



AMBIENTHESIS

HALF YEAR REPORT
AT 30 JUNE 2016

AMBIENTHESIS GROUP

AMBIENTHESIS S.p.A.

Via Cassanese, 45
20090 Segrate (MI)

Share capital Euro 48.204.000,00 fully paid

Tax number 10190370154
VAT number 02248000248
Business register 10190370154
R.E.A. CCIAA MI 1415152
www.ambienthesis.it

SUMMARY

INTERIM MANAGEMENT REPORT AS AT 30 JUNE 2016

CORPORATE BODIES

BOARD OF DIRECTORS MANAGEMENT REPORT

Introduction

Company data

The Ambienthesis group

Synthesis of the economic and financial results of Ambienthesis group as at 31.3.2016

Management situation

Net financial position as at 30.6.2016

Remarkable events occurred during the first six months of 2016

Events occurred after the first six months of 2016

Intra-group relations and related parties

Expectable management evolution

FINANCIAL STATEMENTS AND EXPLANATORY NOTES

Consolidated financial statements – Ambienthesis Group

Explanatory notes

Certification of the consolidated condensed interim financial statements

CORPORATE BODIES

Board of directors	Franco Castagnola (*) ⁽¹⁾ Damiano Belli (*) ⁽²⁾ Maria Cleofe Bazzano Giovanni Mangialardi Susanna Pedretti ⁽³⁾ Paola Margutti ⁽³⁾ Paolo Rossi ⁽³⁾	<i>President</i> <i>Chief Executive Officer</i>
Control and risks committee	Susanna Pedretti Paola Margutti Paolo Rossi	<i>President</i>
Remuneration committee	Paola Margutti Susanna Pedretti Giovanni Mangialardi	<i>President</i>
Auditory committee	Michaela Marcarini Daniele Bernardi Enrico Felli Enrico Calabretta Paola Pizzelli	<i>President</i> <i>Standing auditor</i> <i>Standing auditor</i> <i>Deputy auditor</i> <i>Deputy auditor</i>
Manager in charge of drafting the Company financial statements	Marina Carmeci	
Auditing Company	PricewaterhouseCoopers S.p.A.	

Notes:

(*): executive Director

(1): Responsible for relations with institutional investors and other Shareholders

(2): Appointed by the Board for the Coordination of the Internal Control System and Risk Management

(3): independent Director

Introduction

Ambienthesis S.p.A. 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 condensed interim consolidated financial statements at 30 June 2016 Ambienthesis Group (hereinafter the "Group" or the "ATH Group") include the financial statements of Ambienthesis S.p.A. (Also referred to as the "Company" or "Parent Company" or "ATH") and that of the Italian and foreign companies in which ATH has the right to exercise - directly or indirectly - control determining their financial and management decisions, and to obtain the resulting benefits.

These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS" or "international accounting standards") issued by the International Accounting Standards Board (IASB) and adopted by the European Commission under 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 art. 9 of Legislative Decree no. 38/2005. The IFRS are understood as all international standards, as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The form and content of these condensed interim consolidated financial statements comply with the disclosure requirements of IAS 34 - Interim Financial Reporting and art. 154 -third of the Consolidated Law on Finance. The accounting policies and evaluation criteria used are those used in preparing the consolidated financial statements at December 31, 2015, to which there is an explicit reference, except as explained in paragraph "Variation of accounting policies" of the notes to the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements at 30 June 2016 are subject of a limited audit by the independent auditors PricewaterhouseCoopers S.p.A. .

All values below and the items of the financial statements are expressed in thousands of euros.

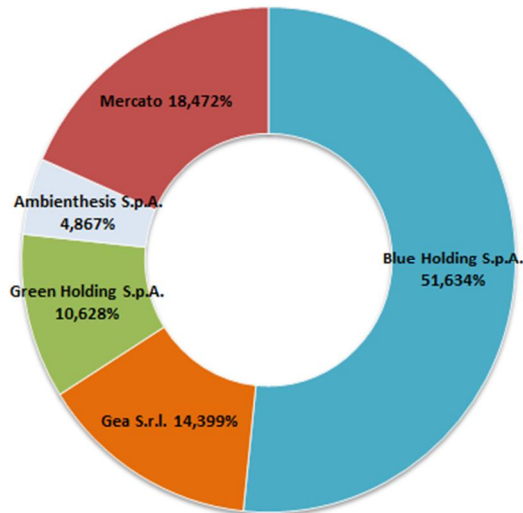
Company data

As of 30 June 2016, to the share capital of Ambienthesis S.p.A., represented by 92,700,000 shares in circulation, participated - directly or indirectly, with voting rights exceeding 2% of the share capital, according to the shareholder register, supplemented by the communications received under Article 120 of the Consolidated provisions on financial intermediation under Legislative Decree no. 58/1998, as well as other information available to the company - the shareholders according to the following shares:

- Green Holding S.p.A., holder of no. 9,852,497 ordinary shares, representing approximately 10.628% of the share capital;
- Blue Holding S.p.A., holder of no. 47,864,634 ordinary shares, representing approximately 51.634% of the share capital;
- Gea S.r.l., owner of no. 13,348,043 ordinary shares, representing approximately 14.399% of the share capital;
- Ambienthesis S.p.A., holder of no. 4,511,773 treasury shares, equal to 4.867% of the share capital

As of today, Ambienthesis S.p.A. holds a total of. 4,511,773 treasury shares, representing approximately 4.867% of the share capital, with an average purchase price of approximately EUR 0.55.

The current shareholding structure is therefore represented in the chart below:



The company Green Holding S.p.A., Blue Holding S.p.A. and Gea S.r.l. are companies indirectly controlled by the RAPS Sas Marina Rina Cremonesi & C.

At 30 June 2016, the reference price of the ATH title featured a listing of 0.39 Euro (approximately -22% compared to that of the same period of 2015, which was 0.50 Euros).

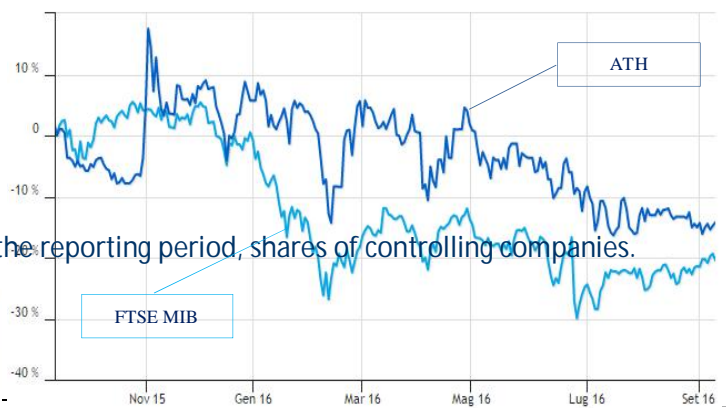
As of 19 September 2016, the title ATH presented a stock listing of 0.36 Euro, registering the following performances:

Performance 1 month:	-2.57%
Performance 6 months:	-15.63%
Performance 1 year:	-12.32%

ATH graph of the stock during the last 12 months



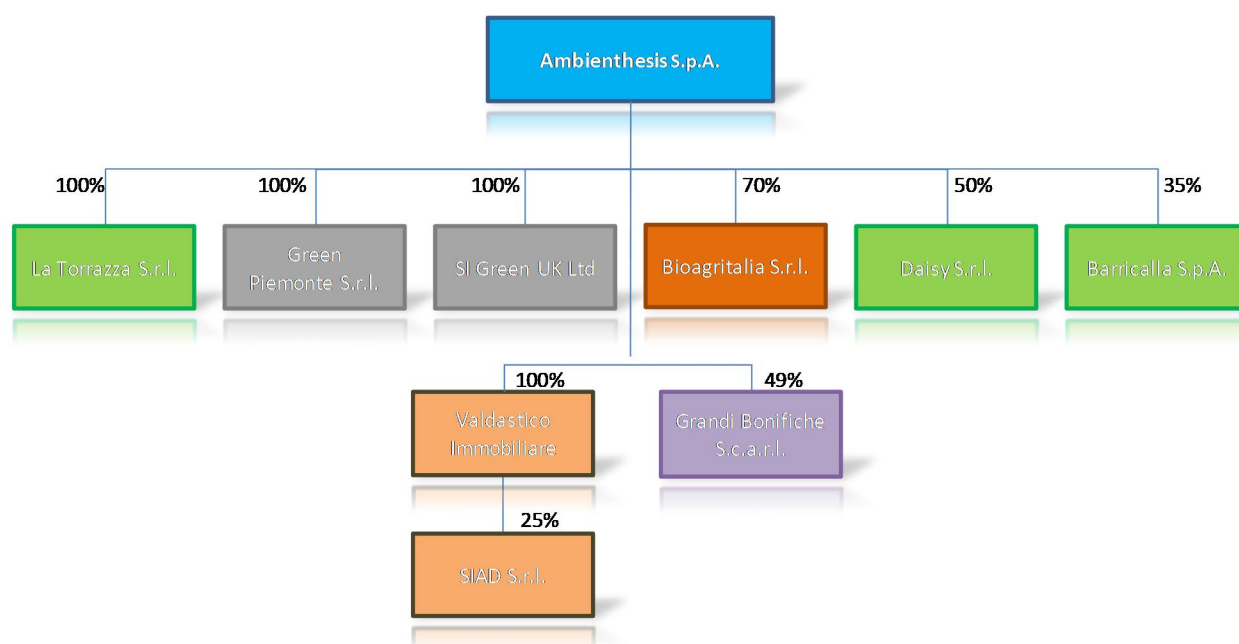
Graph of of the ATH title (blue) compared to the FTSE MIB in the same period (light blue)



The Ambienthesis Group represents in Italy, one of the leading players in the field of the management of industrial waste and environmental remediation. It operates in the following areas:

- Treatment, recovery and disposal of industrial waste;
- Environmental remediation and rehabilitation;
- environmental Engineering activities.

The structure of Ambienthesis Group (as at 30 June 2016 and the date of this report) is represented in the diagram below:



BUSINESS UNITS

	Treatment, recovery and disposal of industrial waste; Environmental remediation and rehabilitation; engineering
	Recovery and final disposal of industrial waste
	Treatment of biological sludge for subsequent use in agriculture
	Società operanti nel settore immobiliare
	Attività di bonifica e risanamento
	Società non operative

BLUE: Treatment, recovery and disposal of industrial waste; Environmental remediation and rehabilitation; environmental Engineering activities.
 GREEN: recovery and final disposal of industrial waste
 BROWN: treatment of biological sludge for subsequent use in agriculture
 ORANGE: companies operating in real estate
 VIOLET: remediation and environmental restoration
 GREY: Non-operating companies

As of 30 June 2016, the scope of consolidation is composed by the following companies, as well as by Ambienthesis S.p.A:

- Bioagritalia S.r.l.	70%	ITALY
- Green Piemonte S.r.l.	100%	ITALY
- La Torrazza S.r.l.	100%	ITALY
- S.I. Green Uk Ltd	100%	UNITED KINGDOM
- Valdastico Immobiliare S.r.l.	100%	ITALY

The Group also holds the following investments, accounted for by the equity method:

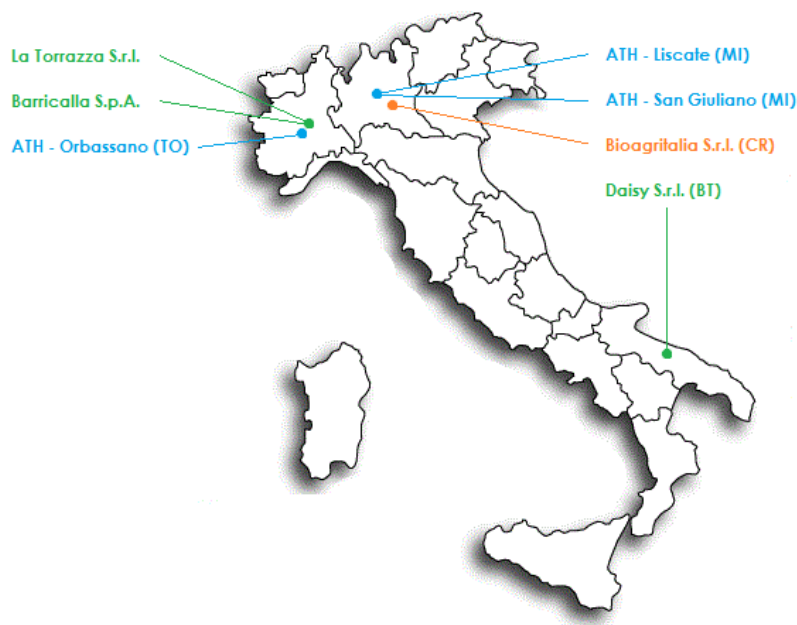
- Siad S.r.l.	25%	ITALY
- Barricalla S.p.A.	35%	ITALY
- Grandi Bonifiche Società Consortile a r.l.	49%	ITALY
- Daisy S.r.l.	50%	ITALY

Ambienthesis S.p.A. owns and operates, in Orbassano (TO), the largest platform in Italy for the treatment of special waste, hazardous and non (authorized capacity 500,000 t / year).

It also manages two additional owned plants: the first, located in Liscate (MI), provides a specific disposal service, for the disposal of various types of liquid waste which origin is both civil, and industrial; the second, located in San Giuliano Milanese (MI), is intended for storage activities of many types of waste (batteries, paints, containers contaminated with hazardous substances, drugs, acids, bases and reagents), and specializes in the disposal of hazardous waste containing asbestos.

Through its subsidiaries La Torrazza S.r.l. and Bioagritalia S.r.l. (owned, respectively, 100% and 70%), the Company controls two other plants: the first, located in Torrazza Piemonte (TO), is a landfill for special waste, hazardous and non-; the second, located in Corte de 'Frati (CR), is a plant for the treatment and the recovery of biological sludge that will subsequently be re-used in agriculture.

Lastly Ambienthesis S.p.A. holds a 50% stake in the company Daisy S.r.l., that operates, in San Procopio (BT), a landfill for non-hazardous waste with attached inerting system, and a 35% stake in Barricalla S.p.A., which runs instead, the main Italian landfill for special waste, hazardous and non, located in Collegno (TO).



SUMMARY OF ECONOMIC AND FINANCIAL PERFORMANCE OF THE AMBIENTHESIS GROUP AT 30.06.2016

31.12.2015	ECONOMIC DATA	30.06.2016	30.06.2015	Variation %
------------	---------------	------------	------------	-------------

	In thousands of Euros			
54,790	Revenues	36,978	27,562	34.2%
-54,732	Operating expenses	-35,976	-27,280	31.9%
58	Operating gross margin (Ebitda)	1,002	282	255.3%
-9,149	Amortisation and depreciation	-1,309	-2,076	-36.9%
-9,091	Operating net margin (Ebit)	-307	-1,794	-82.9%
-11,642	Pre-tax income	140	-2,040	n.c.
-13,397	Final net result	111	-2,141	n.c.

31.12.2015	FINANCIAL DATA In thousands of Euros	30.06.2016	30.06.2015	Variation %
4,512	Net working capital	-4,058	9,672	n.c.
115,318	Total assets	108,084	131,320	-17.7%
47,980	Equity	47,601	59,328	-19.8%

31.12.2015	NFP In thousands of Euros	30.06.2016	30.06.2015	Variation %
-8,748	Net financial position	-107	-10,478	-99.0%

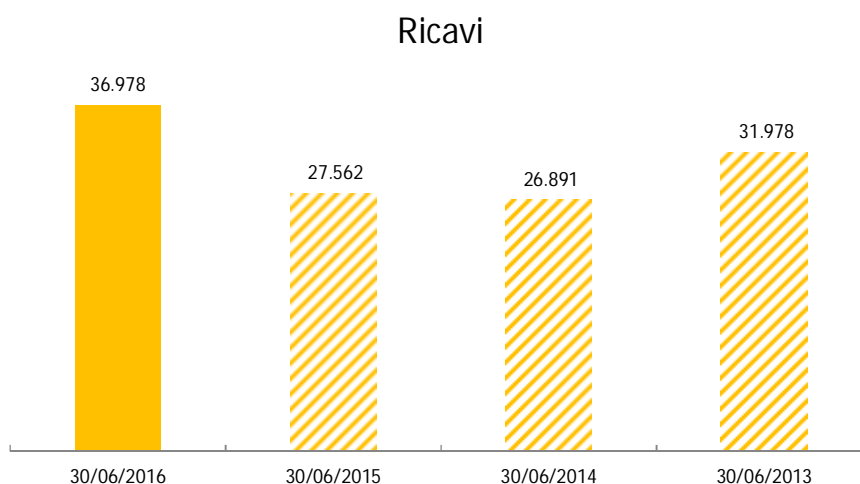
Management performance

Net consolidated revenues generated by Ambienthesis Group in the first half of 2016 amounted to 36,978 thousand Euros, with an increase of 34.2% over the previous year, when they amounted, instead, to 27,562 thousand Euros.

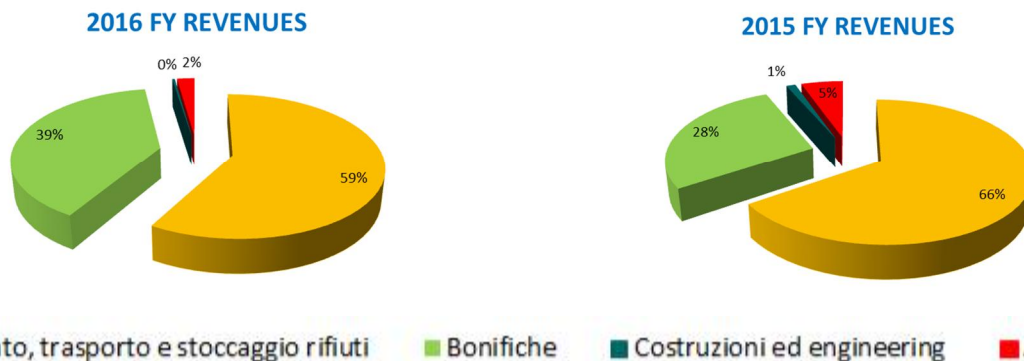
This value of sales revenues is the result of growth, both in revenues resulting from the business "Waste disposal, transport and storage" (+19,5%), and of the very positive trend of the revenues deriving from the area of business "Environmental remediation", which went from 7,705 thousand Euros in the first half of 2015, to 14,471 thousand Euros in the corresponding period of 2016, with an increase which is above.

The composition of the Group's revenues for the first half of 2016, and for the same period last year is shown in the table and in the following charts:

REVENUES In thousands of Euros	30.06.2016	30.06.2015	Variation %
Waste disposal, transport and storage	21,575	18,052	19.5%
Reclamations	14,471	7,705	87.8%
Buildings and engi-	112	321	-65.1%



neering			
Other revenues	820	1,484	-44.7%
TOTAL REVENUES	36,978	27,562	34.2%



ORANGE: Waste disposal, transport and storage GREEN: Reclamations BLACK: Buildings and Engineering
 RED: Other revenues

Consolidated operating costs over the first 6 months of 2016 amounted to -35,976 thousand Euros, growing, therefore, by 31.9% compared to the same period last year, which amounted, instead, to -27,280 thousand Euros.

It shows that the increase in operating costs compared to 2015 (+ 31.9%) was lower in percentage compared to the growth dynamics observed in net sales revenues in the same period (+ 34.2%).

In detail, the "Purchases of raw materials and semi-finished products" increased by 5.1%, the "Services provision" increased by 45.2%, while the "Staff costs" have decreased slightly by 2.1%. Finally, with regard to "Other operating expenses and provisions", these have decreased by 13.2%; please note that, in the first half of 2015, it had been made the decision to write down the receivable from Ilva S.p.A., for which, net of this element, the item "Other operating expenses and provisions" would have recorded an increase of 8.4% .

The consolidated gross operating margin for the first 6 months of 2016 was positive for an amount of 1,002 thousand euros, compared with a result of 282 thousand euros in 2015 (787 thousand euros net of the write-down of Ilva), thus registering a turnaround compared to the previous period, and this confirms the positive impact on the Group, determined by the increase in revenues and by some efficiency measures on the costs that continue to bring their own benefits to the Group's income statement.

The final net consolidated result was positive in the amount of euros 111 thousand (against -2,141 thousand euros in the first half of 2015), after expensing depreciations and write-downs for 1,309 thousand euros (against the 2,076 thousand euros of the first six months of 2015) and benefiting from the results of the subsidiaries.

Among the positive signs it is to be emphasized the further improvement of the net financial position (NFP), which, as at 30 June 2016, reached the amount of -107 thousand euros against -10,478 thousand euros of 30 June 2015 and -8,748 thousand euros reported at 31 December 2015.

This also by virtue of the proceeds relating to the credit for the reclamation works of the area "ex Sisas" Pioltello-Rodano, as detailed below.

The result, much appreciated, was reflected in the degree of leverage - the ratio between the net financial position and net equity - which totalled 0.0022.

31.12.2015	NET FINANCIAL	30.06.2016	30.06.2015
-------------------	----------------------	-------------------	-------------------

	POSITION AS AT 31.03.2016		
8	A. Cash	7	8
484	B. Cash equivalents	3,610	16
0	C. Bonds held for negotiation	0	0
492	D. Cash (A+B+C)	3,617	24
1,937	E. Current financial receivables	2,012	1,920
1,937	-of which to related parties	2,012	1,920
-8,788	F. Current bank debts	-3,409	-10,899
-395	G. Current portion of non-current debt	-407	-404
-1,363	H. Other current bank debt	-1,448	-328
-10,546	I. Current financial debt (F+G+H)	-5,264	-11,631
-8,117	J. Net current financial debt (I-E-D)	365	-9,687
-590	K. Non-current bank debt	-443	-752
0	L. Issued bonds	0	0
-41	M. Other non-current financial liabilities	-29	-39
-631	N. Financial non-current debt (K+L+M)	-472	-791
-8,748	O. Net financial debt (J+N)	-107	-10,478

Remarkable events occurred during the first six months of 2016

- Aquisition of new waste disposal works (not contracts)

During last March we have been assigned the service of recovery and/or disposal, transport included, of pulverized waste called "filter cakes, produced from flue gas treatment and fly ashes containing dangerous substances" produced by WTE plants of the Hera Group - lot No. 3, for an indicative contractual amount, including inter alia the security costs, amounting to 1,757 thousand euros; the relevant contract, already activated, will be valid until March 31, 2017 and may possibly be renewed for a further two years.

The consolidated order book at 30 June 2016, related only to "contract" activities, amounts to approximately 36 million euros, of which 30 million euros in the sector of environmental reclamation and 6 million euros in the sector of plant construction.

- Paid portion of receivable for reclamation works in the area "ex Sisas" in Pioltello-Rodano

As well 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.

In relation to the evolution of this case, which was given ample evidence even in the previous periodic financial reports, to which reference is expressly made, it is acknowledged that the claim by Ambienthesis S.p.A. against

TR Estate Due S.r.l., budgeted at 31 December 2015 for 20,974 thousand Euros (net of tax), was collected in the first months of 2016 for 17,158 thousand euros (including VAT for 1,560 thousand euros). TR Estate Due S.r.l. has in fact, in the first instance - as of January 15, 2016 - and as a partial payment, proceeded to the payment in favour of the same Ambienthesis S.p.A. of the amount of 14,258 thousand euros and, in the second instance - on March 17, 2016 - to the payment of 2,100 thousand euros, and finally – on 27 May 2016 – to the payment of 800 thousand euros.

The above following the company's proposal for cost recognition for the remediation performed on the area "ex Sisas" in Pioltello-Rodano (MI) formulated by the Lombardy Region in favour of TR Estate Due S.r.l. with regards to the compliance of the Region itself and the Ministry of Environment to the judgment of the Council of State no. 6164/2014; this proposal has resulted in payments by the Lombardy Region in favour of TR Estate Due S.r.l. not fully capacious about the possibility of the latter to issue receipts for, in whole, the debt to Ambienthesis S.p.A.

The Directors, with reference to the residual receivable of 5,376 thousand Euros (plus VAT), notwithstanding the possibility for Ambienthesis S.p.A. to directly cultivate the litigation, already ongoing with the authorities, however, indicate that an agreement with TR Estate Due S.r.l. on the payment terms of the remaining accounting entries, agreeing on a deferred and properly secured payment schedule was reached.

- Sadi Poliarchitettura S.r.l.

It seems appropriate to remind that, on 15 November 2014, Sadi Poliarchitettura S.r.l., at the time owned 100% by Ambienthesis S.p.A. and then transferred in 2012 to the Special Situations S.r.l., was declared bankrupt

On January 30, 2015, following the declaration of bankruptcy, the company Valdastico Immobiliare S.r.l. lodged proof of debt of a sum, including capital and interest, of 505 thousand Euros (378 thousand Euros with preferential status as per former art. 2764 of the civil code and 127 thousand Euros with pre-deduction status as per former art. 111 Bankruptcy Law) for rents and employment benefits arising from the lease contract of the property located in Orgiano.

The authorised liquidator has submitted the draft of the statement of liabilities proposing the admission of the claim put forth by Valdastico Immobiliare S.r.l. for 292 thousand Euros with preferential status, 66 thousand Euros as unsecured, and not recognizing the amount of 120 thousand Euros relating to the fees accrued after the date of bankruptcy, as well as excluding other amounts claimed by way of VAT and interest.

Subsequently, on February 24, 2015, Valdastico has presented written submissions in support of its claim and rebuttal of the project prepared by the liquidator, insisting on the admission of the whole credit.

On April 22, 2015, the Bankruptcy Judge declared the enforceability of claims, recognising, beyond what is suggested by the authorised liquidator in the sum of liabilities, the pre-deduction status of the occupation rent, amounting to 450,00 Euros daily until the vacation of the premises for a total, as of 30 June 2016, of approximately 267 thousand euros.

On 21 July 2015, the Liquidator has then notified to Valdastico Immobiliare S.r.l. - subsidiary of Ambienthesis S.p.A. - a writ of summons under which the procedure has requested the assessment of the ineffectiveness of the demerger deed signed on 25 September 2012 (thus promoting a revocatory action).

According to the thesis of the proceedings, contested in court by Valdastico, the demerger act, put in place at the time, would have to be considered unlawfully prejudicial in relation to the interests of the creditors of the bankruptcy of Sadi Poliarchitettura Srl.

The investigating magistrate after assigning the deadlines for written discussion, set the discussion of the evidence for the month of November, postponing the hearing which was scheduled for late June 2016. Valdastico Immobiliare S.r.l. On 18 July 2016 filed its preliminary pleading for the plaintiffs.

The stage, which is still very preliminary, of the negotiation does not yet allow to express an opinion on the plausible outcome of the trial, even though the Directors believe that there are various and numerous reasons to contest the bankruptcy thesis

- Area of San Benigno Canavese (TO) propriety of Green Piemonte S.r.l.

On March 31, 2016, the subsidiary Green Piemonte has suffered, on the orders of the Prosecutor of Ivrea, an instance of seizure of the area of which it's owner (and the value of which it is budgeted for Euro 25 thousand) at the municipality of San Benigno Canavese, in proceedings relating to hypothesis of environmental crimes.

The company Green Piemonte and its sole director, assisted by its legal counsel that has produced a special opinion, consider that the conditions for the demonstration of total alienation of the same to the facts in dispute.

The company has set aside a risk provision proportionate to the potential costs for the safety works on the site.

- Ministerial approval of the company's restructuring program

In this regard it is noted that the process of defining the parameters for the opening of the redundancy is currently under way and that as a result of related agreements with the unions, on April 8 of this year, the corporate reorganization program covering the period 1.1.2016-31.12.2017 has been approved by the Ministry of Labour and Social Policy of, resulting in the approval of the extraordinary treatment of wage subsidies in favor of employees of Ambientthesis SpA.

To date, the above procedure has seen the participation, on a voluntary basis, of seven work units compared to the totality of the units falling within the procedural target set originally to twenty-seven units. It is however necessary to point out that 12 units have been usefully relocated to reclamation work sites and, in the meantime, new contracts were acquired. In parallel there has been a substantial reduction of unused vacation time, which must be enjoyed before being able to access the redundancy benefits. For this reason, then, the remaining 8 units have covered the holiday shifts. Finally, the opening of the factory on Saturdays was introduced to allow the sales network to increase the offer on the market, with the result that the staff had to ensure different working hours and shift coverage, also in order to avoid the use of overtime, a practice not compatible with the redundancy procedures.

Please note that the economic and financial impact of the procedure, which ends June 30, 2017, are not so significant and in any case, in the current semester, the "Staff costs" recorded a decrease of 2.1% compared to the same period of the previous year.

Events occurred after the first six months of 2016

- Aquisition of new contracts

Award from Nucleco S.p.A., of the transport and landfilling of hazardous waste service resulting from the excavation of the pits with anthropic material of the Sogin Central in Latina, for the grouping of companies consisting of Ambientthesis S.p.A. and others for a total amount of 748 thousand Euros.

- New credit lines obtained

On July 23, 2015 a contract was signed between Ambientthesis S.p.A., Gea Sr.l. and Rea Dalmine S.p.A., on the one hand, and on the other, Banca IMI S.p.A. and Banca Intesa, which has allowed, over time, to equip the company with larger credit lines in support of their own operations; they are, on the whole, credit lines (cd. "rolling") for 25 million euros, for a period of three years, renewable. The contract indicated above was recently, on 15 July 2016, updated and extended for a period of five years.

- Purchase of the property for industrial use located in the municipality of San Giuliano Milanese previously leased

On July 21, 2016 Ambienthesis S.p.A. purchased from related parties (Plurifinance Srl and Green Holding S.p.A.) ownership of the entire real estate unit located in the industrial zone of the Municipality of San Giuliano Milanese (MI), so far leased and consisting of two industrial buildings with offices and services, and an adjoining surrounding yard of relevance, having a total area of approximately 3,800 m², of which about 2,100 are covered.

The related parties Plurifinance S.r.l. and Green Holding S.p.A., which held the undivided ownership of that property unit, respectively, with dimensions equal to 600/1000 and 400/1000, had placed it on the market and Ambienthesis S.p.A., for the reasons and with the procedures mentioned below, has decided to buy it.

Ambienthesis S.p.A. operates, in fact, in said real estate unit, an authorized facility for the storage and treatment of special liquid and solid waste, hazardous and non-hazardous, with a total volume of 950 m³ of material, whose Integrated Environmental Authorisation was last extended until July 2022.

The plant, in addition to being equipped with technologies designed to improve the recovery of reusable materials, is specialized in the management of waste from the so-called micro-collection and has also become a reference point for the activities of storage and disposal of that waste coming from the insulation removal of asbestos and containing mineral wool or fiber cement.

Since the waste storage business unit, is of great significance to the steady development of the overall company's core business, the Board of Directors of Ambienthesis S.p.A., prior favorable opinion on the subject by the Control and Risk Committee (the latter also responsible to the prior review both of the interest of the Company to carry out transactions with related parties, and of the substantial fairness of the transactions), has therefore decided to proceed to purchase the mentioned property unit, also taking into account that it was in any case already been placed on the market.

This operation on the one hand, will produce a positive effect in terms of gross operating margin (there being no longer the cost of the annual rent, amounting, for 2015, to about 137,000 euros, plus legal VAT) and, on the other, allowed the Company to become the owner of an asset considered as strategic, given also the economic growing trend recently recorded precisely in the waste storage business unit. The purchase price, determined between the parties on the basis of the results of two separate appraisals and a specific fairness opinion, specifically requested for the purpose by the Audit and Risk Committee, amounted to 1,080,000 euros.

The purchase, thus made, is part of a wider set of measures envisaged by the strategic guidelines, according to which, next to the gradual disposal of all activities no longer considered functional to the characteristic business of the Company, simultaneously core assets are acquired.

- Resignation of Eng. Alberto Azario as Chairman and Director of Ambienthesis S.p.A. and appointment of Dr. Franco Castagnola as the new Chairman of the Company.

On July 27, 2016 Eng. Alberto Azario has resigned as Director and Chairman of the Board of Directors of Ambienthesis S.p.A. following his appointment as Chairman of the Board of Directors the indirect parent company Green Holding S.p.A., which took place on July 26, 2016.

The Board of Directors acknowledged the resignation. Azario proceeded to co-opt as a new Director the lawyer Giovanni Mangialardi and to appoint as the new President of the Board Dr. Franco Castagnola.

Intra-group relations and related parties

With regard to transactions with related parties, notwithstanding what reported in relation to the position towards TR Estate Due Srl, it should be noted that the same are a normal course of business of the Group companies and are regulated at market conditions, taking into account characteristics of the goods or services involved. Please note that the above transactions do not qualify as either atypical or unusual.

For details regarding the relationships with related parties, please refer to the explanatory notes to the consolidated financial statements.

Expectable management evolution

The expectations for the second half of the current year all converge towards the consolidation of the positive results so far observed on the Group's economic dynamics:

- Confirmation of sales growth trend along internal lines;
- heighten efficiency of management processes in place out of the overall cycle of waste;
- launch of innovative investments at the production site in Orbassano (Torino) for what concerns an evolved tri-generation plant process and a new system for breaking down the odorous emissions;
- acceleration of the process aimed at the external development and the sale of non-characteristic assets.

Segrate, 20 September 2016

For the Board of Directors
The Chairman
Dr. Franco Castagnola

CONSOLIDATED FINANCIAL STATEMENTS
AT 30th JUNE 2016

AMBIENTHESIS GROUP

CONSOLIDATED FINANCIAL STATEMENTS

AT 30.06.2016

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(in thousands of Euros)	Notes	30.06.2016	31.12.2015
		Total	Total
ASSETS			
NON-CURRENT ASSETS			
Property, plants, machinery and other fixed assets	1	20,922	22,453
Property investments	2	15,364	15,456
Goodwill	3	20,853	20,853
Intangible assets	4	53	63
Investments	5	3,884	3,640
Other financial assets	6	0	292
Pre-paid tax assets	7	3,640	3,642
Other assets	8	189	210
Total non-current assets		64,905	66,609
CURRENT ASSETS			
Inventory	9	14	10
Trade receivables	10	35,725	44,788
Current tax assets	11	320	373
Financial receivables and other financial assets	12	2,012	1,937
Other assets	13	1,261	1,109
Cash and cash equivalents	14	3,617	492
Total current assets		42,949	48,709
TOTAL ASSETS		230	-
		108,084	115,318

	Notes	30,06,2016	31,12,2015
<i>(in thousands of Euros)</i>		Total	Total
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	48,204	48,204
Reserves		1,625	15,512
Treasury shares		(2,495)	(2,495)
Group result		83	(13,414)
<i>Group equity</i>		47,417	47,807
Third parties capital and reserves		184	173
Total equity		47,601	47,980
NON-CURRENT LIABILITIES			
Long-term financial liabilities	15	472	631
Risk and charges provisions	16	8,051	7,777
Employees benefits provision	17	1,024	1,071
Deferred tax liabilities		1,153	1,153
Other non-current liabilities		3,141	4,392
Total non-current liabilities		13,841	15,024
CURRENT LIABILITIES			
Short-term financial liabilities	18	4,857	10,151
Short-term portion of long-term financial liabilities	19	407	395
Trade payables	20	35,484	35,328
Advances		-	1
Current tax liabilities	21	5,894	6,439
Other current liabilities		46,642	52,314
Total current liabilities		108,084	115,318
TOTAL EQUITY AND LIABILITIES			

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euros)</i>	30.06.2016		30.06.2015	
		Total		Total
REVENUES				
Revenues	22	36,749		27,041
Other revenues	23	229		521
Total revenues		36,978		27,562
OPERATING EXPENSES				
Purchase of raw materials, semi-finished goods and others	24	(1,654)		(1,574)
Services	25	(28,975)		(19,956)
Labour cost	26	(3,151)		(3,219)
Other operating expenses and provisions	27	(2,196)		(2,531)
		<i>- of which non-recurring items</i>	0	(505)
GROSS OPERATING MARGIN		1,002		282
Amortisation and depreciation	28	(1,309)		(2,076)
		<i>- of which non-recurring items</i>	0	0
NET OPERATING MARGIN		(307)		(1,794)
FINANCIAL REVENUES (EXPENSES)	29			
Financial revenues		60		19
Financial expenses		(359)		(402)
Derivative instruments		(2)		(1)
REVENUES (EXPENSES) ON INVESTMENTS	30			
Revenues (expenses) on investments		748		138
PRE-TAX INCOME		140		(2,040)
Income tax		(29)		(101)
NET INCOME		111		(2,141)
GROUP:		83		(2,141)
THIRD PARTIES:		28		0
Indicators per share (in Euro units)				
Basic and diluted profit (loss)		0.001		(0.024)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In thousands of Euros</i>	30.06.2016	30.06.2015
NET WORTH	111	(2,141)
<i>Items of comprehensive result classifiable within the period result in subsequent periods</i>		
Exchange rate differences deriving from the conversion of the balance sheets in currencies different from Euro	(475)	374
Tax effect related to the items of the comprehensive result classifiable in the financial statement.	0	0
<i>Total items of comprehensive result classifiable within the period result in subsequent periods</i>	(475)	374
<i>Items of comprehensive result non-classifiable within the period result in subsequent periods</i>		
Actuarial profit/(loss)	0	0
Tax effect related to the items of the comprehensive result classifiable in the financial statement.	0	0
<i>Total items of comprehensive result non-classifiable within the period result in subsequent periods</i>	0	0
Total comprehensive result in the financial year	(364)	(1,767)
Competence of:		
- Group	(392)	(1,767)
- third parties	28	0

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In thousands of Euros</i>	30.06.2016	30.06.2015
Cash and cash equivalents in the balance sheet as at the beginning of the financial year	492	590
Initial account overdrafts	(8.788)	(10.356)
INITIAL NET CASH	(8.296)	(9.766)
 CASH FLOW FROM INCOME ACTIVITIES		
Pre-tax result	140	(2.040)
Amortisation and depreciation	1.309	2.076
Receivables depreciation	82	505
Increase (decrease) in employees benefits provision	(47)	1
Alienation of assets loss (profit)	(748)	(138)
Depreciation (re-evaluation) on investments	274	(42)
 OPERATING ASSETS CASH FLOW		
Tax paid in the financial year	25	0
Decrease (increase) in inventories	(4)	(4)
Decrease (increase) in trade receivables	8.982	(3.502)
<i>- of which towards related parties</i>	<i>(16.627)</i>	<i>1.174</i>
Decrease (increase) in other current assets	(152)	42
Increase (decrease) in trade payables	156	4.787
<i>- of which towards related parties</i>	<i>(122)</i>	<i>3.545</i>
Increase (decrease) in other non-financial payables	(1.795)	(310)
TOTAL	8.222	1.375
 CASH FLOW FROM INVESTMENT ACTIVITIES		
(increase) decrease in tangible assets	325	(1.095)
(increase) decrease in non-tangible assets	(2)	0
(increase) decrease in investments	(50)	0
Dividends income	616	0
(increase) decrease in other financial assets	21	28
<i>- of which towards related parties</i>	<i>0</i>	<i>50</i>
TOTAL	909	(1.067)
 CASH FLOW FROM FINANCING ACTIVITIES		
Taking over (refund) of medium and long term loans	(135)	(1.663)
Variation in other financial assets/liabilities	(2)	(396)
<i>- of which towards related parties</i>	<i>(75)</i>	<i>285</i>

Dividends distribution	(17)	(14)
Sale (purchase) of treasury shares	0	70
Other equity variations	(473)	374
Total	(627)	(1.629)
NET CASH FLOW	8.504	(1.321)
FINAL NET CASH	208	(11.087)
Cash and cash equivalents in the balance sheet as at the end of the period	3.617	24
Final account overdrafts	(3.409)	(11.111)
FINAL NET CASH	208	(11.087)
OTHER INFORMATION		
Financial expenses in the financial year	(307)	(452)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

<i>In thousands of Euros</i>	Share capital	Share premium reserves	Legal reserve	Other reserves	Income	Treasury shares	Financial year income	Total group equity	Third parties capital and reserves	Total equity
BALANCE AS AT 01.01.2015	48,204	24,547	1,733	(785)	793	(2,565)	(11,058)	60.869	170	61.039
TRANSACTIONS WITH SHAREHOLDERS										
Dividends distribution									(14)	(14)
Previous financial year balance				(335)	(10,723)		11,058			
Sale of treasury shares						70		70	0	70
				(335)	(10,723)	70	11,058	70	(14)	56
NET RESULT							(2,141)	(2.141)	0	(2.141)
OTHER COMPONENTS OF COMPREHENSIVE INCOME										
Actuarial profit/(loss)				0				0		0
Translation reserve				374	0			374		374
COMPREHENSIVE INCOME				374			(2,141)	(1.767)	0	(1.767)
BALANCE AS AT 30.06.2015	48,204	24,547	1,733	(746)	(9,930)	(2,495)	(2,141)	59.172	156	59.328
		15,604								

<i>In thousands of Euros</i>	Share capital	Share premium reserves	Legal reserve	Other reserves	Income	Treasury shares	Financial year income	Total group equity	Third parties capital and reserves	Total equity
BALANCE AS AT 01.01.2016	48,204	24,547	1,733	(838)	(9,930)	(2,495)	(13,414)	47.807	173	47.980
TRANSACTIONS WITH SHAREHOLDERS										
Dividends distribution									(17)	(17)
Previous financial year balance		(14,356)			942		13,414		(17)	(17)
		(14,356)		0	942	0	13,414	0		0
NET RESULT							83	83	28	111
OTHER COMPONENTS OF COMPREHENSIVE INCOME										
Rounding of amounts and other changes					2			2		2
Translation reserve				(475)				(475)		(475)
COMPREHENSIVE INCOME				(475)	2		83	(390)	28	(362)
BALANCE AS AT 30.06.2016	48,204	10,191	1,733	(1,313)	(8,986)	(2,495)	83	47.417	184	47.601
		1,625								

SYNTHESIS OF THE CONSOLIDATED ACCOUNTING DATA AT 30.06.2016 WITH EVIDENCE OF THE RELATIONSHIP WITH RELATED PARTIES

Within the meaning of the Consob resolution no. 15519 of 27th July 2006

<i>In thousands of Euros</i>	Consolidated as at 30.06.2016	Of which related parties	Impact %	Consolidated as at 31.12.2015	Of which related parties	Impact %
BALANCE SHEET						
Non-current assets	64,905	39	0.06%	66,609	292	0.44%
Current assets	42,949	15,408	35.88%	48,709	31,708	65,10%
TOTAL ASSETS	107,854	15,447	14.32%	115,318	32,000	27,75%
Total equity	47,601			47,980		
Non-current liabilities	13,841			15,024		
Current liabilities	46,642	13,901	29.80%	52,314	14,426	27,58%
TOTAL EQUITY AND LIABILITIES	108,084	13,901	12.86%	115,318	14,426	11,54%

	Consolidated as at 30.06.2016	Of which related parties	Impact %	Consolidated as at 30.06.2015	Of which related parties	Impact %
INCOME STATEMENT						
Revenues	36,749	3,239	8.81%	27,041	8,206	30.35%
Other revenues	229		0.00%	521	234	44.91%
Total revenues	36,978	3,239		27,562	8,440	
Purchase of raw materials, semi-finished goods and others	(1,654)	0	0.00%	(1,574)	(6)	0.38%
Services	(28,975)	(11,306)	39.02%	(19,956)	(13,396)	67.13%
Labour cost	(3,151)			(3,219)		
Other operating expenses and provisions	(2,196)	(659)	30.01%	(2,531)	(1,162)	45.91%
Gross operating margin	1,002			282		
Amortisation and depreciation	(1,309)			(2,076)		
Operating net margin	(307)			(1,794)		
Financial revenues(expenses)	(301)	14	n/a	(384)	2	n/a
Revenues/(expenses) on investments	748			138		
Pre-tax income	140	14		(2,040)	2	
Income tax	(29)			(101)		
Net income	111			(2,141)		

EXPLANATORY NOTES

Introduction

Ambienthesis S.p.A. (Hereinafter the "Parent Company" or "ATH") 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 Casanese 45. The consolidated financial statements of Ambienthesis Group (hereinafter the "Ambienthesis Group") include the accounts of Ambienthesis S.p.A. and of the Italian and foreign companies over which it has the right to exercise its control, directly or indirectly.

These condensed interim consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standards ("IFRS")* as issued by the *International Accounting Standards Board (IASB)* adopted by the European Union. "IFRS" are understood as all international standards, as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The form and content of these condensed interim consolidated financial statements comply with the disclosure requirements of IAS 34 - Interim Financial Reporting and art. 154 ter of the Consolidated Law on Finance. IAS 34 allows the preparation of financial statements with a minimum content that is significantly lower than that required by IFRS, where it has been previously made available to the public a complete copy of the financial statements prepared under IFRS. Therefore, the interim consolidated financial statements at June 30, 2016 should be read in conjunction with the consolidated financial statements of Ambienthesis Group at 31 December 2015. The principles of consolidation, accounting policies and valuation criteria used are those used in preparing the Consolidated Financial Statements as at December 31, 2015, to which reference is made for completeness, except as explained in the section "Change in accounting policies" in relation to standards and amendments reported therein applied with effect from 1 January 2016, as they became mandatory following the completion of the relevant approval procedures by the competent authorities.

The interim consolidated financial statements at June 30, 2016 include the consolidated financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of consolidated shareholders' equity, the consolidated statement of cash flows and these explanatory notes.

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities on the date of the condensed interim consolidated financial statements. If such estimates and assumptions, which are based on the best assessment by management, should differ from actual circumstances, they will be modified appropriately in the period in which such circumstances shall manifest.

Please also note that certain valuation processes, in particular the more complex ones such as establishing any impairment of non-current assets, are generally carried out fully only within the the annual financial statements, when all necessary information is available, except in cases where there are impairment indicators that require an immediate assessment of any impairment losses.

Income taxes are recognized based upon the best estimate of the effective tax burden on the result for the period in relation to the current legislation.

This condensed consolidated interim financial statements are presented in euro, the currency in which the majority of the Group's operations is carried out.

The values of the condensed interim consolidated financial statements, considering their significance, are expressed in thousands of euro.

The interim consolidated financial statements at 30 June 2016 are subject of a limited audit by the auditing company PricewaterhouseCoopers S.p.A.

Preparation and presentation criteria

The interim consolidated financial statements at 30 June 2016 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 Group, since the Directors have verified the absence of indicators of financial, managerial, or other indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and, in particular, in the next 12 months.

For the consolidated accounts we used the interim financial statements of the entities included in the consolidation, that have been drafted adopting for each entity the same accounting principles of the Parent Company and making any consolidation adjustments in order to standardize items that are affected by the application of different accounting principles.

Statements and Balance sheets

In relation to the presentation of the interim consolidated financial statements, the following decisions were made:

Consolidated 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 depreciation, 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.

Consolidated 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 Parent Company.

Consolidated 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 Group'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.

Consolidated 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 nature 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.

Statement of Changes in Consolidated 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;
- 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 consolidated financial position and consolidated income statement were prepared, in addition to the compulsory statements, highlighting the significant amounts of positions or transactions with related parties.

Accounting standards, amendments and interpretations effective from 1st January 2016

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 as from 2016.

Description	Endorsed at the date of this document	Application date in accordance with standards
<i>Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets', on depreciation and amortization</i>	Yes	<i>Financial years starting on 1 January 2016</i>
<i>Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint</i>	Yes	<i>Financial years starting on 1 January 2016</i>

operation

Amendment to IAS 16, 'Property, plant and equipment', and IAS 41, 'Agriculture', regarding bearer plants	Yes	Financial years starting on 1 January 2016
Annual improvements 2012-2014	Yes	Financial years starting on 1 January 2016
Amendments to IAS 27, 'Separate financial statements' on the equity method	Yes	Financial years starting on 1 January 2016
Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative	Yes	Financial years starting on 1 January 2016

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 Group.

New standards, amendments and interpretations of existing standards not yet mandatory or not adopted by the Group 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
IFRS 14 'Regulatory deferral accounts'	No	The approval process will start once the final text of the principle is approved
Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures'	No	Suspended
Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception	No	Financial years starting on 1 January 2016
IFRS 15 'Revenue from contracts with customers'	No	Financial years starting on 1 January 2018
Amendment to IFRS 15, 'Revenue from contracts with customers'	No	Financial years starting on 1 January 2018
IFRS 9 'Financial Instruments'	No	Financial years starting on 1 January 2018
IAS Amendment to IAS 7, 'Statement of cash flow on disclosure initiative	No	Financial years starting on 1 January 2017
Amendment to IAS 12, 'Income taxes' on Recognition of deferred tax assets for unrealized losses	No	Financial years starting on 1 January 2017
IFRS 16 'Leases'	No	Financial years starting on 1 January 2019, with early application permitted if in conjunction with the application of IFRS 15
Amendment to IFRS 2, 'Share based payments', on clarifying how to account for certain types of share-based payment transactions	No	Financial years starting on 1 January 2018

It is specified that the accounting standards and/or interpretations whose application would be mandatory for periods beginning after 30th June 2016 have not been adopted in advance; The Group is assessing the effects of the application of the above mentioned standards

Consolidation Area

The consolidation area is composed of Ambienthesis S.p.A. as well as the following companies:

- Bioagritalia S.r.l.	70%	ITALY
- Green Piemonte S.r.l.	100%	ITALY
- La Torrazza S.r.l.	100%	ITALY
- S.I. Green Uk Ltd	100%	Great Britain
- Valdastico Immobiliare S.r.l.	100%	ITALY

The Group also holds the following equity investments consolidated using the equity method:

- Siad S.r.l.	25%	ITALY
- Barricalla S.p.A.	35%	ITALY
- Daisy S.r.l.	50%	ITALY
- Grandi Bonifiche SCARL	49%	ITALY

Please note that the company Siad S.r.l. held by the Group at 25%, following expressions of interest to purchase the entire shareholding was classified, in accordance with the accounting standard forecasts of IFRS 5, under "Non-current assets held for sale".

In the fraction of year ended June 30, 2016 there were no changes in the scope of consolidation compared with the previous year.

Conversion of financial statements of foreign companies

The only subsidiary with a functional currency other than Euro in the consolidation, is the S.I. Green UK Ltd. The exchange rates used for conversion into Euro of the values of the company outside the Eurozone were as follows:

	2016 1st Semester Average	At 30th June 2016	2015 1st Semester Average	At 30 giugno 2015
GBP	0,778	0,826	0,732	0,711

Segment Information

Please note that starting from the half-yearly financial report at 30 June 2012 the segment information has no longer been provided, since following the transfer of the "Architecture" branch, the Group operates exclusively in the "Environment" sector.

Balance Sheet Analysis

(1) Property, plant, equipment and other fixed assets

The composition, variations and changes in the individual items are represented, compared with the previous year:

Historical cost	Consolidated as at 31/12/2015	Increase	Other Movements	Disposals	Consolidated as at 30/06/2016
Lands and buildings	15,381	0	0	(1)	15,380
Plants and machinery	50,647	112	(538)	0	50,221
Commercial and industrial equipment	5,529	62	0	(28)	5,563
Other tangible assets	379	0	0	0	379
Current tangible assets and advances	59	39	0	0	98
Overall total	71,995	213	(538)	(29)	71,641

Amortisations	Consolidated as at 31/12/2015	Increase	Other movements	Disposals	Consolidated as at 30/06/2016
Lands and buildings	6,419	257	(1)	0	6,675
Plants and machinery	37,458	889	0	0	38,347
Commercial and industrial equipment	5,305	58	0	(28)	5,335
Other tangible assets	360	2	0	0	362
Current tangible assets and advances	0	0	0	0	0
Overall total	49,542	1.206	(1)	(28)	50,719

Net worth	Consolidated as at 31/12/2015	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2016
Lands and buildings	8,962	(1)	1	257	8,705
Plants and machinery	13,189	112	(538)	889	11,874
Commercial and industrial equipment	224	62	0	58	228
Other tangible assets	19	0	0	2	17
Current tangible assets and advances	59	39	0	0	98
Overall total	22,453	212	(537)	1.206	20,922

The component relating to "Land and buildings" includes the building of Liscate and the related capitalized auxiliary expenses for a total of 2,413 thousand Euros, the plants in Orbassano for a total of 3,337 thousand Euros, the real estate complex named "Cascina Ovi" for a total of 2,355 thousand Euros and other land and buildings owned by Bioagritalia S.r.l., Green Piemonte Srl, La Torrazza S.r.l., for a total of 600 thousand Euros.

The plants and equipment consist of the production complexes related to Ambienthesis S.p.A., for 5,369 thousand Euros, of the area located in the United Kingdom - SI Green UK - for 4,279 thousand Euros, of the tanks

and landfills linked to cell 8 of La Torrazza, of for 2,216 thousand Euros, of other machinery for 10 thousand Euros .The item 'plants and equipment' described above, includes the capitalization of the estimated costs for closing and securing cell 8 of the landfill of La Torrazza S.r.l., recognized with a contra-entry in the allowance for future expenses recorded under liabilities for an amount of 3,806 thousand Euros; membership is related to the beginning of the landfill's activity which took place in November 2009.

With reference to the area located in the United Kingdom 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 same has been renewed for a further five years with Application no. 2015/2544 registered on 01.06.2016.

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 Morriston. 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 320 two-family units areas property of SI Green UK, using his 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 took place the "Public Consultation" in which the preliminary design was officially presented to the public. On this occasion the majority of participants expressed their support to the proposals submitted.

With Prot. No. SH / 2014/117100/03 of 16 October 2015, the National Resources of Wales (formerly Environmental Agency) delivered its clearance to the real estate initiative in the area, requiring the expansion of the biogas sinks barrier and its monitoring.

Following a phase of studies completed with Swansea City Council, the Planning Committee of the City of Swansea has considered the proposed project deficient in some content, related to social housing and to the viability and therefore rejected it.

At this point, the procedure requires that the Proponent may turn to the Planing Inspectorate to request a reassessment also integrating some variants that take into account the opinion of the Planning Committee.

The project presentation will take place by 14 December 2016 at which point it will take about 6-7 more months in order to reach the conclusion of the procedure (July-2017).

The investments made during the year, are primarily related to the normal cycle of investments in plants, machinery and equipment necessary for the performance of business.

The following table shows the changes in the previous financial year:

Historical cost	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
Lands and buildings	15,972	0	0	0	15,972
Plants and machinery	47,906	589	2.250	(1)	50,744
Commercial and industrial equipment	5,956	52	0	(18)	5,990
Other tangible assets	378	1	0	0	379
Current tangible assets and advances	1,937	29	(1.826)	0	140
Overall total	72,149	671	424	(19)	73,225

Amortisations	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
Terreni e fabbricati	5,968	746	0	0	6,714
Impianti e macchinari	35,216	1.086	0	(1)	36,301
Attrezzature industr. e comm.li	5,554	116	0	(18)	5,652
Altre immobilizzazioni materiali	352	4	0	0	356
Totale generale	0	1.952	0	(19)	49,023

Net worth	Consolidated as at 31/12/2014	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2015
Lands and buildings	10,004	0	0	746	9,258
Plants and machinery	12,690	589	2.250	1,086	14,443
Commercial and industrial equipment	402	52	0	116	338
Other tangible assets	26	1	0	4	23
Current tangible assets and advances	1,937	29	(1,826)	0	140
Overall total	25,059	671	424	1.952	24,202

(2) Property Investments

The composition, variations and changes in the individual items are represented as follows:

Historical cost	Consolidated as at 31/12/2015	Increase	Other movements	Disposals	Consolidated as at 30/06/2016
Property investments	23,004	-	-	-	23,004
Overall total	23,004	-	-	-	23,004

Amortisations	Consolidated as at 31/12/2015	Increase	Other movements	Disposals	Consolidated as at 30/06/2016
Property investments	7,548	92	-	-	7,640
Overall total	7,548	92	-	-	7,640

Net worth	Consolidated as at 31/12/2015	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2016
Property investments	15,456	-	-	92	15,364
Overall total	15,456	-	-	92	15,364

Movements in the first half of the previous year were as follows:

Historical cost	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
-----------------	----------------------------------	----------	-----------------	-----------	----------------------------------

Property investments	23,004	-	-	-	23,004
Overall total	23,004	-	-	-	23,004

Amortisations	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
Property investments	1,877	112	-	-	1,989
Overall total	1,877	112	-	-	1,989

Net worth	Consolidated as at 31/12/2014	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2015
Property investments	21,127	-	-	112	21,015
Overall total	21,127	-	-	112	21,015

This item refers, for an amount of 11,890 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 the demolition and remediation of the property complex.

As reported in previous financial reports, the Group and Finbieticola signed in January 2014, a private written settlement to define good-naturedly all contractual relationships, as well as disputes between the same which provides, inter alia, the commitment of Ambienthesis SpA 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 Novara 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, the same has requested further extension of the agreement for the completion of the transfer of a portion of the Real Estate Complex to 31st December 2016.

Please also note that the area has been the subject, when preparing the financial statements at 31.12.2015, of a report prepared by an independent expert, that determined a fair value of the Property from which we excluded the portion object of the settlement described above, which led to a reduction in value of 5,445 thousand Euros, recognized in the income statement under "Depreciation, amortization and write-downs."

The item also includes the property investment in Orgiano, for a value of 3,474 thousand Euros. The fair value of such property investment, determined by an independent evaluation performed by an independent expert, amounted to 4.7 million Euros.

(3) Goodwill

Goodwill is recorded in the consolidated balance sheet for a total of 20,853 thousand Euros allocated to the CGU "environment".

The original cost includes, for 13,332 thousand Euros, the goodwill, determined by applying the so-called pur-

chase method (IFRS 3), relating to the difference between the price paid for the "acquisition" and the fair value of the acquired assets and liabilities of Ambienthesis SpA 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 as for 12,000 thousand Euros to the CGU represented by the "waste management" and as for 1,332 thousand Euros to the CGU represented by " architecture division."

The remaining part of 8,853 thousand Euros mainly relates to the acquisitions of shareholdings in Ecoitalia S.r.l. (25%) and in Cogiri S.r.l. (100%), finalized in 2006 from the "Group" Servizi Industriali with the parent Green Holding S.p.A. in view of the merger and for the purposes of the merger perimeter definition

As prescribed by IAS 36, the goodwill, being an intangible asset with an indefinite life are not subject to systematic amortization but are tested, at least annually, for recoverability (impairment test). Please note that the start-up of the "architecture division " had been fully written down in previous years and that the division itself is no longer part of Ambienthesis Group following the sale effected in 2012.

Concurrently with the preparation of these condensed interim consolidated financial statements, the Directors have not detected signs of impairment and therefore did not proceed to carry out further the impairment testing of the goodwill of the division "Environment" to those undertaken at the time of the preparation of the consolidated financial statements as at 31 December 2015 which gave no evidence of impairment.

(4) Intangible assets

The composition, variations and changes in the individual items are analysed as follows, in comparison with those of the same period last year:

Historical cost	Consolidated as at 31/12/2015	Increase	Other movements	Disposals	Consolidated as at 30/06/2016
Industrial patents and intellectual property rights	26	0	0	0	26
Concessions, licences, trademarks and similar rights	320	0	0	0	320
Current fixed assets and advances	0	2	0	0	2
Other intangible assets	612	0	0	0	612
Overall total	958	2	0	0	960

Amortisations	Consolidated as at 31/12/2015	Increase	Other movements	Disposals	Consolidated as at 30/06/2016
Industrial patents and intellectual property rights	26	0	0	0	26
Concessions, licences, trademarks and similar rights	301	6	0	0	307
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	568	6	0	0	574
Overall total	895	12	0	0	907

Net worth	Consolidated as at 31/12/2015	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2016
-----------	-------------------------------	---------------------	-----------------	--------------	-------------------------------

Industrial patents and intellectual property rights	0	0	0	0	0
Concessions, licences, trademarks and similar rights	19	0	0	6	13
Current fixed assets and advances	0	2	0	0	2
Other intangible assets	44	0	0	6	38
Overall total	63	2	0	12	53

Historical cost	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
Industrial patents and intellectual property rights	26	0	0	0	26
Concessions, licences, trademarks and similar rights	311	0	0	0	311
Current fixed assets and advances	5	0	0	0	5
Other intangible assets	614	0	0	(2)	612
Overall total	956	0	0	(2)	954

Amortisations	Consolidated as at 31/12/2014	Increase	Other movements	Disposals	Consolidated as at 30/06/2015
Industrial patents and intellectual property rights	26	0	0	0	26
Concessions, licences, trademarks and similar rights	289	5	0	0	294
Current fixed assets and advances	0	7	0	(2)	509
Other intangible assets	504	12	0	(2)	829

Net worth	Consolidated as at 31/12/2014	Increase/(transfer)	Other movements	Amortisation	Consolidated as at 30/06/2015
Industrial patents and intellectual property rights	0	0	0	0	0
Concessions, licences, trademarks and similar rights	22	0	0	5	17
Current fixed assets and advances	5	0	0	0	5
Other intangible assets	110	0	0	7	103
Overall total	137	0	0	12	125

The items reported above are recognized as assets in the balance sheet, since they produce economic value over a period of several years.

The more relevant amount within the "Other intangible fixed assets" amounted to 37 thousand Euros and relates to the costs incurred by La Torrazza S.r.l. in relation to the municipal road leading to the landfill made in favour of the City of Torrazza.

(5) Investments

Description	Headquarters	Share capital	Equity as at 30.06.2016	Of which account for the financial year	Stake	Balance as at 31.12.2016	Balance as at 13.12.2018	Variation
SIAD S.r.l.	Vicenza	5,630	5,630	(266)	25%	0	0	0
BARRICALLA S.p.A.	Turin	2,066	4,920	2,206	35%	1,566	1,722	156
DAISY S.r.l.	Modugno (BA)	5,120	4,405	176	50%	2,049	2,137	88
GRANDI BONIFICHE SCARL	Reggio Nell'Emilia	50	49	(1)	49%	25	25	0
Totale						3,640	3,884	244

Investments	31.12.2015	Increases	Dividends/decrease	Other movements	30.06.2016
SIAD S.r.l.	0	342	(112)	(230)	-
BARRICALLA S.p.A.	1,566	772	(616)	0	1,722
DAISY S.r.l.	2,049	88	0	0	2,137
GRANDI BONIFICHE SCARL	25	0	0	0	25
	3,640	1,202	(728)	(230)	3,884

This item consists of 2,137 thousand Euros from the participation in the company Daisy S.r.l. The company **Daisy S.r.l.**, held by 50%, owns an area in the municipality of Barletta (BT) on which there is a landfill for non-hazardous waste. A system of treatment (mixing / stabilization / inerting) servicing the reservoir was created, and it aimed at ensuring, that those flows of non-hazardous waste which do not fall in the chemical-physical limits of acceptability set by Integrated Environmental Authorization, could achieve those conditions. The plants, which became operational in July 2014, have operated with substantial continuity in the course of the first semester of 2016, reaching a disposed quantity of 28,907 tons.

The increase in the value of the investment is the result of the evaluation of the same with the equity method on the basis of the financial statements at 30.06..2015.

With reference to the company Grandi Bonifiche Società Consortile Srl, of which Ambienthesis S.p.A. holds shares equal to 49% of the share capital it is reported that, during 2015, we proceeded to a redefinition of the executive work arrangements and a simplification of contractual settings that have brought on 4 November 2015 to the signing of a special tender agreement between Ambienthesis and Milanosesto which regulates the proceedings of the reclamation works of the First functional lot of works functional of the lands and areas "ex Falck and Scalo Ferroviario" until the completion of said First Lot of works. The simplification of the executive and contractual settings provided for the termination of the contract between Grandi Bonifiche and Milanosesto and the simultaneous subscription by Milanosesto of contracts with partners of Grandi Bonifiche for the activities already carried out by the individual shareholder on behalf of Grandi Bonifiche itself.

The signing of the new contract between Ambienthesis and Milanosesto did not result in substantial changes in the economic results due to Ambienthesis regarding the contract in question, by virtue of the fact that it will continue to perform the same operations that it was already leading.

The change in the carrying value of the investment in Barricalla S.p.A., is due to the valuation of the investment using the equity method, based on the financial statements at 30.06.2016.

With reference to the subsidiary Siad Srl it should be noted that the company Valdastico Immobiliare Srl (hereinafter also Valdastico) in June 2016, in order to provide for the coverage of losses incurred by the subsidiary, renounced to its claims of fruitless nature for shareholder loans for an amount of 862 thousand euro.

Valdastico, together with the other members of Siad s.r.l. on 21 June 2016, has signed an irrevocable offer to sell the interest, with a third party. The value of the investment, that from the results of the evaluation of the same with the equity method amounted to EUR 230 thousand has been reclassified to "Non-current assets held for sale" as a result of this agreement and in relation to the will to rationalize the non-operational activities.

The irrevocable offer to sell the interest that may be accepted by the third party within the next 30 September, subject to request for further extensions but no later than October 31, 2016, provides for the inclusion in the final contract of a number of conditions whose fulfillment must take place within next December 31, 2016 or, at the latest, no later than 30 April 2017. The sale price of the shares, in the event of completion of the transaction, will be determined by reference to the net assets of the subsidiary at the time of the transfer and, under certain conditions, could also be increased by an additional amount by way of earn out.

Significant restrictions

At the date of preparation of these condensed interim consolidated financial statements there are no significant restrictions with regard to the ability of the associated companies to transfer funds to the entity in the form of dividends, repayments of loans or advances made by the entity.

Contingent liabilities

At the date of preparation of these condensed interim consolidated financial statements there are no contingent liabilities relating to the Group's interests in associated companies. Any areas of risk related to the same have been reported in the notes above.

(6) Other financial assets

At 31 December 2015, the Group held a participatory nature credit whose recoverable value was estimated at 292 thousand euros, entirely represented by an interest-free loan granted to the subsidiary Siad S.r.l. which was expected to be cashed upon completion of the property development that the company planned to achieve.

Valdastico has withdrawn, by letter dated June 16, 2016, the repayment of that debt and the further amount of € 50 thousand paid during 2016, in order to provide for the coverage of losses incurred by the subsidiary.

	31.12.2015	Increases	Credit waiving	30.06.2016
Other financial assets	292	50	(342)	0

(7) Other assets

"Other assets", amounting to 189 thousand Euros, changed as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Deposits	39	40	(1)
Prepaid expenses	150	170	(20)
Total	189	210	(21)

Prepaid expenses are related to the share pertinent to the period after 30 June 2015 of the multi-annual fee paid by the parent company Ambienthesis S.p.A. for the lease of a warehouse.

(8) Inventories

The breakdown of the final inventory is as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Raw, ancillary and consumables materials	14	10	4
Total	14	10	4

The inventories included amongst current assets amount to 14 thousand Euros.

(9) Trade receivables

This item discloses the amount of the receivable balances deriving from the carrying out of the characteristic activities of the companies in the Group, and is composed as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Italy trade receivables	39,648	48,633	(8,984)
Abroad trade receivables	19	16	3
Total receivables nominal value	39,667	48,648	(8,981)
Allowance for doubtful accounts	(3,942)	(3,860)	(82)
Net trade receivables value	35,725	44,788	(9,063)

Trade receivables are all due within 12 months from the end of the year and almost entirely due from individuals of Italian nationality; it is believed, having considered the analysis of the concentration and the age of all registered claims, that the carrying value approximates their fair value.

The amount of 5,033 thousand Euros, net the effect of discounting amounting to 343 thousand Euros, is recorded among the Group's trade receivables due from the related TR Estate Due S.r.l. and referring to amounts ac-

crued at 30th June 2016 for the contract named "Ex Sisas", in relation to the enforcement activities of the safety works, reclamation and redevelopment already mentioned in the Management Report.

As well 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.

In relation to the evolution of this case, which was given ample evidence even in the previous periodic financial reports, to which reference is expressly made, it is acknowledged that the claim by Ambienthesis S.p.A. against TR Estate Due Srl, entered in the budget at 31 December 2015 for 20,589 thousand Euros (net of tax), was collected in the first months of 2016 for 17,158 thousand Euros (including VAT for 1,560 thousand Euros) . TR Estate Due S.r.l. has in fact done so, in the first instance - as of January 15, 2016 - and as a partial payment, to the payment to Ambienthesis S.p.A. of the amount of 14,258 thousand Euros and in the second instance - on March 17, 2016 - to the payment of 2,100 thousand Euros and lastly - on 27th May 2016 – to the payment of 800 thousand Euros.

The above following the company's proposal for cost recognition for the remediation performed on the "ex Sisas" Pioltello-Rodano (MI) formulated by the Lombardy Region in favor of TR Estate Due S.r.l. in compliance with the Region itself and the Ministry of Environment with the judgment of the State Council No.. 6164/2014; such proposal has resulted in payments by the Lombardy Region in favor of TR Estate Due S.r.l. not fully capacious about the possibility of the latter to issue receipts, in whole, the debt to Ambienthesis S.p.A. ..

The Directors, with reference to the residual amount of 5,376 thousand Euros (plus VAT), notwithstanding the possibility of Ambienthesis S.p.A. to directly cultivate the litigation already filed to the institutions, indicated that they had reached an agreement with TR Estate Due S.r.l. about the terms of collection of the remaining accounting entries, agreeing a deferred and properly secured payment plan.

This agreement provides for the collection of credit in five instalments starting from 2018 without the award of interest. The Group has therefore discounted the credit in question, net of an additional recoverable share, through collections from Tr Estate Due S.r.l. by the end of 2016, for a value of 343 thousand Euros reported under "Income/(expenses)".

Among the Italian Trade receivables there is a receivable of 4,220 thousand Euros for invoices issued to Ilva S.p.A., of which 2,270 thousand Euros are subject to proof of debt in the extraordinary administration procedure and 1,950 thousand Euros are generated by services provided subsequently in favour of the procedure, and then certainly pre-deductible. 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 above receivable amounting to 2,270 thousand Euros already written down during the preparation of the financial statements at 31.12.2014 and 31.12.2015. On 29.05.2015 and subsequently on 12.12.2015 Ambienthesis S.p.A. has filed proofs of debt, asking the authorization to use the pre-deductibility for the amounts accrued until 21.01.2015,

namely until the date of admission of Ilva S.p.A. to the extraordinary administration procedure.

The Special Administrators appointed in order to carry on the operations to verify the statement of liabilities, have predicted the following time schedule:

- November 11, 2015 filing of the first partial draft of the statement of liabilities (concerning a first portion of the employees);
- December 24, 2015 filing of the second sub-project of the statement of liabilities (concerning the remaining part of the employees);
- April 15, 2016 filing of the third sub-project of the statement of liabilities (concerning the remaining proofs of debt and claims);
- September 5, 2016 and no later than 24 October 2016 filing of the fourth and fifth sub-project of the statement of liabilities (involving the remaining creditors promptly lodged).

On 14 September 2016 the Commissioners of the extraordinary Administration Procedure informed that they lodged with the Registry of the Court of Milan, the fourth partial allotment project, a project that has not yet considered the request of Ambienthesis S.p.A.

We are expecting the fifth allotment project which, according to the dates notified by the Commissioners will be October 24, 2016, to determine whether it also includes the request of Ambienthesis S.p.A.

Changes in the provision for doubtful accounts in the period is attributable to the provision of credit towards the Bankruptcy of Sadi Poliarchitettura S.r.l matured in the first half of 2016.

	31.12.2015	Provision	Use	30.06.2016
Allowance for doubtful accounts	(3,860)	82	0	(3,942)

Changes during the previous year were as follows:

	31.12.2014	Provision	Use	30.06.2015
Allowance for doubtful accounts	(3,180)	(505)	22	(3,663)

(10) Financial receivables and other financial assets

The item refers to financial receivables claimed by the Parent Company from the controlling company Blue Holding S.p.A. for 259 thousand Euros, from the affiliated company Daisy S.r.l. for 1,739 thousand Euros and 14 thousand Euros from Rea Dalmine S.p.A. ..

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Financial receivables and other financial assets	2,012	1,937	75
Total	2,012	1,937	75

(11) Other assets

Other current assets amount to 1,261 thousand Euros, as detailed below:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Other short-term assets	1,261	1,109	152
Total	1,261	1,109	152

The following table provides the breakdown of the item in question:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Other assets	480	246	234
Deferred charges	691	648	43
Outstanding VAT	90	215	(125)
Total	1,261	1,109	152

"Other assets" includes among others a claim from La Torrazza S.r.l. against the City of Torrazza for the construction of the access road to the landfill amounting to 94 thousand euro and advances for services paid to related parties amounting to 243 thousand euro.

The item also includes prepaid expenses that refer to costs already incurred but pertaining to future periods, such as insurance policies and rental fees and / or lease.

This item is also composed of tax credits claimed by the Group companies for a total of 90 thousand Euros.

(12) Cash and cash equivalents

Cash and cash equivalents included in current assets amount to €3,617 thousand and are composed as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Bank and post deposits	3,611	484	3,127
Cash on hand	6	8	(2)
Total	3,617	492	3,125

The values can be readily converted into cash and are subject to an insignificant risk of changes in value. It is believed that the carrying value of such availability is in line with their fair value at the balance sheet date.

The credit risk related to cash and cash equivalents is limited because the counterparties are leading national banking institutions. The increase in this item is related mainly to cash received during the period by the company TR Estate Due Srl.

(13) Non-current assets held for sale

This item includes the value of the investment in the company Siad S.r.l. following the signing of an irrevocable offer of sale of which has already been discussed in the previous Note (5)

NET FINANCIAL POSITION AT 30 JUNE 2016

Breakdown of the net financial position is shown in the table below:

<i>In thousands of Euros</i>	30.06.2016	31.12.2015	30.06.2015
A. Cash	7	8	8
B. Other cash equivalent	3,610	484	16
C. Bonds held for trading	0	0	0
D. Cash (A) + (B) + (C)	3,617	492	24
E. Current financial receivables	2,012	1,937	1,920
- of which towards related parties	2,012	1,937	1,920
F. Current bank payables	(3,409)	(8,788)	(10,899)
G. Current portion of non-current payables	(407)	(395)	(404)
H. Other current financial payables	(1,448)	(1,363)	(328)
- of which towards related parties	0	(403)	(212)
I. Current financial payables (F) + (G) + (H)	(5,264)	(10,546)	(11,631)
J. Net current financial payables (I) - (E) - (D)	365	(8,117)	(9,687)
K. Non current bank payables	(443)	(590)	(752)
L. Bonds issued	0	0	0
M. Other non-current financial payables	(29)	(41)	(39)
N. Non-current financial payables (K) + (L) + (M)	(472)	(631)	(791)
O. Net financial payables (J) + (N)	(107)	(8,748)	(10,478)

(14) EQUITY

Share capital

As at 31 December 2015 the share capital of Ambienthesis Group, coinciding with that of the parent company, is fully subscribed and paid up and consists of No. 92,700,000 ordinary shares of nominal value of € 0.52 each for a total of 48,204 thousand Euros

Reserves

The item includes:

- the share premium reserve, which amounts to 10,191 thousand Euros (24,547 thousand euros as at

31.12.2015);

- the Legal Reserve for 1,733 thousand Euros;

Other reserves are detailed as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
FTA reserve	(280)	(280)	0
Conversion reserve	(959)	(484)	(475)
Actuarial profit/(loss) reserve	(74)	(74)	0
	(1,313)	(838)	(475)

- loss carryforwards for (8,986) thousand Euros.

Treasury shares

This item includes the value of the treasury shares in the Parent Company's portfolio at the date of these consolidated financial statements, which corresponds to a total of 4,511,773 (equal to 4.867% of the share capital) at a total value of 2,495 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.

(15) Long-term financial liabilities

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Long- and medium-term financial liabilities	451	601	(150)
Derivatives	21	30	(9)
Total	472	631	(159)

	30.06.2016		31.12.2015	
	Long-term portion	Short-term portion	Long-term portion	Short-term portion
Long- and medium-term financial liabilities				
Banco Popolare - former Ecoitalia S.r.l. now Ambienthesis	443	292	590	288
FCE Bank (car leasing) - Ambienthesis S.p.A.	8	6	11	6
Interests on loans	-	110	-	101
TOTAL	451	407	601	395

- This item includes medium and long-term liabilities to banks and a to a leasing company for 451 thousand Euros and are represented by the portion due after one year, from the date of these consolidated financial statements, of medium/long-term loans and leasing of the Group companies. The amount is broken down as follows:

- loan from Banco Popolare to former Ecoitalia S.r.l. now Ambienthesis SpA: is the residual amount in the medium / long term 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;
- FCE Bank- Ambienthesis S.p.A.: represents the remaining amount in the medium / long term of a lease agreement for a total amount of 14 thousand Euros.

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

This item includes, finally, the long-term share of the fair value of the interest rate swap contract (for 21 thousand Euros) signed by the Group in order to achieve adequate risk hedge of the interest rate arising from the payment of a floating interest rate on the tranche of the loan agreement by Ecoitalia (now Ambienthesis).

(16) Provisions for risks and charges

Provisions for risks and charges are recorded as non-current liabilities for a total of 8,051 thousand Euros:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Provisions for risks and charges	8,051	7,777	274
Total	8,051	7,777	274

with the following breakdown and changes:

Description	31.12.2015	Use	Provision	30.06.2016
-Tax related risks provision:	66	-	0	66
-Future risks and charges provision:	114	-	200	314
-Charges for dismantling cell 1- 8 provision:	7,597	(88)	162	7,671
Total	7,777	(88)	362	8,051

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.

As reported in previous financial reports, please note that on May 28, 2015 Blu Ambiente S.r.l. (now incorporated into Ambienthesis S.p.A.) has received an assessment notice for FY 2009, for which the parent company has filed on July 22, 2014 the application for a tax settlement. Since the accession with the Office was not completed, ATH appealed.

By judgment no. 823/2016 filed on 19.1.2016, the Milan Provincial Tax Commission has partially accepted the appeal by recognizing the costs related to staff Ecoitalia S.r.l. and Green Holding S.p.A. as deductible, while

the costs related to the aircraft were deemed non-deductible. With reference to such survey a fund for 66 thousand Euros has been set aside.

The Office has appealed against the judgment n. 823/2016 for the unsuccessful party, that is for the recoveries related to staff costs of Ecoitalia Srl and Green Holding Spa. Now the terms for the company to appear in court are pending.

On 17 May 2016, the company received the payment order no. T9DIPPN00346 / 2016 concerning IRES, IRAP and VAT for the FY 2009 with which the Office requires the total amount of taxes, sanctions, interests and notification fees amounting to 77 thousand Euros concerning for 2/3 the unsuccessful party after the ruling n. 823/2016 of the Milan CTP. The company lodged an appeal because the calculations are wrong both as regards the taxes and the sanctions. Now we are waiting for a hearing discussion.

The provision for risks and charges amounting to 314 thousand Euros refers for 77 thousand Euros to what the parent company may have to pay as additional compensation to agents with which it maintains relations and for 40 thousand Euros to a dispute with INPS where it is involved the Parent Company itself. During the year, steps were also taken to set aside Euros 23 thousand related to charges that the Parent Company may have to pay in relation to some pending cases and 177 thousand Euros to the estimate of the direct costs that Ambientthesis S.p.A. might have to incur in relation to the securing of the area called "ex Ecorecuperi" owned by the subsidiary Green Piemonte S.r.l.

The amount of 7,671 thousand Euros is the counterpart of the provision of the amount accrued for the post-closure costs (3,865 thousand Euros) and of the value of the "capping" closing costs (3,861 thousand Euros) for the landfill owned by La Torrazza Srl, which became operational in 2009. The value of the post-closure management costs has been allocated according to the ratio between the quantity of waste actually transferred and those that may be landfilled. As for the "capping", its amount, determined as the current value of the estimated costs to be incurred for the closure of the landfill, was capitalized in accordance with IAS 16 in conjunction with the plant construction costs.

With reference to the landfill of La Torrazza S.r.l. please note that in 2014 there has been an authorised variation that brought to an expansion of the quantities of received waste (+ 94,400 m3) and a consequent raising of the landfill's final quotas and a stretching of 22 months of the cell 8 management plan.

Other risks:

Tax assessments

In addition to what described in note (16) Provisions for risks and charges, please also note an assessment regarding Blu Ambiente S.r.l. (Now merged into Ambientthesis 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 court fees. Against that decision, the Office appealed to the Supreme Court.

ATH after notifying the Office on its defence, has filed it to the Court of Cassation. On March 2, 2016 the hearing was discussed.

By judgment no. 7999/2016 of 2 March 2016 filed April 20, 2016, the Supreme Court accepted the appeal of the Office and ordered the adjournment to the Regional Tax Commission for issues relating to the merits of the recoveries.

On 31.8.2016 the company received a tax bill for 132 thousand Euros including interest on IRES - IRAP - VAT 2004-2005-2006 following the sentence n.7999/2016 of the Supreme Court; Now, for the company, the terms to resume the case with the Regional Tax Commission of Milan are pending.

For this reason the Directors decided not to proceed with the provision of the required amount, since to date, the amounts are pending judgment and having won the first two grades.

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.

With sentence no. 2677/2015 the CTR of Milan has rejected the appeal. The Office has notified to ATH an appeal in cassation. ATH has filed its response to the Court of Cassation. To date it is waiting for a hearing discussion.

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. appeared before judgment.

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. 06820160037266754000 for a total of € 28,778.64 including interest which has replaced the payment notice no. 06820120251812873000 for 26,902.34 that had been canceled as a result of victory in the first degree.

The Parent 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, appealed and ATH appeared before the court. The Tax Court, with sentence no. 4457/15 welcomed the Office's appeal.

It was decided not to resort to the Supreme Court and notice has been paid on May 18, 2016.

Bankruptcy of Sadi Poliarchitettura S.r.l.

It seems appropriate to remind that, on 15 November 2014, Sadi Poliarchitettura S.r.l., at the time owned 100% by Ambienthesis S.p.A. and then transferred in 2012 to the company Special Situations S.r.l., was declared bankrupt.

On January 30, 2015, following the declaration of bankruptcy, the company Valdastico Immobiliare S.r.l. lodged proof of debt of a sum, including capital and interest, of 505 thousand Euros (378 thousand Euros with preferential status as per former art. 2764 cc and 127 thousand Euros with pre-deduction status as per former art. 111 LF) for rents and employment benefits arising from the lease contract of the property located in Orgiano.

The authorised liquidator has submitted the draft of the statement of liabilities proposing the admission of the claim put forth by Valdastico Immobiliare S.r.l. for 292 thousand Euros with preferential status, 66 thousand Euros as unsecured, and not recognizing the amount of 120 thousand Euros relating to the fees accrued after the date of bankruptcy, as well as excluding other amounts claimed by way of VAT and interest. Subsequently, on February 24, 2015, Valdastico has presented written submissions in support of its claim and rebuttal of the project prepared by the liquidator, insisting on the admission of the whole credit. On April 22, 2015, the Bankruptcy Judge declared the enforceability of claims, recognising, beyond what is suggested by the authorised liquidator in the sum of liabilities, the pre-deduction status of the occupation rent, amounting to 450,00 Euros daily until the vacation of the premises for a total, as of June 30, 2016, of approximately 267 thousand Euros. On 21 July 2015, the Liquidator has then notified to Valdastico Immobiliare S.r.l. - subsidiary of Ambienthesis S.p.A. - A writ of summons under which the procedure has requested the assessment of the ineffectiveness of the demerger deed signed on 25 September 2012 (thus promoting a revocatory action). According to the thesis of the proceedings, contested in court by Valdastico, the demerger act, put in place at the time, would have to be considered unlawfully prejudicial in relation to the interests of the creditors of the bankruptcy of Sadi Poliarchitettura Srl.

The examining magistrate, after assigning the deadlines for written discussion, set the discussion of the evidence for the month of November, postponing the hearing that had been scheduled for late June 2016. Valdastico on July 28, 2016 filed its preliminary pleading.

The very preliminary stage of the discussion does not yet allow to express a plausible opinion on the outcome of the trial even though the directors believe there are various and numerous reasons to contest the bankruptcy thesis.

(17) Provision for employee benefits

The termination benefit is recorded under non-current liabilities totaling 1,024 thousand Euros.

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Termination benefit provision	1,024	1,071	(47)
Total	1,024	1,071	(47)
Provision as at 01.01.2016 1,071			
Amount accruing and recorded in the income statement	145		
Advances /winding-ups	(58)		
Transfer to supplementary benefit provision	(133)		
Actuarial profit/(loss)	0		
Substitute tax on revaluation	(1)		
Discounting	0		
Provision as at 30.06.2016	1,024		
Provision as at 01.01.2015 1,176			
Amount accruing and recorded in the income statement	324		
Advances /winding-ups	(66)		
Transfer to supplementary benefit provision	(305)		
Actuarial profit/(loss)	(56)		
Substitute tax on revaluation	(3)		
Discounting	(1)		
Provision as at 31.12.2015		1,071	

(18) Short-term financial liabilities

The item is composed as follows:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Short-term bank liabilities	3,409	8,788	(5,379)
Derivatives	18	25	(7)
Debt to factoring company	1,430	935	495
Financial debts to Group companies	-	403	(403)
	4,857	10,151	(5,294)

The short-term financial liabilities include in addition to bank debts for overdrafts and advances account (3,409 thousand Euros), the fair value of interest rate swap contract (18 thousand Euros) signed by the Group in order to achieve an adequate coverage of risk, interest rate risk arising from the payment of a variable interest rate on the tranche of the loan agreement by Ecoitalia Srl (Now Ambienthesis - see also note 14). Furthermore, there were recorded payables to factoring companies for 1,430 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 standard.

(19) Short-term portion of long-term financial liabilities

This item includes the portion due within 12 months of the medium / long-term loans already described in Note (15).

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Medium- and long-term loans – short-term portion	291	288	3
FCE Bank	6	6	(0)
Interest expenses	110	101	9
	407	395	12

This item includes short-term rates of payables to banks in the medium and long term totaling 291 thousand Euros and represents the amount due within the next 12 months of a credit granted by Banco Popolare for an amount of maximum 11,800 thousand Euros aimed at the construction / renovation of the property complex of Cascina Ovi in Segrate (MI) with a duration of 144 months, quarterly installment, average 3-month Euribor plus 90 percentage points (0.90%) and maturing on 2 October 2018.

The residual amount of 6 thousand Euros represents the portion due within the next 12 months of a debt for financial leasing contract stipulated during last year.

(20) Trade payables

The item includes payables to suppliers for invoices received and to be received. The amounts are due within 12 months from the end of the period.

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

	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Suppliers	21,593	21,342	250
Related	9,370	8,242	1,128
Parent	327	1,731	(1,403)
Other group companies	4,194	4,013	181
Total	35,484	35,328	156

For details regarding the transactions with parent companies, affiliated companies and other related companies, please refer to the notes regarding relations with related parties.

(21) Other current liabilities

The main components of such amounts are represented by:

Description	30.06.2016 Consolidated	31.12.2015 Consolidated	Variation
Other liabilities	2,796	3,137	(341)
Social security payables	216	380	(164)
Accruals and deferred income	214	245	(31)
Debts for other tax and deduction	2,668	2,677	(9)
	5,894	6,439	(545)

Among the liabilities for other taxes and deductions, it is included, for 2,499 thousand Euros, the amount of the installments due within the next 12 months, due as a result of the previously mentioned court settlement with the Revenue Agency.

The other liabilities consist mainly of amounts due to employees, auditors and directors for the amounts of the current year not yet paid as of June 30, 2016 and deferred remuneration (holidays, leaves, ROL - Recovery of Working Hours) accrued by employees at 30 June 2016, but that will be liquidated or enjoyed after year end.

There is also included a residual debt to the City of Orbassano (TO) for 1,123 thousand Euros related to the contributions to be paid for the years 2014 and 2016.

INCOME STATEMENT

(22) Revenues

The composition of the main revenue items can be summarized in the following table:

Revenues from sales and services	30.06.2016	30.06.2015	Variation
Waste transport, disposal and storage	21,575	18,052	3,523
Reclamation	14,471	7,705	6,766
Different performances	703	1,284	(581)
Total	36,749	27,041	9,708

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

Revenues showed an increase compared with last year amounting to 9,708 thousand Euros. Of great significan-

ce was the increase of reclamation revenues of approximately 6,766 thousand euro compared to the previous year.

The various benefits include performance to other companies of the same Group will be given a more exhaustive picture in the section on relationships with related parties.

(23) Other revenues

The item "other revenues" is composed as follows:

Altri ricavi	30.06.2016	30.06.2015	Variation
Different gains and revenues	83	27	56
Contingent assets	40	494	(454)
Cost recovery from insurance companies	106	0	106
Total	229	521	(292)

Operational costs

The composition of the main items is as follows:

Purchase of services and other expenses	30.06.2016	30.06.2015	Variation
Purchase of raw materials, semi-finished goods and others	1,654	1,574	80
Services	28,975	19,956	9,019
Labour cost	3,151	3,219	(68)
Other operating expenses and reserves	2,196	2,531	(335)
Total	35,976	27,280	8,695

Di seguito si forniscono informazioni sulle voci più significative.

(24) Acquisti materie prime, semilavorati ed altri

Acquisti materie prime, semilavorati ed altri	30.06.2016	30.06.2015	Variazione
Reagenti	345	432	(87)
Commesse Ambiente	233	310	(77)
Materiali per manutenzioni	110	248	(138)
Altri materiali	969	589	380
Variazione magazzino mat.prima e semilavorati	(4)	(5)	1
Totali	1.654	1.574	80

(25) Provision of services

The cost breakdown is shown in the following table:

--

Provision of services	30.06.2016	30.06.2015	Variation
Waste disposal and transport expenses	9,427	5,285	4,142
Movement of materials	166	136	30
Other services	5,324	4,389	935
Operating services from other group companies	8,814	4,779	4,035
Restorations and maintenances	719	460	259
Counselling and performances	766	667	99
Directors' pays, contributions and reimbursements	142	118	24
Statutory auditors' pays	36	36	0
Promotion and advertisement expenses	11	8	3
Insurances	256	236	20
Services and consumptions	760	901	(141)
Travels and accomodations	75	104	(29)
Other services from group companies	2,479	2,837	(358)
Total	28,975	19,956	9,019

his item consists to a considerable extent of costs for waste disposal and transportation of waste. Consulting costs and the costs incurred for the maintenance of company assets are also relevant. This item also includes the fees paid to corporate bodies, insurance charges and utilities of the Group.

(26) Personnel costs

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

Personnel costs	30.06.2016	30.06.2015	Variation
Pays	2,283	2,304	(21)
Social security charges	722	767	(45)
Termination benefit	145	147	(2)
Other personell expenses	1	1	0
Total	3,151	3,219	(68)

(27) Other operating costs and provisions

Other opeating costs and reserves	30.06.2016	30.06.2015	Variation
Third parties assets	1,022	972	50
Other expenses	1,092	1,054	38
Receivables depreciation	82	505	(423)
Total	2,196	2,531	(335)

The item "Other costs" include overhead costs related to the company management, duties and taxes other than income taxes, as well as the provision, amounting to 157 thousand Euros relating to the post-closure costs of the cells 1-8 performed during the ' year (for more details refer to the description in note (16), as well as the provi-sion for Euros 177 thousand, equal to the estimated charges that Green Piemonte might incur with respect to securing the area ex Ecorecuperi.

The item "Use of third-party assets" is detailed below:

Third parties assets	30.06.2016	30.06.2015	Variation
Property rental	147	72	75
Means of work and motor vehicles hirings	646	704	(58)
Car hirings	89	1	88
Other rentals	140	195	(55)
Total	1.022	972	50

(28) Ammortisation and depreciation

Depreciation is charged to the income statement for the following values:

Amortisations and depreciations	30.06.2016	30.06.2015	Variation
Intangible assets amortisation	11	12	(1)
Property investment amortisation	92	112	(20)
Tangible assets amortisation	1,206	1,952	(746)
Total	1,309	2,076	(767)

Depreciation is calculated at the rates shown in the introduction and have been charged to the income statement.

(29) Net financial income (expenses)

The item financial income and expenses showed a negative balance of 654 thousand Euros:

	30.06.2016	30.06.2015	Variation
Net financial revenues and expenses	(301)	(384)	83
Total	(301)	(384)	83

Detailed below are the most important items:

Financial revenues	30.06.2016	30.06.2015	Variation
Interest income	60	19	41
Total financial revenues	60	19	41
Financial expenses			
Bank accounts interest expenses	(104)	(333)	229
Loans/financing interest expenses	(24)	(20)	(4)
Other interest expenses	(89)	(19)	(70)
Capping financial expenses	(5)	(9)	4

Termination benefit financial expenses	(9)	(7)	(2)
Factoring commissions	(117)	(4)	(113)
Bank commissions	(11)	(10)	(1)
Total financial expenses	(359)	(402)	43
Derivative instruments			
Expenses/revenues on derivative contracts	(2)	(1)	(1)
Total financial expenses	(2)	(1)	(1)
Total financial revenues and expenses	(301)	(384)	83

(30) Profit and losses on investments

This item shows a negative balance of 748 thousand Euros:

	30.06.2016	30.06.2015	Variation
Revenues and expenses on investments	748	138	610
Total	748	138	610

Income and expenses from equity investments refers to the evaluation according to the method of "net equity" of the related companies part of the Group.

Relationships with related parties

The Group engages in transactions with the parent company, joint ventures, associated companies and other related parties on commercial terms that are normal in the respective markets considering the characteristics of the goods or services involved.

RELATED PARTIES AS AT 30.06.2016 <i>in thousands of Euros</i>	Receivables	Payables	Revenues	Expenses	Asset sale	Asset purchase
PARENT COMPANIES						
Green Holding S.p.A.	2,101	327	195	1,929	-	-
Blue Holding S.p.A.	170	-	1	-	-	-
	2,271	327	196	1,929	-	-
RELATED COMPANIES						
Barricalla S.p.A.	688	7,637	486	5,883	-	-
SIAD S.r.l.	-	-	-	-	-	-
Grandi Bonifiche Scarl	55	-	747	481	-	-
Daisy S.r.l.	2,006	1,742	16	2,319	-	-
	2,749	9,379	1,249	8,683	-	-

COMPANIES SUBJECT TO JOINT CONTROL BY THE PARENT COMPANY

Gea S.r.l.	85	2,955	411	610	-	-
Cea Engineering S.r.l.	93	-	-	-	-	-
Ind.eco S.r.l.	525	-	9	-	-	-
La Inerti S.r.l.	-	-	-	-	-	-
REA Dalmine S.p.A.	1,828	9	1,249	45	-	-
Aimeri S.p.A. in liquidazione	2,410	3	139	8	-	-
Aimeri immobiliare S.r.l.	-	-	-	-	-	-
Newcons S.r.l.	-	-	-	-	-	-
Walde Ambiente S.p.A.	-	-	-	-	-	-
Noy Vallesina Engineering S.r.l. in liquidazione	10	6	-	6	-	-
Noy Ambiente S.r.l.	7	117	4	16	-	44
Noy Engineering S.r.l.	-	-	-	-	-	-
TR Estate Due S.r.l.	5,034	-	-	-	-	-
Concorrezzo Costruzioni S.r.l.	118	-	-	-	-	-
	10,110	3,090	1,812	685	-	44

OTHER RELATED PARTIES

Alfa Alfa S.r.l.	20	814	-	511	-	-
SPS S.r.l.	-	-	-	-	-	-
Blue Energy Milano S.r.l.	-	-	-	-	-	-
Plurifinance S.r.l.	147	291	-	160	-	-
Valeco S.p.A.	150	-	-	-	-	-
Immobiliare Casei Gerola S.r.l.	-	-	-	-	-	-
	317	1,105	-	671	-	-
TOTALI	15,447	13,901	3,257	11,968	-	44

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 of favorable conditions.

The only reports of non-trade credit are financial credits for a total amount of 2,012 thousand Euros against Daisy S.r.l. (1,739 thousand Euros), Rea Dalmine S.p.A. (14 thousand Euros) and Blue Holding S.p.A. (259 thousand Euros).

The statements related to revenues and costs with related parties give evidence of the amount of reports and of the parties involved; the values refer mainly to services provided under normal market conditions and without recognition of favorable conditions.

The most significant amounts refer to the following relationships with the companies listed below:

- **GREEN HOLDING S.p.A.:** the company recharges to Ambientthesis S.p.A. both the costs for the site 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.

I ricavi verso Green Holding S.p.A. sono invece relativi a riaddebiti di costo del personale.

- **BARRICALLA S.p.A.:** the costs incurred by the Group 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.
- **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).
- **DAISY S.R.L.:** the costs incurred by the Group relate to the disposals carried out at the landfill located in Barletta and managed by the same Daisy.
- **GEA S.R.L.:** the costs incurred by the Group are related to non-hazardous waste disposal contracts at the landfill of Sant'Urbano (PD) managed by the same Gea S.r.l. ; Revenues relate to services of leachate disposal.
- **IND.ECO S.R.L.:** revenues relate to the assistance and direction for the management of water collection plants and combustion of biogas and for the conduction of the cogeneration plant.
- **REA DALMINE S.p.A.:** revenues refer mainly to the withdrawal and disposal of bottom ash and slag, fly ash and solid waste from gas treatment from the waste to energy plant in Dalmine (BG) run by the same Rea Dalmine S.p.A. the costs are mostly related to the disposal at the abovementioned incinerator of certain types of non-hazardous waste.
- **AIMERI S.p.A. in liquidation:** revenues refer to leachate disposal services from post-closure landfills managed by Aimeri S.p.A.(in liquidation) itself.
- **NOY AMBIENTE S.R.L.:** the costs refer to engineering services performed in support of different operational fields.
- **ALFA ALFA S.R.L.:** The costs refer mainly to contracts for the provision of means of labor and capital goods for the remediation and securing of areas and contaminated sites and, marginally, to rental contracts for cars, with or without driver. 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 leases of industrial warehouses, including the second share of the cost incurred to run in the warehouse located in San Giuliano Milanese (MI), as well as a contract for the ordinary and extraordinary maintenance at the plant located in Liscate (MI).

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

Daisy S.r.l.	1,750,000	Pro-rata bank surety in favour of Unicredit to guarantee an unsecured 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.	1,500,000	General guarantees for granted credit lines

Information on personnel

The average number of employees in the first half of 2016 amounted to 106 units

The companies of the Ambienthesis Group as at 30.06.2016

In accordance with Consob resolution no. 11971 of May 14, 1999 and subsequent amendments (Art. 126 of the Regulations), the following is a complete list of the companies and significant equity investments of the Group. For each company the following information is provided: company name, registered office, country of belonging and social capital in the original currency. It is also indicated the consolidated percentage share within the Group and the percentage held by Ambienthesis S.p.A. or by other subsidiaries.

Business name			Share capital		Consolidated group interest	Participating companies	Percentage stake in the share capital
Controlling company							
Parent company							
Ambienthesis S.p.A.	Milan	Italy	48,204	EUR			
Subsidiaries consolidated under line-by-line method							
Si Green UK	Swansea	United kingdom	625	GBP	100%		
Bioagritalia S.r.l.	Milan	Italy	99	EUR	70%		
Greenpiemonte S.r.l.	Milan	Italy	40	EUR	100%		
La Torrazza S.r.l.	Torino	Italy	90	EUR	100%		
Valdastico immobiliare S.r.l.	Segrate	Italy	100	EUR	100%		
Companies consolidated under equity method							
Daisy S.r.l.	Modugno (BA)	Italy	5,120	EUR	50%	Ambienthesis S.p.A.	50%
Barricalla S.p.A.	Torino	Italy	2,066	EUR	35%	Ambienthesis S.p.A.	35%
Siad S.r.l.	Vicenza	Italy	5,630	EUR	25%	Valdastico Immobiliare Srl	25%
Grandi Bonifiche SCARL	Reggio nell'Emilia	Italy	50	EUR	49%	Ambienthesis S.p.A.	49%

Certification of the Consolidated Financial Statements pursuant to art. 154 bis of Legislative Decree no. 58/98 and to art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions

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 2016.

2. In applying the administrative and accounting procedures for the preparation of the consolidated condensed financial statements at June 30, 2016, no significant issues arose:

It is also certified that the consolidated condensed financial statements at 30th June 2016:

- 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;
- 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 companies included in the consolidation.

the interim management report:

- It includes a reliable analysis of the results of operations, as well as the issuer's situation and the companies included in the consolidation, together with a description of the principal risks and uncertainties faced .;
- it also includes an analysis of reliability of the information on significant transactions with related parties

Segrate, 20th September 2016

Damiano Belli
Chief Executive Officer

Marina Carmeci
Manager in charge of preparing the company's financial reports