952,231            | 1,251,710          |
| Risk and charges provisions                           | 18    | 6,125,763          | 123,825            |
| Employees benefits provision                          | 19    | 1,154,853          | 1,088,130          |
| Deferred tax liabilities                              | 20    | 1,094,957          | 1,200,142          |
| <b>Total non-current liabilities</b>                  |       | <b>9,327,804</b>   | <b>3,663,807</b>   |
| <b>CURRENT LIABILITIES</b>                            |       |                    |                    |
| Short-term financial liabilities                      | 21    | 11,052,790         | 13,317,300         |
| Short-term portion of long-term financial liabilities | 22    | 1,551,953          | 1,795,375          |
| Trade payables  | 23    | 38,345,319         | 37,013,323         |
| Advances  | 24    | 465,447            | 11,170             |
| Other current liabilities                             | 25    | 4,273,970          | 4,866,691          |
| <b>Total current liabilities</b>                      |       | <b>55,689,479</b>  | <b>57,003,859</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |       | <b>138,500,759</b> | <b>145,655,820</b> |

**INCOME STATEMENT***(FIGURES IN EUROS)*

|   |       | 31.12.2014          | 31.12.2013         |
|---|-------|---------------------|--------------------|
|   | Notes | total               | total              |
| <b>REVENUES</b>   | 26    |                     |                    |
| Revenues  |       | 49,217,332          | 60,111,250         |
| Other revenues  |       | 603,108             | 293,741            |
| <b>Total revenues</b>                                     |       | <b>49,820,440</b>   | <b>60,404,991</b>  |
| <b>OPERATING EXPENSES</b>                                 | 27    |                     |                    |
| Purchase of raw materials, semi-finished goods and others |       | (2,341,699)         | (5,064,045)        |
| Services  |       | (42,089,757)        | (47,838,425)       |
| Labour cost   |       | (6,082,382)         | (5,958,843)        |
| Other operating expenses and provisions                   |       | (4,942,679)         | (2,382,791)        |
| <i>- of which non-recurring items</i>                     |       | <i>(1,758,088)</i>  | <i>784,592</i>     |
| <b>GROSS OPERATING MARGIN</b>                             |       | <b>(5,636,077)</b>  | <b>(839,113)</b>   |
| Amortisation and depreciation                             |       | (2,729,257)         | (2,182,340)        |
| <b>NET OPERATING MARGIN</b>                               |       | <b>(8,365,334)</b>  | <b>(3,021,453)</b> |
| <b>FINANCIAL REVENUES (EXPENSES)</b>                      | 28    |                     |                    |
| Financial revenues  |       | 2,364,576           | 400,390            |
| <i>- of which non-recurring items</i>                     |       | <i>1,602,154</i>    | <i>165,440</i>     |
| Financial expenses  |       | (1,144,920)         | (851,894)          |
| Derivative instruments                                    |       | (20,212)            | 36,400             |
| <b>REVENUES (EXPENSES) ON INVESTMENTS</b>                 | 29    |                     |                    |
| Revenues (expenses) on investments                        |       | (501,274)           | 1,710,996          |
| <b>PRE-TAX INCOME</b>                                     |       | <b>(7,667,164)</b>  | <b>(1,725,561)</b> |
| Income tax  | 30    | (3,766,531)         | 738,273            |
| <i>- of which non-recurring items</i>                     |       | <i>(5,775,638)</i>  | <i>0</i>           |
| <b>NET INCOME</b>   |       | <b>(11,433,695)</b> | <b>(987,288)</b>   |

**COMPREHENSIVE INCOME STATEMENT**  
*Figures in thousand euros*

31.12.2014

31.12.2013

|  |                 |                |
|--|-----------------|----------------|
| <b>NET RESULT</b>  | <b>(11,434)</b> | <b>(987)</b>   |
| <b>Items of comprehensive result classifiable within the period result in subsequent periods</b>           |                 |                |
| Exchange differences   | 0               | (126)          |
| Tax effect related to the items of the comprehensive result classifiable in the income statement.          | 0               | 0              |
| <b>Total items of comprehensive result classifiable within the period result in subsequent periods</b>     | <b>0</b>        | <b>(126)</b>   |
| <b>Items of comprehensive result non-classifiable within the period result in subsequent periods</b>       |                 |                |
| Actuarial profit/(loss)  | (98)            | 47             |
| Tax effect related to the items of the comprehensive result classifiable in the income statement.          | 27              | (13)           |
| <b>Total items of comprehensive result non-classifiable within the period result in subsequent periods</b> | <b>(71)</b>     | <b>34</b>      |
| <b>Total other items of comprehensive result</b>   | <b>(71)</b>     | <b>(92)</b>    |
| <b>Total comprehensive result in the financial year</b>  | <b>(11,505)</b> | <b>(1,079)</b> |

**CASH FLOW STATEMENT**

| <i>In thousands of euros</i>   | 31.12.2014     | 31.12.2013     |
|--|----------------|----------------|
| Cash and cash equivalents in the balance sheet as at the beginning of the financial year | 384            | 334            |
| Initial account overdrafts   | (12.599)       | (6.708)        |
| Short-term financial receivables   | 6.225          | 5.917          |
| <b>INITIAL NET CASH</b>  | <b>(5.990)</b> | <b>(457)</b>   |
| Merger impact  |                | (3.277)        |
| <b>INITIAL NET CASH POST MERGER IMPACT</b>   | <b>(5.990)</b> | <b>(3.734)</b> |
| <b>CASH FLOW FROM INCOME ACTIVITIES</b>  |                |                |
| Pre-tax result   | (7.667)        | (1.726)        |
| Amortisation and depreciation  | 2.729          | 2.182          |
| Receivables depreciation   | 1.758          | 0              |
| Depreciation (re-evaluation) on investments  | 1.425          | (1.212)        |
| Interests profit   | (924)          | (499)          |
| Increase (decrease) in employees benefits provision                                      | (31)           | 51             |
| Capital losses/(gains) on transfer of assets   | (56)           | 0              |
| Increase (decrease) in risk and charges provisions                                       | 226            | (97)           |
| <b>OPERATING ASSETS CASH FLOW</b>  |                |                |
| Tax paid in the financial year   | 1              | 392            |
| Decrease (increase) in inventories   | 0              | 157            |
| Decrease (increase) in trade receivables   | 5.662          | (532)          |
| <i>- of which towards related parties</i>  | <i>(802)</i>   | <i>(2.452)</i> |
| Decrease (increase) in other current assets  | 1.900          | (487)          |
| Increase (decrease) in trade payables  | 1.332          | 1.974          |
| <i>- of which towards related parties</i>  | <i>3.211</i>   | <i>4.485</i>   |
| Increase (decrease) in other non-financial payables                                      | (232)          | 403            |
| <b>TOTAL</b>   | <b>6.123</b>   | <b>606</b>     |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>  |                |                |
| Increase (decrease) in tangible assets   | (2.275)        | (1.235)        |
| Increase (decrease) in non-tangible assets   | 0              | (11)           |
| Dividends income   | 924            | 499            |
| (increase) decrease in investments   | (200)          | (25)           |
| (Increase) decrease in other non-current financial assets available for sale             | (1.156)        | (583)          |



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|  |                |                |
|--|----------------|----------------|
| - of which towards related parties   | (1.156)        | (441)          |
| <b>TOTAL</b>   | <b>(2.707)</b> | <b>(1.355)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                |                |
| Taking over (refund) of medium and long term loans                         | (538)          | (1.821)        |
| Distribution of dividends  | 0              | 0              |
| Variation in other financial assets/liabilities                            | (172)          | 314            |
| Other equity variations  | 0              | 0              |
| <b>Total</b>   | <b>(710)</b>   | <b>(1.507)</b> |
| <b>NET CASH FLOW</b>   | <b>2.706</b>   | <b>(2.256)</b> |
| <b>FINAL CASH FLOW</b>   | <b>(3.284)</b> | <b>(5.990)</b> |
| Cash and cash equivalents in the balance sheet as at the end of the period | 551            | 384            |
| Final account overdrafts   | (10.501)       | (12.599)       |
| Short-term financial receivables   | 6.666          | 6.225          |
| <b>FINAL NET CASH</b>  | <b>(3.284)</b> | <b>(5.990)</b> |
| <b>OTHER INFORMATION</b>   |                |                |
| Financial expenses in the financial year                                   | (1.003)        | (959)          |

\* The item "Merger impact" represents the balance of the initial net cash (short-term net debt) of companies incorporated during the year as a result of mergers



**STATEMENT OF CHANGES IN SHAREHOLDERS 'EQUITY**  
(IN THOUSANDS OF EURO)

|   | Share capital | Share premium reserves | Legal reserve | Other reserves | Income  | Treasury shares | Financial year income | Total equity |
|---|---------------|------------------------|---------------|----------------|---------|-----------------|-----------------------|--------------|
| <b>BALANCE AS AT 01.01.2013</b>                 | 48.204        | 24.547                 | 1.733         | 285            | 7.117   | (2.564)         | (2.538)               | 76.784       |
| Merger impact                                   |               |                        |               | (16)           | 9.299   |                 |                       | 9.283        |
| <b>BALANCE AS AT 01.01.2013</b>                 | 48.204        | 24.547                 | 1.733         | 269            | 16.416  | (2.564)         | (2.538)               | 86.067       |
| <b>TRANSACTIONS WITH SHAREHOLDERS</b>           |               |                        |               |                |         |                 |                       |              |
| Dividends distribution                          |               |                        |               |                |         |                 | 0                     | 0            |
| Previous financial year result                  |               |                        |               |                | (2.538) |                 | 2.538                 | 0            |
|   |               |                        |               |                | (2.538) |                 | 2.538                 | 0            |
| <b>NET RESULT</b>                               |               |                        |               |                |         |                 | (987)                 | (987)        |
| <b>OTHER COMPONENTS OF COMPREHENSIVE INCOME</b> |               |                        |               |                |         |                 |                       |              |
| Actuarial profit/(loss)                         |               |                        |               | 34             |         |                 |                       | 34           |
| Conversion differences                          |               |                        |               | (126)          |         |                 |                       | (126)        |
| <b>COMPREHENSIVE INCOME</b>                     |               |                        |               | (92)           |         |                 | (987)                 | (1.079)      |
| <b>BALANCE AS AT 31.12.2013</b>                 | 48.204        | 24.547                 | 1.733         | 177            | 13.878  | (2.564)         | (987)                 | 84.988       |

|   | Share capital | Share premium reserves | Legal reserve | Other reserves | Income | Treasury shares | Financial year income | Total equity |
|---|---------------|------------------------|---------------|----------------|--------|-----------------|-----------------------|--------------|
| <b>BALANCE AS AT 01.01.2014</b>                 | 48.204        | 24.547                 | 1.733         | 177            | 13.878 | (2.564)         | (987)                 | 84.988       |
| <b>TRANSACTIONS WITH SHAREHOLDERS</b>           |               |                        |               |                |        |                 |                       |              |
| Dividends distribution                          |               |                        |               |                |        |                 | 0                     | 0            |
| Previous financial year result                  |               |                        |               |                | (987)  |                 | 987                   | 0            |
| Other transactions                              |               |                        |               | (148)          | 148    |                 |                       | 0            |
|   |               |                        |               | (148)          | (839)  |                 | 987                   | 0            |
| <b>NET RESULT</b>                               |               |                        |               |                |        |                 | (11.434)              | (11.434)     |
| <b>OTHER COMPONENTS OF COMPREHENSIVE INCOME</b> |               |                        |               |                |        |                 |                       |              |
| Actuarial profit/(loss)                         |               |                        |               | (71)           |        |                 |                       | (71)         |
| <b>COMPREHENSIVE INCOME</b>                     |               |                        |               | (71)           |        |                 | (11.434)              | (11.505)     |
| <b>BALANCE AS AT 31.12.2014</b>                 | 48.204        | 24.547                 | 1.733         | (42)           | 13.039 | (2.564)         | (11.434)              | 73.483       |







**STATEMENT OF FINANCIAL POSITION**  
**PURSUANT TO CONSOB RESOLUTION No. 15519 of July 27, 2006**  
*(figures in Euros)*

|                                  | 31/12/2014         |                          |        | 31/12/2013         |                          |        |
|----------------------------------|--------------------|--------------------------|--------|--------------------|--------------------------|--------|
|                                  | total              | Of which related parties | %      | total              | Of which related parties | %      |
| <b>ASSETS</b>                    |                    |                          |        |                    |                          |        |
| Non-current assets               | 80.053.006         | 7.943.035                | 9,92%  | 75.914.799         | 6.900.783                | 9,09%  |
| Non-current assets held for sale | 0                  |                          |        | 2.824.254          |                          |        |
| Current assets                   | 58.447.753         | 42.164.330               | 72,14% | 66.916.767         | 40.754.974               | 60,90% |
| <b>TOTAL ASSETS</b>              | <b>138.500.759</b> |                          |        | <b>145.655.820</b> |                          |        |

|                                     | 31/12/2014         |                          |        | 31/12/2013         |                          |        |
|-------------------------------------|--------------------|--------------------------|--------|--------------------|--------------------------|--------|
|                                     | total              | Of which related parties | %      | total              | Of which related parties | %      |
| <b>EQUITY AND LIABILITIES</b>       |                    |                          |        |                    |                          |        |
| <b>EQUITY AND LIABILITIES</b>       |                    |                          |        |                    |                          |        |
| Equity                              | 73.483.476         |                          |        | 84.988.154         |                          |        |
| Non-current liabilities             | 9.327.804          |                          |        | 3.663.807          |                          |        |
| Current liabilities                 | 55.689.479         | 19.884.280               | 35,71% | 57.003.859         | 16.675.461               | 29,25% |
| <b>TOTAL LIABILITIES</b>            | <b>65.017.283</b>  |                          |        | <b>60.667.666</b>  |                          |        |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>138.500.759</b> |                          |        | <b>145.655.820</b> |                          |        |

**INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION No. 15519 of July 27, 2006**  
*(figures in thousand Euros)*

|   | 31/12/2014         |                          |        | 31/12/2013         |                          |        |
|---|--------------------|--------------------------|--------|--------------------|--------------------------|--------|
|   | total              | Of which related parties | %      | total              | Of which related parties | %      |
| <b>INCOME STATEMENT</b>                 |                    |                          |        |                    |                          |        |
| <b>REVENUES</b>                         | <b>49.820.440</b>  | <b>9.498.617</b>         | 19,07% | <b>60.404.991</b>  | <b>13.337.384</b>        | 22,08% |
| <b>OPERATING EXPENSES</b>               |                    |                          |        |                    |                          |        |
| Purchase of raw materials and services  | (44.431.456)       | (19.330.064)             | 43,45% | (52.902.470)       | (19.030.342)             | 35,97% |
| Labour cost                             | (6.082.382)        |                          |        | (5.958.843)        |                          |        |
| Other operating expenses and provisions | (4.942.679)        | (823.968)                | 16,67% | (2.382.791)        | (858.451)                | 36,03% |
| Amortisation and depreciation           | (2.729.257)        |                          |        | (2.182.340)        |                          |        |
| <b>NET OPERATING MARGIN</b>             | <b>(8.365.334)</b> |                          |        | <b>(3.021.453)</b> |                          |        |



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|                               |                     |         |        |                    |          |     |
|-------------------------------|---------------------|---------|--------|--------------------|----------|-----|
| FINANCIAL REVENUES (EXPENSES) | 1.199.444           | 704.608 | 58,84% | (415.104)          | 177.232  | n/a |
| REVENUES ON INVESTMENTS       | (501.274)           |         |        | 1.710.996          |          |     |
| <b>PRE-TAX INCOME</b>         | <b>(7.667.164)</b>  |         |        | <b>(1.725.561)</b> |          |     |
| Income tax                    | (3.766.531)         | 148.029 | n/a    | 738.273            | (70.928) | n/a |
| <b>NET INCOME</b>             | <b>(11.433.695)</b> |         |        | <b>(987.288)</b>   |          |     |

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## EXPLANATORY NOTES TO FINANCIAL STATEMENTS AS AT 31/12/2014

### PREMISES

Ambienthesis S.p.A. (Hereinafter also "Ambienthesis" or "the Company") is a joint-stock company incorporated in Italy and registered with the Register of Companies of Milan. The address of its registered office is Segrate, via Cassanese 45.

The financial statements are prepared in accordance with the *International Financial Reporting Standards ("IFRS")* as issued by the *International Accounting Standards Board (IASB)* and in accordance with the regulations issued to implement article 9 of Legislative Decree no. 38/2005. IFRS are understood as all *International Financial Reporting Standards*, all *International Accounting Standards* and all interpretations issued by the *International Financial Reporting Interpretations Committee (IFRIC)* that at the date of approval of the balance have been sanctioned by the European Union according to the procedure referred to in Article. 6 of Regulations (EC) No. 1606/2002, by the European Parliament and the European Council of 19 July 2002.

The financial statements include the financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and these explanatory notes.

The financial statements as at December 31<sup>st</sup> 2014, approved by the Board of Directors of Ambienthesis S.p.A. at its meeting on April 15<sup>th</sup> 2015, have been audited by the auditing company PricewaterhouseCoopers S.p.A. The figures of these notes are in thousands of Euros, unless otherwise stated.

### Preparation and presentation criteria

The financial statements have been prepared on the basis of the company's functioning and continuity, in accordance with the general principle of true and fair presentation of the financial and economic position, and of the financial flows of the Company, since the Directors have verified the absence of indicators of financial, managerial, or other indicators that might provide evidence of the Company's inability to meet its obligations in the foreseeable future and, in particular, in the next 12 months.

The accounting standards and evaluation criteria adopted in the preparation of the income statement, statement of financial position and cash flow of Ambienthesis S.p.A. at 31 December 2014 comply with the IFRS and are consistent with those used to prepare the previous year's financial statements, with the exception of the accounting standards that became operational as of January 1, 2014.

### Statements and Balance sheets

In relation to the presentation of the financial statements, the Company made the following decisions:

#### Income Statement

The Income Statement is prepared according to a format where the expenses are allocated by nature, highlighting interim results relating to the operating margin and result before taxes. The operating margin is calculated as the difference between the Income and the operating costs (the latter including non-cash costs related to depreci-

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ation, and write-down of current and non-current assets, net of any write-backs) and inclusive of any unrealised gains/losses generated from the disposal of non-current assets.

### **Statement of Comprehensive Income**

The Statement of Comprehensive Income presents the changes in equity arising from transactions other than the equity transactions, carried out with the shareholders of the Company.

### **Statement of Financial Position**

The Statement of Financial Position is prepared showing the distinction of assets and liabilities between "current and non-current". An asset / liability is classified as current when it satisfies any of the following criteria:

- it is expected to be recovered/settled or it is expected to be sold or used in the Company's normal operating cycle;
- it is held primarily for trading purposes;
- It is expected to be realized/settled within 12 months from the end of the financial year;

in the absence of all three conditions, assets/liabilities are classified as non-current.

### **Statement of Cash Flows**

The Statement of Cash Flows has been prepared applying the indirect method by which the result for the period is adjusted by the effects of non-cash operations, by any deferral or accrual of past or future operating collections or payments, and by items of income or costs, related to cash flows deriving from investing or financing activities. The methodology for the recognition of cash and cash equivalents for the purposes of the Cash Flow Statement is the same used in the determination of cash and cash equivalents in the Financial Statements. It is for this reason that no adaptation with the data of the same has been made.

### **Statement of Changes in Shareholders' Equity**

The Statement of changes in Shareholders' Equity illustrates the changes in the items of the consolidated shareholders' equity. In the statement are reported:

- operations performed with the shareholders;
- net income during the period;
- changes in the other components of the comprehensive income.

For each significant item reported in these statements, the references to the following explanatory notes, which provide the relevant information and detail the composition and changes compared to the previous year, will be specified.

It is also noted that in order to comply with the instructions contained in Consob Resolution no. 15519 of 27 July 2006 "Provisions on financial statements" specific statements of financial position and income statement were prepared, in addition to the compulsory statements, highlighting the significant amounts of positions or transactions with related parties.

### Amendments on the applicable accounting standards

Below are the new standards and/or the standards revised by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), whose application is mandatory starting from FY 2014.

| Description  | Endorsed at the date of this document | Application date in accordance with standards |
|--|---------------------------------------|---|
| <i>IFRS 10, "Consolidated financial statements"</i>  | December 2012                         | Financial years starting on 1 January 2014    |
| <i>IFRS 11, "Joint arrangements"</i>   | December 2012                         | Financial years starting on 1 January 2014    |
| <i>IFRS 12, "Disclosures of interests in other entities"</i>   | December 2012                         | Financial years starting on 1 January 2014    |
| <i>Amendments to IFRS 10, 11 and 12 on transition guidance</i>   | April 2013                            | Financial years starting on 1 January 2014    |
| <i>IAS 27 (revised 2011) "Separate financial statements"</i>   | December 2012                         | Financial years starting on 1 January 2014    |
| <i>IAS 28 (revised 2011) "Associates and joint ventures"</i>   | December 2012                         | Financial years starting on 1 January 2014    |
| <i>Amendment to IAS 32, "Financial instruments: Presentation", on offsetting financial assets and financial liabilities</i>      | December 2012                         | Financial years starting on 1 January 2014    |
| <i>Amendments to IFRS 10, "Consolidated financial statements", IFRS 12 and IAS 27 for investment entities</i>                    | November 2013                         | Financial years starting on 1 January 2014    |
| <i>Amendments to IAS 36, "Impairment of assets"</i>  | December 2013                         | Financial years starting on 1 January 2014    |
| <i>Amendment to IAS 39 "Financial instruments: Recognition and measurement", on novation of derivatives and hedge accounting</i> | December 2013                         | Financial years starting on 1 January 2014    |
| <i>IFRIC 21 "Levies"</i>   | June 2014                             | Financial years starting on 1 January 2014    |

The adoption of the accounting standards, amendments and interpretations listed in the above table had no significant effect on the financial position or performance of the Company.

### New standards, amendments and interpretations of existing standards not yet mandatory or not adopted in advance

Below are the international accounting standards, interpretations, amendments to existing standards and interpretations, or specific provisions contained in the standards and interpretations approved by the IASB, with indication of those approved or not approved for adoption in Europe to the date of approval of this document:



| Description  | Endorsed at the date of this document | Application date in accordance with standards |
|--|---------------------------------------|---|
| <i>Amendment to IAS 19 regarding defined benefit plans</i>   | No                                    | Financial years starting on 1 July 2014       |
| <i>Annual improvements cycles 2010–2012 and 2011–2013</i>  | No                                    | Financial years starting on 1 July 2014       |
| <i>Amendment to IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”</i>                                    | No                                    | Financial years starting on 1 January 2016    |
| <i>Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation</i>                         | No                                    | Financial years starting on 1 January 2016    |
| <i>IFRS 14 “Regulatory deferral accounts”</i>  | No                                    | Financial years starting on 1 January 2016    |
| <i>Amendment to IAS 16, “Property plant and equipment”, and IAS 41, “Agriculture” regarding bearer plants</i>                | No                                    | Financial years starting on 1 January 2016    |
| <i>Annual improvements 2014</i>  | No                                    | Financial years starting on 1 January 2016    |
| <i>IFRS 9 “Financial instruments”</i>  | No                                    | Financial years starting on 1 January 2018    |
| <i>IFRS 15 “Revenue from contracts with customers”</i>   | No                                    | Financial years starting on 1 January 2017    |
| <i>Amendments to IAS 27, “Separate financial statements” on the equity method</i>  | No                                    | Financial years starting on 1 January 2016    |
| <i>Amendments to IFRS 10, “Consolidated financial statements” and IAS 28, “Investments in associates and joint ventures”</i> | No                                    | Financial years starting on 1 January 2016    |

It is specified that the accounting standards and/or interpretations whose application would be mandatory for periods beginning after December 31<sup>st</sup>, 2014 have not been adopted in advance

Ambienthesis is assessing the effects of the application of the above standards, that are currently deemed as non-impacting.

## EVALUATION CRITERIA

The most significant evaluation criteria adopted for the preparation of financial statements are reviewed below.

### Non-current Assets

#### ▪ Tangible Assets

The Tangible assets such as real estate, plant, machinery and other tangible fixed assets, are recognized using the cost model and stated at purchase price or production cost, including costs directly attributable to bringing the asset into operation. Borrowing costs are included provided that they satisfy the requirements of IAS 23. No revaluations of tangible assets are permitted, not even pursuant to specific laws.

Costs for improvements, modernization and transformation of incremental nature of tangible assets are recognised under balance sheet assets.

Tangible assets, starting from the moment they begin or should begin to be used, are depreciated on a straight-line basis over their useful life defined as the estimated period over which the assets will be used by the company. When the tangible asset comprises several significant components with different useful lives, depreciation is applied to each component. The value to be depreciated is the book value minus the estimated net value at the end of its useful life, if significant and reasonably determinable. Lands, even if purchased together with a building, are not subject to the depreciation, nor are the tangible assets held for sale, which are valued at the lower between the book value and their fair value net of disposal costs.

The depreciation rates on an annual basis generally used are as follows:

| Description                    | Rate      |
|--------------------------------|-----------|
| Industrial property            | 4%- 7%    |
| Generic plants                 | 7% - 12%  |
| Specific plants                | 10%- 15%  |
| Other plants                   | 20%       |
| Equipment                      | 25%- 35%  |
| Automobiles                    | 25%       |
| Motor vehicles                 | 20%       |
| Furniture and office machinery | 12%       |
| Electronic machinery           | 20%       |
| Canteen equipment              | 25% - 35% |
| Light constructions            | 10%       |
| Sewage plant                   | 15%       |

The replacement costs of identifiable components of complex assets are capitalized and depreciated over their useful life; the residual book value of the replaced component is recognized in the income statement. Ordinary maintenance and repair costs are recognized in the income statement in the year in which they incurred.

When events that imply a reduction in value of tangible assets occur, their recoverability is tested by comparing the book value with the related recoverable amount, represented by the higher between the fair value, net of disposal costs, and the value in use (see the section "impairment of non-financial assets"). Gains and losses deriving from the disposal or retirement of an asset are determined as the difference between the sale proceeds and the net book value and are recognized in the income statement.

### **Property Investments**

The item "property investments" includes, in accordance with IAS 40, land, buildings or parts of non-instrumental ensembles held in order to benefit from the rents, the increases in value or both and the land for which it is being determined the future use. Property investments are recorded at cost of purchase or production, amortized according to the criteria set out in paragraph "Tangible assets".

### **Goodwill and intangible assets with indefinite lives**

Goodwill and other intangible assets with indefinite useful lives are recognised at cost net of any accumulated



impairment losses.

At 31 December 2014 the Company does not hold intangible assets with indefinite useful lives other than goodwill.

The goodwill deriving from a business combination is determined as the excess deriving from the aggregate between the consideration transferred to the business, the net asset value attributable to minority interests and the fair value of previously held interest in the acquired company over the fair value of the acquired net assets and liabilities assumed at the acquisition date.

Goodwill related to acquisitions is not depreciated and the recoverability of the book value is tested at least annually (impairment test) and in any case when events that indicate an impairment occur, as required by IAS 36 (Impairment of Assets).

For the purposes of the impairment, the goodwill acquired in a business combination is allocated, from the acquisition date, to each of the units that generate financial flows (cash generating units) that are expected to benefit from the synergies of the acquisition.

The impairment is determined by assessing the recoverable amount of the CGU (or group of units) to which the goodwill relates. When the recoverable amount of the CGU (or group of units) is less than the carrying amount, an impairment loss is recognized. In those cases, where goodwill is attributed to a cash-generating unit (or group of units) whose assets are partially disposed of, the goodwill associated with the sold assets is taken into account when determining any gain (or loss) arising from the transaction. In these circumstances the transferred goodwill is measured on the basis of the relative values of the alienated assets in respect to the ones still owned with reference to the same unit.

### **Intangible Assets**

According to IAS 38, intangible assets are recorded if they can be objectively identified, if they are able to generate future economic benefits and if the cost can be measured reliably. They represent costs and expenses with future utility and are recorded at acquisition cost, including accessory charges and depreciated on a straight line. In this regard it is noted that:

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- Advertising costs are charged in full in the income statement in which they are incurred.
- Industrial patent rights and the use of intellectual property rights are capitalized if they meet the general conditions for recognition and amortized based on their presumed life, but no more than that fixed by the contracts and legislation.
- Concessions, licenses, trademarks and similar rights recorded as assets are capitalized if they meet the general conditions for recognition and are amortized over the expected period of use, in any case not exceeding that fixed in the purchase contract; in case the period of use shouldn't be definable, the duration is five years.

When events that imply a reduction in the value of intangible assets occur, their recoverability is tested by comparing the book value with the related recoverable amount, being the higher between the fair value, net of disposal costs, and value in use (see the section "impairment of non-financial assets").



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## **Impairment of non-financial assets**

IFRS require evaluation of the existence of impairment of tangible and intangible assets in the presence of indicators that suggest that this problem may exist.

In the case of goodwill and intangible assets with an indefinite useful life or assets not yet available for use, the estimated recoverable amount is performed at least annually, and in any case to the occurrence of specific events that may indicate a reduction in value. The recoverable amount is determined by comparing the book value recorded in the financial statements with the higher between the fair value net of selling costs and the value in use of the asset. The fair value, in the absence of a binding sales agreement, is estimated on the basis of values obtained from an active market or from recent transactions or on the best information available, to reflect the amount that the company could obtain from the sale of the asset.

The asset value in use is defined based on discounting of the cash flows expected from use the asset itself and its disposal at the end of its useful life. Discounting is carried out by applying a discount rate after tax, reflecting the current market assessments of the time value of money and the specific risks.

The assessment is made for individual assets or for the smallest identifiable group of assets that generates independent cash inflows deriving from their continuous use (cash generating units). An impairment loss is recorded if the recoverable amount is less than the book value. When the reasons for the impairment loss are no longer met, the assets, excluding goodwill, are revalued and the adjustment is recorded in the income statement as a revaluation (impairment reversal). The asset revaluation is the lower between the fair value and the book value gross of previously incurred impairments net of related amortization that would have been incurred had it not been written down.

## **Investments**

Investments in subsidiaries, associates and joint ventures are accounted for using the cost method, net of any impairment losses. If there are indications of a possible loss in value of investments, the value thereof is tested for impairment by comparing the carrying value with the recoverable value. If after the test result, the recoverable amount is less than the book value, the latter is reduced to the recoverable value, recording the loss to the income statement. The original value is reinstated in subsequent years if the reasons for the write-down no longer apply.

## **Business Combinations**

Business combinations are accounted for using the purchase method in IFRS 3. Under this method the consideration transferred in a business combination is measured at fair value, determined as the sum of the fair value of the transferred assets and the liabilities assumed by the Group at the date of acquisition and the capital instruments issued in exchange for control over the acquired entity. The Acquisition-related costs are recognized as expenses when incurred.

The payments subject to conditions, considered part of the transfer price are stated at fair value at the acquisition date. Any subsequent changes in fair value are recognized in the income statement.

At the acquisition date the identifiable acquired assets and liabilities assumed are recorded at fair value.

Goodwill is measured as the excess of the aggregate of the consideration transferred in the business combina-

tion, the net asset value attributable to minority interests and the fair value of any previously held interest in the acquired entity over the fair value of net acquired assets and liabilities assumed at the acquisition date.

If the value of net acquired assets and of the liabilities assumed at the acquisition date exceeds the sum of the consideration transferred, the net asset value attributable to minority interests and the fair value of previously held interest in the acquired entity, the excess is recognized immediately in the income statement as income from the concluded transaction. If the initial cost of a business combination can be determined only provisionally, adjustments to the values assigned initially are recognized within 12 months from the date of acquisition.

The shareholders' equity of minority interests as at the date of acquisition can be measured at fair value or in proportion to the share of minority interest in identifiable assets of the acquired entity. The choice of measurement method is made transaction by transaction.

If a business combination is achieved in stages, the Group's previously held equity in the acquired entity is measured at fair value at the acquisition date and any gain or loss that follows is recognized in the income statement. The previously held interest is then treated as if it were sold and repurchased on the date on which the acquirer obtains control.

Changes in the interest held by a subsidiary that do not constitute a loss of control are treated as equity transactions. Therefore, for subsequent purchases related to entities which are already controlled, any positive or negative difference between the purchase cost and the corresponding share of equity is recognized directly in the shareholders' equity; for partial sales of subsidiaries without loss of control, any capital gain/loss is recognized directly in the equity.

Mergers by incorporation of wholly owned companies ("mother-daughter" Mergers) which are configured as reorganization operations and therefore do not represent an acquisition in the economic sense are excluded from the scope of IFRS 3.

In the absence of specific references or principles or IFRS interpretations for these operations, the choice of the most suitable principle is guided by general canons of IAS 8. Thus, as indicated by the preliminary guidelines Assirevi (OPI 2), in the mergers by incorporation "mother-daughter", with participation of 100% it is applied the principle of continuity of values in separate financial statements compared to those included in the consolidated financial statements at the date of the merger.

### **Other non-current assets**

These assets are carried at estimated realizable value, taking into account the financial component deriving from the time of the forecast of those earnings exceeding twelve months.

### **Inventories**

Inventories consist of consumables.

They are recorded at the lowest between purchase or production cost, including related charges, and the estimated realizable value based on market trends.

The estimated realizable value is determined on the basis of the replacement cost of the same goods, the cost configuration adopted is called FIFO.

The manufacturing cost includes all direct costs and a share of indirect costs, individually identified and quanti-

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fied, reasonably attributable to the products. During the evaluation of the products that are being processed, the cost of production, according to the steps reached at period end, was taken into account

Inventories of obsolete or slow-moving items are written down to take account of the possibility of utilization or sale. The write-down is eliminated in subsequent years if the reasons for such should lapse.

### **Financial assets and liabilities**

The accounting standards for the evaluation and presentation of financial instruments are IAS 39 and IAS 32, while the financial report is prepared in accordance to 'IFRS 7. The financial instruments used by Ambienthesis S.p.A. are classified into the following classes: financial instruments registered at fair value in the income statement, loans and receivables, held-to-maturity investments and assets available for sale.

#### **Financial instruments registered at fair value in the income statement**

This category includes, among other things, derivative financial instruments that do not possess the characteristics for the application of hedge accounting.

The changes in fair value of derivatives belonging to the class under consideration are recorded in the income statement under "Financial income and expenses" in the period they occur.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments deadlines that are not quoted in an active market. These financial instruments are evaluated according to the amortized cost method as further described below, and income and expenses arising therefrom are recognized in the income statement under "Financial income and charges" based on amortized cost.

The class under consideration includes the following items:

##### **- Trade and others payables and receivables**

Trade receivables and other receivables are initially recognized at their fair value and are subsequently measured at amortized cost, using the effective interest rate, net of adjustments for impairment determined on the basis of the recovery assessments made by analysing the individual positions and the overall risk of the loans.

Should the date of collection of such receivables be spread over time and exceed normal commercial terms of the industry, these receivables shall be discounted.

Trade payables and other payables are initially recognized at their fair value and are subsequently recorded at amortized cost in the income statement that reflects the effective interest rate, being the rate that exactly discounts estimated future cash flows expected to the load value of the related liabilities.

##### **- Cash and Cash Equivalents**

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Cash and cash equivalents include cash on hand and bank deposits and other liquid investments with a maturity of no more than three months. For the purposes of the cash flow statement, cash and cash equivalents are represented by cash and cash equivalents net of bank overdrafts at the end of the financial year.

#### **- Financial Payables**

Financial payables are initially recorded at cost, corresponding to the fair value of the received consideration, net of related costs of acquisition of the instrument. After the initial recording, loans are measured at amortized cost; This method requires that the amortization is calculated using the effective interest rate, which is the rate that equalizes, upon initial recognition, the value of expected cash flows and the initial book value.

Additional expenses for financing transactions are classified as liabilities in the balance sheet, as a reduction of the loan granted, while the amortized cost is calculated taking into account these costs and any discount or premium envisaged at the time of adjustment. The economic effects of the valuation according to the amortized cost method are recorded as "Financial income/(expenses)".

#### **Financial derivatives**

Financial derivatives are initially recorded at fair value and then measured according to the subsequent changes in fair value. This method of recognition of changes in fair value depends on whether the instrument is designated as a hedging instrument and, if so, on the nature of the hedged transaction. In order to mitigate its exposure to the risk of changes in interest rates, the Company holds derivative instruments. In line with the chosen strategy, the Company does not enter into derivative transactions for speculative purposes.

In line with IAS 39, financial derivatives can be booked according to the methods established for hedge accounting only when, at the beginning of the hedge, (i) there is a formal designation and documentation of the hedging relationship itself (ii) it is assumed that the hedge is highly effective, (iii) the effectiveness can be reliably measured and (iv) the hedge is highly effective throughout the financial reporting periods for which it is designated. The hedging purposes are assessed from a strategic point of view. Whenever these assessments do not conform to the requirements of IAS 39 for hedge accounting, financial derivatives are classified as "Financial Instruments with recognition of the fair value in the income statement".

#### **Provisions for risks and charges**

Provisions for risks and charges involve determined costs and charges, whose existence is certain or probable, and whose amount or date of occurrence cannot be determined at the end of the financial year. Provisions are recognized when: (i) an entity has a present obligation, legal or implicit, deriving from a past event; (ii) it is probable that the obligation will be onerous; (iii) the amount of the obligation can be reliably estimated.

Provisions are recognized at the value representing the best estimate of the amount the company would reasonably pay to settle the obligation or transfer it to third parties at the end of the financial year. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the cash flows, determined taking into account the risks associated with the obligation, at the average Company's debt rate; The increase in the provision due to the passing of time is recognized in the income statement under "Financial income (expenses)".

The costs in which the Company expects to incur in order to carry out its restructuring plans are recorded in the financial period during which the company formally defines the plan and the interested parties have a valid expectation that the restructuring will happen. Provisions are periodically updated to reflect changes in cost estimates, settlement times and the discount rate; revisions to estimates are recognized in the same income statement item that had previously held the provision, or, when the liability regards tangible assets (i.e. the dismantling and restoration of sites), as a contra-entry to the asset to which it refers.

### **Benefits to employees**

The termination benefit is classified as a "post-employment benefit" of the "defined benefit plan", whose amount that has been already accrued must be projected to estimate the amount to be paid upon termination of employment and then discounted, using the "Projected Unit Credit Method". This method consists in evaluations that express the current average value of the pension obligations on the basis of service that the employee has performed until the time when the evaluation is made by projecting, however, the worker's wages. The methodology of calculation can be summarized in the following stages:

- Making a projection, for each person employed at the date of measurement, of the staff termination benefits already provided for and future staff termination benefits accruing up to the projected time of payment;
- determining, for each employee, probable payments of staff termination benefits that the Company will have to make, in the case of the employee leaving due to dismissal, resignation, disability, death or retirement, or on request for an advance;
- discounting, at the measurement date, each likely payment
- re-proportioning, for each employee, the likely and discounted calculations based on seniority at the measurement date, with respect to the corresponding projected time of payment.

Using the actuarial calculation, the current service cost, which defines the amount of rights accrued by employees, is recognized in the income statement under "cost of labour", and, the interest cost, which constitutes the figurative charge that the company would incur should it ask the market for a loan equal to the termination benefit, is recognized under "Financial income/(expenses)". The actuarial gains and losses that reflect the effects of changes in actuarial assumptions are recognized directly in the Comprehensive Income Statement.

Please note that following the changes made to the rules for employee termination benefits ("TFR") by Law of 27 December 2006 no. 296 and subsequent decrees and regulations issued in early 2007, the following accounting treatment has been adopted:

- Termination benefits accrued since 1 January 2007: these are considered a defined contribution plan, regardless of whether individual employees have chosen a supplementary pension fund or the treasury fund managed by the INPS (the Italian National Social Security Institution). The accounting treatment has consequently been assimilated to the method currently applied to contribution payments of other kinds;
- Termination benefits accrued prior to 31 December 2006: these continue to be considered a defined-benefit plan, resulting in the need to carry out the actuarial valuation described above.

### **Treasury shares**

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Treasury shares are recognized at cost and deducted from equity. The economic effects deriving from any subsequent sales are recognized in equity.

### **Received dividends**

Dividends received from subsidiaries are recognized in the income statement when the right to receive payment is established.

### **Revenues and costs**

Revenues, costs, income and charges are booked in the financial statement net of returns, discounts and allowances, as well as any taxes directly connected with the sale of products and services rendered.

Revenues from sales of products are recognized upon transfer of significant risks and rewards associated with ownership of the goods, which normally coincides with the delivery or shipment of goods. Revenues for services are recognized based on the stage of completion of the service, determined on a "cost to cost" method, on the closing date of the period. The financial income is recognized on an accrual basis.

Costs are recognized when the related goods and services are sold or consumed during the financial year, by systematic distribution, or when their future usefulness cannot be determined.

### **Income taxes**

Please note that from 2010, Ambienthesis, together with some of its Italian subsidiaries, has been taking part in the national tax consolidation, adjusted to the conditions defined by the agreement between the participating companies, as the consolidating company. In particular, on the basis of this arrangement, the tax losses transferred by subsidiaries are recognized to these to the extent that the same losses are used as part of the fiscal consolidation.

Current taxes are calculated on the basis of taxable income for the period, adopting the current tax rates at the date of the balance sheet. The tax liabilities are classified, net of advances paid and taxes withheld under "Current tax liabilities", or under "Current tax assets" if the advances paid exceed its debt.

The deferred tax assets and deferred tax liabilities are calculated based on the temporary differences between assets and liabilities in the financial statements and the corresponding values recognized for tax purposes, using the tax rates that are expected to be in force when the temporary differences are reversed.

The recognition of deferred tax assets is made when their recovery is probable. The deferred tax assets relating to tax losses are recognized only if a future tax is expected, such as to make the recovery of the related tax benefit reasonably certain.

The deferred tax assets value is reviewed at the end of each period and is reduced to the extent that it is no longer probable that sufficient taxable income will be available in future for realizing all or part of this credit. The deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.

### **Foreign currency transactions**

Revenues and costs relating to transactions in currencies other than the functional currency are recorded at the exchange rate of the day when the transaction is completed.

Monetary assets and liabilities in currencies other than the functional currency are translated into the functional



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currency using the current exchange rate at the closing date of the related reporting period with the effects recognized in the income statement. Non-monetary assets and liabilities in currencies other than the functional currency valued at cost are recognized at the initial exchange rate; when they are measured at fair value, or at recoverable or realizable value, it is adopted the exchange rate at the measurement date.

### **Estimates and assumptions**

The application of generally accepted accounting standards for the preparation of financial statements and interim financial statements requires the management to make accounting estimates based on complex and / or subjective opinions, estimates based on past experience and assumptions considered reasonable and realistic based on the information known at the time of the estimate. Using these accounting estimates affects the book value of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date as well as the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimated due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. The following are the critical accounting estimates used in preparing the financial statements as they involve a large number of subjective judgments, assumptions and estimates regarding matters that are inherently uncertain. Changes in the conditions underlying the judgments, assumptions and estimates may have a significant impact on future results.

### **Allowance for doubtful accounts**

The allowance for doubtful accounts reflects management's estimate of losses related to the loan portfolio the end customers. The estimate of the allowance for doubtful accounts is based on losses expected by Ambienthesis Group, calculated on the basis of past experience with similar receivables, current and historical past due receivables, losses and collections, careful monitoring of credit quality and forecasts of economic and market conditions. The extension and possible deterioration of the economic and financial crisis could lead to a further deterioration in the financial condition of debtors compared to that already taken into account in calculating the allowances recognized in the financial statements.

### **Provision for future risks**

In addition to recognizing environmental liabilities, obligations to remove tangible assets and restore the sites and liabilities related to employee benefits, provision shall be made primarily related to litigation and tax issues. Estimates of the accruals to be made are the result of a complex process involving subjective judgments by the Company Management.

### **Recoverable value of non-current assets (including goodwill)**

Non-current assets include property, plants and equipment, intangible assets (including goodwill), investments and other financial assets. Management regularly reviews the book value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows expected from use or sale of the asset and a suitable discount rate to calculate the present value. When the book value of non-current asset has suffered a loss in value, the Company



recognizes an impairment loss for the amount by which the book value of the asset exceeds its recoverable amount by using or selling the same, determined with reference to the most recent company plans.

### Revenues from services

In this regard it should be noted that a portion of the Company's revenues is carried out based on contracts where payment is determined upon acquisition of the order. The related revenues are recognized on the basis of contractual revenues in proportion to the stage of completion determined using the incurred cost method (cost-to-cost). This means that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and / or costs that the Company may incur in the execution of these contracts.

### NON-CURRENT ASSETS

#### ( 1 ) Properties, plants, equipment and other fixed assets

Please find, below, the changes that the item had in this year compared with the previous year:

| Historical cost                      | 31/12/2013    | Increase     | Other movements | Disposals      | 31/12/2014    |
|--------------------------------------|---------------|--------------|-----------------|----------------|---------------|
| Lands and buildings                  | 11,067        | 630          | 2,824           | 0              | 14,521        |
| Plants and machinery                 | 32,108        | 322          | 0               | (2,807)        | 29,623        |
| Commercial and industrial equipment  | 6,140         | 44           | 0               | (566)          | 5,618         |
| Other tangible assets                | 283           | 0            | 0               | 0              | 283           |
| Current tangible assets and advances | 552           | 2,142        | (791)           | 0              | 1,903         |
| <b>Overall total</b>                 | <b>50,150</b> | <b>3,138</b> | <b>2,033</b>    | <b>(3,373)</b> | <b>51,948</b> |

| Amortisations                        | 31/12/2013    | Amortisation | Other movements | Disposals      | 31/12/2014    |
|--------------------------------------|---------------|--------------|-----------------|----------------|---------------|
| Lands and buildings                  | 4,633         | 969          | 0               | 0              | 5,602         |
| Plants and machinery                 | 26,069        | 1,464        | 0               | (2,793)        | 24,740        |
| Commercial and industrial equipment  | 5,498         | 276          | 0               | (564)          | 5,210         |
| Other tangible assets                | 261           | 10           | 0               | 0              | 271           |
| Current tangible assets and advances | 0             | 0            | 0               | 0              | 0             |
| <b>Overall total</b>                 | <b>36,461</b> | <b>2,719</b> | <b>0</b>        | <b>(3,357)</b> | <b>35,823</b> |

| Net worth                            | 31/12/2013    | Increase/(transfer) | Other movements | Amortisation | 31/12/2014    |
|--------------------------------------|---------------|---------------------|-----------------|--------------|---------------|
| Lands and buildings                  | 6,434         | 630                 | 2,824           | 969          | 8,919         |
| Plants and machinery                 | 6,039         | 308                 | 0               | 1,464        | 4,883         |
| Commercial and industrial equipment  | 642           | 42                  | 0               | 276          | 408           |
| Other tangible assets                | 22            | 0                   | 0               | 10           | 12            |
| Current tangible assets and advances | 552           | 2,142               | (791)           | 0            | 1,903         |
| <b>Overall total</b>                 | <b>13,689</b> | <b>3,122</b>        | <b>2,033</b>    | <b>2,719</b> | <b>16,125</b> |

The investments made during the year – for an amount of 3,138 thousand Euros - are primarily related to the normal cycle of investment in plant, machinery and equipment necessary for the performance of business. In particular, the Company, during the financial year:

- For 1,826 thousand euros, has carried out the revamping of the cleaning plant used for the remediation of lands called "ex Falck", located in the municipality of Sesto San Giovanni (MI).



- For 613 thousand euros, has completed the waterproofing of the PL30 area of the Orbassano waste treatment plant;
- For 157 thousand euros, has built a dynamic screening machine to separate materials in the Orbassano plant;
- For 118 thousand Euros, has installed a new fire system in the plant of Liscate.

"Other movements" under "Land and buildings" refer to the reclassification of the real estate complex called "Cascina Ovi", the amount of which was recorded in the previous year as "Non-current asset held for sale", as a result of the non-execution of the sale process of the property complex, adjusted for depreciation that would otherwise be recognized if the asset had not been classified as held for sale. The total amortization recorded in the financial statements amounts to 508 thousand Euros.

In the "Disposals" column there is the divestment of the business branch for the production of energy from biogas at the plants of S. Urbano and Borgo Montello, carried out with related parties in 2014, which generated a capital gain of 52 thousand Euros.

The changes in the previous year are represented below:

| Historical cost                     | 31/12/2012    | Merger Impact | In-crease    | Other move-ments | Disposals   | 31/12/2013    |
|-------------------------------------|---------------|---------------|--------------|------------------|-------------|---------------|
| Lands and buildings                 | 3,249         | 4,972         | 96           | 2,750            | 0           | 11,067        |
| Plants and machinery                | 22,438        | 7,790         | 592          | 1,288            | 0           | 32,108        |
| Commercial and industrial equipment | 5,055         | 1,116         | 20           | 0                | (51)        | 6,140         |
| Other tangible assets               | 53            | 235           | 0            | 0                | (5)         | 283           |
| Lands and buildings                 | 4,062         | 1             | 529          | (4,040)          | 0           | 552           |
| <b>Overall total</b>                | <b>34,857</b> | <b>14,114</b> | <b>1,237</b> | <b>(2)</b>       | <b>(56)</b> | <b>50,150</b> |

| Amortisations                        | 31/12/2012    | Merger Impact | In-crease    | Other move-ments | Disposals   | 31/12/2013    |
|--------------------------------------|---------------|---------------|--------------|------------------|-------------|---------------|
| Lands and buildings                  | 2,609         | 1,684         | 340          | 0                | 0           | 4,633         |
| Plants and machinery                 | 18,534        | 6,081         | 1,454        | 0                | 0           | 26,069        |
| Commercial and industrial equipment  | 4,257         | 952           | 340          | 0                | (51)        | 5,498         |
| Other tangible assets                | 21            | 224           | 21           | 0                | (5)         | 261           |
| Current tangible assets and advances | 0             | -             | 0            | 0                | 0           | 0             |
| <b>Overall total</b>                 | <b>25,421</b> | <b>8,941</b>  | <b>2,155</b> | <b>0</b>         | <b>(56)</b> | <b>36,461</b> |

| Net worth                           | 31/12/2012 | Merger Impact | Increase/(transfer) | Other move-ments | Amortisa-tion | 31/12/2013 |
|-------------------------------------|------------|---------------|---------------------|------------------|---------------|------------|
| Lands and buildings                 | 640        | 3,288         | 96                  | 2,750            | 340           | 6,434      |
| Plants and machinery                | 3,905      | 1,708         | 592                 | 1,288            | 1,454         | 6,039      |
| Commercial and industrial equipment | 798        | 164           | 20                  | 0                | 340           | 642        |

|                                      |              |              |              |            |              |               |
|--------------------------------------|--------------|--------------|--------------|------------|--------------|---------------|
| Other tangible assets                | 32           | 11           | 0            | 0          | 21           | 22            |
| Current tangible assets and advances | 4,062        | 1            | 529          | (4,040)    | 0            | 552           |
| <b>Overall total</b>                 | <b>9,437</b> | <b>5,172</b> | <b>1,237</b> | <b>(2)</b> | <b>2,155</b> | <b>13,689</b> |

## ( 2 ) Property Investments

| Description       | 31/12/2014    | 31/12/2013    | Variation |
|-------------------|---------------|---------------|-----------|
| Casei Gerola Area | 17,410        | 17,410        | 0         |
| <b>Total</b>      | <b>17,410</b> | <b>17,410</b> | <b>0</b>  |

This item refers, for an amount of 11,080 thousand Euros, to the former sugar factory located in the municipality of Casei Gerola (PV), occupying an area of about 404,300 square meters, purchased in 2009, for a total price of 17 million Euros in addition to charges and taxes.

The Ambienthesis Group through a temporary grouping of companies, had simultaneously obtained a contract for the reclamation works of the subsoil alone and one for the demolition and remediation of the property complex.

On 16 February 2011, a contract was signed between the parties, which - subject to the sampling of groundwater and subsequent evaluation of the results by the accredited bodies - sanctioned, inter alia, the commitment of Ecoitalia (now merged into Ambienthesis S.p.A.) to pay the balance of the purchase price of the real estate complex, equal to 6 million Euros, 1.9 million Euros, by way of compensation made on 29 July 2011 with receivables due to Ecoitalia in regards to the above-mentioned contract and the residuals 4.1 million Euros within the 7 days following the issue of the Certificate of Reclamation Completion. As a guarantee for this payment, mortgages have been registered on real estate subject of the sale for an equal value. The aforementioned contract was subject to a resolute condition that provided, by 31 July 2012, in the absence of the issuance of the Certificate of Reclamation Completion, the right of the Parties to take any initiative to protect their rights and interests.

At the date of this financial statement, the certificate of completion of remediation operations was issued, but the same certificate, while not envisaging the need to carry out aquifer remediation, does not extend to the activities of leveling of the lagoon tanks outside the establishment (activities to be performed) and prescribes the need to submit to the municipality, after having heard the competent ASL (Local Health Authority) - for a possible design proposal for the use of the area, which is not used yet - an assessment of the sanitary risk.

For the foregoing, Ecoitalia did not consider that the conditions for payment of the balance of the above mentioned purchase price, as required by Finbieticola, were met, following the issuance of the said certificate.

Furthermore, in view of the foregoing, Ecoitalia has appealed the decision before the TAR and also sued Finbieticola to the Milan Civil Court to ascertain that at present the price of the real estate purchase is not due to Finbieticola.

Finbieticola has duly and promptly appeared before the Milan Court requesting the claim to be rejected and requesting the establishment of the condition precedent as per art. 3.1 of the Transaction of 2011 and, consequently, the condemnation of Ecoitalia to the payment of the balance of 4,130 thousand Euros plus interest.

Ambienthesis, successor to Equitalia a result of the merger of the latter, reconciled and settled the civil and administrative disputes, committing to assign, sell and retransfer to Finbieticola a portion of the Property of a hundred thousand square meters (equal to n. 10 hectares) located in front of the provincial road n. 206 Voghera No-

vara and, laterally, south on Provincial Road to Alzano Scrivia, taking also the obligation to carry out directly the activities of monitoring of groundwater and of the banks of the lagoon tanks. So far the operations of fractionation of the Property have not yet been completed and given that the Parties, given that the Parties are still in the process of verifying and sharing the most tax-efficient ways to proceed with the relegation of a portion of the Property to Finbieticola, an agreement was reached on the need to prepare and deposit with the relevant financial administration bodies an interpretive ruling for the possible subjection of the transaction to the VAT with a concurrent extension of the term.

Once received the answer to the ruling, Finbieticola requested a further extension of the agreement until June 30, 2015.

Fair value relating to real estate investment, determined by an independent expert's evaluation, is essentially aligned with the carrying amount of the financial statements.

### ( 3 ) Goodwill

| Description    | 31/12/2014    | 31/12/2013    | Variation |
|----------------|---------------|---------------|-----------|
| Erger goodwill | 20.848        | 20.848        | 0         |
| <b>Total</b>   | <b>20.848</b> | <b>20.848</b> | <b>0</b>  |

Goodwill for a total 20,848 thousand Euros refers to:

- for 12,000 thousand Euros, goodwill from merger relating to the operation which took place in 2007, determined by applying the so-called purchase method (IFRS 3). It represents the difference between the price paid for the "acquisition" and the fair value of assets and liabilities acquired by Ambienthesis S.p.A. on the merger's effective date. This, in line with the "rational purchase" aimed at creating a leading center in Italy in the ecological and environmental remediation services sector was allocated for 12,000 thousand Euros to the CGU represented by the "environment division" of the former Sadi Servizi Industriali S.p.A..

- as a result of the merger - which took place during the previous FY - in the separate financial statements of Ambienthesis S.p.A. it has also emerged the goodwill arising from the acquisition of Co.gi.ri. S.r.l. and Ecoitalia S.r.l. respectively for 4,541 thousand Euros and 4,307 thousand Euros within the limits of the same goodwill charges made in the Group's consolidated financial statements (principle of continuity of values).

As prescribed by IAS 36, the goodwill, being an intangible asset with an indefinite life is not subject to systematic amortization but is tested, at least annually, for recoverability (impairment test). With reference to above mentioned goodwill the estimates of the recoverable value are attributable to the notion of value in use, estimated on the basis of cash flows generated by the business unit to which the goodwill refers to (cash generating unit environment).

The estimate of the value in use was based on the updating of forecast data, determined on the basis of the following assumptions:

- Explicit period of the business plan: 3 years (2015/2017)
- Terminal value: the future cash flows include a terminal value used to estimate future results in addition to the specific period; Said terminal value was determined using a long-term growth rate "g" equal to 1%

- Growth rate "g": 1.00%;
- WACC: a weighted average WACC of 6,28%. has been used.

On the basis of the impairment test that has been performed, the recoverable amount of the GCU, determined based on the expected cash flows (Enterprise value), was higher than the carrying amount (net invested capital) including goodwill. It is reported that we also proceeded to operate several "sensitivity analysis" assuming an increase of 1% in the WACC while keeping the other conditions unchanged. Also under that scenario, it appears that the recoverable amount of the CGU exceeds the carrying amount.

#### ( 4 ) Intangible Assets

Intangible assets are allocated in the assets showing a balance of 20 thousand Euros.

The voices are recorded as assets on the balance sheet since they are of productive economic utility over a period of several years.

| Historical cost                                      | 31/12/2013 | Increase | Other move-ments | Dispos-als | 31/12/2014 |
|--|------------|----------|------------------|------------|------------|
| Industrial patents and intellectual property rights  | 3          | 0        | 0                | 0          | 3          |
| Concessions, licences, trademarks and similar rights | 697        | 0        | (399)            | 0          | 298        |
| Current fixed assets and advances                    | 5          | 0        | 0                | 0          | 5          |
| Other intangible assets                              | 166        | 0        | (8)              | 0          | 158        |
| <b>Overall total</b>                                 | <b>871</b> | <b>0</b> | <b>(407)</b>     | <b>0</b>   | <b>464</b> |

| Amortisations  | 31/12/2013 | Amorti-sation | Other move-ments | Dispos-als | 31/12/2014 |
|--|------------|---------------|------------------|------------|------------|
| Industrial patents and intellectual property rights  | 3          | 0             | 0                | 0          | 3          |
| Concessions, licences, trademarks and similar rights | 673        | 9             | (399)            | 0          | 283        |
| Current fixed assets and advances                    | 0          | 0             | 0                | 0          | 0          |
| Other intangible assets                              | 165        | 1             | (8)              | 0          | 158        |
| <b>Overall total</b>                                 | <b>841</b> | <b>10</b>     | <b>(407)</b>     | <b>0</b>   | <b>444</b> |

| Net worth  | 31/12/2013 | In-crease/(transfer) | Other move-ments | Amorti-sation | 31/12/2014 |
|--|------------|----------------------|------------------|---------------|------------|
| Industrial patents and intellectual property rights  | 0          | 0                    | 0                | 0             | 0          |
| Concessions, licences, trademarks and similar rights | 24         | 0                    | 0                | 9             | 15         |
| Current fixed assets and advances                    | 5          | 0                    | 0                | 0             | 5          |
| Other intangible assets                              | 1          | 0                    | 0                | 1             | 0          |
| <b>Overall total</b>                                 | <b>30</b>  | <b>0</b>             | <b>0</b>         | <b>10</b>     | <b>20</b>  |

The previous year had instead the following changes:



| Historical cost                                      | 31/12/2012 | Merger Impact | In-crease | Other move-ments | Dis-posals | 31/12/2013 |
|--|------------|---------------|-----------|------------------|------------|------------|
| Industrial patents and intellectual property rights  | 110        | 0             | 0         | (107)            | 0          | 3          |
| Concessions, licences, trademarks and similar rights | 462        | 119           | 11        | 105              | 0          | 697        |
| Current fixed assets and advances                    | 0          | 5             | 0         | 0                | 0          | 5          |
| Other intangible assets                              | 155        | 11            | 0         | 0                | 0          | 166        |
| <b>Overall total</b>                                 | <b>727</b> | <b>135</b>    | <b>11</b> | <b>(2)</b>       | <b>0</b>   | <b>871</b> |

| Amortisations  | 31/12/2012 | Merger Impact | In-crease | Other move-ments | Dis-posals | 31/12/2013 |
|--|------------|---------------|-----------|------------------|------------|------------|
| Industrial patents and intellectual property rights  | 110        | 0             | 0         | (107)            | 0          | 3          |
| Concessions, licences, trademarks and similar rights | 444        | 99            | 25        | 105              | 0          | 673        |
| Current fixed assets and advances                    | 0          | 0             | 0         | 0                | 0          | 0          |
| Other intangible assets                              | 155        | 8             | 2         | 0                | 0          | 165        |
| <b>Overall total</b>                                 | <b>709</b> | <b>107</b>    | <b>27</b> | <b>(2)</b>       | <b>0</b>   | <b>841</b> |

| Net worth  | 31/12/2012 | Merger Impact | In-crease/(trans-fer) | Other move-ments | Amor-tisation | 31/12/2013 |
|--|------------|---------------|-----------------------|------------------|---------------|------------|
| Diritti di brevetto industriale ed utilizzazione delle opere d'ingegno | 0          | 0             | 0                     | 0                | 0             | 0          |
| Concessioni, licenze, marchi e diritti simili                          | 18         | 20            | 11                    | 0                | 25            | 24         |
| Immobilizzazioni in corso e acconti                                    | 0          | 5             | 0                     | 0                | 0             | 5          |
| Altre immobilizzazioni immateriali                                     | 0          | 3             | 0                     | 0                | 2             | 1          |
| <b>Overall total</b>   | <b>18</b>  | <b>28</b>     | <b>11</b>             | <b>0</b>         | <b>27</b>     | <b>30</b>  |

## ( 5 ) Investments

| Description                    | 31/12/2014    | 31/12/2013    | Variation      |
|--------------------------------|---------------|---------------|----------------|
| Interests in subsidiaries      | 11,386        | 12,636        | (1,250)        |
| Interests in related companies | 3,158         | 3,133         | 25             |
| <b>Total</b>                   | <b>14,544</b> | <b>15,769</b> | <b>(1,225)</b> |

Investments held by the Company as of December 31, 2014 are recorded for a total of 14,544 thousand Euros. The composition and movements of the individual items are detailed in the following tables:

| Description                                       | 31/12/2013 | Increases | Decreases | 31/12/2014 |
|---|------------|-----------|-----------|------------|
| - Valdastico immobiliare Srl                      | 9,622      | 150       | 0         | 9,772      |
| - (Valdastico immobiliare Srl bad debt provision) | (5,822)    | (1,400)   | 0         | (7,222)    |
| - SI Green UK Ltd                                 | 817        | 0         | 0         | 817        |



|  |               |                |          |               |
|--|---------------|----------------|----------|---------------|
| - (SI Green UK Ltd bad debts provision)    | (817)         | 0              | 0        | (817)         |
| - La Torrazza Srl                          | 7,870         | 0              | 0        | 7,870         |
| - (La Torrazza Srl bad debts provision)    | 0             | 0              | 0        | 0             |
| - Bioagritalia Srl                         | 966           | 0              | 0        | 966           |
| - Green Piemonte Srl                       | 268           | 25             | 0        | 293           |
| - (Green Piemonte Srl bad debts provision) | (268)         | (25)           | 0        | (293)         |
| <b>Total</b>                               | <b>12,636</b> | <b>(1,250)</b> | <b>0</b> | <b>11,386</b> |

The table below shows the data relating to investments in subsidiaries recorded in the financial statements:

| Company name               | Headquarters                   | Share capital | Equity  | income | Interest %   | Value         |
|----------------------------|--------------------------------|---------------|---------|--------|--------------|---------------|
| Valdastico Immobiliare Srl | Segrate - via Cassanese 45     | 100           | (49)    | (349)  | 100%         | 2,550         |
| SI Green UK Ltd            | Swansea (UK), 5 New Mill Court | 625           | (3,808) | (624)  | 100%         | 0             |
| La Torrazza Srl            | Segrate - via Cassanese 45     | 90            | 2,077   | 929    | 100%         | 7,870         |
| Bioagritalia Srl           | Segrate - via Cassanese 45     | 99            | 567     | 47     | 70%          | 966           |
| Green Piemonte Srl         | Segrate - via Cassanese 45     | 40            | 19      | (26)   | 100%         | 0             |
|                            |                                |               |         |        | <b>Total</b> | <b>11,386</b> |

Data on equity and operating results of the company refer to the date of December 31, 2014, unless otherwise indicated.

Equity investments are subject to impairment tests, if indicators of impairment are identified.

Following are the consequent results of the impairment tests performed:

**La Torrazza S.r.l.** has a legal right to operate a landfill for non-hazardous waste. The Directors, in connection with the preparation of these financial statements on the basis of the economic plan made available by the subsidiary, that is based on the operating period of the landfill– please note that in 2014 there has been an authorised variation that brought to an expansion of the quantities of received waste (+ 94,400 m<sup>3</sup>) and a consequent raising of the landfill's final quotas and a stretching of 22 months of the cell 8 management plan. - have subjected the investment in the subsidiary to recoverability testing. The book value was compared with the value in use, calculated using a post-tax discount rate identified in the WACC equal to 6,28%.

The result of the impairment test conducted on the subsidiary did not show impairment losses on the investment.

With reference to **SI Green UK Ltd** it is acknowledged that in December 2009, by resolution no. TP 3835LV, the UK Environment Agency has authorized the construction of the new landfill facility for a total volume of 815,000 cubic meters. The carrying value of the investment had already been written off in previous years and maintained the same at the date of preparation of these financial statements.

In the UK, following the government's environmental policy, which aims at discouraging transfers of waste to landfills, and the crisis that is affecting, more specifically, the field of land reclamation and disposal in the areas where the landfill of SI Green UK is located, the current conditions make it more difficult to develop "waste management initiatives". In light of the above, management has evaluated alternative ways to recover the investment made. SI

Green UK owns, as known, a very extensive area, located in Morrision. The area intended for the landfill, in fact, covers 5,4 ha; the surrounding areas, also owned by the company, cover more than 8 hectares and are located close to residential areas that provide an interesting urban development.

This is why a project of a developer in Cardiff (Edenstone Ltd), owner of a small adjacent area, has been taken into account. The proposal consists of jointly developing a real estate project that would provide for the construction of about 250 two-family units in the areas property of SI Green UK, using its property for access and traffic flow. On March 27, 2014 the urban structure and the preliminary draft of the expected urban settlement were presented to the competent bodies of the Swansea City Council.

On April 28, 2014 it took place the "Public Consultation" in which the preliminary design was officially presented to the public. On this occasion the majority of the participants expressed their support to the proposals submitted.

The necessary analysis with the Wales National Resources (the former Environmental Agency) and the Swansea Council are now underway, for defining the ways to secure the area concerning the waste. It is expected that this phase will be completed by June 2015, as is the release of the construction license. The recoverable value has therefore been determined by comparing the book value recorded in the Financial Statements with the Fair Value, net of selling costs of the owned area, that was determined with the help of an appraisal by an independent expert, assuming to have obtained the authorizations to make the same a buildable area. The Impairment test did not show any impairment losses to be recognized in the financial statements at December 31, 2014.

**Valdastico Immobiliare S.r.l.** was created, in 2012, by the operation of separation by demerger of the business unit of Sadi Poliarchitettura S.r.l

It is noted that, on 18 November 2014, the Company has carried out a partial waiver of its loans amounting to 150 thousand Euros, in order to cover the losses incurred in the financial statements of its subsidiary.

The Directors identified impairment losses on the investment and carried out the impairment test. The recoverable amount of the investment was determined by comparing the book value recorded in the Financial Statements with the Fair Value net of costs to sell the investment, mainly represented by the value of the company's property. The building's fair value was determined with the support of a report prepared by an independent expert.

The Impairment test has highlighted, also considering the criticality of the real estate market as a whole, an additional Impairment loss over the previous year, for which the Company has recorded a write-down of the Investment, amounting to 1,400 thousand Euros charged to the Income Statement.

#### **Investments in associated companies:**

Following is the composition of the investments in associated companies:

| Description                           | 31/12/2013   | Increases | Decreases | 31/12/2014   |
|---------------------------------------|--------------|-----------|-----------|--------------|
| Daisy Srl                             | 2,410        | 0         | 0         | 2,410        |
| Barricalla SpA                        | 723          | 0         | 0         | 723          |
| Grandi Bonifiche soc. consortile r.l. | 0            | 25        |           | 25           |
| <b>Total</b>                          | <b>3,133</b> | <b>25</b> | <b>0</b>  | <b>3,158</b> |

The company Daisy S.r.l., owned at 50%, owns an area for which there is an authorization to the realization of a



new landfill for non-hazardous waste.

Following the completion of the construction phase of the plant, with attached a landfill facility, located in Barletta (BA), in February 2014, the Control Bodies carried out an inspection check to ensure that the works were completed in compliance with what was set out in the Integrated Environmental Authorization and on March 12, 2014, there was the clearance to start the business. The opening of the plant took place during the second half of 2014.

The carrying value of the investment amounting to 2,410 thousand Euros, has not changed compared with the previous year. The investment will be recovered on the basis of the economic utilization of the landfill.

On April 4, 2014, the companies Ambienthesis S.p.A. and Germani S.p.A. formed, with the shares of 90% and 10% respectively, the company "Grandi Bonifiche Società Consortile s.r.l.", for the assignment of the contract for the reclamation of the so-called "ex Falck" areas of Sesto San Giovanni (MI). The aforementioned reclamation activities will focus, at once, on the first lot of the areas in question, for a total amount of work of approximately 22 million Euros.

In June 2014, Ambienthesis S.p.A. sold to Unirecuperi S.r.l. 41% of the shareholding in the capital of Grandi Bonifiche, and after this sale, the stake held by Ambienthesis now stands at 49%, the same stake held by Unirecuperi S.r.l. following the sale to the same of 8% of the shares by Germani S.p.A..

The table below shows the data relating to participation in Daisy S.r.l., Grandi Bonifiche Società Consortile S.r.l. and Barricalla S.p.A. :

| Company name                          | headquarters                              | Share capital | Equity | Income | Interest %   | Value        |
|---------------------------------------|---|---------------|--------|--------|--------------|--------------|
| Daisy Srl                             | Via delle Mammole - Modugno (BA)          | 5,120         | 4,718  | (108)  | 50%          | 2,410        |
| Grandi Bonifiche soc. consortile r.l. | Via Meuccio Ruini, 10- Reggio nell'Emilia | 50            | 49     | (1)    | 49%          | 25           |
| Barricalla SpA                        | C.so Marconi, 10 - Torino                 | 2,066         | 3,761  | 1,063  | 35%          | 723          |
|                                       |   |               |        |        | <b>Total</b> | <b>3,158</b> |

## ( 6 ) Other financial assets

| Description                                  | 31/12/2014   | 31/12/2013   | Variation    |
|--|--------------|--------------|--------------|
| <i>Financial receivables to subsidiaries</i> |              |              |              |
| - SI Green UK Ltd                            | 7,719        | 6,562        | 1,157        |
| <b>Total</b>                                 | <b>7,719</b> | <b>6,562</b> | <b>1,157</b> |

The amount of 7,719 thousand Euros (6,012 thousand GBP) relates to loans made to the subsidiary SI Green UK Ltd that, as of 2011, accrue interest at 2% per annum (see also the contents of paragraph 5 above).

The credit amounts to 7,226 thousand Euros for capital plus interest for 493 thousand Euros.

## ( 7 ) Deferred tax assets

Please find below a breakdown of the assets that resulted in the temporary differences from which originated the deferred tax assets:

| Description   | 31/12/2013   | Increase     | Decrease     | 31/12/2014    | Variation    |
|---|--------------|--------------|--------------|---------------|--------------|
| Allowance for doubtful accounts                     | 128          | 1,758        | 0            | 1,886         | 1,758        |
| Termination benefit advance and other effects       | 231          | 32           | (38)         | 225           | (6)          |
| Reportable tax loss                                 | 2,944        | 3,609        | 0            | 6,553         | 3,609        |
| Directors' fees                                     | 272          | 163          | (175)        | 260           | (12)         |
| Non-competence expenses                             | 178          | 0            | 0            | 178           | 0            |
| Maintenance and repairs                             | 67           | 0            | (67)         | 0             | (67)         |
| Provisions for risks and charges on tax assessments | 0            | 1,155        | 0            | 1,155         | 1,155        |
| Uncollected default interest                        | 0            | 46           | 0            | 46            | 46           |
| Doubtful receivables on interest assets             | 593          | 0            | 0            | 593           | 0            |
| <b>Total</b>  | <b>4,413</b> | <b>6,763</b> | <b>(280)</b> | <b>10,896</b> | <b>6,483</b> |

The **deferred tax assets** underwent the following changes:

| Description   | 31/12/2013   | Increase     | Decrease    | 31/12/2014   | Variation    |
|---|--------------|--------------|-------------|--------------|--------------|
| Allowance for doubtful accounts                     | 36           | 483          | 0           | 519          | 483          |
| Termination benefit advance and other effects       | 64           | 9            | (13)        | 60           | (4)          |
| Reportable tax loss                                 | 809          | 992          | 0           | 1,801        | 992          |
| Directors' fees                                     | 75           | 45           | (48)        | 72           | (3)          |
| Non-competence expenses                             | 56           | 0            | 0           | 56           | 0            |
| Maintenance and repairs                             | 16           | 0            | (16)        | 0            | (16)         |
| Provisions for risks and charges on tax assessments | 0            | 318          | 0           | 318          | 318          |
| Uncollected default interest                        | 0            | 13           | 0           | 13           | 13           |
| Allowance for doubtful accounts                     | 165          | 0            | 0           | 165          | 0            |
| <b>Total</b>  | <b>1,221</b> | <b>1,860</b> | <b>(77)</b> | <b>3,004</b> | <b>1,783</b> |

The recognition of deferred tax assets relating to tax losses for a further 992 thousand euros (809 thousand euro had already been recorded in the previous year) was carried out as it is expected, based on the forecasts drawn up by the Company, the existence of future taxable income such as to make the recovery of the related tax benefit reasonably certain. With reference to the tax losses transferred to the tax consolidation by the consolidated companies Valdastico Immobiliare S.r.l. And Green Piemonte S.r.l. It was recorded as other liabilities the debt corresponding to the remuneration that will be due at the time of the actual use of the same. The counterpart of these liabilities was entered in the current tax for the year, such as "tax consolidation charges".

In addition, deferred tax assets on write-downs of trade receivables were set aside. They amounted to 1,758 thousand Euros, relating to the receivable due from the company Ilva S.p.A. which is in extraordinary administration.

Deferred tax receivables have been determined on the basis of the tax rates corresponding to the rates that are expected to be applied at the time when these differences shall arise, and in particular the rates used are: Ires 27.5% and Irap 3.9%.

The decrease in deferred tax assets corresponds to the use of temporary differences generated in previous years.

The deferred tax assets, had, during the financial year, the following overall changes detailed below:

| Description   | Total        |
|---|--------------|
| Deferred tax assets, recognised to shareholders' equity       | 27           |
| Use of deferred tax assets recognised in the income statement | (77)         |
| Deferred tax assets recognised in the income statement        | 1,833        |
| <b>Total</b>  | <b>1,783</b> |

Changes during the previous year were, instead, as follows:

| Description   | 31/12/2012 | Merger Impact | Increase   | Decrease    | 31/12/2013   | Variation  |
|---|------------|---------------|------------|-------------|--------------|------------|
| Allowance for doubtful accounts                     | 36         | 0             | 0          | 0           | 36           | 0          |
| Termination benefit advance and other effects       | 7          | 77            | 0          | (20)        | 64           | 57         |
| Reportable tax loss                                 | 0          | 0             | 809        | 0           | 809          | 809        |
| Directors' fees                                     | 6          | 55            | 14         | 0           | 75           | 69         |
| Non-competence expenses                             | 0          | 68            | 0          | (12)        | 56           | 56         |
| Maintenance and repairs                             | 34         | 0             | 0          | (18)        | 16           | (18)       |
| Provisions for risks and charges on tax assessments | 139        | 26            | 0          | 0           | 165          | 26         |
| <b>Total</b>  | <b>222</b> | <b>226</b>    | <b>823</b> | <b>(50)</b> | <b>1.221</b> | <b>999</b> |

## ( 8 ) Other assets

Other non-current assets, amounting to 383 thousand Euros, are as follows:

| Description       | 31/12/2014 | 31/12/2013 | Variation  |
|-------------------|------------|------------|------------|
| Pre-paid expenses | 343        | 338        | 5          |
| Deposits          | 40         | 47         | (7)        |
| <b>Total</b>      | <b>383</b> | <b>385</b> | <b>(2)</b> |

## CURRENT ASSETS

### ( 9 ) Inventories

| Description                             | 31/12/2014 | 31/12/2013 | Variation  |
|---|------------|------------|------------|
| Raw ancillary and consumables materials | 8          | 9          | (1)        |
| <b>Total</b>                            | <b>8</b>   | <b>9</b>   | <b>(1)</b> |

The inventories included amongst current assets amount to 8 thousand Euros.

### ( 10 ) Trade Receivables

| Description  | 31/12/2014    | 31/12/2013    | Variation      |
|--------------|---------------|---------------|----------------|
| Italy        | 13,429        | 21,825        | (8,396)        |
| Group        | 35,013        | 34,038        | 975            |
| <b>Total</b> | <b>48,442</b> | <b>55,863</b> | <b>(7,421)</b> |

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Trade receivables included in current assets amount to 48,442 thousand Euros and are all due within 12 months from the balance sheet date.

The amount of 20,589 thousand Euros due from the related TR Estate Due S.r.l. is recorded among the Group's trade receivables and it refers to amounts accrued as at 31 December 2014 for the contract named "Ex Sisas", in relation to the implementation of the safety works, the reclamation and the redevelopment already mentioned in the Management Report.

As it is known, TR Estate Due S.r.l. had entrusted to Ambienthesis S.p.A., as agent and lead manager of a temporary joint venture, the execution of works that TR Estate Due Srl, in turn, was obliged to carry on the area called "Ex Sisas", subject to precise and specific conditions, for the Ministry of Environment, the Lombardy Region, the Province of Milan, the City of Pioltello and the City of Rodano as part of the Programme Agreement signed on 21 December 2007 and the subsequent Addendum, dated 30.09.2009 - 15.10.2009.

During 2011, TR Estate Due Srl, as a result of the failure to comply with the conditions, in particular that of the economic and financial balance of the reclamation costs provided for in the Program Agreement and the subsequent Supplementary Act, interrupted (as, consequently did the TBA), the execution of the works of safe-keeping, reclamation and requalification of the above-mentioned area - works, however, already carried out in a not negligible and significant part and, to date, definitively concluded. TR Estate Due S.r.l. then started a separate judgment filed with the TAR Lombardia - Milano, against the signatories to the Agreement of Program and Supplementary Act, as well as against the Prime Minister and the Chief Commissioner appointed in the meantime; that judgment was intended, as far as it is known, to achieve proper compensation for all the damages suffered by TR Estate Due srl on account of the non-fulfillment and, in any event, to achieve the reimbursement of all the expenses incurred by TR Estate Due S.r.l. for the safety works, land reclamation and urban upgrading of the former Sisas area already carried out. It should also be noted that Eng. Guido Albertalli, by virtue of two different expert reports, the first of which was drawn up following the joint application of Regione Lombardia and TR Estate Due S.r.l. with r.g. 2354/10 Vol.Giur. of the Court of Milano and the second upon request of TR Estate Due S.r.l., certified and evaluated how the costs incurred by TR Estate Due S.r.l. for the activities covered by the 6 PotWs issued therein under the contract TR Estate Due S.r.l. - TBA Ambienthesis; In this regard, it should be recalled that Ambienthesis S.p.A. had previously appointed a trusted independent expert to certify the appropriateness of the costs incurred in the course of that contract, based on the determination of the fees as from contractual arrangements.

Given the above, as a result of requests of Ambienthesis S.p.A. for payment of the amount due to TR Estate Due S.r.l., the parties subscribed an addendum to the original contract under which the customer TR Estate Due S.r.l. expressly acknowledged its (residual) debt towards Ambienthesis S.p.A., committing itself to extinguishing its debit exposure by December 31, 2012, agreeing to pay a first installment by 31 January 2012.

Not receiving the provision due by the counterparty Administrations, TR Estate Due S.r.l. did not make the payments provided by the addendum.

Lacking a settlement agreement the TAR of Lombardia II sez. (RG 2260/2011), with a judgment filed on 31 October 2013, no. 2402, essentially upheld the appeal of TR Estate Due S.r.l. ordering the Lombardy Region and the Ministry of Environment to propose to the company, within 60 (sixty) days of the notification of the judgment the payment of a sum based on the criteria set out during the judgement intended, moreover, to limit the amount of credit.

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TR Estate Due Srl, feeling unfairly penalizing an incomplete recognition of its claim, filed to the Council of State a partial appeal against the decision of the TAR, only appealing against the part of the sentence that did not recognize the higher amount due to the company (hearing on the merits set for November 4, 2014).

The ruling was also appealed by the Region and the Ministry of the Environment.

In addition, TR Estate Due Srl, as it did not receive any payment proposal within the deadline from the Lombardy Region and the Ministry of the Environment, proposed to the TAR of Lombardy a judgment of compliance with the enforcement of the judgment of TAR 2260/2013 in so far as it had recognized the company's credit and ordered the administrations to pay it.

The TAR Lombardy, having noted the inertia of the Administrations in enforcing the judgment, upheld the appeal for compliance with a non-definitive ruling no. 1235 of May 12, 2014, ordering the Administrations to make an offer within the next 30 days, and warning the same that, if at fault, an appointed commissioner would be appointed and late penalties applied.

This last judgment of the Lombardy TAR was however suspended by the Council of State, by order no. 3178 of 16 July 2014, due to the forthcoming discussion of the appeals (on the merits of the whole dispute) at the already mentioned hearing of 4 November 2014.

The State Council, with sentence no. 6164 of 17 December 2014, confirmed that "it appears beyond dispute that TR Estate has ensured the disposal of waste in landfill "C", in addition to having incurred in financial costs at the time of purchase of the property" and that "the decision of the above public Administrations not to pay anything to the applicant for the partial fulfillment does not appear respectful of contractual good faith criteria" and ordered the Region and the Ministry to pay the amounts (by way of costs and expenses) shown in the appraisals made by Eng. Elefanti and Eng. Albertalli, in addition, among other things, to the costs incurred by TR Estate Due S.r.l. on behalf of the Commissioner, former Chief OPCM 3874/2010, already assessed and considered appropriate by the expert "Albertalli".

Said sentences have therefore ordered the public Administrations to set those amounts which were under discussion with TR Estate Due S.r.l.

For this purpose, the Lombardy Region summoned TR Estate Due S.r.l. for a first meeting held on April 14, 2015. Meanwhile TR Estate Due S.r.l. has notified and filed a claim with the State Council for the compliance (i.e. execution) of the final judgment of conviction against the Region and the Ministry.

Therefore, in the current year 2015 it is foreseeable the substantial definition of the credit of TR Estate Due S.r.l. The Directors wish the forthcoming conclusion of the above-mentioned actions and reiterate that they have carried out any necessary contractual and non-contractual recovery operation to protect the assets of the Ambienthesis Group, sia nei confronti di TR Estate Due S.r.l., both against TR Estate Due Srl, and the public administration as well as all the others who, with their behavior, have contributed to the delay suffered today by Ambienthesis Group in obtaining the payment of the fee for the works performed. The lawsuit introduced and registered in the register of civil affairs of the Court of Milan was defined by a ruling confirming the obligation of TR Estate Due S.r.l. to pay to Ambienthesis S.p.A. the amount of about 24 million Euros, while not recognizing a direct responsibility of the Administrations for the damage caused to Ambienthesis.

In the light of the above, in the preparation of the 2013 financial statements, the Directors have therefore decided not to modify the valuations made on the recoverability of the credit in question.



Regarding the credit claimed towards the Presidency of the Council of Ministers (Jolly Rosso) on October 17, 2014, there has been the collection of the same. The Provincial Treasury of the State, in execution of the order issued by the Court of Rome on May 26, 2014, paid in favor of Ambienthesis S.p.A., the sum of 4,276 thousand Euros, including interest and fees (capital share of 2,436 thousand Euros).

Among the Italian Trade receivables there is a receivable of 2,768 thousand Euros for invoices issued to Ilva S.p.A. The Directors, currently not possessing indisputable elements to consider the loans subject to lodge among those who will also benefit from the pre-deductibility, in accordance with Legislative Decree 1/2015, waiting to better understand and address the application of the law, and, in this particular case, the decisions that will be taken on the statement of liabilities of the extraordinary administration of Ilva S.p.A., considered, on a purely prudential basis, to carry out a full depreciation of the portion of the above-mentioned credit, which has not yet been collected, amounting to 1,758 thousand Euros.

The allowance for doubtful accounts has, in the previous year, changed as follows:

| Description                    | 31/12/2013     | Use      | Financial year provision | 31/12/2014     | Variation      |
|--------------------------------|----------------|----------|--------------------------|----------------|----------------|
| Doubtful receivables provision | (1.096)        | 0        | (1.758)                  | (2.854)        | (1.758)        |
| <b>Total</b>                   | <b>(1.096)</b> | <b>0</b> | <b>(1.758)</b>           | <b>(2.854)</b> | <b>(1.758)</b> |

#### ( 11 ) Current tax assets

Current tax assets amount to 749 thousand Euros.

Please note that the Company exercised an option acting as a consolidator for tax consolidation with some of its subsidiaries in accordance with art. 117 of the Consolidated Income Tax Act.

This item shows the residual receivable recognized in prior periods for a Regional business tax (IRES) refund for corporate income tax (IRAP) deduction concerning costs of staff from 2007 to 2011 (art. 2 DI. 201/2014) amounting to 332 thousand Euros. The application for repayment has been submitted during the month of March 2013 in the manner and within the time prescribed by the regulations.

| Tax receivables                        | 31/12/2014 | 31/12/2013 | Variation  |
|--|------------|------------|------------|
| Regional business tax receivables      | 281        | 281        | 0          |
| Reimbursement regional tax receivables | 332        | 332        | 0          |
| Corporate income tax                   | 136        | 137        | (1)        |
| <b>Total</b>                           | <b>749</b> | <b>750</b> | <b>(1)</b> |

#### ( 12 ) Financial receivables and other financial assets

The financial receivables and other financial assets, all subject to interest and due from related parties, amounting to 6,666 thousand Euros had the following composition:

| Payer                 | 31/12/2014 | 31/12/2013 | Variation |
|-----------------------|------------|------------|-----------|
| -                     |            |            |           |
| <i>Parent company</i> |            |            |           |
| - Blue holding S.p.A. | 148        | 146        | 2         |

Subsidiaries

|                                 |       |       |      |
|---------------------------------|-------|-------|------|
| - Green Piemonte S.r.l.         | 56    | 73    | (17) |
| - SI Green UK                   | 21    | 15    | 6    |
| - Valdastico immobiliare S.r.l. | 4,627 | 4,333 | 294  |

Related companies

|                         |       |       |    |
|-------------------------|-------|-------|----|
| - SPS S.r.l.            | 80    | 80    | 0  |
| - SPS writedown reserve | (80)  | (80)  | 0  |
| - Daisy s.r.l.          | 1.705 | 1.658 | 47 |

Other Group companies

|                      |     |   |     |
|----------------------|-----|---|-----|
| - REA Dalmine S.p.A. | 109 | 0 | 109 |
|----------------------|-----|---|-----|

|              |              |              |            |
|--------------|--------------|--------------|------------|
| <b>Total</b> | <b>6.666</b> | <b>6.225</b> | <b>441</b> |
|--------------|--------------|--------------|------------|

It is believed that the book value is well represented by the credit's fair value.

### ( 13 ) Other assets

Other current assets amount to 2,030 thousand Euros and are composed as follows:

| <b>Other short-term assets</b>                    | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|---|-------------------|-------------------|------------------|
| Various receivables (Municipality of Orbassano)   | 972               | 950               | 22               |
| Receivables to employees due to advances          | 6                 | 4                 | 2                |
| INAIL advances                                    | 0                 | 4                 | (4)              |
| Advances to suppliers                             | 47                | 171               | (124)            |
| Receivables due to tax consolidation              | 242               | 76                | 166              |
| Different receivables                             | 1                 | 1                 | 0                |
| VAT receivables                                   | 209               | 1,539             | (1,330)          |
| VAT write-downs for EEC credit (within 12 months) | 0                 | 6                 | (6)              |
| Accrued income and pre-paid expenses              | 553               | 935               | (382)            |
| <b>Total</b>                                      | <b>2,030</b>      | <b>3,686</b>      | <b>(1,656)</b>   |

Among the "other assets" there is a receivable from the Municipality of Orbassano (TO) for an amount of 972 thousand Euros.

The claim was included following the decision of the Court of Cassation - Civil Division - with reference to the dispute that the company faced with the Municipality of Orbassano in relation to the contribution to the Municipality under art. 16 L.R. Piedmont no. 18/1986. The Court, deciding on the appeal filed by the Company and pursuant to the decision of the Constitutional Court no. 280/2011, accepted it by declaring the decision of the Municipal Council of Orbassano unlawful, ordering it to return the amount collected on that basis, plus the legal interests of the claim. The increase in this receivable relates to the interest accrued as at December 31, 2014. Negotiations with the Orbassano Municipality are in progress to compensate for each other's credit/debit items.

The receivables for tax consolidation represent the amounts that the Company must receive from its consolidated companies as part of the transfers subsequent to the adhesion to the Group taxation system as per former Articles 117 and following of the Income Tax Code. Prepaid expenses relate to costs already incurred but pertaining

to future periods, including insurance policies, rental fees and costs for intra-group services.

#### ( 14 ) Cash and cash equivalents

| Description          | 31/12/2014 | 31/12/2013 | Variation  |
|----------------------|------------|------------|------------|
| Active Bank accounts | 541        | 372        | 169        |
| Cash                 | 10         | 12         | (2)        |
| <b>Total</b>         | <b>551</b> | <b>384</b> | <b>167</b> |

Cash and cash equivalents amounting to 551 thousand Euros include financial assets due on demand.

#### ( 15 ) Non-current asset held for sale

| Description  | 31/12/2014 | 31/12/2013   | Variation      |
|--------------|------------|--------------|----------------|
| Cascina Ovi  | 0          | 2.824        | (2.824)        |
| <b>Total</b> | <b>0</b>   | <b>2.824</b> | <b>(2.824)</b> |

Non-current assets held for sale, were recorded entirely after the incorporation of the subsidiary Ecoitalia S.r.l. which took place during the previous year, included non-current assets whose carrying amount was deemed recoverable mainly through sales rather than through continuing use. The item was entirely composed of the non-transferred part of the real estate complex called "Cascina Ovi".

The Directors noted the impossibility of reaching a positive conclusion of the sale process of the real estate complex and therefore, in the absence of new concrete negotiations in the short term, they proceeded, as required by IFRS 5, to reclassify the complex in the tangible assets, adjusted for depreciation that would otherwise have been recorded if the asset had not been classified as held for sale.

### NET FINANCIAL POSITION

The net financial position is shown in the following table:

| NET FINANCIAL POSITION<br><i>in thousands of Euros</i> | 31.12.2014      | OF WHICH<br>RELATED<br>PARTIES | 31.12.2013      | OF WHICH<br>RELATED<br>PARTIES |
|--|-----------------|--------------------------------|-----------------|--------------------------------|
| A. Cash  | 10              | 0                              | 12              | 0                              |
| B. Other cash equivalent                               | 541             | 0                              | 372             | 0                              |
| C. Bonds held for trading                              | 0               | 0                              | 0               | 0                              |
| <b>D. Cash (A) + (B) + (C)</b>                         | <b>551</b>      | <b>0</b>                       | <b>384</b>      | <b>0</b>                       |
| <b>E. Current financial receivables</b>                | <b>6,666</b>    | <b>6,666</b>                   | <b>6,225</b>    | <b>6,225</b>                   |
| F. Current bank payables                               | (10,501)        | 0                              | (12,599)        | 0                              |
| G. Current portion of non-current payables             | (1,552)         | 0                              | (1,795)         | 0                              |
| H. Other current financial payables                    | (551)           | (10)                           | (718)           | (6)                            |
| <b>I. Current financial payables (F) + (G) + (H)</b>   | <b>(12,604)</b> | <b>(10)</b>                    | <b>(15,112)</b> | <b>0</b>                       |



|  |                |              |                |              |
|--|----------------|--------------|----------------|--------------|
| <b>J. Net current financial payables (I) - (E) - (D)</b> | <b>(5,387)</b> | <b>6,656</b> | <b>(8,503)</b> | <b>6,219</b> |
| K. Non current bank payables                             | (884)          | 0            | (1,179)        | 0            |
| L. Bonds issued  | 0              | 0            | 0              | 0            |
| M. Other non-current financial payables                  | (68)           | 0            | (73)           | 0            |
| <b>N. Non-current financial payables (K) + (L) + (M)</b> | <b>(952)</b>   | <b>0</b>     | <b>(1,252)</b> | <b>0</b>     |
| <b>O. Net financial payables (J) + (N)</b>               | <b>(6,339)</b> | <b>6,656</b> | <b>(9,755)</b> | <b>6,219</b> |

As far as the net financial position is concerned, it must be emphasized that this is negatively affected by the lack of realization of the substantial credit from T.R. Estate Due S.r.l. for the reclamation works of the "Ex Sisas" areas, previously commented.

The NFP is also affected by investment portfolio that in the last 2-3 years the company has carried out (for example, the refurbishment of the liquid treatment plant at Orbassano - TO multipurpose platform and the revamping of the land treatment plant).

The improvement in the Net Financial Position compared to the previous year is mainly attributable to the collection of the "Jolly Rosso" credit that was previously reported.

The Directors, in the arrears of the cash receipts of receivables from T.R. Estate Due S.r.l. (Reclamation "Ex Sisas"), are operating, since last year, in order to increase the availability of resources including forms of supply from the banking system.

## FINANCIAL RISK MANAGEMENT

Ambienthesis operates according to established practices inspired by prudence, aimed at reducing the exposure to credit risk, interest rate and liquidity risks they face.

Below is the breakdown of financial assets and liabilities of the Group required by IFRS 7 within the categories set out in IAS 39.

| Ambienthesis SpA balance sheet                   |                             |                       |                       |        |               |
|--|-----------------------------|-----------------------|-----------------------|--------|---------------|
| As at 31.12.14 in thousands of Euros             | Income statement fair value | Loans and receivables | Depreciated liability | IAS 17 | Total         |
| <b>NON CURRENT ASSETS</b>                        |                             |                       |                       |        |               |
| Other assets                                     |                             | 7,719                 |                       |        | 7,719         |
| <b>CURRENT ASSETS</b>                            |                             |                       |                       |        |               |
| Trade receivables                                |                             | 48,442                |                       |        | 48,442        |
| Cash and cash equivalents                        |                             | 551                   |                       |        | 551           |
| Financial receivables and other financial assets |                             | 6,666                 |                       |        | 6,666         |
| <b>TOTAL ASSETS</b>                              |                             | <b>63,378</b>         |                       |        | <b>63,378</b> |
| <b>NON-CURRENT LIABILITIES</b>                   |                             |                       |                       |        |               |
| Long-term financial liabilities                  | 51                          |                       | 884                   | 17     | 952           |
| <b>CURRENT LIABILITIES</b>                       |                             |                       |                       |        |               |
| Short-term financial liabilities                 | 42                          |                       | 11,011                |        | 11,053        |



|   |    |  |        |    |        |
|---|----|--|--------|----|--------|
| Short-term portion of long term financial liabilities |    |  | 1,546  | 6  | 1,552  |
| Other liabilities                                     |    |  |        |    |        |
| Trade payables  |    |  | 38,345 |    | 38,345 |
| <b>TOTAL LIABILITIES</b>                              | 93 |  | 51,786 | 23 | 51,902 |

| Ambienthesis SpA balance sheet                        |                             |                       |                       |        |        |
|---|-----------------------------|-----------------------|-----------------------|--------|--------|
| As at 31.12.13 in thousands of Euros                  | Income statement fair value | Loans and receivables | Depreciated liability | IAS 17 | Total  |
| <b>NON CURRENT ASSETS</b>                             |                             |                       |                       |        |        |
| Other financial assets                                |                             | 6,562                 |                       |        | 6,562  |
| <b>CURRENT ASSETS</b>                                 |                             |                       |                       |        |        |
| Trade receivables                                     |                             | 55,863                |                       |        | 55,863 |
| Cash and cash equivalents                             |                             | 384                   |                       |        | 384    |
| Financial receivables and other financial assets      |                             | 6,225                 |                       |        | 6,225  |
| <b>TOTAL ASSETS</b>                                   |                             | 69,034                |                       |        | 69,034 |
| <b>NON-CURRENT LIABILITIES</b>                        |                             |                       |                       |        |        |
| Long-term financial liabilities                       | 73                          |                       | 1,179                 |        | 1,252  |
| <b>CURRENT LIABILITIES</b>                            |                             |                       |                       |        |        |
| Short-term financial liabilities                      | 53                          |                       | 13,264                |        | 13,317 |
| Short-term portion of long term financial liabilities |                             |                       | 1,795                 |        | 1,795  |
| Other liabilities                                     |                             |                       |                       |        |        |
| Trade payables  |                             |                       | 37,013                |        | 37,013 |
| <b>TOTAL LIABILITIES</b>                              | 126                         |                       | 53,251                |        | 53,377 |

Fair value – computational models used

The chart below shows the amounts corresponding to the fair value of liabilities for borrowings and derivative financial instruments:

| Separate balance sheet           | 31.12.2014                 |                                |            | 31.12.2013                 |                                |            |
|----------------------------------|----------------------------|--------------------------------|------------|----------------------------|--------------------------------|------------|
|                                  | Current portion book value | Non-current portion book value | Fair value | Current portion book value | Non-current portion book value | Fair value |
| Derivative financial instruments | <b>(42)</b>                | <b>(51)</b>                    | (93)       | (53)                       | (73)                           | (126)      |
| Banco popolare                   | <b>(42)</b>                | <b>(51)</b>                    | (93)       | (53)                       | (73)                           | (126)      |
| Loans                            | <b>(1,546)</b>             | <b>(884)</b>                   | (2,432)    | (1,795)                    | (1,179)                        | (3,009)    |
| Banco popolare                   | <b>(1,250)</b>             | -                              | (1,250)    | (1,500)                    | -                              | (1,500)    |
| Banco popolare                   | <b>(296)</b>               | <b>(884)</b>                   | (1,182)    | (295)                      | (1,179)                        | (1,509)    |

The fair value of amounts due to banks whose term of the contract exceeds the year was determined by means of a discounted cash flow model using the Euro riskless curve of the deposits rates, futures and swaps published as of December 31.

The fair value of derivative instruments is determined using the price provided by the bank counterparty.

For trade receivables, trade payables and other financial assets and liabilities with agreed maturity within one year the fair value has not been calculated as it approximates the book value of the same instrument.

According to the fair value computational methods, all of the values reported above can be traced back to the second level of the fair value hierarchy indicated by IFRS 7.

#### Financial characteristics of financial liabilities and derivative instruments

| Separated balance sheet          | characteristics         |                               |           |            |                                     |                              |
|----------------------------------|-------------------------|-------------------------------|-----------|------------|-------------------------------------|------------------------------|
|                                  | Original notional value | Notional value as at 31.12.14 | Expiring  | Duration   | Payment                             | Paid rate                    |
| Derivative financial instruments |                         |                               |           |            |                                     |                              |
| Banco Popolare                   | 4,000,000               | 1,134,615                     | 30.09.18  | 144 months | Quarterly (31-3, 30-6, 30-9, 31,12) | 4,15%                        |
| Loans                            |                         |                               |           |            |                                     |                              |
| Banco popolare*                  | 15,000,000              | 1,250,000                     | 11.07.13* | 60 months  | Biannual (11-3, 11-9)               | 3 months Euribor average +1% |
| Banco popolare                   | 11,800,000              | 1,180,526                     | 02.10.18  | 144 months | Quarterly (31-3, 30-6, 30-9,        | 3 months Euribor average     |



|  |  |  |  |  |        |        |
|--|--|--|--|--|--------|--------|
|  |  |  |  |  | 31,12) | +0,90% |
|--|--|--|--|--|--------|--------|

| Separated balance sheet          | characteristics         |                               |          |            |                                     |                                 |
|----------------------------------|-------------------------|-------------------------------|----------|------------|-------------------------------------|---------------------------------|
|                                  | Original notional value | Notional value as at 31.12.13 | Expiring | Duration   | Payment                             | Paid rate                       |
| Derivative financial instruments |                         |                               |          |            |                                     |                                 |
| Banco Popolare                   | 4,000,000               | 1,437,179                     | 30.09.18 | 144 months | Quarterly (31-3, 30-6, 30-9, 31,12) | 4,15%                           |
| Loans                            |                         |                               |          |            |                                     |                                 |
| Banco popolare                   | 15,000,000              | 15,000,000                    |          |            |                                     |                                 |
| Banco popolare                   | 11,800,000              | 1,474,327                     | 2-10-18  | 144 months | Quarterly (31-3, 30-6, 30-9, 31,12) | 3 months Euribor average +0,90% |

\* This loan, maturing in July 2013 was the subject of subordination through monthly instalments whose last maturity is expected for the month of May 2014.

## Type of financial risks

### Interest rate risk

The Company's practice is to find the resources needed to finance the working capital and to financing its projects by negotiating loans with variable rates.

The exposure to interest rate risk arises mainly from borrowings at floating rates on both short and long-term negotiations to maintain a balance between sources and financial investments and, to a lesser extent, from indexing of financial leasing contracts. The exposure to interest rate risk arising from loans, however, is mitigated by the subscription of interest rate swaps for the hedging of volatility of future cash flows indexed to the market rate.

The negotiation and collection of short and medium-term loans in the market is carried out by Ambienthesis S.p.A. and the exposure to interest rate risks is constantly monitored by the latter based on the performance of the Euribor curve, in order to assess any interventions to control the risk of a potential rise in interest rates of the market.

### **Sensitivity analysis**

The financial instruments exposed to the interest rate risk were the subject of a sensitivity analysis to the date of the financial statements. The assumptions underlying the model were as follows:

- For what concerns the exposures of the bank account and the differentials settled by the interest rate swap, the amount of financial income/expenses has been recalculated applying the variation of +/- 25 bps to the borrowing rate, multiplied by the amounts reported in the financial statements and by a time interval equal to the exercise;
- for what concerns loans and leasing with a repayment plan, the change in financial charges was determined by applying the variation of +/- 25 bps to the interest rate on the loan at any date of fixing multiplied by the remaining capital during the year;

- the change in fair value of interest rate swaps at the balance sheet date has been calculated by applying the variation of +/- 25 bps to the Euro riskless curve of deposit rates, futures and swaps on the date of preparation of financial statements

The following table shows a summary of the change in operating profit before tax and the equity resulting from the sensitivity analysis performed:

| separated balance sheet as at 31.12.2014 | Profit or loss |          | Equity   |          |
|--|----------------|----------|----------|----------|
|  | +25 bps        | -25bps   | +25bps   | -25bps   |
| <b>Derivative financial instruments</b>  | 9              | -        | 7        | -        |
| Banca Popolare Novara – Ecoitalia Srl    | 9              | -        |          |          |
| <b>Loans</b>                             | (6)            | -        | (4)      | -        |
| Banca Popolare Novara – Ecoitalia Srl    | (3)            | -        |          |          |
| Banca Popolare Novara – Ecoitalia Srl    | (3)            | -        |          |          |
| <b>TOTAL</b>                             | <b>3</b>       | <b>-</b> | <b>3</b> | <b>-</b> |

| separated balance sheet as at 31.12.2013 | Profit or loss |        | Equity |        |
|--|----------------|--------|--------|--------|
|  | +25 bps        | -25bps | +25bps | -25bps |
| Derivative financial instruments         | 14             | (13)   | 10     | (9)    |
| Banca Popolare – Ambientthesis Spa       | -              | -      |        |        |
| Banca Popolare Novara – Ecoitalia Srl    | 14             | (13)   |        |        |
| Loans                                    | (8)            | 8      | (6)    | 6      |
| Banca Popolare – Ambientthesis Spa       | (4)            | 4      |        |        |
| Banca Popolare Novara – Ecoitalia Srl    | (4)            | 4      |        |        |



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|       |   |     |   |     |
|-------|---|-----|---|-----|
| TOTAL | 6 | (5) | 4 | (3) |
|-------|---|-----|---|-----|

It is noted that following the significant reduction in interest rates compared to the previous financial year, a spread rate of +/- 25 bps was used for sensitivity purposes, rather than +/- 50 bps since a shift of +/- 50 bps, would have resulted in negative rates in the downtrend scenario.

In the negative scenario a floor was imposed in the calculation of the fair value of derivative financial instruments to ensure that the rates are negative (floor to 0.001%).

#### Liquidity risk

Liquidity risk can be expressed with the difficulty of finding, under economic market conditions, the financial resources necessary to meet the contractual commitments undertaken.

It may be due to a shortage of available resources to meet its financial obligations within set deadlines, or the possibility that the company must honor its financial liabilities before their natural maturity (eg. In case of sudden revocation of uncommitted credit lines).

The overall financial management of the Group is essentially centralised in Ambienthesis S.p.A., which, according to established practices based on prudence and protection policies of the various stakeholders, negotiates the lines of trust with the banking system and continuously monitors the financial flows of the individual companies of the Group.

For what concerns normal operations, the Company normally generates adequate liquidity sources, through which it addresses both cash requirements and its obligations of a strictly financial nature. These sources derive, on the one hand, from the marginality of the business and, on the other hand, by the respect of payment terms applied to counterparties, whose collection times are subject to constant monitoring. The Company's liquidity needs stemming from industrial and real estate investments are instead covered by financial transactions of purpose, and therefore are negotiated in the medium/long term, with financial counterparties of high credit standing.

The Company also does not have significant concentrations of liquidity risk from trade payables.

The next table shows, by the contract maturity date, the Company's financial requirements based on the following assumptions:

- the cash flows are not discounted;
- the cash flows are recognized in the time band of reference according to the first due date provided by contractual arrangements (worst case scenario);
- all instruments held at the year-end date, for which payments were already contractually designated are included; future commitments planned but not yet recognized in the balance sheet are not included;



- if the amount payable is not fixed (e.g. future interest payments), the financial liability is measured at market conditions at the reporting date;
- the cash flows also include the interest that the Company will pay until maturity of the debt, recorded at the date of the balance sheet.

| separate balance sheet as at 31.12.2014 | contract financial flows | 6 months | 6-12 months | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years |
|---|--------------------------|----------|-------------|-----------|-----------|-----------|-----------|-------------------|
| Trade payables                          | (38,345)                 | (38,345) |             |           |           |           |           |                   |
| Derived financial instruments           | (93)                     | (22)     | (20)        | (30)      | (17)      | (4)       | -         | -                 |
| Banca Popolare                          | (93)                     | (22)     | (20)        | (30)      | (17)      | (4)       | -         | -                 |
| Loans                                   | (2,432)                  | (1,391)  | (152)       | (303)     | (289)     | (297)     | -         | -                 |
| Banca popolare                          | (1,250)                  | (1,250)  |             |           |           |           |           |                   |
| Banca popolare                          | (1,182)                  | (141)    | (152)       | (303)     | (289)     | (297)     |           |                   |
| Short-term financial liabilities        | (11,011)                 | (11,011) |             |           |           |           |           |                   |
| Total                                   | (51,881)                 | (50,769) | (172)       | (333)     | (306)     | (301)     | -         | -                 |

| separate balance sheet as at 31.12.2013 | contract financial flows | 6 months | 6-12 months | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years |
|---|--------------------------|----------|-------------|-----------|-----------|-----------|-----------|-------------------|
| Trade payables                          | (37,013)                 | (37,013) |             |           |           |           |           |                   |
| Derived financial instruments           | (126)                    | (27)     | (25)        | (38)      | (23)      | (11)      | (2)       | -                 |
| Banca Popolare                          | (126)                    | (27)     | (25)        | (38)      | (23)      | (11)      | (2)       | -                 |
| Loans                                   | (3,062)                  | (1,679)  | (155)       | (309)     | (310)     | (307)     | (301)     | -                 |
| Banca popolare                          | (1,522)                  | (1,522)  |             |           |           |           |           |                   |
| Banca popolare                          | (1,539)                  | (157)    | (155)       | (309)     | (310)     | (307)     | (301)     |                   |
| Short-term financial liabilities        | (13,264)                 | (13,264) |             |           |           |           |           |                   |

|       |          |          |       |       |       |       |       |   |
|-------|----------|----------|-------|-------|-------|-------|-------|---|
| Total | (53,465) | (51,984) | (180) | (347) | (333) | (318) | (303) | - |
|-------|----------|----------|-------|-------|-------|-------|-------|---|

As at 31 December 2014 the Company had at its disposal credit lines for 13,66 thousand Euros, almost entirely used, to which were to be added 5,000 thousand Euros for the factoring line, of which 500 thousand Euros were used.

### **Credit risk**

The credit risk for the Company is represented mainly by the exposure to potential losses arising from non-compliance of obligations by trading partners.

The customer solvency is subject therefore to specific early evaluation, through a 'reliance' procedure for each client. In fact the Company mitigates credit risk through the following preventive measures:

- for the "waste disposal" business line an analysis of the client's reliance, in terms of credit worthiness, has been scheduled. The Company monitors this risk through instruments such advance payments or sureties;
- for the "reclamations" business line the Company uses different procedures depending on the reference sector, with particular attention to the private sector, through analysis of specific expectations and definition of sureties. In addition, the short intervals of the progress of works allows the Company to systematically monitor the possible risk of the customer's credit.

The reliance of the client is managed in a centralized way: among the instruments used for the management of credit risk, especially with regard to foreign customers, the Company uses the advance payment and the issuing of bank sureties.

There are no particular seasonal trends of credit exposure.

Below is a table summarizing the balances of trade receivables with third parties:

| Separate balance sheet as at 31.12.2014 | Balance | Expiring | 0-30 days | 31-60 days | 61-180 days | 181-365 days | More than 365 days | Individual impairments |
|---|---------|----------|-----------|------------|-------------|--------------|--------------------|------------------------|
| Ambienthesis                            | 48,442  | 36,726   | 2,996     | 987        | 2,040       | 2,935        | 5,612              | -2,854                 |
| Total trade receivables                 | 48,442  | 36,726   | 2,996     | 987        | 2,040       | 2,935        | 5,612              | -2,854                 |

| Separate balance sheet as at 31.12.2013 | Balance | Expiring | 0-30 days | 31-60 days | 61-180 days | 181-365 days | More than 365 days | Individual impairments |
|---|---------|----------|-----------|------------|-------------|--------------|--------------------|------------------------|
| Ambienthesis                            | 55,863  | 43,444   | 1,696     | 1,253      | 2,648       | 2,201        | 5,717              | -1,906                 |
| Total trade receivables                 | 55,863  | 43,444   | 1,696     | 1,253      | 2,648       | 2,201        | 5,717              | -1,906                 |

The total value of guarantees granted by third parties, mainly in the form of bank sureties, in the face of the outstanding payables to third parties amounts to 62 thousand Euros (696 thousand Euros as at 31 december 2013).



## ( 16 ) EQUITY

The following table shows the composition of the equity of the Company as at 31 December 2014 amounting to 73.483 thousand Euros:

| Equity items                           | 31/12/2014    | 31/12/2013    | Variation       |
|--|---------------|---------------|-----------------|
| Share capital                          | 48,204        | 48,204        | 0               |
| premium Share provision                | 24,547        | 24,547        | 0               |
| Legal reserve                          | 1,733         | 1,733         | 0               |
| FTA reserve                            | (279)         | (279)         | 0               |
| Extraordinary reserve                  | 335           | 335           | 0               |
| Net merger difference                  | 9,299         | 9,299         | 0               |
| Translation reserve                    | 0             | 147           | (147)           |
| Actuarial profit loss provision        | (97)          | (26)          | (71)            |
| Previous financial years profit/(loss) | 3,739         | 4,579         | (840)           |
| Treasury shares provision              | (2,564)       | (2,564)       | 0               |
| Financial year income                  | (11,434)      | (987)         | (10,447)        |
| <b>Total</b>                           | <b>73,483</b> | <b>84,988</b> | <b>(11,505)</b> |

The following table provides the required information regarding the specification of shareholders' equity with reference to their origin, possibility of use and distribution, as well as their utilization in prior years:

| Equity items                           | 31/12/2014    | Composition                |               |                |
|--|---------------|----------------------------|---------------|----------------|
|  |               | Shareholders' contribution | Profit        | Other revenues |
| Share capital                          | 48,204        | 21,783                     | 10,513        | 15,908         |
| Premium Share provision                | 24,547        | 24,547                     | 0             | 0              |
| Legal reserve                          | 1,733         | 0                          | 1,733         | 0              |
| FTA reserve                            | (279)         | 0                          | 0             | (279)          |
| Extraordinary reserve                  | 335           | 0                          | 335           | 0              |
| Net merger difference                  | 9,299         | 0                          | 9,299         | 0              |
| Actuarial profit loss provision        | (97)          | 0                          | 0             | (97)           |
| Treasury shares provision              | (2,564)       | 0                          | (2,564)       | 0              |
| Previous financial years profit/(loss) | 3,739         | 0                          | 3,739         | 0              |
| <b>Total</b>                           | <b>84,917</b> | <b>46,330</b>              | <b>23,055</b> | <b>15,532</b>  |

| Equity items                           | Distributable | Distributable with limitations | Non-distributable | Use to cover losses |
|--|---------------|--------------------------------|-------------------|---------------------|
| Share capital                          | 0             | 0                              | 48,204            | 0                   |
| Premium Share provision                | 0             | 24,547                         | 0                 | 0                   |
| Legal reserve                          | 0             | 0                              | 1,733             | 0                   |
| Extraordinary reserve                  | 335           | 0                              | 0                 | 0                   |
| Net merger difference                  | 9,299         | 0                              | 0                 | 0                   |
| Previous financial years profit/(loss) | 3,739         | 0                              | 0                 | (987)               |
| <b>Total</b>                           | <b>13,373</b> | <b>24,547</b>                  | <b>49,937</b>     | <b>(987)</b>        |

As of January 1, 2014 the share capital consisted of 92,700,000 ordinary shares with a value of 48,204 thousand Euros; at 31 December 2014 the share capital is unchanged and therefore consists of 92,700,000 ordinary shares

with a value of 48,204 thousand Euros.

The share premium reserve can be distributed in the limit set by art. 2431 of the Civil Code.

The legal reserve can only be used to cover losses.

As of December 31, 2014, the Company holds. 4,635,173 Treasury shares (5% of the share capital) at a total value of 2,564 thousand Euros. The purchase took place in accordance with Art. 2357 and 2357 of the Civil Code and by Article 132 of Legislative Decree 58/1998.

It is also noted that to date, in accordance with the resolutions approved on 24 April 2008 and 29 April 2009, Ambienthesis S.p.A. after selling, from 24 to 27 February 2015, a total of. 123.400 treasury shares, holds no. 4.511.773 treasury shares (representing approximately 4,687% of the share capital) with average purchase price of approximately Euros 0.55.

## NON-CURRENT LIABILITIES

### ( 17 ) Long-term financial liabilities

|                                 | 31/12/2014 | 31/12/2013   | Variation    |
|---------------------------------|------------|--------------|--------------|
| Long-term financial liabilities | 952        | 1,252        | (300)        |
| <b>Total</b>                    | <b>952</b> | <b>1,252</b> | <b>(300)</b> |

| Long-term financial liabilities   | 31/12/2014        |                    | 31/12/2013        |                    |
|-----------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                   | Long-term portion | Short-term portion | Long-term portion | Short-term portion |
| Banco Popolare                    | 0                 | 1,250              | 0                 | 1,500              |
| Banco Popolare (ex Ecoitalia Srl) | 884               | 296                | 1,179             | 295                |
| FCE Bank                          | 17                | 6                  | 0                 | 0                  |
| Fair Value IRS derivative         | 51                | 42                 | 73                | 53                 |
| <b>Totali</b>                     | <b>952</b>        | <b>1,594</b>       | <b>1,252</b>      | <b>1,848</b>       |

This item includes medium and long-term payables to banks amounting to 884 thousand Euros, the fair value of interest rate swap contracts, plus a debt for a lease contract signed during the year. The table below shows the relative detail:

| Long-term financial liabilities   | Over 12 months | Over 5 years | Total      |
|-----------------------------------|----------------|--------------|------------|
| Banco Popolare (ex Ecoitalia Srl) | 884            | 0            | 884        |
| FCE Bank                          | 17             | 0            | 17         |
| Derivatives                       | 51             | 0            | 51         |
| <b>Total</b>                      | <b>952</b>     | <b>0</b>     | <b>952</b> |

The amount of 884 thousand Euros consists of the portion due after twelve months from the date of these statements, of the loan granted by Banco Popolare in the form of a credit line for a maximum amount of 11,800 thou-

sand Euros aimed at the construction/renovation of the building complex Cascina Ovi in Segrate, with a duration of 144 months, quarterly instalment, average 3-month Euribor plus 90 percentage points (0.90%) and due on October 2, 2018;

The loan agreement does not require compliance with covenants.

The amount of 17 thousand Euros derives from a financial lease stipulated during the current year.

The item also includes the long-term portion of the fair value of the IRS contracts (equal to 51 thousand Euros) subscribed by Ambienthesis S.p.A. in order to achieve adequate coverage of interest rate risk arising from the payment of a variable interest rate on the loan agreement.

## ( 18 ) Provisions for risks and charges

| Provisions for risks and charges   | 31/12/2013 | Provision    | Use      | 31/12/2014   | Variation    |
|------------------------------------|------------|--------------|----------|--------------|--------------|
| Future risks and charges provision | 0          | 226          | 0        | 226          | 226          |
| Tax dispute provision              | 124        | 5,776        | 0        | 5,900        | 5,776        |
| <b>Total</b>                       | <b>124</b> | <b>6,002</b> | <b>0</b> | <b>6,126</b> | <b>6,002</b> |

Provisions for risks and charges are determined costs and charges and are certain or probable. Their amount or date of occurrence at year end are not determined.

The provision of 226 thousand Euros to the "Provision for risks and charges" as at 31.12.2014 was referring to the potential costs that the parent company would eventually have had to face in relation to the appeal to the State Council, with the Equalisation Fund for the Electricity Sector (CCSE), Authority for Electricity and Gas as counterparty, to cancel and overturn the decision of the Regional Administrative Court of Lombardy - Milan, December 24, 2013, which had declared the action R.G. No. protocol. 4211 of 8 June 2012 partly inadmissible and unacceptable. With said action, the CCSE had ordered the parent company to repay the above mentioned sum by way of contributions, which were therefore wrongly received, with reference to the energy production in the plant of Sant'Urbano (PD).

As reported in previous financial reports, Ambienthesis S.p.A. (and Ecoitalia Srl now merged into Ambienthesis SpA) had several disputes relating to direct taxes and VAT which covered the years ended on September 30, 2005, September 30, 2006, December 31, 2006, 2007, 2008 and 2009 and annual VAT from 2005 to 2009. As stated in the financial statements at December 31, 2014, the Provincial Tax Commission of Milan, on December 9, 2013, had appointed an expert witness for the verification in particular, of the revenue recoveries carried out by the Revenue Agency with respect to reliability of accounting. The expert witness during June 2014 submitted its report in which it was certified the reliability of the accounts of the applicant, so that most of the revenue recovery made by the Revenue Agency resulted groundless.

During the hearing on 23 June 2014, the Parent Company, despite the fact that other Group companies had obtained full acceptance. under matter of law, of the invalidity of the acts due to an excess in the duration of the



evaluation, in order to reach an amicable settlement, it had filed, on the basis of the opinion of the expert witness, its conciliatory proposal.

The Commission, having taken note of this conciliatory proposal, had told the Office to reserve the right assess it and had postponed the hearing to 24 November 2014. On that date the Commission, after receiving a request of the parties, had arranged a further postponement for May 25 2015.

Given the above, the Company has allocated in the present financial statements the amount of 5,776 thousand Euros in contingent liabilities in accordance with the conciliation procedure advanced by Ambienthesis S.p.A. and including the higher taxes, as they result from the reports made by the CTU, in addition to the related penalties and interest accrued up to 31 December 2014.

### **Guarantees, sureties endorsements and commitments**

The amount of 65 million euros (53 million Euros in 2013) mainly relates to guarantees given in favour of the Ministry of Environment and other public organizations in respect to waste export permits (cross-border notifications) and, to a certain extent, for the operation of the plants.

It should be noted that the aforementioned securities concerning cross-border notifications are mainly released at a term that generally does not exceed 180 days.

### Other risks:

### **Tax assessments**

In addition to what described in note (18) Provisions for risks and charges, please also note an assessment regarding Blu Ambiente S.r.l. (Now merged into Ambienthesis SpA), started on 4.11.2009, which involved direct taxes for the years 10.01.04 - 30.09.05, 10.01.05 - 30.09.06, 01.10.06 - 31.12.06, year 2007 year 2008 and up to 4.11.2009 and the VAT relating to the calendar year 2004, 2005, 2006, 2007, 2008 and up to 4.11.2009. On 16.12.2010 the company received the related report.

With regard to the minutes in question, on October 25, 2011 tax assessments for the following periods have been received:

1. 2004 VAT
2. 01-10-2004 / 30-09-2005 corporate income tax (IRES) and regional business tax (IRAP)
3. 01-10-2005 / 30-09-2006 corporate income tax (IRES) and regional business tax (IRAP)
4. 01-10-2006 / 31-12-2006 corporate income tax (IRES) , 2006 VAT and regional business tax (IRAP)
5. 2005 VAT
6. 2007 corporate income tax (IRES) and regional business tax (IRAP) and VAT

On 14 January 2013, the Tax Commission of Milan has accepted in full the applicant's claims and cancelled all the notified assessment notices.

The authorities appealed. On June 10, 2014 the CTR of Milan, with sentence no. 3611/2014, and having analysed the appeals, rejected them condemning the Office to pay 9,000.00 Euros for curt fees. Against that decision, the Office appealed to the Supreme Court.

On March 25, 2015, the company notified the Office of its defense.

It was also notified a tax assessment for the year 2008; ATH appealed and on April 14, 2014 the Milan Provincial Tax Commission has upheld the appeal by ATH and annulled the contested tax assessment. The Office, against that decision, appealed and ATH joined the proceedings.

The Hearing was set for May 12, 2015.

On May 28, 2014 Blu Ambiente S.r.l. (now incorporated into Ambienthesis S.p.A.) has received another notice of assessment for 2009, for which the company has filed on 22 July 2014 the application for a tax settlement. Since there was no settlement with the Office, the company has appealed and the hearing was scheduled for 15 April 2015.

### **Notice of assessment for registration tax purposes**

On 4 March 2009, the company Ambienthesis S.p.A. has received, as jointly liable, a notice of assessment carrying a total debt of 1,185 thousand Euros relating to the tax settlement by injunctive decree No. 30908 rep. 22468/2008 of 21 October 2008.

In response to this notice Ambienthesis S.p.A. has not felt the need to allocate any funds to cover the ascertained liabilities, not believing that such liabilities involve a certain or probable degree of risk, also considering the notice itself and the suspension of collection already obtained on 15 June 2009, following an appeal filed on April 22, 2009 against the same notice.

The Milan Provincial Tax Commission with sentence no. 360/09 of 9 November 2009 upheld the action brought by Ambienthesis S.p.A. stating that: "the private agreement attached to the injunction should not have been taxed."

The ruling in favour of Ambienthesis S.p.A. was appealed by the Office. ATH appeared before judgment. Even in such a case Ambienthesis S.p.A. has not seen fit to allocate any funds to cover the ascertained liabilities, not believing that such liabilities involve a certain or probable degree of risk also given the favourable first instance judgment.

The Regional Tax Commission of Milan rejected the appeal of the Office thus confirming the decision at first instance in favour of the Company. The Office has appealed to the Court of Cassation and Ambienthesis S.p.A. joined the proceedings.

We are now waiting for a hearing date.

During the proceedings of the above, the Office has registered the amounts relating to the taxation of interest and currency revaluation so that ATH has received the payment notice no. 06820120251812873000 for a total of € 26,902.34. The Company, being against such notice, filed an appeal pleading its unlawfulness, as it was emitted in contrast with a judgement against the co-obligated Risanamento S.p.A.

The Tax Court of Milan with sentence no. 7607/44/14 upheld the appeal and ordered the Office to pay the costs. The Office, being against that decision, filed an appeal. At this time, the terms for the trial are suspended.

### **( 19 ) Provision for employee benefits**

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|  | 31/12/2014 | 31/12/2013 | Variation |
|--|------------|------------|-----------|
|--|------------|------------|-----------|

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|                               |              |              |           |
|-------------------------------|--------------|--------------|-----------|
| Termination benefit provision | 1,155        | 1,088        | 67        |
| <b>Total</b>                  | <b>1,155</b> | <b>1,088</b> | <b>67</b> |

The following table shows the movements on the termination benefit during the year, also showing the effects of applying IAS 19R to the Provision at 31 December 2014.

The movements recorded by the Termination Benefit Provision during the year are detailed below:

| <b>Termination benefit provision</b>                | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|---|-------------------|-------------------|------------------|
| Provision for Former financial year                 | 1.088             | 578               | 510              |
| incorporated Provision for Former financial year    | 0                 | 506               | (506)            |
| Amount accrued and recorded in the income statement | 341               | 331               | 10               |
| Advances, liquidations                              | (32)              | (34)              | 2                |
| Transfer to supplementary pension provisions        | (295)             | (225)             | (70)             |
| Actuarial profit/(loss)                             | 98                | (47)              | 145              |
| TBP Re-evaluation substitute tax                    | (2)               | (3)               | 1                |
| Discounting   | (43)              | (18)              | (25)             |
| <b>Total</b>  | <b>1.155</b>      | <b>1.088</b>      | <b>67</b>        |

Employee severance indemnities are recognized under non-current liabilities for a total of 1,155 thousand Euros. The procedure for determining the Company's obligation with respect to employees was carried out by an independent actuary; the termination benefit in accordance with IAS 19 was carried out "ad personam" and on the existing employees, which means that analytical calculations were made on each employee in force in Ambienthesis Group at the assessment date, regardless of the future work force.

The actuarial valuation model is based on the so called technical bases which represent the demographic, economic and financial assumptions underlying the parameters included in the calculation. The assumptions used were as follows:

#### *Discount rate*

The discount rate used to calculate the present value of the obligation was derived, in accordance with par. 83 of IAS 19, from the index Iboxx Corporate A with duration 10+ detected at the measurement date. To this end it was decided the performance with a duration comparable to the duration of the collective of the evaluated employees

#### *Inflation*

Based on the current economic situation which presents a particular volatility of the majority of economic indicators, it has been changed as follows:

0.60% for 2015

1.20% for 2016

1.50% 2017 and 2018

2.0% from 2019 on.

This hypothesis was derived from the "Document of Economics and Finance 2014 - Update September 2014 Sec. II-Tab II.1 "issued by the MEF and" The medium long term trends in the pension and social health system - report No. 15 "published by the General Accounting Office.

#### *Annual rate of increase of the termination benefits.*

As provided by Article. 2120 of the Civil Code, the termination benefit is re-evaluated each year at a rate of 75% of inflation plus one and a half percentage points.

#### *Mortality*

To estimate the phenomenon of mortality within the group of employees subject to evaluation we have used RG48 mortality tables published by the General Accounting Office.

#### *Disability*

To estimate disability within the group of employees subject to evaluation we used a table by INPS split by age and gender.

#### *Retirement requirements*

100% once achieved the requirements provided by the Compulsory General Insurance.

#### *Frequency rate of advances on termination benefit*

The annual frequency of access to the right is taken to the extent of 1.50%. (3,00% in 2013).

#### *Frequency of early exit (turnover)*

According to the Company's historical experience annual frequencies of turnover equal to 6%. (8% in 2013).

The annual frequency of advances and turnover, are derived from the historical experience of the Company and the frequencies arising from the experience of a significant number of similar companies.

The following are the sensitivity analysis required by IAS 19 for defined benefit plans of post-employment type

| Sensitivity analysis: changes in assumptions |            |           |           |                |           |               |           |
|--|------------|-----------|-----------|----------------|-----------|---------------|-----------|
| Company                                      | Actual     | Turnover  |           | Inflation rate |           | Discount rate |           |
|  | 31/12/2014 | + 1%      | - 1%      | + 0.25 %       | - 0.25 %  | + 0.25 %      | - 0.25 %  |
| Employees' benefits provision                | 1,154,853  | 1,146,551 | 1,164,226 | 1,170,962      | 1,139,059 | 1,129,519     | 1,181,147 |

The service cost for year 2014 amounts to zero while the duration is of 9.5 years.

### **( 20 ) Deferred tax liabilities**

|                        | 31/12/2014   | 31/12/2013   | Variation    |
|------------------------|--------------|--------------|--------------|
| Deferred tax provision | 1,095        | 1,200        | (105)        |
| <b>Total</b>           | <b>1,095</b> | <b>1,200</b> | <b>(105)</b> |

The deferred tax provision amounting to 1.095 thousand Euros, includes provisions for taxation of positive components charged to the income statement, but taxable in future years.

The **liabilities** that gave rise to the inclusion of the fund for deferred taxes are as follows:

| Description             | 31/12/2013 | Increase | Decrease | 31/12/2014 | Variation |
|-------------------------|------------|----------|----------|------------|-----------|
| Late-payments interests | 779        | 0        | 0        | 779        | 0         |



|              |              |          |              |              |              |
|--------------|--------------|----------|--------------|--------------|--------------|
| Leasing      | 3,140        | 0        | (334)        | 2,806        | (334)        |
| <b>Total</b> | <b>3,919</b> | <b>0</b> | <b>(334)</b> | <b>3,585</b> | <b>(334)</b> |

Deferred taxes had the following changes:

| Description             | 31/12/2013   | Increase | Decrease     | 31/12/2014   | Variation    |
|-------------------------|--------------|----------|--------------|--------------|--------------|
| Late-payments interests | 214          | 0        | 0            | 214          | 0            |
| Leasing                 | 986          | 0        | (105)        | 881          | (105)        |
| <b>Total</b>            | <b>1,200</b> | <b>0</b> | <b>(105)</b> | <b>1,095</b> | <b>(105)</b> |

The changes of last year were instead as follows:

| Description             | 31/12/2012 | Merger Impact | Increase | Decrease     | 31/12/2013   | Variation    |
|-------------------------|------------|---------------|----------|--------------|--------------|--------------|
| Late-payments interests | 123        | 91            | 0        | 0            | 214          | 91           |
| Leasing                 | 0          | 1,086         | 0        | (100)        | 986          | 986          |
| <b>Total</b>            | <b>123</b> | <b>1,177</b>  | <b>0</b> | <b>(100)</b> | <b>1,200</b> | <b>1,077</b> |

The IRES rate used is 27.5% and the IRAP is 3.9%.

## Current liabilities

### ( 21 ) Short-term financial liabilities

| Short-term financial liabilities   | 31/12/2014    | 31/12/2013    | Variation      |
|------------------------------------|---------------|---------------|----------------|
| Short-term bank liabilities        | 10,501        | 12,599        | (2,098)        |
| Payables to factoring companies    | 500           | 659           | (159)          |
| Derivatives                        | 42            | 53            | (11)           |
| Financial debts to Group companies | 10            | 6             | 4              |
| <b>Total</b>                       | <b>11,053</b> | <b>13,317</b> | <b>(2,264)</b> |

The short-term financial liabilities amounting to 11,053 thousand Euros (13,317 thousand euro at 31 December 2013) consisted of payables to banks for 10,501 thousand Euros, of payables to factoring companies for 500 thousand Euros related to the sale of receivables factored without recourse for which, however, there are no conditions for the derecognition of the credits as provided for in the applicable accounting standards, and of the fair value of the derivative contract entered into for hedging purposes for a total of 42 thousand Euros.

### ( 22 ) Short-term portion of long-term financial liabilities

| Medium/long term payables to banks | 31/12/2014 | 31/12/2013 | Variation |
|------------------------------------|------------|------------|-----------|
| FCE Bank                           | 6          | -          | 6         |
| Banco Popolare (ex Ecoitalia Srl)  | 296        | 295        | 1         |



|                |              |              |              |
|----------------|--------------|--------------|--------------|
| Banco Popolare | 1,250        | 1,500        | (250)        |
| <b>Total</b>   | <b>1,552</b> | <b>1,795</b> | <b>(249)</b> |

This item includes short-term portions of medium and long-term liabilities to banks that amount to 1,552 thousand Euros. The amount is broken down as follows:

- loan from Banco Popolare to former Ecoitalia S.r.l. now Ambientthesis SpA: is the amount maturing within the next 12 months of a credit line for a maximum amount of 11,800 thousand Euros aimed at the construction/renovation of the building complex Cascina Ovi in Segrate, with a duration of 144 months, quarterly instalment, average 3-month Euribor plus 90 percentage points (0.90%) and due on October 2, 2018;
- loan from Banco Popolare to Ambientthesis S.p.A.: Refers to a loan granted in favor of Ambientthesis S.p.A. for a total amount of 15,000 thousand Euros, with a duration of 60 months, a half-year installment, an average 3 months Euribor rate plus 100 percentage points (1%) with an original maturity in July 2013. The maturity of the loan was postponed through monthly instalments starting from May 2014, the last installment scheduled for May 2015 as provided for in the renegotiation agreement of May 30, 2014;
- Debt for a financial lease stipulated during the financial year.

The current financing agreement does not provide for compliance with covenants.

### ( 23 ) Trade payables

| Payables to suppliers | 31/12/2014    | 31/12/2013    | Variation    |
|-----------------------|---------------|---------------|--------------|
| Suppliers - Italy     | 17,853        | 19,260        | (1,407)      |
| Suppliers - Abroad    | 1,168         | 1,184         | (16)         |
| Group suppliers       | 19,324        | 16,569        | 2,755        |
| <b>Total</b>          | <b>38,345</b> | <b>37,013</b> | <b>1,332</b> |

The payables to Italian suppliers include invoices to be received for the amount of 2,732 thousand Euros (1,846 thousand Euros in 2013), while those to suppliers abroad include 21 thousand Euros for invoices to be received (51 thousand Euros in 2013).

For details of relationships with Group companies please refer to the note relating to the Relationships with related parties.

Trade payables are all due within 12 months from the end of the year.

It is believed that the book value of trade payables at the balance sheet date approximates the fair value.

### ( 24 ) Advances

| Advances from customers | 31/12/2014 | 31/12/2013 | Variation  |
|-------------------------|------------|------------|------------|
| Advances from customers | 465        | 11         | 454        |
| <b>Total</b>            | <b>465</b> | <b>11</b>  | <b>454</b> |

This item refers to the taxable amount of invoices issued for advances received by customers of which 454 thousand Euros relates to the contractual advance received by Grand Bonifiche s.c.r.l. in turn paid by the client.



## ( 25 ) Other liabilities

The item includes payables for taxes other than direct taxes, social security liabilities and accruals and deferred income as follows:

| <b>Other liabilities</b>                             | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|--|-------------------|-------------------|------------------|
| Debts for other taxes and retentions                 | 145               | 219               | (74)             |
| Debts to social security and assistance institutions | 379               | 366               | 13               |
| Debts to employees, auditors and directors           | 1,705             | 1,712             | (7)              |
| Debts to Orbassano municipality                      | 1,930             | 1,468             | 462              |
| Debts for tax consolidation                          | 94                | 100               | (6)              |
| Accrued income and pre-paid expenses                 | 21                | 1,002             | (981)            |
| <b>Total</b>   | <b>4,274</b>      | <b>4,867</b>      | <b>(593)</b>     |

Liabilities towards employees, auditors and directors refer to the amounts of the current year not yet paid as of December 31, 2016 and deferred remuneration (holidays, leaves, ROL - Recovery of Working Hours) accrued by employees at 31 in December 2016, but that will be liquidated or enjoyed after year end.

There is also a debt to the Municipality of Orbassano (TO) for 1,930 thousand Euros, partially offset by a credit of the same entity, namely about one million Euros, relating to contributions to be paid for the years 2009- 2014.

## Information on the Income Statement

### ( 26 ) REVENUES

| <b>Description</b>                       | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|--|-------------------|-------------------|------------------|
| Reclamations                             | 5,332             | 11,821            | (6,489)          |
| Waste transport, disposal and storage    | 42,480            | 41,572            | 908              |
| Production of electric energy and biogas | 0                 | 531               | (531)            |
| Different services                       | 1,405             | 6,187             | (4,782)          |
| <b>Total</b>                             | <b>49,217</b>     | <b>60,111</b>     | <b>(10,894)</b>  |

Revenues show a decrease of 10,894 thousand Euros compared to the previous FY mostly due to the reduction in the activity of reclamation and of different performances.

The specific activities comprise the activity of disposal and transport of waste and the activity relating to reclamations.

The different performances include performances with associates and other Group companies mostly related to the plant construction business, which will be more exhaustively addressed in the notes on related party transactions.

The reduction in revenues from reclamation orders compared with the previous year is partly linked to the recalculation of the value that has affected contracts in progress.

As at December 31, 2014, revenues from electricity production are nil. On 23 April 2014, the Company sold to related parties Ind.eco. Srl and GEA S.r.l. the branch of the company, mainly consisting of plant, machinery and equipment, aimed at the production of electrical energy by means of utilization of gas of biological origin coming from the plants of Borgo Montello (LT) and Sant'Urbano (PD) realizing a gain of about 52 thousands Euros.

Below is the breakdown of the item Other revenues:

| Other revenues                         | 31/12/2014 | 31/12/2013 | Variation  |
|--|------------|------------|------------|
| Different revenues and profit          | 318        | 61         | 257        |
| Contingent assets                      | 177        | 165        | 12         |
| Cost recovery from insurance companies | 108        | 68         | 40         |
| <b>Total</b>                           | <b>603</b> | <b>294</b> | <b>309</b> |

Contingent assets relate almost exclusively to lower costs or higher revenues not pertaining to the year in progress.

## ( 27 ) OPERATIONAL COSTS

The composition of the main items is as follows:

| Operational costs   | 31/12/2014    | 31/12/2013    | Variation      |
|---|---------------|---------------|----------------|
| Purchase of raw materials, semi-finished goods and others | 2,342         | 5,064         | (2,722)        |
| Services  | 42,090        | 47,838        | (5,748)        |
| Labour cost   | 6,082         | 5,959         | 123            |
| Other operating expenses and provisions                   | 4,943         | 2,383         | 2,560          |
| Amortisation and depreciation                             | 2,729         | 2,182         | 547            |
| <b>Total</b>  | <b>58,186</b> | <b>63,426</b> | <b>(5,240)</b> |

The following table provides information about the most significant items.

### Purchase of raw materials, semi-finished goods and other products

The following table shows the change in the costs of raw materials, semi-finished and other products

| purchase of raw materials, semi-finished goods and others | 31/12/2014   | 31/12/2013   | Variation      |
|---|--------------|--------------|----------------|
| Reagents  | 737          | 743          | (6)            |
| Environment job orders                                    | 419          | 284          | 135            |
| Subsidiary materials                                      | 128          | 2,123        | (1,995)        |
| Automotive materials                                      | 484          | 487          | (3)            |
| Maintenance materials                                     | 149          | 317          | (168)          |
| Chemistry laboratory material                             | 0            | 5            | (5)            |
| Services materials  | 173          | 249          | (76)           |
| Other materials   | 59           | 38           | 21             |
| Different purchases                                       | 158          | 173          | (15)           |
| Reagents  | 35           | 645          | (610)          |
| <b>Total</b>  | <b>2,342</b> | <b>5,064</b> | <b>(2,722)</b> |

The decrease in the cost of purchase of ancillary items is the counterpart of the decline in revenues for plant con-



struction, which, compared to the previous year, decreased by 77%.

### Provision of services

Service costs are summarized in the following table:

| Services                                | 31/12/2014    | 31/12/2013    | Variation      |
|---|---------------|---------------|----------------|
| Waste disposal and transport expenses   | 14,068        | 18,163        | (4,095)        |
| Other services                          | 3,246         | 4,459         | (1,213)        |
| Operating services from group companies | 14,030        | 13,871        | 159            |
| Maintainance and restoration            | 982           | 1,412         | (430)          |
| Consulting and performances             | 1,785         | 1,795         | (10)           |
| Directors' pay and contribution         | 185           | 406           | (221)          |
| Statutory auditors' pays                | 78            | 115           | (37)           |
| Vigilance tool pays                     | 17            | 17            | 0              |
| Promotion and advertisement expenses    | 82            | 89            | (7)            |
| Insurances                              | 389           | 437           | (48)           |
| Services and consumptions               | 1,775         | 1,822         | (47)           |
| Travels and accomodations               | 181           | 242           | (61)           |
| Other services from Group companies     | 5,272         | 5,010         | 262            |
| <b>Total</b>                            | <b>42,090</b> | <b>47,838</b> | <b>(5,748)</b> |

This item mainly includes costs for the disposal and transport of waste, a service provided by both third parties and by other companies of the Group. This item also includes consulting costs, the remuneration of the corporate bodies, insurance charges and utilities of the Company.

### Personnel Costs

The breakdown of personnel costs in its various components is shown in the following table:

| Personnel costs          | 31/12/2014   | 31/12/2013   | Variation  |
|--------------------------|--------------|--------------|------------|
| Pays                     | 4,331        | 4,201        | 130        |
| Social expenses          | 1,474        | 1,464        | 10         |
| Termination benefits     | 268          | 287          | (19)       |
| Other personnel expenses | 9            | 7            | 2          |
| <b>Total</b>             | <b>6,082</b> | <b>5,959</b> | <b>123</b> |

### Other operating costs and provisions

| Other operating costs and provisions  | 31/12/2014   | 31/12/2013   | Variation    |
|---------------------------------------|--------------|--------------|--------------|
| Third parties assets                  | 1,320        | 1,411        | (91)         |
| Other mananaging expenses             | 123          | 163          | (40)         |
| Non-income taxes                      | 800          | 946          | (146)        |
| Contingent liabilities                | 716          | 648          | 68           |
| Issuing debt for taxes not due        | 0            | (785)        | 785          |
| provision for bad debts               | 1,758        | 0            | 1,758        |
| Provision for other risks and charges | 226          | 0            | 226          |
| <b>Total</b>                          | <b>4,943</b> | <b>2,383</b> | <b>2,560</b> |

The item "Other managing expenses" includes overhead costs related to the company management .

Contingent liabilities are mostly related to higher costs or lower revenues not pertaining to the year in progress.

The item " provision for bad debts "of 1,758 thousand Euros concerns the credit position towards Ilva S.p.A. whose credit, to date not yet collected, was fully impaired.

Provisions for other risks and charges refers to the provision for the appeal to the Council of State exercised by the Company against the Compensation Fund for the Electricity Sector, as explained in note (18) "Provisions for risks and charges" to which we refer.

### Ammortisation and depreciation

| Amortisation and depreciation | 31/12/2014   | 31/12/2013   | Variation  |
|-------------------------------|--------------|--------------|------------|
| Tangible depreciation         | 2,719        | 2,155        | 564        |
| Non-tangible depreciation     | 10           | 27           | (17)       |
| <b>Total</b>                  | <b>2,729</b> | <b>2,182</b> | <b>547</b> |

Depreciation is calculated at the rates shown in the introduction and has been recognised in the income statement.

The increase in the amortization of tangible assets over the previous year is largely due to the higher amortization of the property complex called "Cascina Ovi". For more details see the comments in note (1).

### ( 28 ) Financial profit/(loss)

|                                | 31/12/2014   | 31/12/2013   | Variation    |
|--------------------------------|--------------|--------------|--------------|
| <b>Financial profit/(loss)</b> | 1,199        | (415)        | 1,614        |
| <b>Total</b>                   | <b>1,199</b> | <b>(415)</b> | <b>1,614</b> |

Financial revenues mainly consist of interest income from interest-bearing loans granted to Group companies. Furthermore, during the year 2015 it was collected an interest income for 1,602 thousand Euros on the amount due to the former Ecoitalia towards the Prime Minister's Office (practice Jolly Rosso).

Detail shown below:

| financial revenues                | 31/12/2014   | 31/12/2013 | Variation    |
|-----------------------------------|--------------|------------|--------------|
| Bank interest income              | 0            | 0          | 0            |
| Subsidiaries interest income      | 228          | 194        | 34           |
| related companies interest income | 33           | 33         | 0            |
| Parent company interest income    | 3            | 3          | 0            |
| Other interest income             | 23           | 164        | (141)        |
| Jolly Rosso interest income       | 1,602        | 6          | 1,602        |
| Exchange revenues                 | 476          | 0          | 476          |
| <b>Total</b>                      | <b>2,365</b> | <b>400</b> | <b>1,965</b> |

Financial loss is composed as follows:



| <b>financial expenses</b>                 | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|---|-------------------|-------------------|------------------|
| Bank account passive interests            | 442               | 403               | 39               |
| Advances passive interests                | 371               | 224               | 147              |
| Factoring commissions                     | 88                | 42                | 46               |
| Loan passive interests                    | 84                | 56                | 28               |
| Other passive interests                   | 17                | 10                | 7                |
| Termination benefit financial liabilities | 29                | 26                | 3                |
| Related companies passive interests       | 24                | 46                | (22)             |
| Other passive interests                   | 54                | 0                 | 54               |
| passive interests to Group companies      | 9                 | 6                 | 3                |
| Others                                    | 27                | 39                | (12)             |
| <b>Total</b>                              | <b>1,145</b>      | <b>852</b>        | <b>293</b>       |

Below is the breakdown of derivative contracts:

| <b>Derivative instruments</b> | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|-------------------------------|-------------------|-------------------|------------------|
| Derivative contracts revenues | 32                | 138               | (106)            |
| Derivative contracts expenses | (52)              | (102)             | 50               |
| <b>Total</b>                  | <b>(20)</b>       | <b>36</b>         | <b>(56)</b>      |

## ( 29 ) Profit and losses on investments

The following table shows the composition of income and expenses from investments:

| <b>Profit and losses on investments</b> | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|---|-------------------|-------------------|------------------|
| Related companies dividends             | 875               | 448               | 427              |
| Subsidiary dividends                    | 49                | 51                | (2)              |
| Write-back of value of investments      | 0                 | 1,534             | (1,534)          |
| Investments depreciation                | (1,425)           | (322)             | (1,103)          |
| <b>Total</b>                            | <b>(501)</b>      | <b>1,711</b>      | <b>(2,212)</b>   |

Dividends from associated companies refer to the investment in Barricalla S.p.A. , while those in subsidiaries relate to the distributions made by Bioagritalia S.r.l

The item investments depreciation instead reflects the impairment of investments in subsidiaries Valdastico Immobiliare S.r.l. for 1,400 thousand Euros and Green Piemonte S.r.l. for 25 thousand Euros already described in the previous note (5) of these explanatory notes.

## ( 30 ) Income tax

| <b>Income tax in the financial year</b>    | <b>31/12/2014</b> | <b>31/12/2013</b> | <b>Variation</b> |
|--|-------------------|-------------------|------------------|
| Current taxes                              | 0                 | 93                | (93)             |
| Expenses (revenues) from tax consolidation | (148)             | 55                | (203)            |
| Previous years tax - assessment            | 5,776             | 0                 | 5,776            |
| Advanced/(deferred)                        | (1,861)           | (886)             | (975)            |
| <b>Total</b>                               | <b>3,767</b>      | <b>(738)</b>      | <b>4,505</b>     |

There are no current tax charges for this year (93 thousand in 2013) which instead reported deferred tax assets totaling 1,861 thousand Euros (886 thousand Euros in 2013), calculated on the basis of the regulations and rates applicable at the closing date of this financial statements.

Among the taxes it is also recorded a provision of 5.776 thousand Euros related to tax issues discussed in note (18) "Provisions for risks and charges".

Tax consolidation income represents the amount due by the companies that are part of the tax consolidation for the transfer to the Company of taxable income generated by them during the year.

On the composition of deferred tax assets, please refer to the comments in notes (7) and (20).

### Significant non-recurring events and operations

In accordance with the provisions of the Consob Communication of 28 July 2006, it is disclosed that the non-recurring transactions that influenced the results of Ambienthesis Group during the year 2014 refer to:

- to the accrual of interest related to the credit "Jolly Rosso" recorded under financial income for an amount of 1,602 thousand Euros;
- to the write-down of receivables from Ilva S.p.A. for 1,758 thousand Euros recorded under other operating expenses and provisions;
- to the provision relating to tax disputes recorded under taxes for an amount of 5,776 thousand Euros.

### Information on personnel

| Average personnel | 2014 average | 31.12.2014 | 31/12/2013 |
|-------------------|--------------|------------|------------|
| Directors         | 7            | 7          | 7          |
| Employees         | 62           | 64         | 61         |
| Workers           | 40           | 40         | 41         |
| <b>Total</b>      | 109          | 111        | 109        |

At year end, the company's staff was composed of n. 111 employees of which: n 7 directors, n. 64 employees and n. 40 workers.

The national labor agreements were those of Metalworkers workers Industry.

The table below provides information on the remuneration of Directors and Auditors. The following table shows summary information required by IAS at 24:

|   | 2014      |          | 2013       |          |
|---|-----------|----------|------------|----------|
|   | Directors | Auditors | Directors* | Auditors |
| <i>(in thousands of Euros)</i>                  |           |          |            |          |
| Position payments                               | 163       | 66       | 341        | 80       |
| Committee participation and special assignments | 0         | 6        | 3          | 6        |
| Pays and other benefits                         | 0         | 0        | 225        | 0        |



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|              |            |           |            |           |
|--------------|------------|-----------|------------|-----------|
| <b>Total</b> | <b>163</b> | <b>72</b> | <b>569</b> | <b>86</b> |
|--------------|------------|-----------|------------|-----------|

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\* Emoluments are inclusive of those provided by incorporated companies



**OTHER INFORMATION**
**BUDGET INFORMATION WITH RELATED PARTIES–CONSOB COMMUNICATION NO.**
**DEM/6064293 OF 28-07-2006**
**Relationships with related parties**

The Company enters into transactions with the parent company, subsidiaries, joint ventures, associates and other related parties on commercial terms that are normal in the respective markets, taking into account the characteristics of the goods or services involved.

The following tables report the transactions with related parties:

| Company                              | trade receivables 2014 |                | Trade receivables 2013 |                |
|--------------------------------------|------------------------|----------------|------------------------|----------------|
|                                      | Within 12 months       | Over 12 months | Within 12 months       | Over 12 months |
| <b>- Parent Companies</b>            | <b>1,143</b>           | <b>-</b>       | <b>885</b>             | <b>-</b>       |
| Green Holding S.p.A.                 | 1,126                  | -              | 868                    | -              |
| Blue Holding S.p.A.                  | 17                     | -              | 17                     | -              |
| <b>- Sumsidiaries</b>                | <b>1,119</b>           | <b>-</b>       | <b>2,039</b>           | <b>-</b>       |
| La Torrazza S.r.l.                   | 109                    | -              | 787                    | -              |
| Bioagritalia S.r.l.                  | 124                    | -              | 370                    | -              |
| Green Piemonte S.r.l.                | 32                     | -              | 32                     | -              |
| Valdastico Immobiliare S.r.l.        | 854                    | -              | 850                    | -              |
| <b>- Related companies</b>           | <b>5,270</b>           | <b>-</b>       | <b>2,947</b>           | <b>-</b>       |
| Barricalla S.p.A.                    | 1,396                  | -              | 1,365                  | -              |
| Grandi Bonifiche S.c.a.r.l           | 2,261                  | -              | -                      | -              |
| Daisy S.r.l.                         | 1,613                  | -              | 1,582                  | -              |
| <b>-other companies of the group</b> | <b>27,490</b>          | <b>-</b>       | <b>28,189</b>          | <b>-</b>       |
| Gea S.r.l.                           | 261                    | -              | 2,705                  | -              |
| Ind.Eco S.r.l.                       | 705                    | -              | 1,198                  | -              |
| Aimeri S.p.A. in liquidazione        | 1,851                  | -              | 1,408                  | -              |
| Cea Engineering S.r.l.               | 93                     | -              | 93                     | -              |
| Aimeri immobiliare S.p.A.            | 31                     | -              | 31                     | -              |
| Concorezzo Costruzioni s.r.l.        | 118                    | -              | 118                    | -              |
| Rea Dalmine S.p.A.                   | 3,263                  | -              | 786                    | -              |
| Noy Vallesina engineering S.r.l.     | 9                      | -              | 3                      | -              |
| Noy Ambiente S.p.A.                  | 22                     | -              | 32                     | -              |
| Valeco S.r.l.                        | 150                    | -              | 841                    | -              |
| TR Estate Due S.r.l.                 | 20,987                 | -              | 20,974                 | -              |
| <b>- other related parties</b>       | <b>234</b>             | <b>224</b>     | <b>394</b>             | <b>338</b>     |
| Alfa Alfa S.r.l.                     | 41                     | 26             | 171                    | -              |
| Plurifinance S.r.l.                  | 193                    | 198            | 223                    | 338            |
| <b>Total</b>                         | <b>35,256</b>          | <b>224</b>     | <b>34,454</b>          | <b>338</b>     |



| Company                               | Trade payables 2014 |                | Trade payables 2013 |                |
|---------------------------------------|---------------------|----------------|---------------------|----------------|
|                                       | Within 12 months    | Over 12 months | Within 12 months    | Over 12 months |
| <b>- Parent companies</b>             | <b>1,655</b>        | -              | <b>2,362</b>        | -              |
| Green Holding S.p.A.                  | 1,655               | -              | 2,362               | -              |
| Blue Holding S.r.l.                   | -                   | -              | -                   | -              |
| <b>- Subsidiaries</b>                 | <b>7,625</b>        | -              | <b>6,738</b>        | -              |
| La Torrazza S.r.l.                    | 6,979               | -              | 5,755               | -              |
| Bioagritalia S.r.l.                   | 646                 | -              | 983                 | -              |
| <b>- Related companies</b>            | <b>8,694</b>        | -              | <b>5,148</b>        | -              |
| Grandi Bonifiche S.c.a.r.l            | 1,658               | -              | -                   | -              |
| Daisy S.r.l.                          | 996                 | -              | -                   | -              |
| Barricalla S.p.A.                     | 6,040               | -              | 5,148               | -              |
| <b>- other companies of the group</b> | <b>1,592</b>        | -              | <b>1,796</b>        | -              |
| Gea S.r.l.                            | 1,315               | -              | 1,321               | -              |
| Ind.Eco S.r.l.                        | 218                 | -              | 148                 | -              |
| Rea Dalmine S.p.A.                    | 17                  | -              | 131                 | -              |
| Noy Ambiente S.p.A.                   | 28                  | -              | 188                 | -              |
| T.R. Estate Due S.r.l.                | 14                  | -              | 8                   | -              |
| <b>- other related parties</b>        | <b>214</b>          | -              | <b>525</b>          | -              |
| Plurifinance S.r.l.                   | 102                 | -              | 267                 | -              |
| Alfa Alfa S.r.l.                      | 112                 | -              | 258                 | -              |
| <b>Total</b>                          | <b>19,780</b>       | -              | <b>16,569</b>       | -              |

It is specified that the receivables and debts are primarily attributable to ordinary commercial activity that takes place under normal market conditions and without recognition to favorable conditions. The statements related to revenues and costs with related parties give evidence of the amount of reports and of the parties involved:

## Revenues

| Company                               | 2014         | 2013         |
|---------------------------------------|--------------|--------------|
| <b>- Parent companies</b>             | <b>250</b>   | <b>208</b>   |
| Green Holding S.p.A.                  | 247          | 205          |
| Blue Holding S.p.A.                   | 3            | 3            |
| <b>-Subsidiaries</b>                  | <b>1,723</b> | <b>972</b>   |
| La Torrazza S.r.l.                    | 825          | 596          |
| Valdastico Immobiliare S.r.l.         | 90           | 79           |
| Bioagritalia S.r.l.                   | 194          | 176          |
| Green Piemonte S.r.l.                 | 1            | 1            |
| SI Green UK                           | 613          | 120          |
| <b>- Related companies</b>            | <b>3,231</b> | <b>3,898</b> |
| Barricalla S.p.A.                     | 1,268        | 2,382        |
| Grandi Bonifiche S.c.a.r.l.           | 1,889        | -            |
| Daisy S.r.l.                          | 74           | 1,516        |
| <b>- other companies of the group</b> | <b>5,031</b> | <b>8,489</b> |
| Gea S.r.l.                            | 958          | 961          |
| Ind.Eco S.r.l.                        | 705          | 2,971        |

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Aimeri S.p.A. in liquidazione    | 402           | 302           |
| Rea Dalmine Spa                  | 2,930         | 2,791         |
| Noy Vallesina engineering S.r.l. | 5             | -             |
| Noy Ambiente S.p.A.              | 11            | 10            |
| T.R. Estate Due S.r.l.           | 14            | -             |
| Valeco S.r.l.                    | 6             | 1,454         |
| <b>- other related parties</b>   | <b>-</b>      | <b>-</b>      |
| <b>Total</b>                     | <b>10,235</b> | <b>13,567</b> |

## Costs

| Company                               | 2014          | 2013          |
|---------------------------------------|---------------|---------------|
| <b>- Parent companies</b>             | <b>3,672</b>  | <b>4,769</b>  |
| Blue Holding S.p.A.                   | -             | -             |
| Green Holding S.p.A.                  | 3,672         | 4,769         |
| <b>- Subsidiaries</b>                 | <b>6,404</b>  | <b>6,846</b>  |
| Bioagritalia S.r.l.                   | 424           | 539           |
| La Torrazza S.r.l.                    | 5,980         | 6,307         |
| <b>- Relisted companies</b>           | <b>8,225</b>  | <b>5,846</b>  |
| Grandi Bonifiche S.c.a.r.l            | 1,204         | -             |
| Daisy S.r.l.                          | 1,521         | -             |
| Barricalla S.p.A.                     | 5,500         | 5,846         |
| <b>- Other companies of the group</b> | <b>843</b>    | <b>1,392</b>  |
| Gea S.r.l.                            | 620           | 1,082         |
| Ind.Eco S.r.l.                        | 61            | 59            |
| Rea Dalmine S.p.A.                    | 87            | 142           |
| Noy Ambiente S.p.A.                   | 71            | 103           |
| T.R. Estate Due S.r.l.                | 4             | 6             |
| <b>- Other related parties</b>        | <b>1,042</b>  | <b>1,088</b>  |
| Alfa Alfa S.r.l.                      | 602           | 657           |
| Plurifinance S.r.l.                   | 440           | 431           |
| <b>Total</b>                          | <b>20,186</b> | <b>19,941</b> |

It is noted that the revenues and costs expressed in the tables above include net financial income and foreign exchange gains amounting to 705 thousand Euros as at December 2014 and to 177 thousand Euros as at 31 December 2013.

The main transactions carried out with related parties refer to:

- GREEN HOLDING S.p.A.: the company recharges to Ambienthesis S.p.A. the costs for the site to be made available in Segrate (MI), the latter including furnishings and equipment, and for the provision of all related ancillary services aimed at the full and orderly functionality of the property itself in order to enable the parent company the performance of its activities, and the costs for "Service" (strategic and directional direction, economic and financial planning, centralized treasury management, administrative, accounting and financial consulting, legal and tax advice, information and technical services, services related to personnel management and commercial services). To these is added the cost of the recharge of the lease of the warehouse located in San



- Giuliano Milanese (MI). Revenues from Green Holding S.p.A. are related to recharges of personnel costs.
- BIOAGRITALIA S.r.l.: costs incurred relate to the disposal of sludge at the plant of the subsidiary. Revenues are related to contracts for the management of the plant, located in Corte De 'Fрати (CR), recharges for analysis and personnel costs.
  - LA TORRAZZA S.r.l.: the costs incurred by Ambienthesis S.p.A. refer to the disposal of hazardous and non-hazardous waste at the landfill managed by the subsidiary; revenues are related to the disposal of leachate and certain other types of waste, recharges for analysis and personnel costs.
  - BARRICALLA S.p.A.: the costs incurred are related to the waste disposal contracts; revenues derive from the disposal of leachate by Ambienthesis S.p.A. as well as the contract for the exploitation of the third and fourth batch of the landfill run by the same Barricalla S.p.A.
  - DAISY S.r.l.: Revenues relate to the construction of the landfill located in Barletta (BA) by the Company and to the renovation of the Bari offices.. The costs incurred relate to the waste disposals carried out at the landfill located in Barletta
  - GRANDI BONIFICHE S.C.A.R.L.: revenues relate to work performed for the reclamation activities in the area called "ex Falck" located in the municipality of Sesto San Giovanni (MI). Costs refer only to this order.
  - GEA S.r.l.: the costs incurred relate to non-hazardous waste disposal contracts at the landfill of Sant'Urbano (PD), as well as costs for analysis and contracts for commercial and technical services . Revenues refer to services of leachate disposal, operating vehicle leases and contracts for technical services.
  - IND. ECO S.r.l.: Costs refer to contracts for the provision of commercial services. Revenues relate to a contract for the construction, adaptation and commissioning of landfills for municipal solid waste and other non-hazardous waste in Borgo Montello (LT), to operating vehicles rental services and to contracts for the provision of technical services.
  - REA DALMINE S.p.A: the costs incurred are related to the waste disposal contracts in the incinerator of Dalmine (BG). Revenues mainly refer to the withdrawal and disposal of bottom ash and slag, fly ash and solid waste from gas treatment coming from the waste to energy plant in Dalmine. analysis and recharging of staff costs.
  - AIMERI S.p.A. in liquidazione: in liquidation: revenues refer to leachate disposal services from post-closure landfills., analysis and provision of technical services.
  - NOY AMBIENTE S.p.A.: the costs refer to engineering services performed and the current contract for a truck rental.
  - NOY VALLESINA ENG. S.r.l. In liquidation: revenues refer to waste disposal activities and reimbursement of staff costs.
  - TR ESTATE DUE S.r.l.: costs are referred to a contract for a truck rental.VALECO S.p.A.: revenues derive from a reliance for the construction, adjustment and commissioning of the landfill of S.U.W. and other non-hazardous waste in the municipality of Pontey, location Valloille (AO).
  - ALFA ALFA S.r.l.: The costs refer mainly to contracts for the provision of means of labor and cap-

ital goods for the remediation and securing of areas and contaminated sites and rental contracts for cars. There is also a contract for the ordinary and extraordinary maintenance at the plant located in Liscate (MI).

- PLURIFINANCE S.r.l.: the costs relate to lease agreements for operating vehicles and property leasing, as well as routine maintenance and extraordinary performance at the plant in Liscate (MI).

In addition to receivables and commercial and technical debt set out above, with some Group companies there are also credit relationships of a financial nature and to a lesser degree, financial debt ratios. All loans made by Ambientthesis earn interest and are summarized below:

### Financial receivables

| Company                       | Financial receivables 31.12.2014 |                | Financial receivables 31.12.2013 |                |
|-------------------------------|----------------------------------|----------------|----------------------------------|----------------|
|                               | Within 12 months                 | Over 12 months | Within 12 months                 | Over 12 months |
| <b>- Parent Companies</b>     | <b>148</b>                       | <b>0</b>       | <b>146</b>                       | <b>0</b>       |
| Green Holding S.p.A.          | 0                                | 0              | 0                                | 0              |
| Blue Holding S.p.A.           | 148                              | 0              | 146                              | 0              |
| <b>- Subsidiaries</b>         | <b>4,813</b>                     | <b>7,719</b>   | <b>4,421</b>                     | <b>7,725</b>   |
| SI Green UK                   | 21                               | 7,719          | 15                               | 7,725          |
| Valdastico Immobiliare S.r.l. | 4,627                            | 0              | 4,333                            | 0              |
| Green Piemonte S.r.l.         | 56                               | 0              | 73                               | 0              |
| Rea Dalmine S.p.A.            | 109                              | 0              | 0                                | 0              |
| <b>- Related companies</b>    | <b>1,705</b>                     | <b>0</b>       | <b>1,658</b>                     | <b>0</b>       |
| Daisy S.r.l.                  | 1,705                            | 0              | 1,658                            | 0              |
| <b>Total</b>                  | <b>6,666</b>                     | <b>7,719</b>   | <b>6,225</b>                     | <b>7,725</b>   |

### Financial payables

| Company                               | Financial payables 31.12.2014 |                | Financial payables 31.12.2013 |                |
|---------------------------------------|-------------------------------|----------------|-------------------------------|----------------|
|                                       | Within 12 months              | Over 12 months | Within 12 months              | Over 12 months |
| <b>- Other companies of the Group</b> | <b>10</b>                     | <b>0</b>       | <b>6</b>                      | <b>0</b>       |
| Ind.Eco Srl                           | 9                             | 0              | 0                             | 0              |
| Rea Dalmine S.p.A.                    | 1                             | 0              | 1                             | 0              |
| Noy Ambiente S.p.A                    | 0                             | 0              | 5                             | 0              |
| <b>total</b>                          | <b>10</b>                     | <b>0</b>       | <b>6</b>                      | <b>0</b>       |

### Tax consolidation

The table below provides a summary of the Company's relationships with its subsidiaries part of the Group's tax consolidation:

| Subsidiaries        | Receivables | Payables | Expenses | Revenues |
|---------------------|-------------|----------|----------|----------|
| La Torrazza S.r.l.  | 221         | 0        | 0        | 221      |
| Bioagritalia S.r.l. | 21          | 0        | 0        | 21       |



|                               |            |           |           |            |
|-------------------------------|------------|-----------|-----------|------------|
| Valdastico Immobiliare S.r.l. | 0          | 91        | 91        | 0          |
| Green Piemonte S.r.l.         | 0          | 3         | 3         | 0          |
| <b>Total</b>                  | <b>242</b> | <b>94</b> | <b>94</b> | <b>242</b> |

The figures for the previous year, were:

| <b>Subsidiaries</b>           | <b>Receivables</b> | <b>Payables</b> | <b>Expenses</b> | <b>Revenues</b> |
|-------------------------------|--------------------|-----------------|-----------------|-----------------|
| La Torrazza S.r.l.            | 15                 | 0               | 0               | 15              |
| Bioagritalia S.r.l.           | 61                 | 0               | 0               | 30              |
| Valdastico Immobiliare S.r.l. | 0                  | 97              | 97              | 0               |
| Green Piemonte S.r.l.         | 0                  | 3               | 3               | 0               |
| <b>Total</b>                  | <b>76</b>          | <b>100</b>      | <b>100</b>      | <b>45</b>       |

Ambienthesis has also issued the following guarantees in favor of related parties:

|                             |           |   |
|-----------------------------|-----------|---|
| Daisy S.r.l.                | 1.750.000 | Proportionately surety to Unicredit as guarantee to usecured loan               |
| Rea Dalmine S.p.A.          | 1.510.000 | Guarantee - irrevocable mandate – factoring contract with Mediofactoring S.p.A. |
| Grandi Bonifiche S.c.a.r.l. | 2.600.000 | Omnibus guarantee on granted credit lines                                       |

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**Information pursuant to art. 149 - duodecies of the Consob Issuer Regulations**

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|                                   | <b>Party providing the service</b> | <b>Recipient</b>     | <b>Fees for the FY 2014</b> |
|-----------------------------------|------------------------------------|----------------------|-----------------------------|
| <b>Audit</b>                      | PricewaterhouseCoopers SpA         | Ambientthesis S.p.A. | 114                         |
| <b>Audit</b>                      | PricewaterhouseCoopers SpA         | Controllate          | 19                          |
| <b>Other attestation services</b> | PricewaterhouseCoopers SpA         | Ambientthesis S.p.A. | 6                           |
| <b>Total</b>                      |                                    |                      | <b>139</b>                  |

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## Certification of the Financial Statements pursuant to art. 154 bis of Legislative Decree no. 58/98

1. The undersigned Damiano Belli, as Managing Director, and Marina Carmeci, as Manager in charge of preparing the financial reports of Ambienthesis S.p.A., certify, also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 24 February 1998, n. 58:

- the adequacy in relation to the characteristics of the company and
- the effective implementation

of administrative and accounting procedures for the preparation of the consolidated financial statements during the financial year 2014

It is also certified that the consolidated financial statements at December 31 2014:

- corresponds to the books and accounting records;
- has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Commission according to the procedure laid down in Article. 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in accordance with the provisions issued in implementation of art. 9 of Legislative Decree. N. 38/2005, to our knowledge, it is suitable to give a true and fair view of the financial position, results and cash flows of the issuer

Segrate, 15 April 2015

Damiano Belli  
**Managing director**

Marina Carmeci  
Manager in charge of preparing the financial re-  
ports