Maire Tecnimont

ANNUAL REPORT 2013

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Report on Operations

1. Board of Directors, Board of Statutory Auditors and Independent Auditors

Board of Directors	
Chairman	Fabrizio DI AMATO
CEO	Pierroberto FOLGIERO
Director	Luigi ALFIERI (*)
Independent Director	Gabriella CHERSICLA (**) (*** Chairman)
Independent Director	Nicolò DUBINI
Director	Stefano FIORINI (**)
Independent Director	Vittoria GIUSTINIANI (*)
Independent Director	Patrizia RIVA (***)
Independent Director	Paolo TANONI (* Chairman)(** Chairman)(***)

The Board of Directors was appointed by the Shareholders' meeting on 30 April 2013 and shall remain in office until approval of the Financial Statements as at 31 December 2015

(*) Member of the Remuneration Committee

(**) Member of the Control and Risk Committee

(***) Member of the Related-Party Committee

Board of Statutory Auditors	
Chief Statutory Auditor	Pier Paolo PICCINELLI
Acting Auditor	Antonia DI BELLA
Acting Auditor	Giorgio LOLI
Alternate Auditor	Andrea BONELLI
Alternate Auditor	Marco PARDI (*)

The Board of Auditors was appointed by the Shareholders' meeting held on 30 April 2013 and shall remain in office until approval of the Financial Statements as at 31 December 2015

(*) Took over on 19 February 2014, in office until the next Shareholders' meeting

Independent Auditors
DELOITTE & TOUCHE S.p.A.

The Shareholders' meeting of 10 July 2007 resolved to entrust the task of statutory audit to the audit firm Deloitte & Touche S.p.A. for the years 2007 - 2015

2. Investor Information

Share Capital of Maire Tecnimont S.p.A. at 31 December 2013

Share Capital	Euro 19,689,550
Number of Ordinary Shares	no. 305,527,500
Market Float, Number of Shares	no. 106,875,000
% Market Float of Share Capital	34.980%

Maire Tecnimont Stock Performance

In FY 2013, there was a very positive change (382%) in the issuer's capitalization, which went from Euro 130,451,250 for 2012 to Euro 498,009,825.

During 2013, the share performance was significantly influenced by various factors:

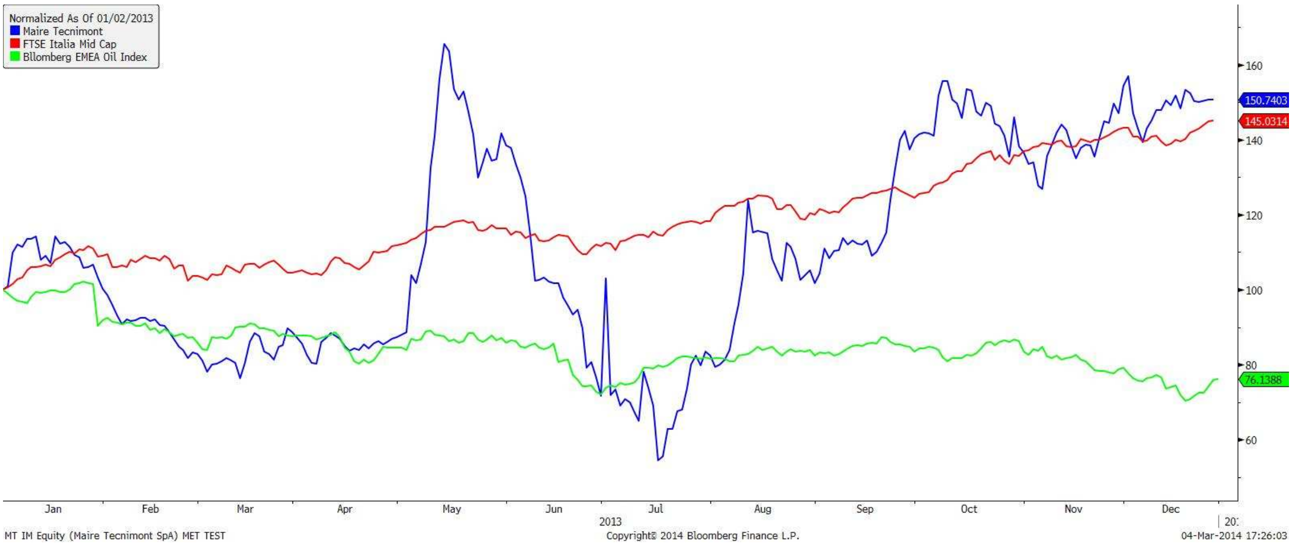
- a share capital increase reserved to the strategic partner Arab Development Establishment (ARDECO) on 11 June 2013 for a value of Euro 15,277,500, by means of the issue of 1,697,500 ordinary shares at a subscription price of Euro 9.00.
- a share capital increase offered up in option to all Company shareholders on 25 July 2013 for a value of Euro 134,703,680. The adjustment factor connected with this operation is 0.25807407.
- renewed interest by the national and international financial community following completion of the refinancing and the announcement of the new Group strategy.

The number of ordinary shares of the issuer at end 2012 was 322,500,000; it is now 305,527,500 due to the grouping of shares at a ratio of 1:10 on 10 June 2013 and the capital increases resulting in the total issue of 273,277,500 new shares.

The daily average trading volume in 2013 was 2,562,310 shares with an average unit price of Euro 1.1969.

Ordinary share stock price on the Milan Stock Exchange, in Euro	01/01 - 31/12/2013
Maximum (14 May 2013)	1.7897
Minimum (16 July 2013)	0.589
Average	1.1969
End of Period (31 December 2013)	1.6300
Market capitalization (at 31 December 2013)	498,009,825

Maire Tecnimont Share Price Performance versus Bloomberg EMEA Oil & Gas Services Index (BEUOILS) and the Italian FTSE Mid Cap Index (ITMC) in 2013.



The chart shows that Maire Tecnimont stock overperformed the FTSE Italia MIB MID CAP Index, composed of the first 60 stocks by Company capitalization outside the FTSE MIB index, by 3.9%. Maire Tecnimont stock overperformed Bloomberg's Oil & Gas services, comprising the main shares of Europe, the Middle East and Africa, by 98.0%.

3. Key Events in the Fiscal Year

In 2013, the main events concerning the completed financial and equity reorganization maneuver involving the Group were as follows:

APPROVAL OF THE 2012 ANNUAL FINANCIAL STATEMENTS

The Ordinary Shareholders' meeting of Maire Tecnimont S.p.A. held on 30 April 2012 on first call, approved the Financial Statements as at 31 December 2012, closing with a negative Net Result of Euro 16.6 million and resolved to carry the entire amount forward.

CONVENING OF THE EXTRAORDINARY SHAREHOLDERS' MEETING TO RESOLVE THE SHARE CAPITAL INCREASE

On 08 May 2013, Maire Tecnimont S.p.A. declared that as part of its equity and financial reorganization project, already announced to the market last 8 April, the contracts had been stipulated with the Group's main lending banks: Intesa Sanpaolo (with Banca IMI as arranger), UniCredit, Banca Monte dei Paschi di Siena, Cassa di Risparmio di Parma e Piacenza, UBI Group, Santander and BBVA. The agreements establish, each according to the terms and conditions laid down in the relevant contractual documents, rescheduling to five years, with a two-year grace period and repayments in six-monthly installments, of which the last one dated 31 December 2017, of the existing debt of Euro 307 million and the concession – by Intesa Sanpaolo, UniCredit, Banca Monte dei Paschi di Siena – of new finance totaling Euro 50 million, conditional on the completion of the capital increases. The agreements also envisage confirmation in the Group's favor, by said banks, of cash facilities totaling Euro 245 million and unsecured loans of Euro 765 million.

On 06 May 2013, the extraordinary Shareholders' meeting has been convened for 06 June 2013 at first call and the following day at second call, to resolve on the proposed share capital increases of Euro 150 million.

THE EXTRAORDINARY SHAREHOLDERS' MEETING OF 06 JUNE 2013 RESOLVES THE SHARE GROUPING AND CAPITAL INCREASE

On 06 June 2013, Maire Tecnimont S.p.A. announced that the extraordinary Shareholders' meeting of Maire Tecnimont S.p.A. held on that date, for the purposes of implementing the financial reorganization project already disclosed to the market, resolved upon:

1) the reverse stock split of the outstanding shares in a ratio of 1 newly issued share without any expressed par value accruing regular dividend (code ISIN IT0004931058 coupon 1) for every 10 shares without any expressed par value held (code ISIN IT0004251689 coupon 5), without this involving any reduction in share capital, as the shares have no par value, of Euro 16,125,000, currently divided into 322,500,000 shares and that, further to the reverse split, will be divided into 32,250,000 shares;

2) a) a capital increase, against payment, of a total amount (inclusive of share premium) of Euro 15,277,500, i.e. within the limit of 10% of the pre-existing share capital, reserved to Arab Development Establishment, consequently excluding the option right pursuant to art. 2441, par. 4, second sub-paragraph, of the Italian Civil Code, through the issue of 1,697,500 ordinary shares post-grouping, at the subscription price of Euro 9 per share post-grouping of which Euro 8.50 as share premium, that shall accrue regular dividend and have identical characteristics as the other outstanding shares at the time of their issue, and enjoy the option rights deriving from the subsequent capital increase.

b) the reserved capital increase, a divisible capital increase against payment of the total maximum amount, including any share premium, of Euro 134,722,500, with option rights to all Company shareholders, pursuant to art. 2441, par. 1, of the Italian Civil Code, through the issue of new ordinary shares, that shall have regular dividend and identical characteristics as the other shares outstanding at the time of their issue, to be executed after the completion of the subscription to the capital increase referred to in a) and by 30 September 2013.

On 06 June 2013, following registration with Rome Companies House, Maire Tecnimont S.p.A. announced – pursuant to art. 85-*bis* of Consob Regulation no. 11971 of 1999 – at that date, that the share capital of Maire Tecnimont S.p.A., fully subscribed and paid in, was Euro 16,125,000, divided into 32,250,000 shares without par value, accruing regular dividend.

RESERVED CAPITAL INCREASE PAID-IN BY ARDECO AND CHANGE IN SHARE CAPITAL

On 11 June 2013, Maire Tecnimont S.p.A. announced that the Arab Development Establishment ("ARDECO") had subscribed and paid-in on that same date, the indivisible capital increase against payment, for an overall amount, including share premium, of Euro 15,277,500, reserved to it and, consequently, with exclusion of the option right pursuant to article 2441, paragraph 4, second sentence of the Italian Civil Code, resolved upon by Maire Tecnimont S.p.A.'s extraordinary Shareholders' meeting of 6 June 2013. The reserved capital increase was underwritten by ARDECO against issuance of 1,697,500 ordinary shares of Maire Tecnimont S.p.A. – equal to 5% of the share capital post-increase – at a subscription price of Euro 9.00 per share, of which Euro 8.50 as share premium. The newly issued shares shall accrue regular dividend and have identical characteristics as the other outstanding shares at the time of their issue, and enjoy the option rights deriving from the subsequent capital increase resolved by the aforementioned extraordinary Shareholders' meeting resolution of the Shareholders of Maire Tecnimont S.p.A. on 6 June 2013.

On 17 June 2013 the updated by-laws of the Company, as amended following the subscription and payment made by Arab Development Establishment ("ARDECO") of the indivisible capital increase against payment, for a total amount, including share premium, of Euro 15,277,500.00 were filed with the Rome Register of Companies.

Following said filing – pursuant to art. 85-*bis* of Consob Regulation no. 11971 of 1999 – at that date, the share capital of Maire Tecnimont S.p.A., fully subscribed and paid in, is Euro 16,973,750.00, divided into 33,947,500 shares without par value, accruing regular dividend.

MAIRE TECNIMONT BOARD OF DIRECTORS APPROVES TERMS FOR THE RIGHTS ISSUE OF APPROXIMATELY 135 MILLION EURO

On 27 June 2013 Maire Tecnimont S.p.A. announced that the Board of Directors, which met on the same date, in execution of the mandate conferred by the extraordinary Meeting of 6 June 2013, approved the terms of the Capital Increase. In particular, the Capital Increase will be implemented through the issue of a maximum of 271,580,000 shares, having the same characteristics of those currently outstanding, without any expressed par value and with regular dividend, to be offered with option rights to the shareholders at a unit price of Euro 0.496 (of which Euro 0.01 allocated to share capital and Euro 0.486 as share premium), according to a ratio of 8 shares every 1 share held for a maximum countervalue of Euro 134,703,680.00 million. The issue price of the shares was calculated by applying a discount of approximately 37.8% on the Theoretical Ex Right Price – TERP – of the shares, based on the closing price of 27 June 2013, equal to Euro 3.21.

The Board of Directors also approved the Underwriting Agreement relating to the subscription of the shares corresponding to any Option Rights that are not exercised after they have been offered on the Stock Exchange. The Underwriting Agreement has been stipulated by Banca IMI S.p.A. and Barclays Bank PLC, which, under this agreement, have undertaken the commitment to subscribe to all shares that have remained unsubscribed after the offer of the unexercised rights on the Stock Exchange. The Underwriting Agreement is subject to the conditions specified in the Italian Offering Circular.

Consob also authorized on the same date the publication of the Italian Offering Circular relating to the option rights on Maire Tecnimont shares resulting from the capital increase resolved upon by the extraordinary Shareholders' meeting of 6 June 2013.

SUBSCRIPTION PERIOD SUCCESSFULLY COMPLETED WITH OVER 99% OF ORDINARY SHARES OFFERED SUBSCRIBED

On 18 July 2013 Maire Tecnimont S.p.A. announced that it had completed the rights issued offered to shareholders involving 271,580,000 shares of Maire Tecnimont, in relation to the paid capital increase approved by the extraordinary Shareholders' meeting of 6 June 2013.

In the period between 1 July 2013 and 18 July 2013 inclusive 33,658,768 option rights for the subscription of 269,270,144 newly-issued Maire Tecnimont shares were exercised, representing 99.15% of the total shares offered, for a total amount of Euro 133,557,991.41.

GLV Capital S.p.A. and ARDECO, in accordance with the commitments made on 24 June 2013, have respectively subscribed to Euro 74,112,320 and Euro 13,471,360 of the ordinary shares offered, equal to 55.019% and 10% of the issue, respectively.

More specifically, GLV Capital S.p.A. – which on 05 April 2013 committed to subscribe shares for a total amount of Euro 60 million and that on 24 June 2013 qualified such commitment on 24 June 2013 for a portion of new ordinary shares equal to an aggregate amount not lower than Euro 66 million and, in any event, for an amount of new ordinary shares required to ensure that the issuer, in accordance with art. 2359, paragraph 1, no. 1 of the Italian Civil Code controls at least 51% of the share capital – exercised all the subscription rights it was entitled to, for the subscription of 149,420,000 new ordinary shares equal to an aggregate amount of Euro 74,112,320.00, which resulted in it holding a number of shares representing 55.019% of the total share capital of the issuer.

The industrial partner ARDECO, in line with the irrevocable commitment given on 24 June 2013 to subscribe for the entire portion of new ordinary shares to which it was entitled in its capacity as shareholder, exercised all the subscription rights it was entitled to, for an aggregate amount of Euro 13,471,360.

At the end of the Offering Period, no. 288,732 subscription rights for the subscription of no. 2,309,856 new ordinary shares were unexercised, representing 0.85% of the total ordinary shares being offered, equal to an aggregate amount of Euro 1,145,688.58.

In compliance with the provisions of article 2441, third paragraph, Civil Code, the remaining rights (the "Rights") were offered on the Mercato Telematico Azionario, the Italian automated screen-based trading system managed by Borsa Italiana S.p.A. (the "MTA"), on behalf of Maire Tecnimont S.p.A., by Banca IMI S.p.A., at the trading sessions of 22, 23, 24, 25 and 26 July 2013 (the "Rights Auction"). On the first trading day the entire amount of the Remaining Rights was offered.

EARLY CLOSING OF THE OFFERING ON THE STOCK EXCHANGE OF UNEXERCISED STOCK OPTIONS FOR THE SUBSCRIPTION OF MAIRE TECNIMONT SHARES

On 22 July 2013 Maire Tecnimont S.p.A. announced that during the first session of the Stock Market offer held on that date it completed the sale of all the 288,732 subscription rights not exercised during the rights issue period related to the subscription to a total of 2,309,856 shares resulting from the capital increase approved by the extraordinary Shareholders' meeting of 6 June 2013 ("Rights"). The 288,732 rights were sold at a unit price of Euro 1.23 for an aggregate amount of Euro 355,140.36.

SUCCESSFULLY COMPLETED (100%) MAIRE TECNIMONT'S CAPITAL INCREASE RESERVED TO EXISTING SHAREHOLDERS:

On 25 July 2013 Maire Tecnimont S.p.A. announces the completion of the capital increase reserved to existing shareholders pursuant to transferable pre-emptive subscription rights, which was resolved upon by the extraordinary Shareholders' meeting held on 6 June 2013.

All 288,732 stock options not exercised at the end of the option period and valid for the subscription of a total of 2,309,856 new issue shares were sold after the closing of the first offer session on the Stock Exchange, which, therefore, closed early on 22 July 2013.

Further to the Rights Auction, 2,309,856 new ordinary shares of Maire Tecnimont S.p.A., representing 0.85% of the total ordinary shares being offered, equal to an aggregate amount of Euro 1,145,688.58, were subscribed for today, which is the last day for exercising the subscription rights acquired during the Rights Auction and subscribing for the related shares. Therefore, including the new ordinary shares already subscribed for during the Offering Period, all the 271,580,000 new ordinary shares of Maire Tecnimont S.p.A. have been subscribed for, representing 100% of the total ordinary shares being offered, for an aggregate amount of Euro 134,703,680.00.

Accordingly, the joint global coordinators Banca IMI S.p.A. and Barclays Bank PLC were not required to give effect to their commitment to subscribe for any unexercised subscription rights pursuant to the underwriting agreement entered into on 27 June 2013. As a result of the completion of the capital increase, the share capital of Maire Tecnimont S.p.A. is Euro 19,689,550.00 represented by 305,527,500 ordinary shares without nominal value.

On 26 July 2013, Maire Tecnimont S.p.A. announced to the market, in accordance with art. 85-*bis* of the Issuers' Regulation that the Company's updated articles of association had been filed with Rome Companies House. Therefore, at that date, the share capital, fully subscribed and paid up, of Maire Tecnimont S.p.A. was Euro 19,689,550.00, divided into 305,527,500 shares without par value, accruing regular dividend.

FOLLOWING THE SUCCESSFUL COMPLETION OF THE CAPITAL INCREASE, THE DEBT RESCHEDULING AGREEMENTS AND THE NEW FINANCING AGREEMENTS FOR THE MAIRE TECNIMONT GROUP HAVE BECOME EFFECTIVE

On 26 July 2013 Maire Tecnimont S.p.A. announced that following the early conclusion of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. These agreements provide for the rescheduling of Euro 307 million of the Group's indebtedness over five years, with a grace period of two years and the repayment by half-year installments from 2015 to 31 December 2017. In addition, our lenders Intesa Sanpaolo, UniCredit and Monte dei Paschi di Siena have provided new financing in an aggregate amount of Euro 50 million under the same conditions. Finally the certain facilities in an aggregate amount of Euro 245 million have been confirmed by all the banks, as well as guarantees for a total amount of Euro 765 million in order to support the business.

The share capital increase and provision of new finance helped strengthen the Group's financial situation and, in particular, brought about the recapitalization of the subsidiary Tecnimont S.p.A.

In 2013, the other main corporate events involving the Group were as follows:

EXERCISE OF THE FACULTY TO MAKE AN EXCEPTION TO THE PUBLICATION OBLIGATIONS OF INFORMATIVE DOCUMENTS IN ACCORDANCE WITH ARTICLES 70, PARAGRAPH 8 AND 71, PARAGRAPH 1-*BIS* OF THE ISSUERS' REGULATION

On 04 February 2013 – in accordance with articles 70, paragraph 8 and 71, paragraph 1-*bis* of Consob Resolution on. 11971/1999 as subsequently amended (the Issuers' Regulation), Maire Tecnimont S.p.A. announced that it intended to apply the exception from the publication requirements envisaged in relation to significant mergers, spin-offs and capital increases, by means of the conferral of assets in kind and significant purchases or sales.

ELECTION OF THE NEW CORPORATE BODIES

The Shareholders' meeting of Maire Tecnimont S.p.A., held on 30 April 2013 as an ordinary session at first call, approved the Financial Statements and also resolved on the appointment of the new Board of Directors of the Company, subject to the determination of the number, term of office and remuneration. The new Board of Directors of Maire Tecnimont, which will remain in office until approval of the Financial Statements as at 31 December 2015 has the following members: Luigi Alfieri, Gabriella Chersicla, Fabrizio Di Amato, Stefano Fiorini, Pierroberto Folgiero, Vittoria Giustiniani, Patrizia Riva and Paolo Tanoni – drawn from a slate submitted by the majority shareholder GLV Capital S.p.A. – and Nicolò Dubini – drawn from the slate submitted by the shareholder G.L. Investimenti S.r.l.

The Shareholders' meeting of Maire Tecnimont also confirmed Fabrizio Di Amato as Chairman of the Board of Directors. The Administrators Gabriella Chersicla, Nicolò Dubini, Vittoria Giustiniani, Patrizia Riva and Paolo Tanoni stated they were in possession of the independence requirements pursuant to the law and the Code of Corporate Governance for listed companies.

The Shareholders' meeting of Maire Tecnimont also appointed the Board of Statutory Auditors and its Chairman, following determination of the remuneration payable to the Auditors and the Chairman himself.

The new Board of Auditors of Maire Tecnimont, which will remain in office until approval of the Financial Statements as at 31 December 2015 has the following members: Pier Paolo Piccinelli (Chairman), drawn from the slate submitted by the shareholder G.L. Investimenti S.r.l., Giorgio Loli and Antonia Di Bella (Regular Auditors), both drawn from the slate submitted by the majority shareholder GLV Capital S.p.A.. Andrea Bonelli and Francesca Cancellieri were appointed as Alternate Auditors. The latter stood down from office with effect as from 14 February 2014; in accordance with the law and the articles of association, Marco Pardi therefore took over from her as alternate auditor, again taken from the minority list, and will remain in office until the next Shareholders' meeting.

NEW APPOINTMENTS IN MAIRE TECNIMONT

The Board of Directors of Maire Tecnimont S.p.A., which met on 2 May 2013, took note of the confirmation of Fabrizio Di Amato as Chairman of the Board of Directors by resolution of the Shareholders' meeting of 30 April 2013, conferring upon him, as well as the powers under the law and the Articles of Association, certain powers including institutional relations and external relations and the supervision of the definition of strategies of the Company and the Group (subject to the powers of the Board in its composition) and the implementation of the Strategic Plan approved by the Board of Directors.

The Board of Directors also appointed Pierroberto Folgiero as CEO and General Manager and responsible for the management, granting him the powers of ordinary and extraordinary management not reserved to the Chairman and Board of Directors. Pierroberto Folgiero was also appointed as Director in charge of the internal audit and risk management system.

The Board of Directors of 2 May 2013 has also determined, on the basis of available information and the statements made by those involved, and confirmed the existence of the requirements for independence under the law and the Code of Corporate Governance for companies listed the Directors Gabriella Chersicla, Nicolò Dubini, Vittoria Giustiniani, Patrizia Riva and Paolo Tanoni. In addition, the Board of Directors has established the position of Lead Independent Director with the functions provided by the Corporate Governance Code for listed companies, in the person of independent director Gabriella Chersicla.

The Board of Directors also provided for the formation of Committees as established by the Code of Corporate Governance for listed companies, and in particular:

(i) the Audit and Risk Committee, composed of independent Directors Paolo Tanoni (Chairman) and Gabriella Chersicla and non-executive director Stefano Fiorini, all with adequate experience in accounting and finance or risk management;

(ii) the Remunerations Committee, composed of independent Directors Paolo Tanoni (Chairman) and Vittoria Giustiniani and non-executive director Luigi Alfieri, all with adequate knowledge and experience in financial matters and remuneration policies.

The Board of Directors has not deemed it appropriate for the time being to set up a Committee for appointment proposals, considering that the existence of the slate voting mechanism ensures a transparent procedure for the appointment of Directors, and the appointment of at least one director by the minority list.

The Committees act as provided by the Code of Corporate Governance for listed companies.

In compliance with applicable laws and regulations and the procedure adopted by the Company and with the skills therein, the Board of Directors has also set up a Committee for transactions with related parties, composed of the Directors, all independent, Gabriella Chersicla (Chairman), Patrizia Riva and Paolo Tanoni.

The Board of Directors, having consulted the Board of Statutory Auditors, also confirmed the Chief Financial Officer of the Company, Marco Andreasi, as the Director in charge of preparing the corporate accounting documents, granting the powers provided under the applicable provisions in the Articles of Association; thereafter a position that was taken over by Alessandro Bernini, in the capacity of Chief Financial Officer and Dario Michelangeli, as Manager responsible for preparing corporate accounting documents.

Finally, the Board of Directors took note of the expiry of the Body previously constituted, and has taken steps to establish a Supervisory Body pursuant to Legislative Decree 231/2001, with the functions provided by the relevant provisions, consisting of three members: Umberto Tracanella (Chairman), Luciana Sara Rovelli and Mario Ruzza, of which the first two external to the Company. The Supervisory Board will remain in office until the date of expiry of the mandate of the Board of Directors.

In 2013, <u>the main management events</u> involving the Group were as follows:

<u>SALE OF THE EQUITY INVESTMENTS HELD BY THE MAIRE TECNIMONT GROUP IN THE METRO COPENHAGEN AND HIGH SPEED MILAN-GENOA PROJECTS.</u>

On 17 June 2013 Maire Tecnimont S.p.A. announced that agreements had been signed for the sale of the stakes of Maire Tecnimont Group in projects relating to infrastructure and civil engineering works.

In particular, the first transaction concerns the sale of 40% of CMT (Copenhagen Metro Team I/S), a stake held by Tecnimont Civil Construction S.p.A., subsidiary of Maire Tecnimont S.p.A., while Tecnimont Civil Construction S.p.A. may keep a nominal stake. The price value estimated upon transaction completion is equal to about Euro 15 million. CMT is a company incorporated under Danish law, set up for the construction of the North and South lots of the new CITYRINGEN Underground of the cities of Copenhagen and Frederiksberg. The overall value of the contract is about Euro 1.7 billion, of which about Euro 700 million pertaining to Maire Tecnimont Group. The grouping, which acts as General Contractor, consists of Tecnimont Civil Construction S.p.A., Salini S.p.A. and, to a residual extent SELI S.p.A.

The second sale relates to the entire shareholding held by the subsidiary Tecnimont S.p.A. in the Consortium COCIV (20%) to Impregilo and Società Italiana per Condotte d'Acqua, selling half the stake to each. COCIV acts as General Contractor for the executive design and development of the high speed/high capacity Milan - Genoa railway line (the "Third Giovi Tunnel"). The price value estimated upon transaction completion is equal to about Euro 50 million. It should be recalled that COCIV consortium includes Impregilo (54%), Tecnimont (20%), Condotte (21%) and CIV (5%), and the overall value of the works contracts awarded to COCIV is approximately Euro 4.6 billion.

On 20 September 2013, Maire Tecnimont S.p.A. announced completion of the sale of its 20% investment held in the Consortium COCIV, General Contractor of the "Third Giovi Tunnel", together with all connected rights and obligations, to Impregilo and Società Italiana per Condotte d'Acqua, selling half the stake to each. The value of the transaction, including the settlement of some accounts payables and receivables due to/from the consortium, was approximately Euro 50 million.

On 10 October 2013, Maire Tecnimont S.p.A. announced completion of the sale of the Metro Copenhagen project to Salini S.p.A. (following to the termination of the contract with Impregilo S.p.A.) of the stake equal to approximately 40% held by the subsidiary Tecnimont Civil Construction S.p.A. in CMT (Copenhagen Metro Team I/S), the special purpose vehicle for the construction of the Copenhagen Underground. The value of this transaction was nearly Euro 15 million.

The two transactions are framed in Maire Tecnimont Group financial reorganization project, which envisages the disposal of assets considered no longer strategic for the Group, in particular by optimizing the infrastructure business. These transactions confirm Group's refocusing on the core business Oil, Gas & Petrochemicals.

NEW CONTRACTS

During 2013, the Maire Tecnimont Group acquired new projects and extensions to contracts underway for a total value of Euro 1,174 million, mainly recorded in the Oil, Gas & Petrochemicals sector and in the Energy sector, for this latter mainly due to the Punta Catalina award. For further details refer to the section "Backlog by Business Unit and Geographical Area".

4. Group Business Performance

The table below shows Maire Tecnimont Group financial highlights for 2013 and 2012:

(Values in thousands Euro)	December 2013	%	December 2012	%	Variation	
Financial Indicators:						
Revenues	1,656,173		2,186,836		(530,663)	(24.3%)
Business Profit (*)	199,131	12.0%	(68,022)	(3.1%)	267,153	392.7%
EBITDA (**)	116,099	7.0%	(159,195)	(7.3%)	275,293	172.9%
EBIT	89,964	5.4%	(187,394)	(8.6%)	277,359	148.0%
Pre-tax income	50,117	3.0%	(232,547)	(10.6%)	282,664	121.6%
Income taxes	(32,774)	(2.0%)	24,840	1.1%	(57,614)	231.9%
Tax rate	(65.4%)		N/A		N/A	
Profit/(Loss) for the year	17,343	1.0%	(207,707)	(9.5%)	225,050	108.3%
Group's net income	16,952	1.0%	(207,609)	(9.5%)	224,561	108.2%

(*) Business Profit means the industrial margin before the allocation of overhead and administrative costs and research and development expenses; the percentage incidence on income is defined as the business margin

(**) EBITDA is defined as the net income for the year before tax (current and advance/deferred), net of interest expense, foreign exchange income and charges, gains and losses in the valuation of holdings, fixed asset amortization/depreciation, and provisions. Corporate management uses EBITDA to monitor and evaluate business operating performance. Management believes EBITDA is an important parameter for measuring Group performance because it is not influenced by the impact of the different criteria used to determine taxable amounts, the amount and nature of the capital employed, and amortization/depreciation. Given that EBITDA is not an indicator determined and regulated by the Group reference accounting principles, the criteria used by the Group to determine EBITDA might not be the same as that adopted by other groups and, therefore, is not comparable.

2013 Maire Tecnimont Group P&L records revenues of Euro 1,656.2 million, down 24.3% on last year (Euro 2,168.8 million).

This decrease reflects the evolution of project backlog seen thus far and reveals a sharp drop in revenues in the Power BU; this reduction is a consequence of the completion of South American projects which, during the same period of 2012 had continued to generate production volumes in line with the new strategy. The Oil, Gas & Petrochemicals BU also declined, while the Infrastructure & Civil Engineering BU recorded a slight increase, as described under "Financial results by Business Unit". These trends also reflect the new industrial plan geared to growth in terms of product mix with higher margins and lower volumes and the progressive increase of E (Engineering) and EP (Engineering and Procurement) services, and simultaneous reduction of EPC (Engineering, Procurement, Construction) projects. It also reflects the very advanced stage achieved in major contracts, not yet offset by new awards, and a slowdown of some orders with lower margins for which, however, production is expected to recover in the coming months.

Main production volumes relate to the Oil, Gas & Petrochemicals BU and the Gasco, Borouge 3, Tobolsk, Kuwait, OPaL and Etileno XXI projects in particular.

In 2013, the Group recorded positive Business Profit of Euro 199.1 million, up 392.7%.

The consolidated Business Margin as at 31 December 2013 was 12%, showing a rise on last year, when it came in as a negative -3.1%. The change in absolute and percentage value reflects the increased volume and margin generated by the Oil, Gas & Petrochemicals BU, and the completion of South American operations for the Power BU; these were still underway during the early months of 2012, with the consequent negative effect on the margin.

The positive results for 2013 reflect the significant impact of the disposal of the interest held in the COCIV Consortium and related rights and obligations to Impregilo and Società Italiana per Condotte d'Acqua, partially offset by the revision of the estimates of completion of some projects and provisions for personnel costs following the restructuring process still underway in the Infrastructure & Civil Engineering BU.

General and administrative expenses in 2013 were Euro 78.7 million (91 million in 2012); the decrease is attributable to the benefits arising from the reorganizations that have taken place in recent years.

Taking into account the R&D costs of approximately Euro 4.3 million, the Group recorded positive EBITDA of Euro 116.1 million, a 172.9% increase on last year (-159.2 million euros as a result of South American orders related to the Power BU). The consolidated EBITDA margin at 31 December 2013 was positive and 7%. This change is mainly due to higher overall business margins and lower G&As.

Amortization/depreciation was Euro 23.2 million and recorded an increase in absolute value over the previous year of approximately Euro 3.3 million following the partial amortization of the goodwill related to the Infrastructure & Civil Engineering BU for about Euro 10 million.

Provisions were Euro 2.9 million, a considerable decrease in absolute terms on last year, when it came to approximately 8.3 million euros; this item was affected by provisions for charges related to legal disputes and litigation. This item last year was affected by non-recurring provisions made by the Group as part of the sale of the company "Mabe".

Net financial performance seen by analyzing financial income and charges, including equity interests, is negative for Euro 39.8 million, thereby recording a Euro 5.3 improvement on the same period of 2012. This result is mainly due to the reduction of expenses on derivatives and the positive effects of the recently completed refinancing, of which the first results were already evident during the last quarter of this year.

Due to the positive results achieved at the operational level, the pre-tax result is positive for 50.1 million euros, recording a considerable improvement on last year (-232.5 million euros).

Estimated tax is 32.8 million euros. At the end of 2012, the Group had a negative economic position and was therefore not comparable. The effective tax rate for 2013 is affected by various factors, including: i) the non-deductibility of goodwill impairment; ii) provisions made for potential tax risks in connection with previous years; and iii) the fact that some foreign group companies, which are not tax consolidated, recorded tax-recognized losses, but for which we cannot presently record any deferred tax assets. Net of these one-off effects, the tax rate would have been about 36%.

Net profit for the Group was Euro 16.9 million, a considerable improvement on 2012, when it was negative for Euro -207.6 million. Considering the result of minorities, the consolidated net result at 31 December 2013 is positive and equal to Euro 17.3 million.

In 2013 the Maire Tecnimont Group acquired new projects and change orders of current contracts for a value of Euro 1,174 million, almost exclusively in the Oil, Gas & Petrochemicals sector.

Total new orders for the same period in 2012 decreased by about Euro 1,427.7 million or -54.9%; Oil, Gas & Petrochemicals project awards decreased (-62.2%), whilst Energy awards increased in absolute value by around 493 million euros, mainly due to the Punta Catalina award. This award confirms the selective strategy adopted by the Maire Tecnimont Group in the Energy sector, focused on technological alliances with solid construction partners and focusing selectively on engineering and EP (Engineering & Procurement) projects, relying on its specific competences.

At 31 December 2013, the Maire Tecnimont Group Order Backlog was Euro 3,482 million, down Euro 1,762 million against the same period of 2012. The 2012 value included approximately Euro 953 million in relation to the COCIV project and approximately 485 million for the Copenhagen metro, both sold in 2013.

5. Financial Results by Business Unit

INTRODUCTION

Maire Tecnimont S.p.A. is the parent company of an integrated industrial group that operates in Italy and the world markets, providing engineering and construction services and products to the following sectors:

- (I) Oil, Gas & Petrochemicals;

- (II) Power;

- (III) Infrastructure & Civil Engineering.

Please note that the various BU results are in line with the internal reporting structure adopted by the Company's top management.

Below is a summary of the key characteristics of these markets.

I. **Oil, Gas & Petrochemicals BU** designs and constructs plants and systems mainly for the natural gas industry (separation, treatment, liquefaction, transportation, storage, regasification, and compression/pumping stations); designs and constructs plants and systems for the chemicals and petrochemicals industry, especially those for the production of polyethylene and polypropylene (polyolefins), ethylene oxide, ethylenic glycol, purified terephthalic acid (PTA), ammonia, urea and fertilizers; in the fertilizer sector, it grants patented technology and intellectual property licenses to current and potential urea producers. Other important activities are related to the sulfur recovery process, hydrogen production units, and high-temperature ovens.

II. **Power BU** designs and constructs hydrocarbon-based power generation plants (simple or combined-cycle electric power plants and co-generation plants), power plants fuelled by renewable resources (hydroelectric or biomass plants), waste-to-energy and district heating plants, the re-powering of electric power plants, and the construction of energy transformation and transmission systems with progressive growth of E and EP services.

III. **Infrastructure & Civil Engineering BU** active in the design and construction of large-scale infrastructure works (such as roads and highways, railways, underground and surface metro lines, tunnels, bridges and viaducts), facilities and buildings for the industrial, commercial and service sectors.

The table shows the financial highlights for each Business Unit at end 2013 and 2012:

(Values in Euro thousands)	Oil, Gas & Petrochemicals		Power		Infrastructure & Civil Eng.		Total	
	Value	% on Revenues	Value	% on Revenues	Value	% on Revenues	Value	% on Revenues
31/12/2013								
Revenues	1,306,673		48,173		301,327		**1,656,173**	
Business Profit	171,862	13.2%	(3,240)	(6.7%)	30,510	10.1%	**199,131**	**12.0%**
EBITDA	100,673	7.7%	(5,625)	(11.7%)	21,051	7.0%	**116,099**	**7.0%**
31/12/2012								
Revenues	1,810,127		177,493		199,217		**2,186,836**	
Business Profit	165,033	9.1%	(208,792)	(117.6%)	(24,263)	(12.2%)	**(68,022)**	**(3.1%)**
EBITDA	91,073	5.0%	(216,483)	(122.0%)	(33,785)	(17.0%)	**(159,195)**	**(7.3%)**
Year on year variations (2013 vs 2012)								
Revenues	(503,454)	(27.8%)	(129,320)	(72.9%)	102,110	51.3%	**(530,663)**	**(24.3%)**
Business Profit	6,829	4.1%	205,552	(98.4%)	54,773	(225.7%)	**267,154**	**(392.7%)**
EBITDA	9,600	10.5%	210,858	(97.4%)	54,836	(162.3%)	**275,294**	**(172.9%)**

Oil, Gas & Petrochemicals Business Unit

Revenues at 31 December 2013 were Euro 1,306.7 million (Euro 1,810.1 million in 2012) and show a decrease of 27.8% on last year. The main existing projects are Gasco, Borouge 3, Tobolsk, Kuwait, OPaL and Etileno XXI. The reduction in volumes is a consequence of having reached a very advanced stage in the main orders, not yet offset by new awards, and a slowing down to some orders with lower margins for which in any case production is expected to recover over the next few months.

Business Profit at 31 December 2013 was 171.9 million euros (165 million euros for 2012) and shows an increase in absolute terms on last year, as a result of lower production volumes recorded.

At 31 December 2013, Business Profit was 13.2%, up on last year's 9.1% as a result of a higher average profitability of existing projects.

EBITDA at 31 December 2013 was 100.7 million euros (91.1 million euros in 2012), representing a 7.7% margin on revenue (5% as at 31 December 2012). Even in this case, the increase is a result of a higher average profitability of projects.

Power Business Unit

Revenues were Euro 48.2 million, down 72.9% on 2012. This trend is mainly due to the new strategy of refocusing the business, as previously described, as well as a natural consequence of the agreement for the conclusion of EPC contracts in South America. Revenues for the period also include the production of the Biomass Olevano plant, part of the disposal program in the coming months.

Business Profit was Euro -3.2 million compared to the Euro -208.8 million for 2012, when the negative impacts deriving from the South American projects were recorded.

EBITDA was negative, at Euro -5.6 million, essentially due to the G&A costs absorbed; in 2012 EBITDA was negative for -216.5 million euros.

The negative period EBITDA therefore suffered the commercial and structural efforts made with a view to achieving the new business refocus strategy described previously. These efforts brought the Group, at end 2013, to achieve the Punta Catalina order, for which economic benefits will begin to be seen as from 2014.

INFRASTRUCTURE & CIVIL ENGINEERING BUSINESS UNIT

Revenues at 31 December 2013 were Euro 301.3 million, a slight increase over the previous year (in December 2012, revenues were Euro 199.2 million). This change is mainly driven by the proceeds of the sale of the COCIV Consortium and by higher volumes related to the Metro Copenhagen project, also then sold off, and by the Etihad Rail project, partially offset by lower revenues resulting from the slowdown of some projects.

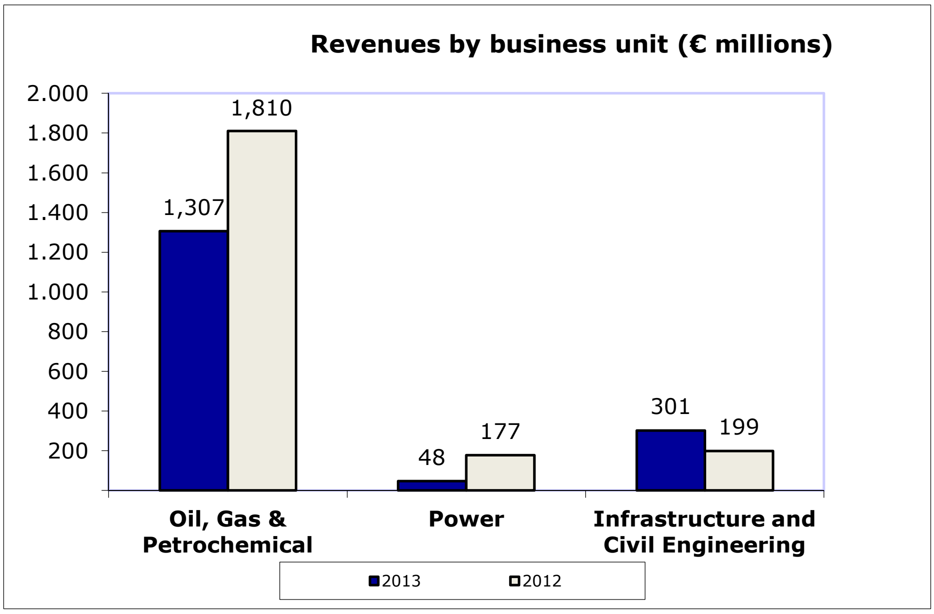
Business Profit was 30.5 million euros (-24.3 million euros in 2012). The Business Margin was 10.1%, a clear improvement on 2012 when it was -12.2%.

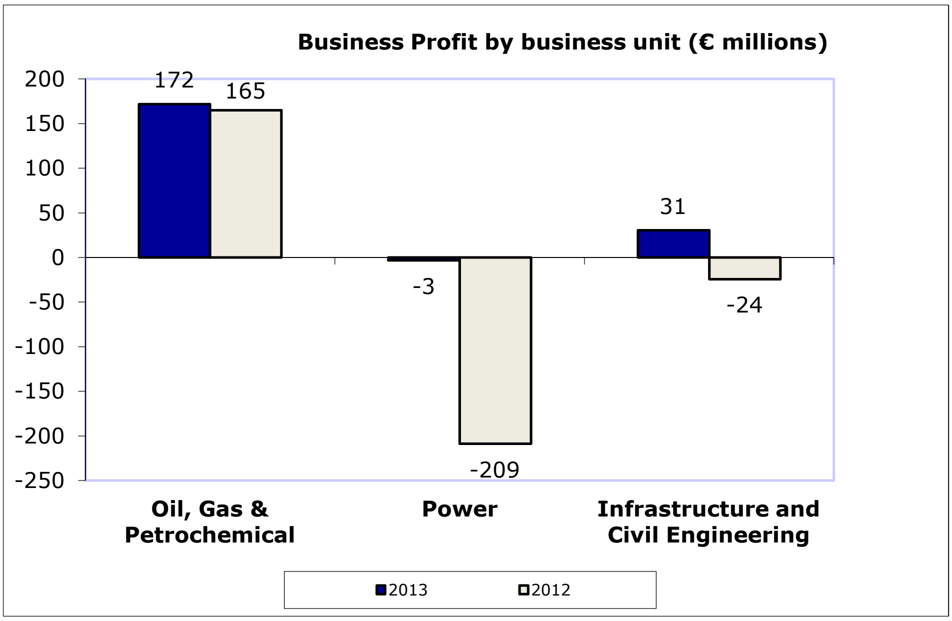
EBITDA was positive for 21 million euros after absorption of G&A costs; in 2012, EBITDA was -33.8 million euros.

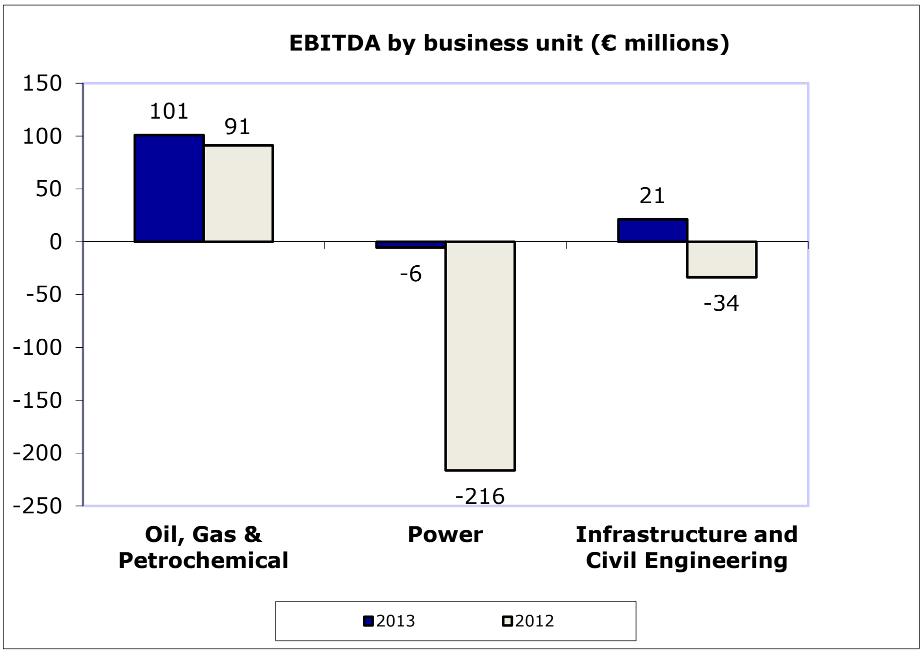
The positive results at 31 December 2013 reflect the significant impact of the disposal of the entire stake held in the COCIV Consortium and related rights and obligations to Impregilo and Società Italiana per Condotte d'Acqua, as well as the sale of the Metro Copenhagen project.

The results shown above also reflect on the other hand the positive impact deriving from the recognition not only of contractually agreed amounts, but also variations of work, incentives and possible claims recorded at the updated value of the probable amount that will be recognized by clients that can reliably be evaluated. At present, these claims are at an advanced stage of negotiation.

The tables below show revenues, Business Profit and EBITDA by Business Unit.



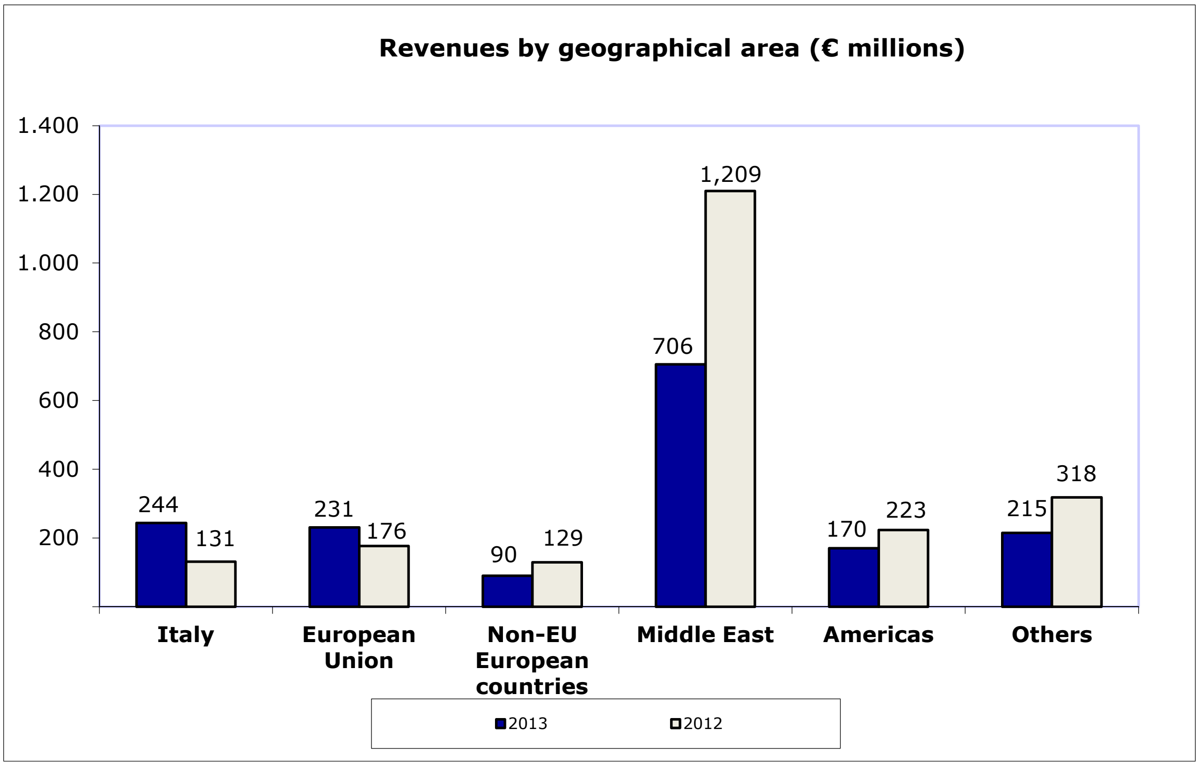

Business Profit by business unit (€ millions)
200
150
100
50
0
-50
-100
-150
-200
-250
172
165
-3
-209
31
-24
Oil, Gas & Petrochemical
Power
Infrastructure and Civil Engineering
2013
2012


EBITDA by business unit (€ millions)
150
100
50
0
-50
-100
-150
-200
-250
101
91
-6
-216
21
-34
Oil, Gas & Petrochemical
Power
Infrastructure and Civil Engineering
2013
2012

REVENUES BY GEOGRAPHICAL AREA:

The table below is a summary of Revenues by geographical area as at 31 December 2013 and the comparative results for FY 2012.

(Values in Euro thousands)	December 2013		December 2012		Variation	
	Value	%	Value	%	Value	%
Italy	244,017	14.7%	131,009	6.0%	113,008	86.3%
Overseas						
• European Union	230,919	13.9%	176,244	8.1%	54,675	31.0%
• Non-EU European countries	90,243	5.4%	128,830	5.9%	(38,587)	(30.0%)
• Middle East	705,537	42.6%	1,209,425	55.3%	(503,887)	(41.7%)
• Americas	170,284	10.3%	223,398	10.2%	(53,114)	(23.8%)
• Other	215,173	13.0%	317,929	14.5%	(102,756)	(32.3%)
Total consolidated revenues	**1,656,173**		**2,186,836**		**(530,662)**	**(24.3%)**



The table above shows the percentage weight of Revenues generated by geographical area where the greatest share of total revenues was produced by Middle East (42.6%), Italy (14.7%) and the Americas (10.3%). As clearly evidenced in the table of Revenues by Business Unit, these values confirm the substantial contribution of the Oil, Gas & Petrochemicals BU that, with the significant recovery in investment in this sector, recorded an increase in volumes in the Middle East, where the Group has an established presence. The activities of the Energy BU are concentrated mainly in South America and the significant decrease was a result of the completion stage of South American projects. Italy's contribution to total revenue was 244 million, while Europe (excluding Italy) generated production volume equal to Euro 321 million or 19.4% of the Group's top line.

6. Backlog by Business Unit and Geographical Area

The following tables illustrate the Group Order Backlog value, broken down by Business Unit at 31 December 2013, net of third-party quotas, and showing comparative data from the previous year.

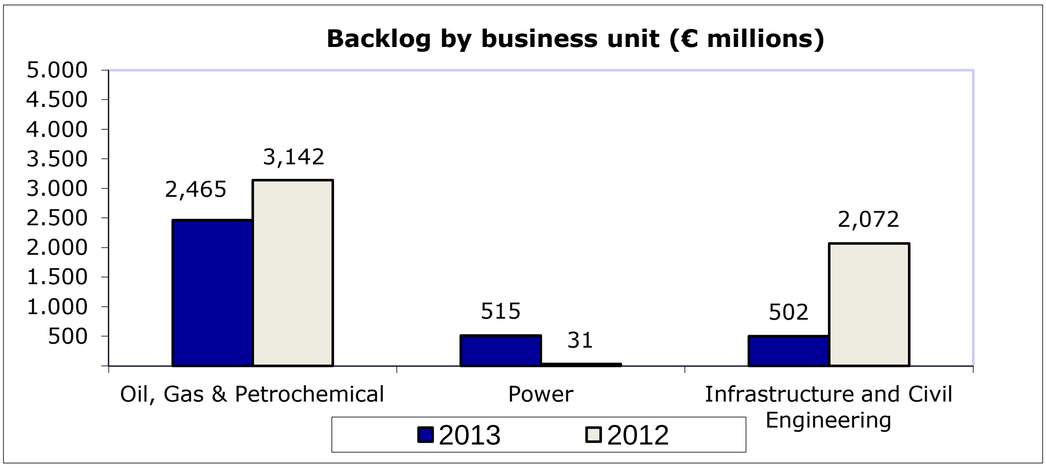
BACKLOG BY BUSINESS UNIT

(Values in Euro thousands)	Oil, Gas & Petrochemicals	Power	Infrastructure & Civil Engineering	Total
Backlog Value at 01/01/2013	**3,141,741**	**30,824**	**2,071,824**	**5,244,389**
Adjustments/Elisions (**)	(11,061)	32,250	(1,309,033)	(1,287,844)
Contracts awarded in 2013	639,504	500,326	34,135	1,173,965
Revenue net of third-party portions (*)	1,305,636	48,173	294,668	1,648,477
Backlog Value at 31/12/2013	**2,464,548**	**515,227**	**502,258**	**3,482,033**

(*) *Order Backlog revenues are expressed net of third-party quotas for a total of Euro 7.7 million*

(**) *2013 adjustments/elisions mainly reflect the exchange adjustments made to the portfolio and for the Infrastructures & Civil Engineering BU, also the sale of Cociv and Metro Copenhagen and the related backlog.*

(Values in Euro thousands)	Backlog at 31/12/2013	Backlog at 31/12/2012	Variation December 2013 vs December 2012	
			Value	%
Oil, Gas & Petrochemicals	2,464,548	3,141,741	(677,193)	(21.6%)
Power	515,227	30,824	484,403	1,571.5%
Infrastructure & Civil Engineering	502,258	2,071,824	(1,569,566)	(75.8%)
Total	**3,482,033**	**5,244,389**	**(1,762,356)**	**(33.6%)**



At 31 December 2013, the Maire Tecnimont Group Order Backlog was Euro 3,482 million, down Euro 1,762 million against the same period of 2012. As at 31 December 2012, the Backlog was worth 5,244 million euros; the 2012 value included approximately Euro 953 million in relation to the COCIV project and approximately 485 million for the Copenhagen metro, both sold in 2013.

The value of the Maire Tecnimont Group Order Backlog takes into account exclusively those contracts signed and in force.

BACKLOG BY GEOGRAPHICAL AREA

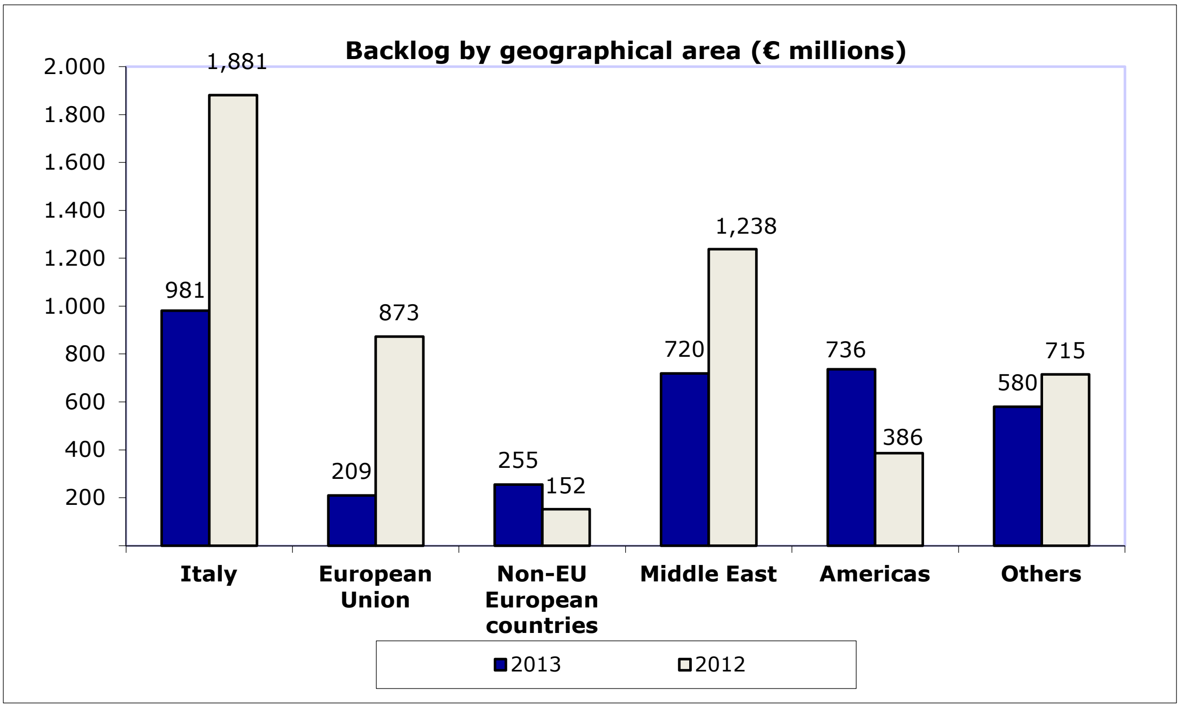
The table below shows Group Order Backlog broken down by Geographical Area at 31 December 2013:

(Values in Euro thousands)	Italy	Overseas					Total
		European Union	Non-EU European countries	Middle East	Americas	Others	
Backlog Value at 01/01/2013	**1,881,458**	**872,697**	**151,674**	**1,238,267**	**385,673**	**714,621**	**5,244,390**
Adjustments/Elisions (**)	(786,206)	(439,727)	2,237	29,809	(48,162)	(45,797)	(1,287,846)
Contracts awarded in 2013	122,493	7,358	191,815	156,562	569,039	126,698	1,173,965
Revenue net of third-party portions (*)	236,920	230,919	90,243	704,939	170,284	215,173	1,648,478
Backlog Value at 31/12/2013	**980,825**	**209,409**	**255,483**	**719,699**	**736,266**	**580,349**	**3,482,031**

(*) Backlog revenues are expressed net of third-party quotas for a total of Euro 7.7 million.

(**) 2013 adjustments/elisions mainly reflect the exchange adjustments made to the portfolio and for the Infrastructures & Civil Engineering BU, also the sale of Cociv and Metro Copenhagen and the related backlog.

(Values in Euro thousands)	Backlog at 31/12/2013	Backlog at 31/12/2012	Variation 2013 vs 2012	
			Value	%
Italy	980,825	1,881,458	(900,633)	(47.9%)
European Union	209,409	872,697	(663,288)	(76.0%)
Non-EU European countries	255,483	151,674	103,809	68.4%
Middle East	719,699	1,238,267	(518,568)	(41.9%)
Americas	736,266	385,673	350,593	90.9%
Others	580,349	714,621	(134,272)	(18.8%)
Total	**3,482,032**	**5,244,390**	**(1,762,359)**	**(33.6%)**



Awards by Business Unit and Geographical Area

The table below indicates the value of the awards to the Group by Business Unit and by geographical area at end 2013 and 2012:

(Values in Euro thousands)	December 2013	% of Total	December 2012	% of Total	Variation 2013 vs 2012	
Awards by Business Unit:						
Oil, Gas & Petrochemicals	639,504	54.5%	1,692,107	65.0%	(1,052,603)	(62.2%)
Power	500,326	42.6%	7,014	0.3%	493,312	
Infrastructure & Civil Eng.	34,135	2.9%	902,570	34.7%	(868,435)	(96.2%)
Total	**1,173,965**	**100.0%**	**2,601,691**	**100.0%**	**(1,427,724)**	**(54.9%)**
Awards by Geographical Area:						
Italy	122,493	10.4%	1,412,854	54.3%	(1,290,361)	(91.3%)
European Union	7,358	0.6%	292,506	11.2%	(285,148)	(97.5%)
Non-EU European countries	191,815	16.3%	23,550	0.9%	168,265	714.5%
Middle East	156,562	13.3%	373,344	14.4%	(216,782)	(58.1%)
Americas	569,039	48.5%	386,250	14.8%	182,789	47.3%
Others	126,698	10.8%	113,186	4.4%	13,512	11.9%
Total	**1,173,965**	**100.0%**	**2,601,691**	**100.0%**	**(1,427,724)**	**(54.9%)**

During 2013, the Maire Tecnimont Group acquired new projects and change orders to contracts in backlog for Euro 1,174 million, mainly in the Oil, Gas & Petrochemicals sector, which, however, dropped by 62%, and in the Energy sector, which increased in absolute value by Euro 493 million, mainly due to the Punta Catalina award. This award confirms the selective strategy adopted by the Maire Tecnimont Group in the Energy sector, focused on technological alliances with solid construction partners and focusing selectively on engineering and EP (Engineering & Procurement) projects, relying on its specific competences.

The other awards relate to the Infrastructure BU and relate mainly to change orders in contracts nearing completion.

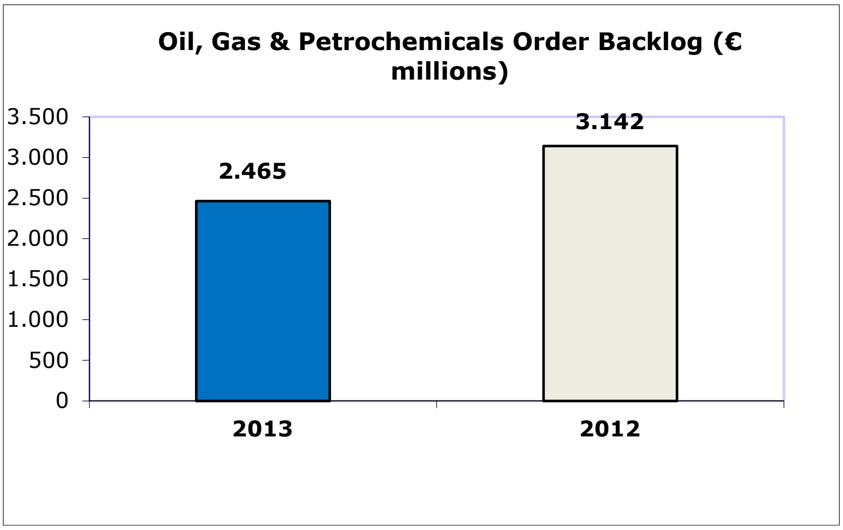
Total new orders for the same period in 2012 decreased by about Euro 1,427.7 million or -54.9%; Oil, Gas & Petrochemicals awards decreased by -62.2% on the same period of last year, also following the deferral of the award terms of certain important projects by potential clients. The awards of infrastructures in 2012 had also included the entry of a comprehensive value for the Group share of the Cociv contract following the definitive start-up of works; this project was then transferred in 2013.

The main awards in 2013 are a contract change order related to the Tempa Rossa Gas Treatment plant, the Hydrogen Package Unit for residual oil processing complex in Perm (Russia) for the client LUKOIL, a new hydrogen production unit on a turnkey basis in the refinery in Cadereyta for the client Pemex and other projects in Licensing and Technology Packages.

BREAKDOWN OF THE OIL, GAS & PETROCHEMICALS BU ORDER BACKLOG

The table below shows the Order Backlog value of the Oil, Gas & Petrochemicals BU at 31 December 2012 and the comparison with the prior year

(Values in Euro thousands)	Backlog at 31/12/2013	Backlog at 31/12/2012	Variation December 2013 vs December 2012	
			Value	%
Oil, Gas & Petrochemicals	2,464,548	3,141,741	(677,193)	(21.6%)



The Order Backlog of the Oil, Gas & Petrochemicals BU at 31 December 2013 was Euro 2,464.5 million, a slight decrease in absolute terms, almost in line with the value of the previous year, Euro 677.2 million. In 2013 new contracts were awarded and change orders and project variations were formalized for a value of Euro 639.5 million, down -62.2% on 2012, when they came to Euro 1,692 million; also following the deferral of award terms of certain important projects by potential clients.

MAJOR PROJECTS AWARDED:

OOO LUKOIL – PERMNEFTEORGSINTEZ HYDROGEN PRODUCTION PLANT for OIL RESIDUE PROCESSING PLANT

The EP on LS basis contract was signed on 30/01/2013. The provisional acceptance date is 30/07/2014. The final acceptance date is 30/07/2016.
Under this contract, the client OOO LUKOIL - PERMNEFTEORGSINTEZ has appointed KT to perform the engineering services and supply materials under the scope of the development of a hydrogen plant with a capacity of 40,000 Nm3/h (purity of 99.9% by vol. min) for the PERM refinery.
In order to minimize construction activities (outside the scope of the KT work), the project execution is based on a fast track approach, thereby looking to minimize construction works, making the plant modular; the modules will be delivered to the client mechanically complete and "pre-commissioned".

Certification will be supplied in accordance with "Russian requirements".
The "Certificate of Compliance" (ex GOST-R) will be supplied together with the plant unit with all other certificates required for applicability of the "Russian Regulation".
The total contract value is Euro 44.5 million.

EPC HYDROGEN PLANT-PEMEX REFINACTION
KT, together with the Spanish industrial division of Obrascón Huarte Laín ("OHL") and the Mexican company Costrucciones Industriales TAPIA, will develop for the client PEMEX Refinacion a new hydrogen production unit on a turnkey basis at the Cadereyta refinery in Mexico.
The contract was awarded to a special purpose Company - of which KT holds a share of approximately 40% - which was based in Mexico.
The total value of the project is approximately USD 72 million (approximately Euro 56 million), of which approximately Euro 22 million is attributable to KT, with completion expected by the third quarter 2015.
The project involves the development of a new hydrogen production unit with a capacity of 25,000 Nm3/h, as well as the completion of the related pipeline.
It is thanks to this contract that KT has begun working with its new client PEMEX, among the leaders in Latin America in the Oil & Gas industry. This award consolidates the Company's track record in hydrogen units on a turnkey basis and allows the Company to participate in the plan to modernize the refineries set up by PEMEX.

PP Sumgayit (AZ) SOCAR:
(Azebaijan) Sumgayit is a project providing for the supply of engineering services, materials, supervision of dismantling construction works, delivery, supply of missing parts, assembly and goodwill for the relocation of an existing PP plant from Varennes (Canada) to Sumgayit (Azerbaijan) and a new HDPE plant to be implemented at this same site.
The client (Company) is State Oil Company of Azerbaijan Republic (SOCAR), the state Oil & Gas company of the Republic of Azerbaijan.
The contractor is a consortium comprising Tecnimont S.p.A. and Ipip International S.r.l. (IPIPI), a Rumanian company owned by the Baran Group, an international contractor with its main headquarters in Israel.
The activities are to take place in two stages, the first of which assigned upon signing the contract, on 20/01/2012, and the next, to be defined according to the results of stage 1, to be assigned with specific amendments to the actual contract.
The current value of the contract solely for the portion pertaining to Tecnimont is 24 million euros.

PE-PP Nizhnekamsk (RU) FEED+OBCE:
(Russia) Tecnimont S.p.A. has been awarded a lump sum type contract for the supply of Project management services, Front End Engineering Design, Early Procurement Services for LLI and Cost Estimate for the development of a polyethylene plant with a capacity of 300 KTA and a polypropylene plant with a capacity of 400 KTA, to be built in Nizhnekamsk, Republic of Tatarstan, Russia.
Tecnimont S.p.A.'s client is Chicago Bridge & Iron (CB&I); the end customer is Nizhnekamskneftekhim.
The 7.5-month contract is worth 8 million euros.

BUTYL RUBBER RELIANCE (IN):
(India) Tecnimont ICB Pvt. Ltd., a subsidiary of Tecnimont S.p.A., has been awarded an engineering and procurement service contract for the development of a butyl rubber plant with a capacity of 100 KTA, to be built in Jamnagar Gujarat. The client is Reliance Sibur Elastomer Private Ltd a joint venture between Reliance Industries Ltd and Sibur. The contract value is approximately Euro 13 million. The expected duration is 18 months.

DAURA REFINERY HYDROGEN (MRC)

KT, in collaboration with STC SAL, has received an order from the Ministry of Oil Midland Refinery Company (MRC) for the LSTK (EPC) supply of a 4,000 NM3/h HPU plant and services at the Daura refinery. The scope of the supply consists of an HPU unit with a capacity of 4,000 Nm3/h; a hydrogen storage tank with a capacity of 50 m3 and a compressor for filling it.

The plant is modular in order to optimize construction on the field.

The collaboration between KT and STC appoints KT as leader and responsible for managing the entire project. The total contract value is USD 18.5 million.

The project duration is 24 months from the date on which the contract comes into force (02/01/2013). The provisional acceptance date is expected for 31/03/2015 as limit date, and the final acceptance is expected for 31/03/2016.

REFORMER LUBEREF YANBU REFINERY EXPANSION PROJECT

On 10 April 2013, KT received the LOI from SAMSUNG Engineering (end client LUBEREF) for engineering and supply (delivered EX-W) of a 60,000 Nm3/h Steam Reformer Package, which will be installed in the Yanbu (Saudi Arabia) refinery.

The contract value is Euro 11.9 million.

The project duration is 14 months from the date on which the contract comes into force. A 2-week grace period is envisaged.

The date of provisional acceptance is scheduled for 10/06/2014 and final acceptance for 10/12/2016.

NORTH REFINERY COMPANY (NRC)

On 07 December 2012, the "Feasibility study, FEED, OBE AND PSA Supply for revamping of Hydrogen Production Unit" contract was signed for the Baiji, IRAQ refinery, but the effective date is conditional on the opening of the L/C and the issue of the bond to cover the advance.

The plant licensed by KTI Zoetermeer was built by Chiyoda in 1982 with a nominal capacity of 72,000 Nm3/h to produce H2 that is 97% pure. Hydrogen purification is based on Benfield washing. The plant has never run at full capacity.

The contract establishes that the project aim is to restore the original hydrogen production capacity with purity of 99.9% (feasible with PSA).

The total contract value is Euro 9 million, divided up into:

The project duration is 23 months from the date on which the contract comes into force.

SAMSUNG ENGINEERING & CONSTRUCTION FIRE HEATERS B-4001/2 AND 4101-2 LUBEREF

On 17 September 2013, KT received the Letter of Intent (LOI) from Samsung Engineering & Construction (SECL) in relation to the EP supply of four furnaces of the new Yanbu refinery units owned by Luberef (Saudi Aranco) for which KT has been chosen as licensor for the hydrogen plant and supplier of the reformer package. KT countersigned the LOI as a mark of acceptance on 01 October 2013, along with the contract. Materials will be delivered FOB within 13 months of the effective date (17/09/2013), the same date on which the LOI was issued. The total contract value is USD 9 million.

Other awards:

In addition to the contracts described above, the Group was awarded additional projects and change orders for contracts in progress in Europe and in the Middle East, South Asia and the Far East, for Licensing, design and maintenance services, as well as Technology Packages. Through its Tecnimont, Stamicarbon and KT subsidiaries the Group has also been awarded a series of projects in Bangladesh, Russia, China and other countries, for Licensing and Engineering services. This is in line with the new policy for development, involving as it does a de-risking strategy.

Tecnimont has also been awarded some important change orders for projects under construction for approximately Euro 158 million, of which Euro 76 million on the Tempa Rossa project and Euro 45 million on the Borouge 3 project.

PROJECTS UNDERWAY:

Operations are proceeding on the projects awarded in earlier years, the most important of which are outlined below:

GASCO (Abu Dhabi, United Arab Emirates) awarded on 15 July 2009 to the joint venture established with Japan Gas Corporation (JGC), Gasco is one of the largest gas development projects in the world. The project was formally awarded to Tecnimont by Abu Dhabi Gas Industries Ltd. (Gasco). The contract is for the provision of engineering, procurement, construction and start-up services for the Habshan 5 process plant, part of the Integrated Gas Development (IGD) complex at Abu Dhabi (United Arab Emirates). Activities are proceeding on schedule. Engineering operations have been completed and the final "as built" documentation has been delivered to GASCO. Home Office is only engaged for site activity assistance. Procurement has sent the entire material to be assembled. The balance of the 2 Year Spare Parts (approximately 2% of the total) still need to be ordered. Construction operations have been completed. The first two key milestones on the mechanical completion of Phases 1 and 2 were achieved as per the contract (respectively 28 January 2013 and 28 May 2013). As concerns the other two key milestones, GASCO has issued the Phase 1 Provisional Acceptance Certificate (PAC); the Phase 2 PAC is instead scheduled for issue within the first quarter of 2014. The mechanical warranty period will run for 12 months as from the PAC 2 issue date.

BOROUGE 3 (United Arab Emirates) awarded in May 2010, in a Joint Venture with Samsung Engineering Co. Ltd., led by Tecnimont with a stake of 55%, two turn-key projects. The Client, Borouge, is a Joint Venture between the Abu Dhabi National Oil Company (ADNOC) and Borealis. The two EPC contracts call for, respectively:

- two polypropylene (PP) plants and two polyethylene (PE) plants;
- one low-density polyethylene (LDPE) plant.

The physical advancement of the two projects is 93% for PE/PP plants and 92% for the LDPE plant. Engineering operations have been completed for both plants. Procurement activities are in an advanced phase and 100% for the PP/PE plants and 98.6% for the LDPE plant. The manufacturing and deliveries of "itemized" and bulk materials are essentially complete, with an overall progress level of 100% for PP/PE plants and 99.6% for LDPE plant. As for Construction started in February 2011, activities are 94.7% complete for the PE/PP plants and 93.5% complete for the LDPE plant. Works completion, in line with recent agreements reached with the Client, in exchange for which important additional fees have been recognized for additional variants with respect to the basic order, is envisaged for the first quarter of 2015 (Provisional Acceptance Certificate).

TOBOLSK (Russia) awarded in December 2009 by the client Sibur Holding JSC – Tobolsk Polymer LLC. The project involves construction of a propane dehydrogenation plant (PDH) with a capacity of 510,000 TPY. Engineering, procurement and construction operations have been completed. Tecnimont continues to manage vendor site assistance. Mechanical completion was achieved on 23 August 2013. Provisional acceptance is envisaged by end May 2014. It will be followed by a warranty period of 18 months.

HDPE AL JUBAIL EPC SABIC (Saudi Arabia) In January 2012, Tecnimont S.p.A., in conjunction with its subsidiary Tecnimont Arabia Ltd, was awarded an EPCC turnkey contract (Engineering - Procurement - Construction - Commissioning) for the construction of a polyolefin pilot plant to be built in Al-Jubail. The project involves the construction of a High Density Polyethylene (HDPE) pilot grass root plant with a capacity of 100 kg/H. The Client is Saudi Basic Industries Corporation (SABIC), Saudi Arabia's largest chemical and petrochemicals company. Engineering activities have achieved a progress level of 75% while the purchasing operations were completed for process items and the main electrical and instrumentation/automation components. The beginning of the construction phase is expected during the first half of 2014. The completion of the plant (PAC) is expected during the first half of 2015, followed by a warranty period of 24 months.

LDPE BRATISLAVA - SLOVNAFT (Slovakia) On 3 April 2012 Tecnimont S.p.A. and its subsidiary Tecnimont Planning and Industrieanlagenbau Gmbh were awarded an EPCC lump sum contract (Engineering Procurement - Construction - Commissioning) for the construction of a 220 KTY LDPE plant to be built in Bratislava.
The Client is Slovnaft Petrochemicals s.r.o., a Slovak petrochemical company, part of the Hungarian MOL Group. The engineering activities reached a progress level of 78.9% while the material procurement and delivery reached a progress level of 46.7%. The activities related to the Warehouse were completed in August and civil works commenced in July 2013. The overall project is 31.3% of completion. Mechanical Completion (MC) is scheduled for 31 May 2015 while the Provisional Acceptance Certificate (PAC) is scheduled for 31 October 2015.

TEMPA ROSSA (Italy) On 5 April 2012, the Associazione Temporanea d'Impresa - Temporary Consortium (ATI) consisting of Tecnimont S.p.A. and KT S.p.A. was awarded a contract for the execution of the Engineering, Procurement, Supply, Construction and Commissioning of the "Tempa Rossa" Oil & Gas treatment plant, located in the vicinity of Corleto Perticara (Potenza). The client is Total E&P Italia S.p.A., the Italian subsidiary of the Total Group. The overall project stands in excess of 14% of completion. The engineering activities reached a progress level of 52% while the material procurement and supplies reached a progress level of 19%. The preparation of the site area (earthworks) is currently still underway by the Client; after completion the ATI will have access to the site to begin the work that is its responsibility. The completion of assembly works is scheduled for year-end 2015. The performance tests are expected in 2016, followed by a mechanical warranty period of 24 months.

HP-LDPE SADARA (Saudi Arabia) On 23 July 2012 Tecnimont S.p.A. and its subsidiary Tecnimont Arabia Limited were awarded a contract for the construction of a 350-HP-LDPE kty technology (DOW) to be built at Al-Jubail, Saudi Arabia. The customer is Sadara Chemical Company, a joint venture between Saudi Aramco and Dow Chemical Company. The contract includes EPC activities on lump sum basis up to the Mechanical Completion (including pre-commissioning) for a period of 28 months. Possible assistance to commissioning, start-up and test run will be provided on a reimbursable basis. Engineering activities are 85.9 % complete, material purchases are 47.5% complete, while construction activities are 13.3% complete. The overall project is 37.7% of completion. Mechanical completion of the works is scheduled for the first quarter of 2015, which will be followed by an 18-month mechanical warranty.

FERTILIZZANTI IOWA (USA) (United States) On 5 September 2012 Tecnimont S.p.A. was awarded a contract relating to the provision of engineering and procurement services for the construction of a new ammonia plant with a capacity of 2,200 tons/day (MTPD) in Wever (USA). The scope of work includes Construction Supervision services and commissioning and start up. The client is Iowa Fertilizer Company (IFCo). Engineering activities reached a progress level of 70.5% while material procurement reached a progress level of 57.3%. The overall project is 38.7% of completion. The delivery to the site of all the materials is expected by 23 August 2014; plant completion is scheduled for the first half of 2015, which will then be followed by an 18-month warranty period.

LDPE MEXICO (Mexico) acquired in December 2012 from the client Etileno XXI Services B.V.. The Contract Provides for Engineering and Procurement activities for the construction of a low density polyethylene (LDPE) unit with a capacity of 300 thousand tons per year, to be built as part of the petrochemical complex Etileno XXI in Coatzacoalcos (MX). Report on Operations level of the project is 87% (home office 95%; purchase of materials 93%; and manufacturing 86%). The Ready for Start Up (RFSU) of the plant is scheduled for 30-06-2015.

PP DAHEJ GUJARAT (OPaL) (India) The Lump Sum Turn Key (LSTK) contract was acquired in June 2011 from the client OPaL (ONGC Petro Additions Ltd.) and includes the construction of a plant consisting of one polypropylene line (PP) with a capacity 340 KTPA; the use of Ineos technology adopted in this specific project represents a new reference that allows broadening our already rich technology portfolio. Both detailed Engineering activities and the purchase of materials are essentially complete. Construction activities have achieved 75% progress. Works are expected to be completed by the second quarter of 2014.

LLDPE/HDPE DAHEJ GUJARAT (OPaL) (India) The Lump Sum Turn Key (LSTK) contract was awarded in June 2011 by the client OPaL (ONGC Petro Additions Ltd.) and involves the construction of a plant consisting of two LLDPE/HDPE polyethylene lines with a capacity of 360 KTPA; the use of Ineos technology adopted in this specific project represents a new reference that allows our already rich technology portfolio to be broadened. Both detailed Engineering activities and the purchase of materials are essentially complete. Construction activities have achieved 64% progress. Works are expected to be completed by the third quarter of 2014.

NANGAL (India) awarded in January 2010 by National Fertilizer Limited (NFL). The project involves the conversion of the existing fertilizer plant in Nangal, replacing the fuel system from fuel oil to natural gas and upgrading the related infrastructure. Engineering activities, the purchase of materials and construction activities are completed. The overall project is 99.9% of completion. Mechanical completion of the work was reached on 15 February 2013, while the start-up of the plant was on 9 April 2013. The performance tests have not yet been carried out as the Client, in order to safeguard its production requirements, is postponing making the necessary changes to the plant. A mechanical warranty period of 18 months will run as from the date on which the performance tests are completed.

LDPE NOVY URENGOY (Russia) acquired in May 2010 from the client C.S. Construction Solution (UK) Limited with end customer Novy Urengoy GCC (Gas and Chemical Complex). The contract is for the procurement of materials and assistance by Tecnimont personnel. The first orders relative to the first and second letter of credit have been placed and related supplies are in an advanced state of manufacture and some have been completed and delivered. Completion of operations (comprising site reconditioning of materials) is expected by the end of 2014. The presence of our personnel at the site according to the supervision contract for Tecnimont Russia will continue until 2016.

NAGRP Kuwait (Kuwait) awarded in July 2010 by the Client Kuwait National Petroleum Company (KNPC). The EPC contract provides for the supply of three portions of the plant: a new process plant (New AGRP) a plant for steam generation (Utilities) and the upgrading of an existing plant (Revamping AGRP). At the end of December 2013, the overall progress of the project was 76% (Engineering 94%; Procurement 94%; Construction 40%). Civil, mechanical and electrical works are being carried out at the site. Negotiations with the client for the recognition of higher execution times and higher costs than those initially envisaged have reached an advanced stage; in the meantime the financial dynamics of the project have been positively redefined. The completion of the work and the testing phase (Provisional Acceptance Certificate) is expected in the second half of 2015 followed by a 12-month warranty.

MANGALORE (India) awarded in August 2009 by the Client Mangalore Refinery and Petrochemicals Ltd (MRPL). In March 2012, the client issued the Mechanical Completion Certificate. Commissioning activities will be completed in the first quarter of 2014. The facility is to supply Hydrotreated Heavy Coker Gas Oil (HCGO).

UGS Wierzchowice (Poland) awarded in November 2008 by the Client PGNiG (Polish energy distribution Company). The project is developed as a consortium with the companies PBG (Poland) and Plynostav (Czech Republic); it involves the development of the surface facilities of an underground gas storage plant with a capacity of 1.2 billion std cubic meters. Engineering, procurement and construction activities have been completed. Commissioning, start-up and test activities are currently underway. Completion of operations is expected by April 2014.

KIMA (Egypt) The Lump Sum Turn Key contract was awarded on 30 October 2011 by the client Egyptian Chemical & Fertilizers Industries - KIMA, Egyptian group active in the chemical industry. The contract involves the construction of a new fertilizer complex for the production of ammonia with production capacity of 1,200 tons per day, of urea with production capacity of 1,575 tons per day and related services. The plant will be built within the industrial area of the Assuan region (Upper Egypt). Because of the political/social situation in Egypt, there has been a significant slowdown in activities to be carried out by the client in terms of procurement of funding sources for the initiative. These delays have negatively impacted the schedule and economic profile of the project. In September 2013, the client defined the financing process with the banks, and in October, negotiations were resumed to re-activate the project with an initial contractual price review. The work carried out by TCM in 2012 was recognized by the client as activities to be recompensed. The completion of contractual negotiations and the related re-start of the project are expected for April 2014.

LUKOIL BURGAS PROJECT (Bulgaria) KT has been selected by Lukoil as assignee of the EPC turnkey contract for the construction of a new sulfur unit called SRU-4, to be installed in the refinery in Burgas, Bulgaria. The date of provisional acceptance is scheduled for 30 November 2014 with a two-year mechanical warranty. The plant consists of the following sections: - Two 150-ton/day Claus trains as liquid sulfur product, - A 300-ton/day TGT train equivalent, - Three lines of sulfur solidification of 110 tons per day each, - Storage section solid sulfur of 10,000 tons, - Bagging systems and sulfur loading on trucks, - Solid sulfur loading system on ships. The project duration is 30 months and the total value is approximately Euro 53 million. Engineering operations are at the follow-up and site assistance stage. Site preparation activities began on 18 March 2013 and civil works are currently underway; purchases of materials is complete and deliveries to the site are underway.

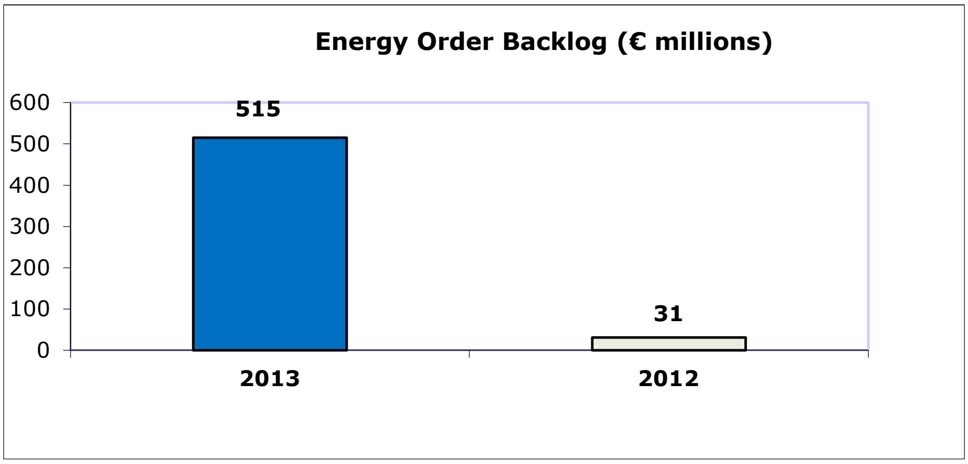
SRU, OGA, SWS PROJECT FOR RAFFINERIA MILAZZO (RAM) (Italy) The project, worth a total of about Euro 42 million, is related to the LSTK execution of engineering, procurement, construction and commissioning of the new complex consisting of a sulfur recovery plant, a plant for the removal of acidic water and an amino regeneration plant, called "SRU2, SWS3 and OGA2" assigned to KT from Milazzo Refinery S.p.A. On 11 May 2012 KT received the Letter of Intent (LOI) for the construction of the plant and the final contract was formally signed in August. In December, the Company received a contractual amendment that provides for the construction of the interconnection with existing units for Euro 3.7 million. The project duration of 24 months initially, however, is subject to the opening date of the site, originally scheduled for April, but which has not yet occurred due to the Client's responsibility. Change orders were formalized for an amount of approximately Euro 2.2 million, including an extension of the project. Engineering activities are being completed and civil and mechanical procurement contracts are being issued. The project has been temporarily put on hold as we are awaiting permits to open the site from the appointed authorities.

GS – ERC PROJECT (Egypt) KT was selected as the assignee of the Engineering and Procurement contract for the construction of a new hydrogen unit (HPU) 100,000 Nm^3/h and three sulfur recovery units (SRU), a unit of tail gas treatment (TGT) and a unit of amino treatment, to be implemented in the new refinery of Egyptian Refinery Company (ERC) in Mostorod - Cairo (Arab Republic of Egypt). The total value of the Main Contractor's project is approximately USD 3.7 billion. The agreement was signed in mid-September 2012, and the project, whose value for KT is about Euro 99.5 million, will run for 27 months. After slowing down during the last quarter of the year due to site availability, engineering works resumed as the materials stored with suppliers were delivered.

Other projects: all actions required for projects that are not yet complete and other minor engineering and services contracts are being managed.

BREAKDOWN OF THE ENERGY BU ORDER BACKLOG

(Values in Euro thousands)	Backlog at 31/12/2013	Backlog at 31/12/2012	Variation December 2013 vs December 2012	
			Value	%
Power	515,227	30,824	484,403	1,571.5%



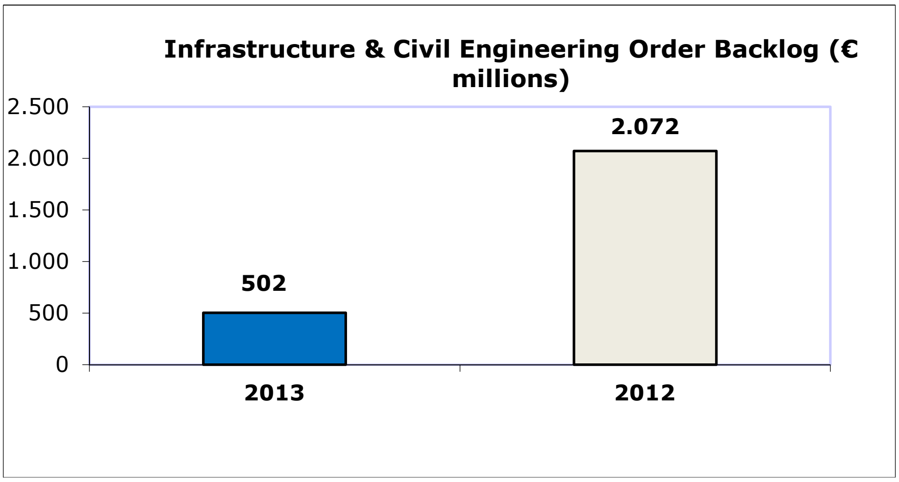
The value of the Power BU backlog as at 31 December 2013 was Euro 515 million, mainly due to the Punta Catalina award and the services and operations & maintenance business. This award confirms the selective strategy adopted by the Maire Tecnimont Group in the Energy sector, focused on technological alliances with solid construction partners and focusing selectively on engineering and EP (Engineering & Procurement) projects, relying on its specific competences.

MAJOR PROJECTS AWARDED:

Punta Catalina – Santo Domingo (Santo Domingo) Tecnimont S.p.A., in a consortium with Construtora Norberto Odebrecht S.A. and Ingenieria Estrella S.R.L., has been awarded a project for the development of a strategically-important industrial complex for the country's development (a carbon thermal plant, an offshore terminal and other related structures). The client is CDEEE, the national electricity entity of the Dominican Republic and the total value of the contract is approximately USD 1,945 million, of which approximately USD 690 million pertaining to Tecnimont. The purpose of Tecnimont's work consists of providing engineering services, procurement limited to the power island, the fumes treatment system and control system, and commissioning services. Project completion is expected for the second half of 2017. The project will be guided by Construtora Norberto Odebrecht S.A., Latin America's largest Engineering & Construction company and a member of the Odebrecht Group, a Brazilian group operating in different business segments. Construtora Norberto Odebrecht S.A. will carry out all construction activities, procurement for the rest of the central plant and engineering and procurement for the carbon terminal, the seawater intake works and the jetty. This award confirms the selective strategy adopted by the Maire Tecnimont Group in the Energy sector, focused on technological alliances with solid construction partners and focusing selectively on engineering and EP (Engineering & Procurement) projects, relying on its specific competences.

BREAKDOWN OF THE INFRASTRUCTURE & CIVIL ENGINEERING BU ORDER BACKLOG

(Values in Euro thousands)	Backlog at 31/12/2013	Backlog at 31/12/2012	Variation December 2013 vs December 2012	
			Value	%
Infrastructure & Civil Engineering	502,258	2,071,824	(1,569,566)	(75.8%)



The backlog of the Infrastructures and Civil Engineering BU as at 31 December 2013 is Euro 502.3 million, recording a significant decrease on last year, and Euro 1,569.6 million following the sale of the COCIV contract and the Copenhagen metro in 2013. The total backlog mainly refers to the Etihad railway network, to the Alba-Brà hospital, the "construction and management" contract and the doubling up of the Fiumetorto - Cefalù railway. In 2013 new contracts were awarded and change orders and project variants were formalized for a value of Euro 34 million.

The Infrastructure & Civil Engineering BU is currently implementing its turn-around process begun last year and continued in 2013 through the reorganization of its structures in order to both increase its ability to adapt to changing production volumes and enable a more targeted focus with consequent improved ability to respond to the demand for engineering services.

PROJECTS UNDERWAY:

Activities are continuing on previously acquired major projects such as:

ETIHAD RAIL RAILWAY NETWORK (Ruwais, United Arab Emirates) In the month of October 2011, Tecnimont was awarded the contract for the construction of the first phase of the Etihad Rail railway network in consortium with Saipem S.p.A. and Dodsal Engineering and Construction Pte. Limited and transferred, for the share pertaining to Tecnimont S.p.A., to Tecnimont Civil Construction with effect as from 1 July 2013. The client is Etihad Rail Company, the developer and operator of the United Arab Emirates' national railways. The project envisages the development of a railway line connecting Ruwais/Habshan (section 1) and Habshan/Shhah (section 2) for the transport of around seven million tons of granulated sulfur per year. The scope of the work includes the design, provisioning and construction, testing and commissioning of the infrastructures.

The progress level of the project as at 31 December is 80% (engineering 98%, procurement 94%, construction 70%). The completion of the project is expected by the end of 2014, followed by a warranty period of 24 months.

OTHER MINOR PROJECTS:

RAIL PROJECTS:

Fiumetorto – Cefalù Railway Line Doubling (Italy), awarded in September 2005, the contract involves the doubling of the railway line between Fiumetorto and Cefalù Ogliastrillo, on which work is progressing for Rete Ferroviaria Italiana S.p.A. (RFI). The economic advancement of the production is 62% complete. Tunnel excavation work has made physical progress of approximately 95%, while civil works and technology activities continue on the open air segments. The physical progress of the production is 50% complete. In particular, in November 2011 the modified section of the new railway line extending for approximately 5.3 km has become operational as expected The third Addendum, signed on 3 June 2013, extended the contract term for completion of the works to April 2015, and has reformulated the intermediate activation stages, the first of which is that of the new track, which took place in January 2014. Please also note that following "provision 17" of the ANSF, considerable delays are being accrued in dismantling the old track. The Company has submitted a formal request in accordance with Art. 54.4 of the Agreement, to defer the contractual terms, as reformulated by AIM III. The new redefinition of contractual terms will be the subject of a forthcoming AIM IV. These are the only delays we can report to date, the effect of which can be traced to the difference between physical and temporary not due to Cefalù, therefore, the risk of penalties is considered likely. The procedure for reaching an amicable settlement is currently in progress pursuant to art. 240 of the Italian Legislative Decree 163/2006 for the definition of the claims presented.

Lamezia – Catanzaro Railway Line (Lamezia Terme, Italy), awarded in February 2005 from ATI Tecnimont Civil Construction (65%) and SELI S.p.A. (35%). The works for the Lamezia Terme – Settingiano railway assigned by Rete Ferroviaria Italiana S.p.A. are almost complete in line with the contractual terms, thus enabling the Group to earn the intermediate and final acceleration bonuses. The Commission established in accordance with art. 240 of Italian Legislative Decree no. 163/2006 to examine the reservations submitted, constituted during the course of works, issued its opinion. Faced with the Commission proposal considered as unacceptable by the ATI, R.F.I. was notified of the application for arbitration, against which the Client declined in compliance with the provisions of the General Conditions of the Contract. The ATI now intends to protect its rights before the Ordinary Court, initiating civil proceedings concerning both the reservations concerned by the procedure pursuant to art. 240 of Italian Legislative Decree no. 163/2006 and the reservations subsequently entered by the ATI. Please note that during the first few months of 2014, the shareholder SELI S.p.A. requested activation of composition proceedings.

High Speed Rail Line (Milan – Turin, Bologna – Florence, Italy). In early 2012 the remaining work continued on the Turin-Novara-Milan and the Bologna-Florence sections, for which the Company is directly involved in providing the planning, as well as the construction work through its 8% share in the CAVET consortium and 3% share in the CAVTOMI consortium. Arbitration concluded by defining the reservations submitted by CAVTOMI, with a ruling in favor of the consortium.

Turin-Lyon Design Project (Val di Susa, Italy), awarded in May 2009 by L.T.F. – Lyon-Turin Ferroviaire s.a.s. The contract, small in scope but of strategic importance, calls for the design of the civil and geological work, the overall coordination and the safety of the line from the Italian-French border to Chiusa San Michele for L.T.F. The activities are being carried out by a temporary business association of French, Swiss and Italian engineering companies. The first tranche of the design project was completed in July 2010. The next phase of final design was completed in April 2013 and will allow the Client to start the tendering process for the opening of the sites in 2014. The Client assistance phase is currently underway pending approval of the final project as is, at the same time, the development of the final project for the French territory, as a result of the supplementary agreement signed on 21 May 2013.

UNDERGROUND RAIL PROJECTS:

Rome Underground Railway – B1 Line Extension – (Rome, Italy), awarded in 2005. The work for Roma Metropolitane (Rome Municipality) called for by the contract is being executed by the business grouping currently formed by Salini S.p.A., Tecnimont Civil Construction S.p.A. and ICOP S.p.A. TCC, the project engineering company identified in the Integrated Contract has drawn up the Detailed Design of the works. As concerns the basic contract, plant and preliminary operation testing was carried out in preparation for the delivery of works to the Client, which took place on 13 June 2012, the date the extension was opened. In February 2013 the test report was issued. Work is being finalized on the further extension of line B1, the section between Conca D'Oro and Ionio stations. At 31 December 2013 the project had reached in excess of 95% completion. The structures of Ionio station are complete and external parking and arrangements are being completed. Work completion has been rescheduled for August 2014, with testing for December 2014.

Turin Underground Railway – System Works (Turin, Italy). Activities for the system technological works of the Porta Nuova-Lingotto section of the automatic underground railway line, awarded in 2008 through TRANSFIMA GEIE (Tecnimont Civil Construction S.p.A.–Siemens), were completed within the contractual completion date and the 24 month guarantee period has passed. In February 2013, the contract for the system works for the extension of the Lingotto - Benghazi section was awarded and the extension of the maintenance contract for the Collegno-Lingotto section for the five year period between 2013 and 2017 was confirmed. The client's delay in assigning the award of the civil works have slowed the engineering works by Transfima EEIG.

MOTORWAY PROJECTS:

Alternative Routing – Florence–Bologna Motorway Section (Rioveggio, Italy) awarded in May 2005. Construction of the motorway section is underway for Autostrade S.p.A.. Tecnimont Civil Construction S.p.A.'s share of the work as a member of the business grouping formed with Consorzio Infrastrutture is 15%. On 18 June 2013, the works completion certificate was signed and, with it, the acceleration premium defined by the Supplementary Amendment Deed of March 2012, was obtained. The procedure for an amicable settlement is currently being negotiated, pursuant to art. 240 of Italian Legislative Decree no. 163/2006 for the definition of the claims presented.

CIVIL AND INDUSTRIAL PROJECTS:

Alba-Brà Hospital (Verduno, Italy), awarded in November 2005 through a "build and operate" contract signed with ASL CN2. The contract is being managed by the project engineering company MGR Verduno S.p.A. (Tecnimont Civil Construction 91%, Impresa Rosso 5% and Gesto 4%). The work is roughly 45% complete. The management of the project is concentrating on negotiating variants and resolving claims, for which the procedure to reach an amicable settlement has been started. During the third quarter, the amicable agreement was completed positively pursuant to art. 240 of Italian Legislative Decree no. 163/2006 and negotiations are underway with the client ASL/Region to allow full resumption of work for the conclusion of the Work, for a rebalancing of the Industrial Plan; a new works completion date has been agreed upon as 30 September 2015.

Avellino Hospital - Lot 2 (Avellino, Italy). In July 2004, the Contract was awarded for construction of the hospital, for which Tecnimont Civil Construction (Agent with 51%), in a temporary business grouping with Bonatti (the Principal with 49%) holds the concession granted by Azienda Ospedaliera "G. Moscati". The hospital was officially opened on 18 December 2010 and the entire hospital facility became functional by the contractual deadline. The Public tender for the award of the contract relating to Facility Management Services was concluded in March 2013. In 2013, the concession-holder assisted the hospital in starting-up maintenance. On 31/12/2013, the concession came to an end. Final administrative activities are underway to close relations with the Client.

7. Group Financial Performance

The table below shows the key items of the Statement of Financial Position for Maire Tecnimont Group at end 2013 and 2012:

Maire Tecnimont Summary Consolidated of the Statement of Financial Position (Values in Euro thousands)	2013	2012	Variation 12 2013
Non-Current Assets	**516,878**	**555,146**	**(38,268)**
Inventories	*140,134*	*162,017*	(21,883)
Construction contracts	*293,896*	*242,013*	51,883
Trade receivables	*413,031*	*451,014*	(37,984)
Cash and cash equivalents	*194,187*	*433,347*	(239,160)
Other current assets	*282,787*	*333,570*	(50,783)
Current Assets	**1,324,035**	**1,621,960**	**(297,926)**
Non-Current Assets Classified as Held for Sale	**17,027**	**73,781**	**(56,754)**
Total Assets	**1,857,940**	**2,250,887**	**(392,948)**
Shareholders' Equity	**33,507**	**(121,766)**	**155,273**
Third-party equity	**1,688**	**1,089**	**599**
Borrowings net of current portion	*362,766*	*0*	362,766
Other non-current liabilities	*87,462*	*91,721*	(4,258)
Non-Current Liabilities	**450,229**	**91,721**	**358,508**
Short-term borrowings	*152,707*	*687,890*	(535,184)
Other financial liabilities	*9,741*	*10,738*	(997)
Advance payments from clients	*114,681*	*279,916*	(165,234)
Construction contract payables	*289,849*	*310,006*	(20,156)
Trade payables	*660,791*	*771,636*	(110,845)
Other current liabilities	*139,229*	*159,128*	(19,899)
Current Liabilities	**1,366,998**	**2,219,314**	**(852,316)**
Non-Current Liabilities Classified as Held for Sale	**5,517**	**60,531**	**(55,014)**
Total Shareholders' Equity and Liabilities	**1,857,940**	**2,250,887**	**(392,948)**

"Non-current Assets" show a slight decrease on last year. This was mainly due to the recognition of an owned building under assets held for sale in accordance with IFRS 5, the sale of assets of the site related to the Copenhagen Metro contract as a result of the agreements stipulated for the sale of the same and the write-down of goodwill associated with the Infrastructure & Civil Engineering CGU for about Euro 10 million. This category covers tangible and intangible assets, trade receivables due beyond 12 months representing amounts held by clients as performance guarantees for the successful outcome of the projects underway and deferred tax assets.
"Current assets" are Euro 297,926,000 less than last year. The main decreases relate to the items inventories, trade receivables, liquid funds, other current assets and "Assets under disposal"; only construction contracts have increased on last year.

The inventories item refers mainly to advances paid to suppliers and subcontractors for materials in transit for the construction of plants, and work in progress. The decrease in advances to suppliers is a direct consequence of the trend in contracts and lower inventory materials in transit. A decrease is noted in advances in relation to the Gasco, Borouge 3 and Tobolsk orders, as well as in the amount of approximately 20.3 million, in the values relating to the Copenhagen metro order transferred in 2013.

The construction contracts item represents the total net positive values for each contract resulting from the difference between progressive production and billing on account and contractual risk provisions; the increase of Euro 51,883 thousand is mainly connected with progress made on orders and their contractual terms.

Trade receivables were Euro 413,031,000 down Euro 37,984,000 on 2012. This was mainly due to the combined effect of the completion of some projects during 2013 and the fact that payments received in the period exceeded amounts invoiced. These changes are also related to the contractual deadlines of the projects.

Assets and liabilities under disposal are Euro 11,510,000 and are attributable to the companies Biolevano - Biomass Plant in Olevano di Lomellina and Sofregaz SA, that are shown under IFRS 5 as "Assets and liabilities held for sale" and reclassified under these specific items. This latter following the signing of a binding offer completion of which is expected over the next few weeks. The period change of Euro 1,740 thousand is mainly a consequence of a different scope of sale relating to Sofregaz SA, net of the classification amongst non-current assets held for sale of an owner building.

In this context, the disposal is considered as "highly probable" on the basis of ongoing negotiations, although there is no certainty that it will be possible to proceed with the sale. The Group has ongoing negotiations for the sale of such additional assets, but the assets and liabilities related to them are not shown among those held for sale because, while considering the sale transaction highly probable, at 31 December 2013 all the conditions required according to IFRS 5 had not yet been complied with.

Cash and cash equivalents were Euro 194,187,000 down Euro 239,160,000 on 2012.

Most of the Group's liquid assets are allocated in the Joint Ventures, which were Euro 84,663,000. In the case of the Joint Ventures, there are partnership agreements which provide that liquidity be maintained on projects until certain project completion milestones are achieved; at year end, the Joint Ventures showed an excess of liquidity with respect to their current needs. JV cash during 2013 recorded a significant decrease mainly in the JV Gasco project and Borouge 3 project, following their natural progress, in addition to significant payments made during the period following the distribution of dividends by JV Gasco.

Cash flows from operating activities showed absorption of Euro 192,468,000, Euro 60,841 worse than the equivalent indicator in 2012. Despite the positive result of the year, these flows were affected negatively by changes in working capital. In fact, the changes in receivables and trade payables, construction contracts receivable and payable, inventory advances showed a significant absorption of cash primarily related to payments made by the Joint Venture, as well as the outcome of any agreement for the sale of the project company "Mabe" in the period. Cash flow from investment absorbed Euro 1,382 thousand mainly due to the new technologies and intellectual property rights (patents and licenses) developed and filed during the year by Stamicarbon B.V. and the Maire Tecnimont Innovation Centre (MTIC), the implementation of software and the purchase of minor assets, net of the disposals of investments and the collection of dividends from affiliated companies.

Financial management also absorbed cash of Euro 44,195 thousand mainly due to interest expense of the period and the repayment of advances on invoices related to the working capital management of specific contracts and to the repayment of portions of loans at the closing of the reorganization, net of the proceeds of the capital increase.

The table below shows the main cash flows:

Statement of Cash Flows (Values in Euro thousands)	**31 December 2013**	**31 December 2012**
Cash and cash equivalent in the beginning of the year (A)	**433,347**	**550,104**
Cash flow from operations (B)	**(192,468)**	**(131,627)**
Cash flow from investments (C)	**(1,382)**	**(9,384)**
Cash flow from financing (D)	**(44,195)**	**25,951**
Increase/(Decrease) of cash and cash equivalents (B+C+D)	**(238,045)**	**(115,059)**
Cash and cash equivalents at the end of the year (A+B+C+D)	**195,302**	**435,045**
of which: Cash and cash equivalents included in Assets held for sale and Discontinued	*1,115*	*1,698*
Cash and cash equivalents shown in the Financial Statements at year end	**194,187**	**433,347**

The net financial position is shown in the following table:

NET FINANCIAL POSITION (Values in Euro thousands)	**2013**	**2012**	**Variation 12 2013**
Short-term borrowings	152,707	687,890	(535,183)
Other current financial liabilities	9,741	10,738	(997)
Financial instruments, derivatives	6,909	9,829	(2,920)
Medium/long term borrowings	362,766	0	362,766
Financial instruments, non-current derivatives	81	1,024	(943)
Total Financial Debt	**532,204**	**709,481**	**(177,277)**
Cash and cash equivalents	(194,187)	(433,347)	239,160
Temporary cash investments	(4,557)	(0)	(4,557)
Other current financial assets	(12,725)	(44,017)	31,292
Financial instruments, derivatives	(415)	(866)	451
Financial instruments, derivatives, non-current	(263)	(10)	(253)
Other non-current financial assets	(15,086)	(13,065)	(2,021)
Total Current Financial Assets	**(227,233)**	**(491,305)**	**264,072**
Other financial liabilities of assets held for sale	1,715	13,201	(11,486)
Other financial assets of assets held for sale	(1,673)	(5,176)	3,503
Net Financial Position	**305,013**	**226,202**	**78,811**

Since the Net Financial Position measurement is not determined and regulated by the Group's accounting principles of reference, the criteria used to compute this indicator might differ from those adopted by other groups and, therefore, it is not comparable.

The net financial position was negative for Euro 305 million, an increase of Euro 78.8 million on 2012 (when it stood at negative Euro 226.2 million). The change is affected by the physiological reduction of liquid funds in the joint ventures connected to project evolution, as well as by the sale of the Copenhagen Metropolitan order and related deconsolidation of cash, and the positive effects of the refinancing that was completed on 26 July 2013.

Short-term financial liabilities are Euro 152,707 thousand, a long way down by Euro 535,184 thousand on 2012 mainly due to the conclusion of the refinancing involving rescheduling agreements for existing debt and new finance with the consequent long-term reclassification of Euro 362,766 thousand. For the remaining part, the reduction is a result of partial repayments of loans and repayment of advances on invoices related to the working capital management of specific contracts.

Financial debt, net of current portion was Euro 362,766 thousand, up the same amount on 2012. The above debt increased as a consequence of the refinancing (debt rescheduling and new finance agreements) and of the reclassification of certain loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous breach of certain contractual provisions relating to the financial covenants. As at 31 December 2013, we have no reports of failure to comply with covenants, as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

A breakdown of other current financial liabilities of Euro 9,741 thousand includes financial liabilities not to the banking system but relate mainly to funding received from the consortia Cavet for Euro 7,363 thousand and Cavtomi for Euro 2,130 thousand, the share of the loan granted by Ghella S.p.A. (minority shareholder) against the Company ML3000 S.c.a.r.l. Euro 248 thousand.

As at 31 December 2013, there are no overdue payables to report. No failures to comply with covenants are reported; as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

The Group’s Shareholders’ Equity booked at 31 December 2013 is positive and is Euro 33,507 thousand, up Euro 155,273 thousand against 31 December 2012. The total consolidated Shareholders’ Equity, considering the minorities, was Euro 35,195 thousand, an increase of Euro 155,873 thousand on 2012. The overall change in the Group’s Shareholders’ Equity is mainly due to the period result and the payment of the capital increase subscription net of the related accessory charges; instead, decreases have been recorded in the reserve for Cash Flow Hedges of derivative hedging instruments and reserve for currency translation of foreign Financial Statements in currencies other than the functional currency (Euro).

Minority shareholders’ equity is Euro 1,689 thousand and improves by Euro 600 thousand mainly due to the period result.

“Client advance payments” are Euro 114,681 thousand, down Euro 165,234 thousand on 2012. Client advance payments relate to contractual payments on account received from clients on the date of signing of construction contracts. The reduction mainly reflects the deconsolidation of the advances on orders of the Infrastructures BU for the Copenhagen metro and high speed MI-GE (COCIV), following their sale. In addition, the decrease was due to higher absorption of advances previously collected through advance billing, compared to new advances received during the year. This change is linked to contractual terms of the projects that allow invoices to be issued based on interim payment certificates that have absorbed these advances. The main contractual advances related to the Oil, Gas & Petrochemicals BU orders, Borouge 3 and Slovnaft, and for the Infrastructure BU, primarily the Etihad Rail network order.

Construction contract payables show a net negative value, identified for each single contract, resulting from the sum between contract progress, on-account invoicing and contractual risks account provision. The Euro 20,156 thousand decrease is linked to the advancement of work and the contractual terms, for which the work carried out in the year was higher than invoices on account. The main construction contract payables are referred to the orders of the Oil, Gas & Petrochemicals BU such as Gasco, Tempa Rossa, AGRP Kuwait and Indians OPaL PP/LDPE.

Trade payables are to Euro 660,791 thousand, down Euro 110,845 thousand on 2012. This change is mainly the result of the JV Gasco and Borouge 3 orders which have reached a very advanced stage and for which there have been significant payments to suppliers during the period. The financial performance of the Group has had an impact over the last two years not only in terms of increasing debt but also because it has given rise to a significant increase in trade payables due to suppliers, with consequent repercussions on overdue amounts due to suppliers.

In this regard it should be noted that the Group as at 31 December 2013 had overdue payables to third parties, of which Euro 38.3 million was 90 days or more overdue. When compared to 30 September 2013 this value showed an improvement in absolute terms, mainly because of approximately Euro 17.7 million payment plans negotiated with suppliers. The Group has, in fact, proceeded with the definition of repayment plans, which are enabling a gradual settlement of older trade payables in line with the achievement of the positive effects of the strategy.

In 2013, payment reminders were received as part of ordinary administrative management. Moreover, at 31 December 2013, the value of payment injunction orders issued to Group companies, not yet covered by an agreed rescheduling plan, was approximately Euro 0.7 million.

With regard to the individual Financial Statements of Maire Tecnimont S.p.A. the Net financial position of the Company is shown in the following table:

NET FINANCIAL POSITION (MET S.p.A.) (Figures in thousands of euros)	31 December 2013	31 December 2012	Variation 12 2013
Short-term borrowings	17,886	59,027	*(41,141)*
Medium/long term borrowings	76,064	0	*76,064*
Other non-current financial liabilities	217,614	44,900	*172,714*
Total Financial Debt	**311,564**	**103,927**	***207,637***
Cash and cash equivalents	(620)	(444)	*(176)*
Other non-current financial assets	(41,696)	0	*(41,696)*
Other current financial assets	0	(21,591)	*21,591*
Total Current Financial Assets	**(42,316)**	**(22,035)**	***(20,281)***
Net financial position	**269,248**	**81,892**	***187,356***

Since the Net Financial Position measurement is not determined and regulated by the Group's accounting principles of reference, the criteria used to compute this indicator might differ from those adopted by other groups and, therefore, it is not comparable.

Short-term financial liabilities are Euro 17,886 thousand, down Euro 41,141 thousand against 31 December 2012 mainly due to the long-term reclassification and the remaining part as a result of partial repayments of loans.

The reclassification relates to some loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous violation of certain contractual provisions on financial covenants. As at 31 December 2013, we have no reports of failure to comply with covenants, as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

Debt, net of current portion was Euro 76,064 thousand, up the same amount against 31 December 2012. This debt has risen as a result of both the conclusion of the financial reorganization, debt rescheduling agreements and new finance net of charges, and the effect of the foregoing.

Other non-current liabilities were Euro 217,614 thousand and refer to payables to subsidiaries for intercompany loans; the increase of Euro 172,714 thousand on 2012 is the result of the taking over of intercompany payables included in the broader operation to recapitalize Tecnimont and which were used in July to increase its capital.

TRANSACTIONS WITH RELATED PARTIES

On 12 November 2010, the Company adopted a "Procedure for managing related party transactions", most recently updated on 13 March 2014 and available on the Company's website. This aims to ensure the transparency and substantial and procedural correctness of related party transactions implemented directly or through subsidiaries.

As at 31 December 2013, related party transactions are stated according to nature in the notes to which we would refer you. All transactions with related parties were settled at arm's length and relate to the parent company GLV Capital S.p.A., its direct subsidiaries and to companies directly and/or indirectly related to the majority shareholder of Maire Tecnimont S.p.A. and to transactions with other Group companies that are not consolidated and/or associated, which are purely commercial and relate to specific order-related activities.

8. Human resources

The Maire Tecnimont Group workforce totals 4,295 employees compared to the 4,470 in 2012, with 590 joiners and 765 leavers.

The Group reported an overall reduction in headcount of 175 employees, due mainly to the continuation of the reorganization, logistical optimization and rationalization of the costs realized, with specific reference to the geographical area of Italy, achieved through the concentration of Italian Group's offices in Milan.

The most significant decrease in personnel numbers indeed took place in Italy (134 employees), where there were 1,903 employees, compared to 2,037 in 2012. Terminations in Italy during the period were 240, plus 26 employees of Tecnimont Civil Construction in CIGS (special redundancy schemes) as at 31/12/2013.

As for the remaining countries where the Group has a presence, there was an overall decrease of 147 employees, due to the optimization of the Group's presence in South America (20) and the reduction of international staff working on sites during works completion stages, managed by TWS SA.

By contrast, during the reference period we note an increase in resources in Asia (80), also due to the staff requalification underway, based on re-establishing the proportion of professional families and offices, in terms of strengthening productivity and competences and diversifying the nationalities of the various resources.

The Asian geographical area is therefore confirmed as the main basin for recruitment for the Group for Engineering, and, in particular, Construction, with 260 resources hired in the Tecnimont Kuwait Branch, dedicated to specialized supervision and assembly of the AGRP Project.

With reference to the changes made to the average workforce in the various BUs, a 17% decrease is recorded in staff, due to the resource reorganization and optimization process described above. By contrast, the average reduction of 18% in Operations is due to the completion of certain closing operative stages of projects currently approaching completion; the foregoing results in the consequent release of operative professionals assigned to said activities.

As to the level of schooling, the number of graduates stood at 54% of the total workforce. The average age of the employees of the Group is around 41 years old.

The percentage of women in the Group equals 18.2%, of which 12.4% in managerial and middle management roles.

The following tables show how the workforce of Maire Tecnimont Group has changed since 31/12/2012 and the average size of workforce during the year in question:

Changes to the workforce according to category (31/12/2012 - 31/12/2013):

Title	Workforce 31/12/2012	New hires	Outgoing employees	Promotions/status changes following reclassification (*)	Workforce 31/12/2013
Managers	454	23	(63)	12	426
Middle-managers	1,651	153	(364)	94	1,534
White collars	2,217	148	(327)	(106)	1,932
Blue collars	148	266	(11)	0	403
Total	**4,470**	**590**	**(765)**	**0**	**4,295**
Average no. of employees	**4,997**				**4,320**

The classification "Managers" and "Middle-Managers" does not reflect Italian contracts, but responds to national and international identification parameters of Management and Middle Management managerial used for Italian and foreign managerial resources.

(*) Includes promotions, changes in qualification due to the reclassification of Job Titles/harmonization CCNL.

Changes in the workforce by geographical area (31/12/2012 – 31/12/2013)

Geographical Area	Workforce at 31/12/2012	New hires	Outgoing employees	Other changes	Workforce at 31/12/2013
Italy	2,037	108	(240)	(2)	1,903
Rest of Europe	487	103	(205)	1	386
Asia	1,898	377	(299)	2	1,978
South America	46	2	(21)	(1)	26
Africa	2	0	0	0	2
Total	**4,470**	**590**	**(765)**	**0**	**4,295**

Maire Tecnimont Group	Average workforce year 2012	Average workforce year 2013	Difference
Maire Tecnimont S.p.A.	76	84	8
Met NewEn S.p.A.	3	2	(1)
Biolevano S.r.l.	1	0	(1)
Stamicarbon (*)	88	105	17
Noy Engineering	5	5	0
KT (*)	410	372	(38)
Tecnimont S.p.A. (*)	1,491	1,386	(105)
Tecnimont Russia	10	9	(1)
MST S.r.l.	95	100	5
Sofregaz	120	103	(17)
Tecnimont Arabia	23	18	(5)
Tecnimont-ICB (*)	1,815	1,617	(198)
Tecnimont Chile	22	4	(18)
TPI	45	43	(2)
TWS	266	182	(84)
Tecnimont do Brasil-Contruçao de projetos LTDA	125	31	(94)
Tecnimont Civil Construction	224	193	(31)
Corace	7	1	(6)
Cefalù 20	171	65	(106)
Total	**4,997**	**4,320**	**(677)**

This data also includes branches and representative offices.

Maire Tecnimont Group	Average workforce year 2012	Average workforce year 2013	Difference
Of which, according to professional groups:			
Engineering	2,385	2,119	(266)
Operations	1,175	958	(217)
Rest of technical area	464	409	(55)
Sales area	121	126	5
Staff area	852	709	(143)
Total	**4,997**	**4,320**	**(677)**
of which, by geographical area:			
- Italy	2,333	1,964	(369)
- Rest of Europe	515	427	(88)
- Asia	1,993	1,892	(101)
- South America	148	35	(113)
- Africa	8	2	(6)
Total	**4,997**	**4,320**	**(677)**
Including:			
Italians open-ended	2,172	1,892	(280)
Italians fixed-term	161	72	(89)
Total	**2,333**	**1,964**	**(369)**

9. Training, Incentive Programs, Organization and Security

Human Resources Training and Development

In 2013 Maire Tecnimont Group provided numerous and diverse training activities in specialist, linguistic, institutional and Quality, Health, Safety & Environment (QHSE) -related fields.

With regards to institutional training, and with specific reference to the need to strengthen and refine project control and management techniques and skills, training initiatives were offered in Project Management, with the delivery of 4,574 hours of training. Again under the scope of said policy to strengthen the managerial capacity to manage and support the business initiatives resolved, a new course has also been initiated "Project Management Cultural Awareness", with the aim of extending multicultural knowledge of business practice and custom and promoting and developing specific approaches with respect to the various reference businesses.

The IPMA certification policy dedicated to Project Managers and key people belonging to the Project Teams also continued, with 27 certificates obtained by the same number of Group resources.

The induction route was re-proposed, structured into internal "Introduction to the Group" seminars dedicated to young university graduates who have just joined the Company and aiming to facilitate their understanding of the business context and increase their awareness of the business carried out by the Maire Tecnimont Group; it also aims to encourage mutual comparison of ideas, including in an inter-cultural setting, between employees.

The technical-specialized training, aimed at optimizing and strengthening the technical-professional know-how of the resources, involved 1,069 employees (who attended internal and external courses and congresses) for 10,632 hours.

In compliance with the provisions of law and in respect of Company regulations, a QHSE training program has been proposed, through the delivery of e-learning modules and classroom training sessions, for 10,332 hours of training; this involved 2,862 employees investigating matters relating to first aid and emergency management, as well as learning about the State-Regions Agreement of 21 December 2011, which governs the duration, minimum contents and methods of worker training on health and safety at work and corporate social responsibility.

As concerns language training, the Group has run both group and individual courses, mainly of English, for 2,558 hours.

Finally, a training program has also been offered dedicated to the development of soft skills of leadership, team building, communication and time management, with 349 participants for 2,593 hours.

Again in 2013 the main inter-professional funds of the sector were presented with various different training plans financed for courses on project management and QHSE. Additionally, and new this year, we note that the consolidated collaboration with external consultants, who regularly flank the Company in presenting and reporting on the proceedings needed to obtain finance, made it possible to extend this request for finance to include technical-specialized training.

Employees hired on apprenticeship contracts also attended courses delivered by the competent regional entities on employment rights, communication, business organization, quality and safety.

As concerns development activities, following the creation of the leadership model and in consideration of the results that emerged from the opinion surveys conducted, as part of the "Your Voice" project, amongst Group employees, the efforts continued to finalize the prototype version of the new resource performance evaluation and identification of a dedicated IT tool.

"Your Voice", the first climate investigation of the Maire Tecnimont Group and natural follow-on from the project to define the above leadership model, was initiated with the goal of monitoring people's levels of motivation and obtaining indications as to areas of strengths and critical issues towards which potential interventions should be directed; this thereby contributed to the optimization of the relationship between the Company and its people, as well as improving the overall quality of the Group work experience.

The results that have emerged from the investigation, shared with the Management, have then been discussed with employees in specific dissemination workshops.

Compensation and Incentives

Carrying on from the guidelines adopted during previous years, and in consideration of the Group's economic performance and the main market trends, in 2013 the choices of salary policies aimed to optimize the human capital and, in particular, the strategic resources, using a selective, merit-based approach in compliance with standards of internal fairness and competitiveness with the market benchmarks.

Moreover, following the conclusion of the revision of the Executive compensation system and the indications resolved in this respect by the Remunerations Committee in 2012, in 2013 the new remuneration system for senior managers was implemented. The new Remuneration Policy adopted, focused particularly on short and medium/long-term variable components, meets a threefold aim: to better direct management action towards pursuing the strategic objectives defined by the Group 2013-2017 Industrial Plan; to bring the Company's Remuneration Policies into line with the market best practices in terms of balancing fixed and variable items of salary; and to guarantee the complete application of the recommendations laid down by art. 6 of the Governance Code of listed companies dated December 2011.

Organization

During the reference period, the revision of the organizational structures and business processes involved in the pursuit of the business needs and objectives laid out in the 2013-2017 strategic plan approved by the Maire Tecnimont Boards of Directors' meetings held on 4 February and 05 April 2013. The guidelines to these activities were the consolidation of the guiding and coordinating role played by the parent company, the rationalization of the organization and the strengthening of the presence in the geographical areas of most strategic interest, in order to effectively and promptly respond to the changing reference market scenarios and business needs.

More specifically, the organizational structure of the Administration Finance and Control area has been rationalized, with the appointment of the new CFO, Alessandro Bernini, on 22 October 2013 and the creation, under the direct control of the Managing Director, of the new Group Process & Risk Management Department, aimed at strengthening risk management on a Group level and consolidating the coordinating and monitoring role played by the parent company's business processes; this is in addition to encouraging the integration and standardization of the procedures and methods adopted by the subsidiaries. During the same reference period and always reporting directly to the Managing Director, the appointment of the new Group General Counsel, Fabio Fagioli, should also be noted.

With reference to said strategy to consolidate monitoring of the various different strategic geographical areas for the Group, three different regions (geographical areas) have been established (South America, Russia & Caspian Region and the Middle East), each entrusted to the responsibility of the respective Vice Presidents. Said Regions aim to guarantee an effective approach to the customer on a local level too, and an appropriate control of the respective specificities, in addition to a quicker, more appropriate response to business opportunities and an effective monitoring of institutional relations with local authorities.

Finally, as concerns the operative companies, we note the activities connected with the analysis and revision project of commercial, procurement and operations processes and the administration, finance and control systems, and the reorganization of the respective reference areas and the organizational structure of the parent company Tecnimont Civil Construction e Tecnimont-ICB, which particularly involved the Operations area.

During the year, moreover, the G&A project was started with the aim of introducing a system for managing and controlling structural costs potentially able to be reduced; this has now completed the analysis stage, with the first corrective actions planned along with medium/long-term interventions. This project has already resulted in reduced G&A costs seen in the statements of the reference year for this Report.

As concerns the Document System, please note the new Group Standard "Invention incentive system", which aims to promote the culture of innovation, defining an incentive system for inventions generating patents and leading to commercial results. The issue of this standard should also be considered in terms of the optimization of the works and initiatives in support of the business, with specific reference, in the case at hand, to the strengthening of the Group's distinctive technological competences.

The standard "Fighting the financing of terrorism" was then revised with a view to optimizing the process; this review mainly consisted of altering the methods by which to access the Terrcheck system, which, having moved from intranet to internet, is now accessible to all Group companies.

SECURITY

Consistently with the implementation of the Group's general Security policies, the program designed to support and guide the different - leadership and operational - corporate functions continued, both within the framework of the Group's general Corporate Governance system and with respect to the management of actually and/or potentially "critical" situations.

The department continued to monitor the socio-political-economic conditions of the Countries of interest for the MET Group, reporting periodically to senior management and to the heads of the companies involved, ensuring adequate security and support in the event of commercial and operative missions of senior management to Countries at risk.

Special attention in terms of information and support was paid to ongoing activities and projects in Iran, Iraq, Egypt, Saudi Arabia, Maghreb and Middle Eastern countries, Cameroon and Nigeria looking out for any possible negative impact on the Group's interests as a result of unstable local social, political and economic conditions. Special attention in terms of information and support was paid to ongoing activities and projects in Iran, Iraq, Egypt, Saudi Arabia, Maghreb and Middle Eastern countries, Cameroon and Nigeria looking out for any possible negative impact on the Group's interests as a result of unstable local social, political and economic conditions. With specific reference to the projects and offers underway, the Department's work was structured as follows in the various areas of reference:

Iran: considering the restrictions connected with the tightening of the embargo, the survey was geared not only to organizing the best protection measures for expatriates but also the release determined by the embargo rules and the constant monitoring of the various problems connected with the embargo.

Iraq: since KT have important contracts in this area, the information/operational support to the relevant sales functions consisted of identifying possible solutions and possible security service providers, as well as qualifying and assessing the organizational solutions offered, given on the one hand the costs and on the other the need to ensure the safety of expatriates in a Country in a highly critical situation.

The subsidiary TCM is also currently involved in an important offer (West Qurna 2) in the area, specifically in the Shiite area of the country, with major security implications due to the terrorist issues in a social context that is already extremely unstable.

Egypt: with specific reference to the Cairo (KT) refinery and Kima (TCM) projects, careful monitoring has ensued for the recovery of activities, given the great instability as a consequence of the fall of the Mubarak regime and the destitution of the President MORSI.

Competence support has also been provided to the projects of Timimoun, Adrar and Reggane, still in a commercial stage, which are located in remote areas of the Algerian territory and marked by the presence of criminal and terrorist Islam groups; in addition to the foregoing, there are also various initiatives underway in Nigeria, mainly in the area of Port Harcourt, where there is an endemic, consolidated situation of precarious orders and public safety.

In Italy continued support was provided to existing projects, particularly infrastructure projects, in order to complete the implementation of corporate policies relating to the organization and management of offices/operating sites and, in the critical areas of Sicily (Cefalù 20 project) and Basilicata (Tempa Rossa project), seeking contacts and/or meetings with the competent local institutions.

Specialist support in various audits carried out during the year was also provided.

10. Industrial Relations

In order to guarantee and keep relations profitable with the workers' trade union organizations, in 2013, the Company management promoted regular communication, particularly concerning the Company trend and the Group's industrial re-launch following the recapitalization that was completed during the first half of the year.

As part of the optimization and cost cutting process, the para and the subsidiary Tecnimont have, each with their own respective MSWs, begun revising some institutes relating to working provisions, particularly as envisaged by the supplementary business agreements in force. It was successfully concluded on 18 December 2013, with the stipulation of specific agreements defining, with effect as from 1 January 2014, new rules concerning, by way of example, transfer indemnities, maximum expenses for mission refunds and permits.

As concerns the subsidiary Tecnimont Civil Construction, after the period of CIGS (special redundancy schemes) granted from 01 November 2012 to 30 October 2013 by virtue of the discontinuation of the business at the Company's Rome office, we note the initiation of a staff reduction procedure involving the 16 workers still assigned to CIGS at the end of said period.

Moreover, after a series of meetings dedicated to the Company performance, given the need to adjust the workforce to the new business positioning, on 08 November 2013, in accordance with articles 4 and 24 of Italian Law no. 223/91, a staff reduction procedure was initiated involving 72 workers, employees and/or administrative workers at the Milan office. In upholding the requests of the trade unions, the Company declared willing to make extraordinary use of salary integrations in lieu of mobility, in December initiating trade union consultation proceedings to apply CIGS due to business crisis for 12 months and for 69 workers. This procedure was concluded with the stipulation, on 18 December 2013 at the Region of Lombardy, of a report of an agreement in which the parties, amongst other aspects, established that under the scope of the redundancy plan, they would keep the staff reduction procedure open, as had begun with the letter dated 08 November 2013; in this regard, the Company reserved the right to assign any workers to mobility if they do not object to inclusion of the related lists. Therefore during that same month of December, the first 26 employees were suspended from work and assigned to CIGS, reserving the right to progressively suspend the others from work in 2014.

Finally, the Group's business management kept the workers' representatives constantly informed as to the results and related developments of the "Your Voice" project conducted in collaboration with the consulting firm Towers Watson, which has supported in Maire Tecnimont with the investigation. In this respect, various meetings have been organized with the workers' representatives, dedicated to the presentation of the project, the questionnaire and the results, as a further guarantee and confirmation of the transparent, shared approach that has marked this initiative.

11. Information Systems and General Services

As concerns the information systems, in addition to ordinary management, various activities have been carried out on specific projects, of which the most important ones in an infrastructural context, mainly aimed at updating the key applications and limiting the related costs. In this respect, we note the completion of the first stage in the update of the version of the MARIAN system (managing engineering material requisition), the first step in a more extensive project set to be started as from next year; in addition to the foregoing, we also have the update of the Oracle database infrastructure of the application managing the Consolidated Financial Statements (Tagetik CPM) and the centralization of the data centers at the Milan offices, in order to limit the number and related costs of the Group’s software licenses.

Under the networking scope, we should note the rationalization of the spending profiles and the use of IT and mobile telephone equipment (data networks, telephone traffic and devices), which, together with the renegotiation of contracts, have led to significant savings this year. Various projects have also been finalized on SharePoint, with the aim of facilitating collaboration within the departments and improving operative efficiency in document management. The main releases were the archiving of invoices payable, with the simultaneous decommissioning, due to its having become obsolete, of an application previously used, and the creation of a contract archiving site, as well as the analysis and construction of sites dedicated to the Construction and Client Assistance departments.

Finally, the Project IT area saw continued support of projects already started.

Carrying on from the initiatives started in 2012, during the first half of the year, the extension of the user management portal to the relevant management applications (PITECO, PRIMAVERA, RAP, eTendering, Zucchetti and TAGETIK) was completed. In addition to the foregoing, there is also the redoing of the SAP profiles in compliance with that established by the Standard “Management of requests for the creation and modification of users with SOD conflicts” for a better management of compliance within the company ERP. Moreover, in order to make support of compliance needs more effective, as part of the FIM project, the automatic disposal of SAP users was implemented, in view of the termination of the relevant employment contract.

As concerns the General Services, the consolidation of the Company offices at Torri Complesso Garibaldi was completed within the terms envisaged, with preparation of the second Tower and central body and the related move of the resources and data center.

As part of the G&A project, the synergic initiatives between the information systems and general services have enabled the revision of processes and adoption of new governance models aimed at limiting and rationalizing costs, for example of press services, and the supply of electricity; this optimization process also involved the staff mission management policy and related travel costs.

12. Health, Safety and Environment

The development and progressive articulation of business operations were carried on in 2013, adopting criteria consistent with the principles of HSE (Health, Safety and Environment - HSE) Policy, including the application of systemic approaches within more valuable and strategic business vision concepts.

In the conduct of its business activities, the Group considers as a priority the protection of safety, hygiene and health of its employees and of those involved in various capacities in the implementation phase of works or a plant.

To this end, the Group's corporate policies define the objectives, responsibilities and management criteria in terms of safety, hygiene and health at work. These objectives are then shared with the entire organization, with the involvement of all personnel, from senior management to the workers.

In line with this policy, the Group has long structured its organization according to the principles of integrated management systems and has achieved OHSAS 18001:2007 certification (occupational safety management system). According to Group management, this makes it possible to ensure compliance with the applicable legislation and meet client demands at the same time. The integrated HSE (Health, Safety and Environment) management systems also make it possible to adopt prevention and protection methods and practices to minimize accidents or work injuries in every project and every site of the Group as much as possible.

The Group seeks to achieve the objectives in this area through:

- careful selection of contractors (who must ensure the sharing of the Group's policies in the field of health and safety);
- hazard identification and risk assessment, up to the direct involvement of work teams and their members;
- training and information activities carried out at the premises and building sites;
- the creation of incentive systems that reward both individuals and groups of workers that have helped to ensure or improve safety and health in the workplace;
- timely communication to overcome language barriers at multiethnic construction sites; and
- the activities of regular updating and training of personnel in charge of supervision.

The monitoring and analysis of the HSE management system results makes it possible to check the achievements and redirect additional improvement targets in terms of effectiveness and reliability of compliance with applicable laws, reference standards and business requirements.

The HSE management system has consolidated its position at the heart of health, safety and environment matters for each of the workplaces in which the Group's activities are carried out.

The Group also has a prevention and protection service, which operates hand in glove with the HSE management system, ensuring the implementation of shared approaches and methods for representation in every place and activity, consistent with the system references and in accordance with the relevant legislative requirements.

Lastly, the Group has put in place an internal audit plan aimed at verifying the results and monitoring of the operation of the management system in order to identify issues or opportunities, outline strengthening or consolidation strategies to allow an increase in shared knowledge and the adoption of effective solutions.

Aware of the importance of preventing and avoiding accidents at work, the Group has dedicated professionalism and resources to implementing management systems that ensure compliance over time and at each location with the applicable legislation on occupational safety in the various countries in which it is active, and to take adequate steps to achieve continuous improvement in the culture of safety and the results obtained in terms of accident statistics.

The monitoring of construction activities confirms significant results that are in line with the positive trend seen over the last few years and are better than industry averages.

The data relative to the Group’s main operating company at 31 December 2012 are shown below, expressed as:

- LTIF: Lost Time Injury Frequency;
- TRIR: Total Recordable Injury Rate.

Both these indicators are computed and monitored according to the United States Occupational Safety and Health Administration (OSHA) regulations, reflecting accepted international practices, and are compared with the relevant averages recorded in the international Oil & Gas and Industrial Construction sectors.

Tecnimont S.p.A. Safety – 2013 (based on 57.9 million site hours worked)		**International comparison**	
K P I (*)	Tecnimont S.p.A. Total Projects	Oil & Gas Producers - 2011 Contractor data (**)	Construction Industries Institute - CII (***)
LTIF (Lost Time Injury Frequency rate - OSHA)	0.003	0.10	0.06
TRIR Total Recordable Injury Rate - OSHA)	0.02	0.38	0.45

(*) *KPI - Key Performance Indicator*

(**) *Source: International Association of Oil & Gas Producers - Report No. 2012s June 2013 - Safety Performance indicators - 2012 data - Contractor aggregated data*

(***) *Source: CII – Benchmarking & Metrics Program – 2011 Safety Report – Aggregated data Contractors 2010 (BMM 2011 02 October 2012)*

13. Innovation and Research & Development

Maire Tecnimont pays close attention to research and development in order to develop and market new technologies and intellectual property rights (patents).

The MTIC also provides guidance and coordination of the Group's research and development activities, with particular attention to the Group's engineering centers located in Italy, India, France, the Netherlands and Germany.

In order to speed up the process of innovation and monitor its progress, in 2010 the MTIC developed the Innovation Pipeline (IPL) methodology. Since then more than 100 project ideas have been transformed into 42 different patent families and projects being marketed.

Research and development projects in the following areas are currently being undertaken:

- Oil & Gas;
- Polymers;
- Urea and fertilizers;
- Processes for the production of hydrogen and processes for the production of sulfur recovery;
- Renewable energies.

Maire Tecnimont is well aware of the social and environmental trends set to impact the petrochemical and fertilizer industry in the near future: concerns over the climate and the use of energy, together with the challenge of the growth of the world population. Amongst other aspects, the world is demanding environmentally-friendlier processes and high-performance fertilizers. The Group believes in open innovation, co-creation and collaboration as the only methods truly effective in facing up to the environmental and technological challenges of the global context.

One clear example of the open innovation philosophy brandished by Maire Tecnimont is its collaboration with Milan University. The aim of this collaboration is to extend the proprietary technologies of the Maire Tecnimont Group in the Oil, Gas & Petrochemicals, Fertilizer and Energy sectors. The project will initially involve the new technologies to improve fertilizer (urea) effectiveness and the recovery and conversion of CO_2.

Other examples include the Stamicarbon agreements for joint development with the Russian company Uralchem with regards to the conversion of 100& of CO_2 in urea plants and the new "MicroMist™ Venturi scrubber" technology recently launched and developed by Stamicarbon in collaboration with the US EnviroCare International. This technology reduces particle emissions of urea granulation plants, making them amongst the lowest worldwide.

Intellectual Property

The Group owns more than 90 families of patents registered in many Countries around the world for over 1000 specific patents and patent applications (refer to table).

Technology	Licensor	Number of Patents/patent applications
Urea Technologies	Stamicarbon	908
Polymer Technologies (Nylon 6, Nylon 6.6 and PET)	MTIC/Tecnimont	12
Oil & Gas	MTIC/Sofregaz	10
Infrastructure & Power generation	MTIC/Tecnimont	8

Production of synthesis gases & basic chemistry	MTIC/Kinetics Technology	82

Licenses

The Group licenses its technologies mainly through its subsidiary Stamicarbon.

The Group's Technology & Licensing division offers a wide range of proprietary technologies and related engineering services. The Group boasts over 60 years of experience in the development and licensing of urea technology and over 40 years of experience in the production processes of hydrogen and synthesis gas, gas treatment and sulfur recovery.

The Group has a diversified portfolio of licenses for both the construction of plants and revamping projects, and can boast long-standing relations with leading licensors of technologies in the areas in which the Group operates.

STAMICARBON

Stamicarbon is a world leader in the licensing of technology and services for the production of urea, with a market share of over 50% in synthesis production and with a market share of approximately 35% in urea granulation technology. Stamicarbon boasts more than 60 years of experience in licensing, combining minimal environmental impact, safety, reliability and productivity. Over 250 plants for the production of urea use Stamicarbon technology. In addition, the Company has completed more than 90 revamping projects regarding plants that it licensed and those of other operators.

Stamicarbon has its operational headquarters in Sittard (Netherlands), Beijing (China) and Moscow (Russia) and its main areas of activity are:

- licensing of new plants for the production of urea (including AVANCORE® processes and Urea 2000plus™ technology);
- revamping of existing plants;
- provision of equipment for the production of urea (including Safurex® stainless steel materials);
- provision of services for the lifecycle of the plant.

These services consist of feasibility studies for revamping and commissioning projects, plant inspections, troubleshooting, and optimization of operating conditions and plant operator training.

The Group maintains its leading position through a continuous process of high-quality innovation in close collaboration with research institutes, suppliers and clients. This has led to the development of many innovations that have resulted in reduced investment and operating costs. There are several patented technologies: Avancore®, Urea 2000plus® Pool Reactors, Urea 2000plus® Pool Condensers, Stamicarbon Fluid-Bed Granulation, and Safurex® duplex stainless steel.

Stamicarbon's business is currently focused on:

- the increase in efficiency of nitrogen absorption;
- zero ammonia and dust emissions resulting from alternative formulations of urea-based fertilizers;
- reduction of carbon emissions, for example, using renewable raw materials in the production of urea;
- urea production in developing countries.

TECNIMONT KT – Kinetics Technology

TKT is the Group Company that operates in the international arena in the field of process engineering, with over 35 years of experience in the design and construction of plants for the chemical, petrochemical and refining industries. TKT also operates as a provider of proprietary technologies and as an EPC contractor for medium size plants and has completed over 500 projects around the world, gaining significant references in the field of sulfur recovery and gas treatment, hydrogen units and synthesis gas production, as well as in combustion furnaces for refineries and petrochemical plants.

TKT is a leader in licensing and providing SRU support units, with more than 60 projects worldwide in the last 10 years, ranging from small units to large scale plants for the production of sulfur.

TKT has developed its own technology for the purification of gas, tail gas treatment (RAR technology) and also provides personalized engineering solutions. Having designed and supplied more than 60 reforming units, TKT is a leading supplier of hydrogen production units based on steam reforming technology, able to supply plants with capacity of up to 180,000 Nm3/h per production line, with designs also tailored to minimize emissions of steam and CO2.

The new technology of Catalytic Partial Oxidation (CPO) in Short Contact Time (SCT) - licensed by Eni - offers an alternative in order to minimize the investment and operating costs, not only for the production of hydrogen but also for any application of synthesis gas.

Since 1971, the Group has provided more than 1,700 devices, including vertical and cylindrical petroleum heat generators, topping or empty furnaces, and advanced plants for ethylene cracking and steam reformers of considerable size, including their use in direct iron reduction.

Based on its solid understanding of engineering processes, TKT boasts significant experience in the implementation of projects in these areas, which enable it to provide services and projects, based also on technology licensed from third parties.

SOFREGAZ

Sofregaz, a subsidiary of Tecnimont, is a leader in the market for liquefied natural gas and natural gas and, in particular, in the design and engineering of onshore LNG regasification terminals.

Sofregaz operates as a center for engineering, in collaboration with the MTIC.

Moreover, Sofregaz participates in funded research projects, within phase 2 (2011-2014) of the European Union's Seventh Framework Program (FP7). More specifically, Sofregaz is involved in the European multinational Project LAGUNA-LBNO for the "Design of a pan-European Infrastructure for Large Apparatus studying Grand Unification, Neutrino Astrophysics and Long Baseline Neutrino Oscillations".

TECNIMONT

As a primary Engineering and Construction Contractor, Tecnimont is specialized in the construction of hydrocarbon treatment plants and plants for the management of large, complex integrated E&C projects in the oil, Gas & Petrochemicals, fertilizer, power generation and infrastructure sectors. The services and know-how offered by Tecnimont and its subsidiaries range from conceptual design and the selection of technologies to process engineering and detailed design. Moreover, Tecnimont also adapts complete patented process technology and equipment services packages to meet the specific needs of the client.

Research and development in Tecnimont mainly focuses on two different directions: the first is the development of patented technologies in collaboration with MTIC and major academic institutions; the second is the continuous innovation of engineering design, methodologies and standards. In both cases, Tecnimont can supply not only the undisputed technical skills but also specific project management services for R&D projects, as this is a distinctive competence in the Group.

As concerns new technologies, we should mention the projects under development under the scope of the Breakthrough Innovation Agreement stipulated with Milan University and coordinated by MTIC.

The aim of the "Urea In Vivo" research project developed under the scope of this agreement is to obtain aggregates of urea able to modify and finally control the availability of urea *in vivo*, for example to minimize the dispersion of urea in soils, improving absorption by crops, whilst the objective of the "CO2 to Olefins" research project is to develop a catalytic process able to complete a "one-step" conversion of CO2/H2 mixes into light, valuable olefins.

Tecnimont is also developing various gas treatment projects with Milan University.

The "Amine Washing" research project, which regards the development of a tool for simulating the calculation of amine washing units for NG plants, was successfully completed in 2013.

Tecnimont is also working on the development of an innovative process by which to remove CO2 and acid components in Acid Gas, to separate it from Natural Gas. This new technology, developed in collaboration with MTIC, which has the IP (patents already registered), may represent a promising solution for gas fields that to date are not exploited for economic reasons.

In the field of engineering design, following the urgent need for innovative engineering and design methods and technical solutions, the "Design to Cost" project, aimed at improving and optimizing engineering solutions currently in use, has been initiated in all technical departments of Tecnimont. The project also envisages operative improvements to the workflow and a major overhaul of technical standards.

TECNIMONT ICB PVT Ltd (TICB)

TICB, a subsidiary of Tecnimont, is among the biggest companies operating in India in the field of engineering & construction and is able to provide, on the basis of turnkey contracts, EPC services to the various Group companies around the world. It operates through highly qualified personnel, consisting of approximately 1,200 employees, including engineers and specialized technicians.

With reference to research and development, TICB has, under the scope of its core business in Tecnimont, pursued a pilot project relating to the "Balance of Plant of a Nuclear Power Station", under the technical and scientific supervision of Dr. S. Bhoje, former Director of the Indira Ghandi center for atomic research.

TICB is also included in the "Design to cost" project, supervised by Tecnimont.

NOY ENGINEERING

Noy Engineering boasts over thirty years of experience in the field of polymer technology engineering, an excellent capacity for innovation as well as a strong know-how.

The Company is developing and patenting PA6, PA66 and PET technologies in collaboration with the MTIC.

14. Information on Risks and Uncertainties

This section indicates the potential risks and uncertainties related to the Maire Tecnimont Group and the markets in which it operates and has the purpose of analyzing the overall causes of business risk that could have an impact on the Company's situation in the foreseeable future.

The core business of Maire Tecnimont Group is the design and construction of plants and installations for the Oil, Gas & Petrochemicals and the Power and Renewable Energy markets and the design and construction of large-scale public works. In addition, the Group grants licenses for patented technology and intellectual property to urea producers.

ORDER BACKLOG RISKS

The Group's Order Backlog had a value of Euro 3,482 million at 31 December 2013. The timing of the revenue stream or expected cash flows is subject to uncertainty related to unforeseeable events that could have an impact on the contracts in the Order Backlog (e.g., the delay, late start or stoppage of work or other events). To mitigate that risk, the Company has stipulated special termination/cancellation clauses in the contracts that call for adequate reimbursement in the event of such circumstances.

RISKS RELATED TO ORDER BACKLOG CONCENTRATION AND RELIANCE ON A SMALL NUMBER OF CONTRACTS OR SIGNIFICANT CLIENTS

At 31 December 2013, approximately 80% of the Group's consolidated revenue was derived from 16 major contracts, corresponding to approximately 57% of the order backlog value. Any interruption or cancellation of even one of the relevant contracts, subject to the applicable statutory and contractual remedies, might adversely affect the Group's economic, equity and financial position. In addition, the Group works with a small number of clients. At 31 December 2013, consolidated revenues from the 11 principal clients were 77% of total consolidated revenues. One of the main guidelines followed during 2013 was that of spreading more initiatives over a larger number of customers and thus opening up to new markets and clients.

RISK RELATED TO THE CAPACITY OF THE GROUP TO EXECUTE ORDERS IMPLEMENTING THE NEW STRATEGY

The Group has prepared a new strategy under the scope of which the industrial plan has been prepared, aimed at re-launching the Group's business in the various sectors, in view of a careful analysis of the current market and competition. The industrial plan effectively and fully implements the actions envisaged within the terms hypothesized and in particular the success of the interventions aimed at ensuring the strategic repositioning of the Group in engineering and engineering and procurement and overall repositioning of margins, in compliance with the terms described by the industrial plan. In order to support this strategy in the future, the Group has implemented a number of organizational actions to support the changes underway. The Group could encounter difficulties on several fronts, which may have a negative effect on the Group's operations and its economic, financial and equity situation. These are: technical (e.g. meeting the scheduled delivery dates of new installations); operational (e.g. lower profit margins, cost increases, difficulty in recruiting and retaining qualified personnel); and financial (e.g. the inability to obtain the guarantees requested by clients or deliver contracts by the due date). Maire Tecnimont considers all these risks typical for its businesses, as they express the very essence of its capacity to work; over time, the Group has adopted operating procedures aimed at highlighting, and therefore minimizing said risks. Indeed, the Group regularly monitors and checks its work flows, as well as its ability to execute the new projects for which it has submitted bids, both in terms of the availability of the suitable professionals and the technical and financial risks.

Risks related to investment performance in the areas in which the Group operates and the financial crisis

The markets in which the Group operates are characterized by cyclical trends related mainly to the performance of the investments, which are influenced in turn: (i) by economic growth and (ii) by a large number of economic and financial variables (e.g. interest rates or the price of oil) and political-social variables (economic policies, public expenditure, infrastructural facilities). As a result, unfavorable circumstances could have a negative impact on the Group's economic and financial position. In addition, the global financial crisis, that worsened in Europe in 2011-2012, has negatively affected the Group's ability to operate in markets outside Europe due to the lowering of the credit rating of the Euro zone countries by the international rating agencies, and consequently the ratings of the banks to which the Group made reference for the issue of guarantees for the proper execution of the works, and for advance payments. The persistence or escalation of the current global financial crisis could lead to negative consequences on the Group's economic and financial position. The geographical diversification and that of business lines will help mitigate this risk.

Risks related to joint liability to the client

The Group companies either execute the orders awarded directly or in association with other operators by forming, for example, consortia in Italy or joint ventures abroad. Generally, in the latter case, each party is jointly liable to the client for the design and construction of the whole scope of work subject to the applicable legislation in the public domain or otherwise by contract. In the event a client suffers damage because of the actions of an associated operator, the Group Company involved could be asked to replace the subject liable for the damage and pay the full cost of the damage caused to the client, without affecting the right to recourse in respect of the defaulting associate. Exercising the right of recourse between associated operators is normally governed between partners through appropriate contractual arrangements (usually referred to as cross indemnity agreements). The Company has a track record of entering agreements and associations with operators with proven industry experience and whose financial solidity it has duly verified. That approach has ensured that, at the reporting date, none of the Group companies had ever been asked to replace, as an obligation of the partner in the JV, the company in default.

Risks related to liability to the client for non-compliance or damages caused by subcontractors or suppliers

In carrying out its business, the Group uses the services of third parties, including subcontractors to produce, supply and assemble part of the installations and suppliers of raw materials, semi-finished products, sub-systems, parts and services. The Group's ability to comply with its obligations to the client therefore is influenced also by the ability of both the subcontractors and the suppliers to successfully fulfill their contractual obligations. In the event those subcontractors and suppliers default, even in part, on their obligations to the Group, supplying it with products and/or services in breach of the agreed delivery dates or which fail to meet the quality standards required or are defective, the Group could incur additional costs due to delays or the need to provide alternative services or supply equipment or materials at a higher price. In addition, the Group may in turn, be held in breach of contract by the client. In such an event, the Group could be subject to damage claims from the client, without affecting its right to seek recourse from the defaulting subcontractors and suppliers. However, in the event that the Group is not able to pass on to these subjects the entire compensation through the right of recourse, there could be negative effects on the Group's economic and financial position. The system set up by the Group to evaluate and select the subcontractors, who are assessed not only on price but also their technical capabilities and financial structure, calls for these entities to provide performance bank guarantees. The Group companies are also the beneficiaries of insurance policies especially designed to cover any particularly negative situations that may arise.

RISKS RELATED TO FOREIGN BUSINESS

Given that the Group operates in approximately 30 countries, it is exposed to various risk factors, including possible restrictions on international trade, market instability, limitations on foreign investment, infrastructural deficiencies, fluctuations in exchange rates, currency restrictions and controls, and legislative changes, natural catastrophic events (such as earthquakes and violent weather events) or other extraordinary negative events (such as, for example, wars and acts of terrorism, major disruptions in supplies of raw materials or semi-finished goods or energy, fire, sabotage or terrorist attacks and kidnapping). The Group is also exposed to risks inherent in the difficulties related to carrying out its business in regions located far from the markets and the traditional sources of workforce and materials procurement and which often may be disadvantaged and unstable in political-social terms (e.g. the Middle East, Iran, the Russian Federation, Latin America and Nigeria). To mitigate this risk, the Group always takes out insurance and/or hedges according to the type of potential risk envisaged to cover any economic consequences that may arise from the aforementioned instabilities.

RISKS RELATED TO INCORRECT COST ESTIMATES FOR THE EXECUTION OF PROJECTS

Almost all of the Group's consolidated revenues for the year ended 31 December 2013 derive from long-term contracts where the payment (for the Group) is fixed at the date of participation in or award of the tender, in particular concerning lump sum-turn key contracts. With respect to these contracts, the margins originally estimated by the Group may be reduced as a consequence of the costs incurred by the Group in the course of implementation of the project. If the policies and procedures of the Group to identify, monitor and manage the costs incurred by the Group during the execution of the contracts did not prove to be adequate in relation to the duration and degree of complexity of these contracts, or at least no longer updated following the occurrence of unforeseeable events, the Group could be subject to possible adverse effects on its economic, equity and/or financial situation. However, it is noted that during the preparation of tenders, the Group carries out a careful analysis of the risks pertaining to each job paying particular attention to the allocation of specific contingencies to cover contract risks already identified.

RISKS RELATED TO DELAYED SUPPLIER PAYMENTS

The characteristics of the industry in which the Group operates require careful financial management, which could cause delayed or missed payments to suppliers. The Group has a significant level of overdue debt to suppliers. In this regard it should be noted that among the immediate effects of the deterioration of relations with suppliers there are increases in borrowing costs for obtaining bank and/or insurance guarantees in relation to recent projects awarded, the inability and/or difficulty of replacing suppliers, litigation increases, delays in delivery of projects, increased costs for goods and services, and possible promotion of legal action by the suppliers themselves. However, the financial strategy also provides for a return of the expired outstanding supplier receivables in order to reach a more organic relationship with suppliers and mitigate the risks associated with delayed payment on business operations.

15. Financial Risk Management

Following is a breakdown of the main risks to which the Group is exposed in its normal business operations:

Market risk

The Group operates in an international arena and is exposed to the risk of fluctuations in interest rates, foreign exchange rates, and the prices of goods. There is also a risk of shifts in the economic and cash flows implicit in the nature of its businesses, which can only be partly mitigated through appropriate management policies.

Risk of variations in prices and cash flows

The Group's results are influenced by variations in the price of some raw materials, finished products and insurance costs. That risk is mitigated through a policy of cautious and timely procurement. Maire Tecnimont also adopts a strategy designed to minimize transaction risk by using derivative contracts.

Exchange rate risk

The currency of the Group's Consolidated Financial Statements is the Euro. As mentioned, the Group operates in diverse world markets and part of its cash flows and payments are denominated in non-Euro currencies. A significant part of the projects executed are denominated in or linked to the US dollar. That, combined with a temporal mismatch between the accrual of costs and revenue denominated in currencies other than the operating currency and the realization of the associated cash flows, exposes the Group to exchange rate risks (transaction risk).

Maire Tecnimont's strategy is aimed at minimizing the exposure to transaction risk through the use of derivative contracts. The Finance Department is responsible for planning, coordinating and managing this activity at Group level by monitoring the correct correlation between derivative instruments and underlying cash flows and providing an accurate accounting representation in accordance with international accounting standards.

The Group also holds investments in subsidiaries located in areas outside the European Monetary Union area, and the changes in equity arising from fluctuations in exchange rates of the local currency against the euro are recognized temporarily in a reserve in shareholders' equity called "conversion reserve".

Interest rate risk

The risk of fluctuations in interest rates in the Maire Tecnimont Group is mainly associated with medium/long-term loans negotiated at floating rates, and is managed with the Interest Rate Swap (IRS) and "Zero Cost Collar", oriented to maintaining a balanced relationship between fixed rate debt and debt exposed to market fluctuations. The IRS essentially allows transformation of the cost of the loan from floating rate to fixed rate, even if the deadlines are not perfectly aligned with the time limits, while the Collar allows changes in the interest rate of the loan to remain within a preset range of values. The notional value of these derivatives at 31 December 2013 represented an operational hedge valued at approximately 7.5 million.

The interest rate risk on the residual portion of floating rate debt and not covered by derivative instruments, however, is partially mitigated by the presence of liquidity, especially related to the Joint Venture and with interest rates indexed to the same parameter as its debt (Euribor). Fluctuations in interest rates would produce a similar result on cash generated from inventories, but of opposite sign, compared to those produced on the flows linked to loans.

Credit risk

Credit risk represents the Group's exposure to potential losses arising from a counterparty's failure to fulfill its obligations. Credit risk is associated with the ordinary business of commercial transactions and is monitored by both the operational and the administration functions on the basis of formal procedures and periodic reporting. Receivables are written down individually for significant single positions, which ended up being partially or totally irrecoverable. For those credits that have not been subject to individual write-downs funds were allocated on a collective basis, taking into account historical and statistical data.

Liquidity risk

Liquidity risk represents the risk that, due to the difficulty of securing financial resources or liquidating market positions, the Company is unable to cover obligations that come due and might be subject to additional costs to secure the funds it needs. In an extreme case, liquidity risk would involve potential insolvency that would place the continuity of the business at risk.

The Maire Tecnimont Group is going through a period of understandable financial and liquidity stress mainly related to losses caused by some projects that are now completed in the Energy BU in Latin America that have caused a significant amount of cash by draining liquidity produced within the Group and contributing to the increase in the financial debt over the past two years. The increase in financial debt also coincides with the liquidity crisis in the national and international banking system that generally has resulted in a decrease in medium-long term loans to companies, an increase in the cost of funding the banking system and the consequent increase in the cost of borrowing.

The period of financial and liquidity crisis that the Company and the Group are going through requires the implementation of a strategy aimed at achieving definite financial balance of the Group, the conclusion of which is expected to restore the financial situation, assets and liquidity adequate to handle the needs of the Company and the Group.

On 26 July 2013 Maire Tecnimont S.p.A. announced that following the early conclusion of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. These agreements provide for the rescheduling of Euro 307 million of the Group's indebtedness over five years, with a grace period of two years and the repayment by half-year installments from 2015 to 31 December 2017. In addition, our lenders Intesa Sanpaolo, UniCredit and Monte dei Paschi di Siena have provided new financing in an aggregate amount of Euro 50 million under the same conditions. Finally the certain facilities in an aggregate amount of Euro 245 million have been confirmed by all the banks, as well as guarantees for Euro 765 million in order to support the business.

On 13 February 2014 Maire Tecnimont S.p.A. announced that following the approval given by the Board of Directors on 11 February 2014, it had started and successfully completed on that same date the listing of an equity-linked debenture loan (the "Listing") with a term of 5 years, for a total nominal figure of Euro 70 million (the "Bonds"). On 17 February 2014, the joint bookrunners exercised their over-allotment option in full. Consequently, the total nominal value of the bonds was increased from Euro 70 million to Euro 80 million. The Bonds were settled on 20 February 2014.

The offer was intended exclusively for qualified investors on the Italian and international market, excluding the United States of America, Canada, Japan and Australia or any other jurisdiction in which the offer or sale of Bonds is subject to authorization by local authorities or in any case prohibited by the law.

The listing will enable the Company to obtain a more extensive diversification of the financial resources and optimization of the Company's financial structure through the collection of funds on the capital market. These funds will be used to finance the Company's business, in line with the 2013-2017 business plan approved on 05 April 2013. These funds will not be used to repay bank debt.

The Bonds will become convertible into ordinary shares in the Company (the "Shares") subject to approval by the Company's extraordinary Shareholders' meeting, to be held by 30 June 2014 (the "Long-Stop Date"), of a share capital increase with the exclusion of stock options in accordance with art. 2441, paragraph 5 of the Italian Civil Code, to be reserved exclusively for the conversion of the Bonds (the "Share Capital Increase").

The initial Bond conversion price has been established as Euro 2.1898, which constitutes a premium of 35% over the weighted average price of the Company's ordinary shares as recorded on the MTA, between the time of launch and transaction pricing.

The Bonds were issued at par, for a unit nominal value of Euro 100,000; they have a term of 5 years and a fixed annual coupon of 5.75%, payable six-monthly in arrears. If not previously converted, redeemed, purchased or cancelled, the Bonds will be redeemed at par on 20 February 2019.

Risks related to compliance with the financial parameters set out in financing contracts

The risk arises from the possibility that the loan agreements contain provisions that permit lending banks to request the immediate repayment of the amounts lent upon the occurrence of certain events, thereby generating liquidity risk.

In the first quarter of 2013, the Group did not comply with the covenants under the loan agreements in place. Failure to observe the above-mentioned parameters would in fact theoretically result in the option, exercisable by the lenders, to demand immediate repayment of the loans.

On 26 July 2013 Maire Tecnimont S.p.A., following the early termination of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. The loans are secured by covenants in line with the standards for this type of operation, of which the first measurement will take place in 2015 with reference to the figures at 31 December 2014. More specifically, these financial parameters provide for the maintenance of a certain level of shareholders' equity, liquid funds and gross financial position, as well as keeping a certain ratio of net financial position to shareholders' equity.

Finally, for the covenants envisaged for the loans not concerned by the refinancing, there is no notice of them not having been respected as they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

Risks related to the Group's ability to obtain and maintain guaranteed credit lines and bank guarantees

In the normal course of its activities and, in particular, to be able to participate in bidding, enter into contracts with clients or receive from these advances and payments during the execution of the project, the Group companies are required to issue bank and/or insurance guarantees in favor of the client.

The Group's ability to obtain such guarantees from banks and/or insurance companies depends on the assessment of the Group's economic and financial position and, in particular, the Group companies involved, the project risk analysis, experience and the competitive positioning of the Group companies involved in the sector. The situation of financial stress that the Group faced has determined an increase in costs related to obtaining such warranties or, in certain cases, increasing difficulties in their issuance.

Within the broadest possible scope of the financial strategy, the existing credit lines are confirmed.

16. Legal Matters and Disputes

Prior to outlining the main disputes, we point out that the Directors have set aside adequate provisions to the risk reserves. The proceedings for which the sum in dispute is potentially equal to or greater than Euro 5 million are outlined below.

Civil, Administrative and Arbitration Proceedings

J&P Avax S.A.: this is an arbitration proceeding initiated by Tecnimont in August 2002 against the company J&P Avax S.A. ("J&P"), for damages resulting from the late execution of subcontracting entrusted to J&P as part of the implementation by Tecnimont of a plant for the production of polypropylene in Thessaloniki, Greece, commissioned by the Greek developer Helpe. The value of the Tecnimont arbitration claim is Euro 17.4 million, while J&P has filed a counterclaim for Euro 28.5 million. In December 2007 the Arbitration Board issued a preliminary award attributing 75% responsibility for the four-month delay in the execution of works to J&P and 25% to Tecnimont. On 28 December 2008, J&P appealed the preliminary award before the Court of Appeal in Paris, which, in its judgment of 12 February 2009, annulled the award on the basis of an alleged lack of independence and impartiality of the Chairman of the Arbitration Board. Tecnimont subsequently appealed against that decision before the Court of Cassation in Paris, which, on 4 November 2010, ruled in favor of Tecnimont, repealing the appeal decision. The Arbitration Board therefore decided to resume the arbitration proceedings, but J&P appealed the partial award to the Court of Appeal of Reims, which, on 2 November 2011, annulled the partial award again for alleged irregular constitution of the Arbitration Board. Tecnimont therefore decided to submit a new application to the French Court of Cassation and, until its ruling, the arbitration proceeding has been suspended. The decision of the Court of Cassation is not expected before the spring of 2014.

Mainka: in December 2010, Tecnimont was notified by the International Court of Arbitration that an arbitration proceeding had been brought against it by Mainka, a German construction company engaged in August 2007 for the construction of civil works of the Münchsmünster plant in Germany. The request by Mainka relates to the recognition of alleged higher costs incurred in carrying out works for an amount of approximately Euro 24 million. Tecnimont has submitted a formal response to the request for arbitration, rejecting all requests by Mainka and submitting a counterclaim for Euro 7.9 million. According to the Term of Reference, filed in September 2011, the arbitration panel was called upon to decide in the first instance, on the preliminary issue concerning the applicability of German law which considers invalid the clauses contained in forms and questionnaires. On these grounds, Mainka supported the nullity of the provision on the liquidated damages and performance bonds. In parallel Tecnimont began proceedings through the German courts for execution of the performance bond through two actions: i) in respect of Mainka, at the court of Ingolstadt whose appeal in Munich had a positive outcome for Tecnimont (for reasons of territorial incompetence) ii) in respect of the insurance company at the court of Wiesbaden. On 5 December 2011, the hearing was held before the ICC for the partial award and it was decided to postpone any receipt of the performance bond until the end of the arbitration proceeding. It was also decided to continue the proceeding on the point of termination. The parties' depositions were filed between February and April of 2012 and in early May 2012 an ICC hearing was held on the Termination. The arbitration panel, without issuing a formal pronouncement on the issue of Termination, then began assessing the claim by Mainka and counterclaim by Tecnimont. The lawsuit at the court of Wiesbaden has elapsed and the parties submitted new depositions on the claim and counter claim between August and December 2012. In January 2013 a hearing was held on the "final invoice" where it was decided to resubmit to the arbitrators, a shared list of outstanding issues with the indication of whether the arguments that the Court will submit to the expert appointed by the same are strictly of legal or technical nature. The next hearing was scheduled for April 2014. The issuance of the arbitration award is not expected before 2015.

Juruena: in May 2009, Maire Sapezal Ltda (now Tecnimont Sapezal, a subsidiary of Maire Engineering do Brasil, now Tecnimont do Brazil Ltda) canceled the contract with the client company Juruena for the construction of five hydroelectric power stations in the region of Mato Grosso. The termination of the contract was the result of serious economic and financial conditions that have arisen in the course of the project, caused by some events beyond the responsibility of Tecnimont Sapezal that have influenced time and costs including: a suspension of over one-year due to non-renewal of environmental licenses by the Client, a work suspension order issued by the local judiciary, errors in the basic design by the client, destruction and fires on construction sites caused by indigenous peoples, flooding of sites due to exceptional rainfall and missed payments of invoices issued and approved by the client. Following the termination of the contract, Maire Sapezal blocked legal action by the other party at the Court of Cuiabá (Mato Grosso) in stark contrast to the arbitration clause and the attempt of enforcement of the performance insurance guarantee and completed regular transfer operations of the site. Maire Sapezal therefore filed an application for international arbitration (ICC) to obtain payment of approximately 115 million Reais for: i) non-adjustment of the contractual price following delays caused by failure on the part of Juruena to renew environmental licenses; ii) non-adjustment of the contractual price following additional costs due to errors by Juruena in the basic design; iii) non-compliance with the obligations signed by the parties in the Operational Agreement to restore the balance of the price on an open book basis; iv) liability of Juruena with regards to incursions of the local populations that destroyed the sites and failure to recognize the damages caused to Tecnimont; v) failure to pay approved invoices in exchange for services provided by Tecnimont; vi) unlawful recourse to the Court of Mato Grosso in breach of the arbitration clause in the contract; and vii) breach of the principle of good faith. The client responded by filing an arbitration petition for Reais 346 million. The arbitration tribunal was established and during the ICC proceedings, pleadings and technical, economic and market reports were filed by the parties and written testimony was collected. On 9 June 2013, the Group received from its Brazilian lawyers, a copy of the arbitration award (partial), subsequently amended on 17 October 2013, not immediately enforceable, which contained the following: i) liability for termination of the contract was considered to be borne by both parties; ii) the award shall determine all issues of Tecnimont do Brasil Ltda recognizing them for about Real 44 million iii) the award shall determine all issues of Juruena recognizing them for about Real 37 million. Fees of the proceedings will be decided with the final award. The ICC procedure now involves a second phase relating to the costs for redoing the works requested by Juruena. The final award is not expected before the end of 2015.

STMFC (Société du Terminal Méthanier de Fos Cavaou): in September 2004, Société du Terminal Méthanier de Fos Cavaou (*société en participation* consisting of: 70% Gaz De Francee, 30% Total) and STS (*société en participation* consisting of: 1% Sofregaz, 49% Tecnimont and 50% Saipem France) (hereinafter "STS") signed a contract for the construction of a regasification terminal. STMFC subsequently assigned the contract to Fosmax LNG ("Fosmax"). During the implementation of the contract some contractual changes have been agreed upon that have increased the value of the contract and extended the date for the acceptance of the system to 15 September 2008. On 21 January 2010, FOSMAX declared STS in default for the completion of the work. On 19 February 2010, the Client notified STS its intention to perform «*mise en régie*» of certain processes directly. On 22 March 2010, Fosmax enforced the bank guarantees provided by STS for an amount of Euro 36,247,721, of which 50% was paid by Tecnimont. On 31 March 2010, the plant was accepted with reservations by the Client comprising a series of "punch list" closing activities attributable to the Consortium and a series of activities managed directly by the Client as "*mise en règie*". Finally, the Client also requested the application of liquidated damages for approximately Euro 48,000,000. On 11 July 2011 a "*Protocole de Médiation*" was signed between the parties for a mediation attempt at the International Chamber of Commerce in Paris, expiring on 31 December 2011, which did not have a positive outcome. On 17 January 2012 Fosmax filed a request for arbitration at the ICC advancing a claim to the Court of Arbitration for Euro 263,830,440. Subsequently, on 19 October 2012, Fosmax presented its detailed pleading to the court requesting the recognition of Euro 247,311,993. On 28 January 2013, STS presented its defense completely opposing the claim and formulating its counterclaim estimated, first and foremost, at Euro 327,848,339 million and based, among other things, on the right that STS expects to obtain extension of the delivery terms of the plant and the recognition of the higher costs incurred and compensation for damages. The reply of FOSMAX was issued 22 May 2013, while that of STS was issued 24 July 2013. The investigative hearings were held from 18 to 21 November 2013 and the final hearing for discussion ("*plaidoiries*") has been scheduled for 01 April 2014. The decision on the award is expected no earlier than the end of 2014.

Endesa Chile: the dispute relates to the EPC contract for the construction of the Bocamina II power plant, in Chile, signed between the Chilean client Endesa Chile (Enel Group) (the "Client") and the business grouping formed by Group companies and companies in the SES Slovak group (the "business grouping"). In November 2011, the Consortium requested an 11.5 month extension of the contractual delivery deadline and a higher price of USD 136 million on the basis of proven force majeure (riots by the civilian population against the plant as well as the earthquakes in the region in February 2010 and February 2011). In response to this request, on 4 June 2012 the Client agreed to sign a preliminary agreement, recognizing an extension of the delivery deadline of at least 77 days and a price at least USD 22 million higher. At the same time, the purchaser undertook expressly and in writing to continue to discuss in good faith the additional elements of the claim not yet settled between the parties. In June 2012, the Bocamina II plant was again affected by violent protests of the local population, which led to the forced halting of work and meant most of the workforce had to be demobilized. Under these circumstances, the business grouping, acting in the interests of the project and in agreement with the Client, focused its activities on the commissioning of the plant in order for commercial operation to begin as soon as possible. On 12 October 2012, the business grouping announced that the requirements for provisional acceptance of the plant (so-called PAC) had been achieved, which resulted in the return of the retention and advance payment bank guarantees, as well as a reduction to 50% of the original value of the performance bonds and the full payment of the balance of the price. In this situation, without any notice, on 16 October 2012 the Client unilaterally initiated enforcement proceedings of all bank guarantees in place to ensure execution of the project, claiming that the business grouping was responsible for the delay. The amount for which the Client requested enforcement only in respect of Tecnimont was approximately USD 94 million. Tecnimont S.p.A. challenges any liability of the business grouping and considers absolutely unlawful and, rather, fraudulent the proceeding started by Endesa Chile since the delays in the work completion are definitely not attributable to the business grouping and in addition the work has been completed despite the very critical events of force majeure that occurred over time. Tecnimont therefore initiated an urgent precautionary proceeding pursuant to article 700 Code of Civil Procedure at the Court of Milan to block enforcement of bank guarantees provided by Tecnimont for this contract and initiated the related merit proceedings to claim compensation for any damage arising from the enforcement of guarantees by the Client. On 19 October 2012, the Court of Milan stated ex parte and fully accepted the inhibitory request ex art. 700 Code of Civil Procedure made by the Tecnimont subsidiary. The Court of Milan consequently ordered the urgent precautionary and provisional suspension of payment of all bank counter-guarantees for approximately Euro 58.1 million (circa USD 75 million) issued on behalf of Tecnimont in relation to the above mentioned contract and counter guaranteed by Tecnimont. Subsequently, on 3 December 2012 the Court of Milan, pronouncing the parties in dispute, rejected the request for a precautionary injunction by Tecnimont and removed the precautionary bind that as of 18 October 2012 prevented Santander Milan and Intesa San Paolo Milan to honor the counter guarantees to Santander Chile for USD 75 million. These banks then honored the counter guarantees thus becoming direct creditors for the corresponding total amount of Tecnimont S.p.A. However, since 16 October Santander Chile had become a creditor of about USD 19 million, equivalent to the bank guarantees paid directly to Endesa Chile and counter guaranteed by Tecnimont S.p.A. In the month of December 2012 Santander Chile wrote to Tecnimont asking to refund the sum of USD 19 million. As for the bank guarantees delivered by SES, they have not yet been honored by the bank (Crédit Agricole) because, in spite of a negative injunction of the Court of Nanterre, the related payment is currently still foreclosed by a decree of the Courts of the Slovak Republic where the Crédit Agricole branch, which issued the guarantee, is established. The Bocamina II plant has been in commercial operation since October 2012, with commercial production having begun since that date. The Consortium announced on 7 December 2012 defeasance of the contract following forced expulsion from the Bocamina II plant as of 26 October 2012. In turn, Endesa announced termination of the contract on 4 January 2013. The parties appointed their arbitrator and on 25 April 2013 the ICC communicated the appointment of Yves Derains as the Chairman of the Board. On 15 January 2013, the Consortium presented its defense in the ICC arbitration started by Endesa, formulating a counter-claim for damages that only for Tecnimont is USD 1,294 million. Tecnimont's claim considers the damages arising from enforcement for USD 94 million, earthquake damage for about USD 60 million, damages referring to the November 2011 claim for approximately USD 113 million, damages for increased costs incurred as of 13 January 2012 for about USD 110 million, damages for the non-collection of SAL referred to in the PAC for about USD 21 million and the remainder representing damages from the enforcement that Tecnimont believes was initiated without the conditions for it having been met. In its defense, the Consortium showed that Endesa Chile obtained USD 110 million from the insurance company with particular reference to the delay caused in the completion of the work (for which Endesa had rest for a period of delay caused by the earthquake liquidated in 18 months against 12 that Endesa Chile instead recognized to the Consortium). This fact has been reported in order to highlight how in this context the penalties enforced represent an undue enrichment of Endesa Chile.

On 14 June 2013 the "Term of Reference" was filed, which according to the ICC regulation includes among other things a summary of the requests made by the parties with their preliminary monetary quantification. On 2 July, the first two proceeding orders were issued clarifying the aspects of the procedure to be followed and set the timetable for the exchange of pleadings and hearings. The Consortium and Endesa simultaneously filed their respective first briefs in December 2013. The next simultaneous exchange of briefs is scheduled for May 2014 and as things stand it can be expected that the award will not be issued before 2016.

Mapfre Compania de Seguros Generales de Chile S.A.: this is an ICC arbitration proceeding initiated by Tecnimont Chile against the Chilean insurance company Mapfre to obtain insurance reimbursement for damages to the Bocamina II plant as a result of the earthquake on 27 February 2010. The amount of compensation requested in the arbitration by Tecnimont Chile was USD 76.9 million. Mapfre responded to Tecnimont Chile's request for arbitration by filing delaying objections by means of its own defense deposition filed on 10 December 2012. Pending litigation the insurance company paid USD 15.7 million. The additional request to Mapfre is as follows: Tecnimont Chile, USD 51.9 million, (ii) Tecnimont S.p.A., USD 4.9 million (net of a deductible of 5%). A conciliation attempt by the arbitrator is underway. If an agreement should not be reached, the judgment will continue and be expected to be concluded by the end of 2014.

Kesh: in February 2007 Maire Engineering S.p.A. (now Tecnimont) signed an EPC contract for the construction of a power plant located in Vlore, Albania, with the client Kesh Dh. Albanian Power Corporation, an Albanian public law company ("Kesh"). The initial value of the contract was Euro 92 million, which was then increased by a further Euro 4.1 million. Since the beginning of the project, Tecnimont has faced considerable difficulties that have adversely affected the timely performance of the work resulting in additional costs and damage. Initial difficulties were mainly due to the fact that the tender for the award of the contract took place in a period when the market conditions were very different from those that Tecnimont faced two years following the award of the contract. Apart from the increase in the contract value for Euro 4.1 million, Kesh without reason has never acknowledged either a further adjustment of the contract value or an extension of the deadline for completion of the work. In addition, apart from the deterioration of market conditions, there have been other events that have contributed to increasing the costs incurred by Tecnimont and the delay in completion of the work including, among others: repeated storms, requests to perform temporary rather than permanent repairs. In 2009, Tecnimont presented an Interim Report for review of the date of the Operational Acceptance and, in the event that such request had not been accepted, the payment of additional costs incurred in an attempt to speed up activities to reduce the delay, meaning that Kesh would not have otherwise been entitled to demand payment of penalties for delay. In July 2009, change proposals were then submitted to Kesh. Despite all this, Kesh in September 2011 made a request to Tecnimont for the payment of penalties for Euro 9.2 million. In November 2011 Tecnimont sent a Supplementary report on the events that occurred between February 2009 and October 2011 that would have entitled the same to request an extension of the completion dates compared to those already required by the Interim Report and additional claims for reimbursement of damages and costs. In particular, the request involved recognition of about Euro 56 million and about USD 22.5 million. The Operational Acceptance Certificate was then issued in November 2011 but with retroactive effect in late October 2011. Apart from the unjustified delay in the issuance of the certificate, Kesh has not released the remaining 5% of the contract price, amounting to Euro 4.7 million, and has not reduced the amount of the Performance Bond from 10 to 5% of the contract value. In addition, Kesh did not extend beyond 31 December 2011, the duration of the letter of credit as security for its payment obligations, therefore not meeting its contractual and legal obligations. As a direct result of this, Tecnimont sent to Kesh the first Notice of Termination in April 2012, followed by a second Notice in May and a third in September 2012. Regardless of these circumstances, Kesh then threatened to enforce the full amount of the performance bond of Euro 9.6 million. In January 2012 and thus after obtaining the Operational Acceptance and after the transfer of the plant under the responsibility of custody by Kesh a storm struck the plant damaging the pipe outlet to the sea. Tecnimont believes that the damage that occurred to the pipe is entirely due to events outside its responsibility, such as the mismanagement of the plant by Kesh staff. To prevent the enforcement of the full amount of the Performance Bond of Euro 9.6 million requested by Kesh in September 2012, Tecnimont demanded and obtained from the Court of Milan a precautionary measure, the outcome of which being that the enforcement of half of the Performance Bond was recognized as illegitimate; the bank issuing the guarantee therefore paid Kesh only half of the Performance Bond itself. In October 2012, Tecnimont then filed a request for arbitration at the ICC against Kesh to obtain payment of the remaining 5% of the contract value, the return of half of the performance bond that had been enforced, and Euro 51 million plus USD 22 million of additional costs for damages suffered, as well as a declaration of non-liability for penalties due to delay. In addition, Tecnimont requested that the EPC contract be deemed terminated for default by Kesh, reserving the right to submit requests for additional compensation in the same arbitration proceeding. On 4 January 2013 Kesh presented a succinct reply requesting that the matter be preliminarily remitted prior to the evaluation of an adjudicator. This assuming that the EPC contract includes this preliminary step before the matter is dealt with by the arbitration panel. The ICC has given the parties the opportunity to reach an agreement to suspend arbitration and submit the matter to the adjudicator. The contract also provides that the party not satisfied with the evaluation by the adjudicator can still initiate the arbitration. The parties agreed to withdraw the ICC arbitration proceedings in order to allow the start of the preliminary phase before the adjudicator. In February 2014, Tecnimont filed a first application for the adjudicator in relation to the failure by Kesh to fulfill its obligations in connection with the reduction of the performance bond, whilst the preparation of a second application for the adjudicator in connection with the requests submitted during the previous ICC arbitration is currently underway. The adjudicator’s decision on the first request is unlikely to be finalized before summer 2014. At the same time, on 18 February 2014, Tecnimont was summonsed to the court in Albania, in proceedings initiated in October 2012 by Kesh against Intesa Sanpaolo Bank Albania for payment of the residual amount of the performance bond, or rather Euro 4,830,000, payment of which was prevented by the Court of Milan. As things stand, it can be expected that the sentence will not be issued before autumn 2014.

PBG: the dispute relates to precautionary proceedings pursuant to Arts. 700 and 699–*bis et seq.* of the Italian Code of Civil Procedure with a request to participate *inaudita altera parte* instituted before the Court of Milan in the interest of Tecnimont and Sofregaz, against PBG in bankruptcy (“PBG”) and Commerzbank A.G., Milan. This case concerns the attempt by PBG to enforce bank guarantees issued by Commerzbank on behalf of Tecnimont and Sofregaz in favor of PBG, as part of the construction contract in Poland for a cavern gas storage plant between the project Client PGNiG and the consortium formed by PBG, Tecnimont, Sofregaz, Plynostav Pardubice Holding and Plynostav Regulace Plynu. The appeal was successful and therefore the Court of Milan inhibited by Commerzbank to pay in favor of PBG the amounts of PLN 17,276,701 and PLN 10,755,959 brought by the guarantees involved and inhibited PBG to make a request to Commerzbank for such payments. PBG, Tecnimont and Sofregaz signed an agreement on 8 May for the renunciation of the enforcement by PBG and delivery by Tecnimont and Sofregaz of an extension of the Commerzbank bank guarantee until 18 August 2013. All the other matters disputed by the parties were covered by an agreement signed on 10 October 2013. It follows that the trial before the Court of Milan has been interrupted for waiver of the acts by the parties. It should be noted that such an enforcement attempt is part of a framework broader scope where the PGNiG in September 2012 had, in turn, attempted to enforce the guarantee policy issued by the Polish insurance company PZU on behalf of the leader of the consortium PBG. The consortium thus promoted two precautionary proceedings, one before the Court of Warsaw and the other before the Court of Poznan, which aim to obtain suspension of the related payment by the insurance company PZU. Both Courts conceded the injunction of enforcement of the guarantee policy. With regard to the proceedings before the court of Warsaw the injunction was revoked with measure notified on 19 February 2013 and the subsequent proceedings on the merits declared extinct due to waiver by the parties. In light of the waiver by PBG regarding the enforcement of bank guarantees issued by Commerzbank, the Consortium withdrew its application for judgment of the proceedings of Poznan, which consequently was declared closed by order of the Court on 25 June 2013. This latter order has not been challenged by PZU.

NGSC/Iranian Bank of Mines and Industry: in March 2002, Sofregaz signed a contract with the Iranian company NIOC-PEDEC (which in May 2004 was succeeded by NIGC, which in October 2007 then assigned the contract to its subsidiary NGSC). The subject of the contract is the study, design and supervision of the project to convert the Yort-E-Shah plant into an underground gas storage plant. The contractual guarantees for advance payment and performance bonds (each is USD 5.2 million) were issued by the Iranian Bank of Industry and Mine and counter guaranteed by the French bank Natixis. These bonds were not assigned by NIGC to NGSC at the same time as the contract. A partnership agreement was signed between Sofregaz and the Iranian company PEDEX. However, Sofregaz remained solely responsible towards the Client. Pedex also issued advance payment and performance guarantees (each for an amount of USD 2.9 million) to Sofregaz through the Paris Sepah Bank. In August 2008, NGSC terminated the contract with Sofregaz, on the basis of alleged non-fulfillment by Sofregaz. On the same day, SIDGI, a subsidiary of NGSC, asked the Iranian Bank of Industry and Mine for payment of bank guarantees originally issued in favor of the beneficiary NIGC. In September of the same year, in turn, the Iranian Bank of Industry and Mine demanded payment of the advance payment guarantee and performance bond from Natixis. The President of the Commercial Tribunal of Paris, with an order issued in December 2009, forbid Natixis to settle the guarantees on grounds that the request was irregular since it did not originate from the beneficiary (SIDGI instead of NICG). Bank of Mines and Industry lodged an appeal against this decision and the hearing was held in May 2011 at the Paris Court of Appeal. On the basis of the ruling of June 2011, the Court of Appeals surprisingly resolved that the payment request was no irregular and that Sofregaz was not in a position to prove its abusive nature and its fraudulent purpose. Consequently, Natixis was ordered to pay the advance payment and performance bonds. Pedex, in its quality as Sofregaz partner, was liable for 60% of that amount. The French Ministry of Finance, however, forbade the payment. The French Ministry of Finance, however, forbade the payment. The main argument of the appeal is that the payment has not been requested by the recipient but by a third party who requested that such payment be made on their account in place of the recipient. The decision of the Supreme Court was unfavorable for Sofregaz despite the fact that the General Prosecutor at the Court of Cassation had expressed a favorable request to the appeal by Sofregaz.

On 16 January 2014, Sofregaz submitted a request for arbitration to the International Arbitration Court of the ICC against the client NGSC (Natural Gas Storage Company) to obtain the rejection of various compensation claims previously made by NGSC, payment of the outstanding amount of Euro 1,286,339.06 plus interest and withdrawal of the request for payment (or, if payment should already have been made, reimbursement of the relevant amount) of the performance bond concerned by the above-mentioned proceedings in France, and on 27 January it appointed an arbitrator.

Immobiliare Novoli: on 7 July 2007, in relation to the construction of the real estate complex at Novoli (Florence), Tecnimont asked the client Immobiliare Novoli (Real Estate) to pay the balance of the work performed, in addition to compensation for damages and additional costs incurred during work, for a total of more than Euro 30 million. Immobiliare Novoli formulated in turn a claim for damages of approximately Euro 52.7 million. On 27 February 2012, the arbitration award was issued that granted to Tecnimont the right to be paid an amount equal to Euro 10.4 million plus interest, for a total of Euro 16,1 million. In papers served on 18 June 2012, Immobiliare Novoli challenged the award in front of the Court of Appeal in Florence. Pending the appeal, Immobiliare Novoli obtained the temporary suspension of the enforceability of the award for the sum in excess of Euro 3.1 million. The outcome of some enforcement actions, Immobiliare Novoli paid in April 2013, the sum of about Euro 3.5 million.

Comune di Venezia – Manifattura Tabacchi: by a writ of summons on 5 June 2010, the City of Venice sued the *Associazione Temporanea di Imprese* ("ATI", Temporary Association of Companies) composed of Tecnimont (mandate at 59%), Progin and others ("ATI"), as planner of the new law courts in Venice (former *Manifattura Tabacchi,* Tobacco Factory), asking that ATI be obliged to pay damages the City of Venice claimed to have incurred for alleged shortcomings and alleged omissions in the working drawing and specifications (involving, in particular, the lack of chemical analysis of the soil, errors/omissions in the project, buildings and plant, and omitted archeological surveys). The value of damages claimed is Euro 16.9 million. Before the court ATI strongly disputed the matters alleged by the City of Venice. The hearing to examine the technical consultancy prepared during the course of proceedings has been scheduled for 13 December 2013.

ATI Salvatore Matarrese S.p.A. – Olicar S.p.A.: as part of the construction of the Hospital of Alba/Bra, MGR Verduno 2005, the concessionaire of the Hospital ASL 18 Cuneo, awarded the Temporary Association of Companies composed of Salvatore Matarrese S.p.A. and Olicar S.p.A. Matarrese (the "ATI") the contract for construction and plant works for the completion of the hospital. On 12 November 2012 the ATI served MGR Verduno with a summons before the Court of Rome to request cancellation of the contract entered into on 14 October 2008 for alleged numerous and serious breaches by MGR in the conduct of the contract, resulting in MGR being ordered to pay the sum of Euro 37,767,302. MGR Verduno considered the ATI's request unfounded and filed a counterclaim for Euro 194.8 million, requesting the termination of the contract due to serious breach by the ATI and consequent compensation for damages suffered. As part of this dispute, on 27 November 2012 the ATI also filed an appeal with the Court of Rome requesting seizure of MGR's tangible and intangible property and receivables for protective purposes until the case is heard. This seizure request was rejected in its entirety by the Court of Rome by order dated 05 April 2013 due to the absence of legal requirements (lack of both *fumus boni juris* and any *periculum in mora* danger in delay). In October 2013, MGR Verduno 2005 and the ATI reached an overall agreement intended both to ensure the pursuit of the contract and the settlement of the dispute that had arisen. Under this agreement, the case pending before the Court of Rome was abandoned by the parties and the Court declared its extinguishing due to the lack of any legal basis (lack of both *fumus boni juris* and of any *periculum in mora*).

UNITER Consorzio Stabile a r.l. in liquidation: this is a dispute that arose with an application for arbitration on 19 August 2013 made by Uniter Consorzio Stabile a r.l. in liquidation against Tecnimont, in order to obtain compensation for damages it allegedly suffered following the renunciation by the agent Tecnimont, for and on behalf of the temporary grouping of businesses Tecnimont - Consorzio Stabile Uniter, of the award of the tender awarded to General Contractor called by Anas S.p.A. in 2007 to modernize a segment of the A3 Salerno - Reggio Calabria motorway (Macro lot 3, part 2). The claim was initially quantified as approximately 150 million euros. Tecnimont filed an appearance first and foremost claiming lack of capacity to be sued, following the partial spin-off of Tecnimont completed on 31 March 2011, by virtue of which it assigned the Business Unit concerning civil infrastructures and works to a different company of the Group, and this conferral also included the contracts concerned by the dispute.

Subordinately, with respect to the declared lack of capacity to be sued, Tecnimont radically disputed the legitimacy and grounds of the claims made by Uniter, noting that not only were they lacking in grounds but, by contrast, it was Tecnimont that had suffered damages due to the severe breach for which Uniter was liable with respect to the commitments and obligations made between the parties.

Moreover, in Uniter's filing of the brief specifying the requests, five acts of intervention were filed in the interests of ing. Beomonte, Arch. Vermiglio, Avv. Lenoci, Avv. Sgobba and Cilento Ingegneria S.r.l.

Tecnimont asked the Arbitration Panel to declare the inadmissibility and/or impossibility to proceed with the interventions brought by the third parties specified above. Terms for filing the briefs expire on 18 March 2014.

CRIMINAL PROCEEDINGS

Tecnimont and Tecnimont KT – Kinetics Technology S.p.A.: on 21 June 2011, the Public Prosecutor of Milan served at the premises of Tecnimont and Tecnimont KT (i) two warrants to search the offices of two former Tecnimont and Tecnimont KT executives and (ii) at the same time notices of investigation to the former executives and to Tecnimont and Tecnimont KT, for alleged illegal activities pursuant to article 25, paragraphs 2 and 3, of Legislative Decree no. 231/2001. The investigations are at a preliminary stage and are subject to investigation confidentiality. The former executives subject to the search were immediately suspended from their respective positions and, subsequently, both executives resigned. With reference to these proceedings a board of criminal lawyers was appointed to represent the two companies involved, protecting their interests.

CAVET: Maire Engineering (now, Tecnimont) constituted, together with Impregilo S.p.A., a CMC *Cooperativa Muratori and Cementisti* (Cooperation of Construction and Cement Workers) and CRPL (Consortium of Ravenna Production and Labor), the High-Speed Consortium Emilia - Tuscany ("CAVET"), which operates as a consortium contractor for the construction of the high-speed railway Bologna – Florence. The shares of the consortium members are as follows: Impregilo S.p.A. 75.983%, CMC 11.269%, Maire Engineering 8% and CRPL 4.748%. Criminal proceedings are pending against the Directors and certain executives of CAVET, it being understood that the Directors and executives of the Group are not involved in such proceedings. As part of the proceedings with index number 10221/99 and index number 4923/00 RGNR, to which other related proceedings were added, the defendants were accused of crimes of illegal disposal of soil, rocks and mud resulting from the excavation process, as they represented hazardous waste and, from a hydro-geological perspective, impoverishment of and damage to surface and underground water sources. On 3 March 2009 the criminal First Instance trial ended before the Court of Florence, Pontassieve Section, with the court ordering CAVET and some of its Directors and executives jointly and severally liable to pay certain sums to the plaintiffs on a provisional basis for alleged offenses relating to the management of "earth" and "waste". CAVET appealed the ruling before the Court of Florence, Pontassieve Section, on behalf of the Court of Appeal of Florence, and also presented an application for suspension of the provisional court orders, pointing out in a complete manner that their work had been performed correctly. The Court of Appeal of Florence accepted the request for suspension.

TAX LITIGATION

Tax litigation of the Maire Tecnimont Group relates to current tax proceedings in the ordinary course of business activities by the companies of our Group. In the face of such litigation, the Directors have created provisions in the Financial Statements which are considered appropriate.

The following is a summary of the main cases pending with the Inland Revenue at 31 December 2013, based on information currently available.

TECNIMONT S.P.A.: audit for 2006, 2007, 2008

On 24 March 2011, at the conclusion of a tax audit by the *Guardia di Finanza* (Finance Police) concerning IRES (Corporate Income Tax), IRAP (Regional Income Tax), and IVA (VAT) a Formal Notice of Assessment (PVC) was drawn up for the years 2006, 2007, 2008 and 2009. The findings contained in the notice cover two distinct areas:

1. costs for intra-group services;
2. the loss on the FOS project.

The first point concerns the costs of intra-group services for the tax years 2006, 2007, 2008 and 2009, in particular the costs charged to Tecnimont by the parent company, considered by the inspectors as not deductible for IRES and IRAP.

The second point stems from the transfer to Tecnimont, involving assignment to its permanent establishment located in France, of the subjective positions belonging to its subsidiary Sofregaz and arising from a contract ("FOS Contract") and an agreement under French law (SEP Agreement) established for the management of the FOS Contract.

In relation to the first and second points contained in the PVC, the Inland Revenue has notified the Company:

- notice of assessment for the year 2006 regarding the treatment for IRAP and VAT purposes of costs for intra-group services covered by the first point of the PVC, subjecting to IRAP the full amount of the costs deducted (Euro 5,109,000) and noting presumed non-deductibility of the VAT applied to the costs of intra-group services for Euro 1,021,000, as well as applying penalties of Euro 2,470,000. With separate further notice, the presumed non-deductibility of expenses was assessed (Euro 5,116,000, including other minor amounts) also for the purposes of IRES, with penalties of Euro 2,195,000 applied.
- notice of assessment for the year 2007 regarding the treatment for IRAP and VAT purposes of costs for intra-group services and the FOS loss as covered under the first two points of the PVC (equal to Euro 12,346,000 and Euro 17,354,000 respectively), subjecting to IRAP the full amount of the costs deducted and noting the presumed non-deductibility of VAT applied to the costs of intra-group services for Euro 2,469,000, and by applying penalties relating to IRAP and VAT for Euro 8,387,000. With separate further notice, the presumed non-deductibility of expenses was assessed (equal to Euro 12,346,000 and Euro 17,354,000) also for the purpose of IRES, with sanctions for Euro 16,470,000 applied. The latter was also notified to Maire Tecnimont S.p.A. as the consolidating parent entity for IRES.

In relation to these findings, the Tax Authority has notified the Company:

Tecnimont S.p.A. (and Maire Tecnimont S.p.A., as IRES consolidating party) have submitted an appeal against all these notices of assessment (pending discussion before the Provincial Tax Commission of Milan).

It is also noted that the Company has met the Revenue Agency - Regional Directorate of the Lombardy Office, to evaluate the possibility of conciliation. Following the positive evaluation on the existence of such a possibility, the parties submitted a request to defer discussion of the petition to the Milan expert witnesses; the court looked upon the petition favorably and deferred discussion to a date to be defined.

On 29 July 2013, at the conclusion of a tax audit by the Revenue Agency - Regional Directorate of the Lombardy Office, a Formal Notice of Assessment (PVC2013) was drawn up for the years 2008 (extended to 2009, 2010, 2011 for a limited number of cases). The findings presented by the Auditors regard the deductibility of losses relating to certain orders, costs considering as not pertinent, costs relating to staff, goodwill, etc. Please note that in relation to these findings, no requests for payment or notices of assessment have been served.

The Company, with the support of a major law and tax firm, has analyzed the main findings of the PVC 2013, considering that it does not agree with these findings and that the work of the Company is supported by valid defense arguments. Moreover, it is considered that the maximum aggregated liability emerging from said findings and the charges of PVC 2011 is covered by the provision for risks allocated by the Company.

TECNIMONT S.P.A.: Notice of assessment related to IRPEG - IRAP - IVA and withholding taxes for the year 2003

With notice of assessment IRPEG - IRAP - VAT and withholdings for the year 2003, notified to Maire Engineering (merged with Tecnimont S.p.A.), the Inland Revenue has assessed higher IRPEG (Corporate Income Tax) of Euro 4,656,000, additional IRAP of Euro 577,000, additional VAT of Euro 3,129,000, higher withholding tax of Euro 10,000, additional regional tax of Euro 700 and imposed a fine totaling Euro 6,988,000.

The judgment of the Provincial Tax Commission of Turin (almost entirely favorable to the Company) was modified by the judges of the Regional Commission, who allowed the appeal of the Inland Revenue (judgment dated 19 November 2008). Among the points canceled by the Provincial Tax Commission, but then confirmed by the Regional Tax Commission of Turin, attention is drawn to point number 2 (IRPEG), relating to the windfall gain of Euro 12,022,000 deriving from the issuance of the UNCITRAL arbitration award.

An appeal challenging the judgment of the Regional Tax Commission of Turin has been filed before the Supreme Court (to date a hearing date has not been set).

During 2010, the Company was served a tax assessment of Euro 10,443,000, covering the payment of all sums due as a result of the judgment of the Regional Commission of Turin. This sum was partially relieved by the Inland Revenue, for an amount of Euro 16,000, with the residual sum of Euro 10,426,000 paid by the Company on 16 April 2010. On 19 April 2010 the Company filed an appeal against the abovementioned tax roll and tax assessment, also challenging the lawfulness of the part in which payment was requested of taxes already paid in 2005 (as a result of the earnings of the Quetta Fund for Euro 7,060,000 corresponding to IRES of Euro 2,329,000). The Commission of the Province of Turin rejected the above appeals with its judgment of January 2014. The Company reserves the right to submit an appeal before the Court of Cassation: it is stressed that these proceedings aim purely to obtain the reimbursement of that paid (and for which the Company believes it should not have been liable).

It is also pointed out that on 24 November 2009 an appeal was presented to the Inland Revenue of Turin for the refund of taxes already paid in 2005 as a result of the earnings of the Quetta Fund (Euro 2,329,000, plus interest). The Company reserves the right to initiate an appeal before the Tax Commission.

TECNIMONT S.P.A. – IRPEG 2004 tax period

With reference to the 2004 tax year, Tecnimont presented an appeal against a tax assessment issued by Equitalia Esatri S.p.A. for Euro 225,000 to the Provincial Tax Commission of Milan, concerning the IRPEG rate (Corporate Income Tax) applied to income subject to separate taxation in the Form Unico 2005, section RM, from investments in foreign subsidiaries (CFC). On 16 April 2009, the Provincial Tax Commission of Milan upheld the application of the Company. The Regional Tax Court of Lombardy, with a judgment dated 19 January 2011, reformed the judgment of the Provincial Tax Commission upholding the appeal filed by the Revenue Agency - Provincial Directorate of Milan.

In the face of the disputed amount, the Company has set aside a risk provision that adequately reflects the potential liability resulting from the disputed amount. The Company is currently awaiting receipt of the payment notice.

Ingenieria y Construccion Tecnimont Chile y Compania Limitada: tax assessment

It should be noted that in May 2013 of the current year Ingenieria y Construccion Tecnimont Chile y Compania Limitada ("Tecnimont Chile") has been served notification by the Chilean tax authorities of assessments and allegations of a fiscal nature. In particular, the tax authorities have challenged the determination of the taxable profit at 31 December 2011 refusing to recognize the cumulative tax losses at that date (approximately Chilean pesos 71.9 billion), restating the taxable income and demanding tax for about Chilean pesos 4.9 billion. Tecnimont Chile acted promptly to request the annulment of the notification considered unlawful and unfounded, providing new and extensive documentation not previously taken into consideration by the tax authorities.

On the basis of this documentation, on 8 August 2013, the Chilean financial administration partially cancelled the deed, acknowledging the validity of part of the tax losses and almost entirely cancelled all claims for payment made by way of greater tax and interest, previously notified to the Company. Tecnimont Chile has in any case submitted a legal petition to have the deed cancelled in full.

TECNIMONT KT GROUP

VAT 1996 for Euro 43,000

This is a tax credit relating to a bank surety enforced by the Inland Revenue. Following the Company's use of the 2002 tax amnesty, said enforcement was not due, resulting in the obligation to repay the amount enforced for Euro 43,000 thousand. In order to recover this amount an appeal was made to the Provincial Tax Commission of Rome in 2006. Following the judgment in favor of the Company, the Inland Revenue appealed successfully to the Regional Tax Commission in 2008. The Company appealed against this decision to the Supreme Court in June 2009. To date a hearing date has not been set.

Tax assessment in Croatia (FY 2009 for Euro 600 thousand)

On 24 October 2012, following a tax assessment by the local financial administration at the Company's permanent establishment in Croatia in relation to FY 2009, a report was issued which requested additional direct taxes for Euro 235 thousand and additional VAT for Euro 170 thousand plus interest and penalties of Euro 200 thousand (a total of Euro 605 thousand). In January 2013, KT challenged the claims before the competent authority. The Company, supported by the opinion of a leading international law firm, believes the request is totally illegitimate and unfounded.

17. Report on Corporate Governance and Ownership Structure

In compliance with the regulatory obligations provided by article 123-*bis* of the Italian Consolidated Finance Act, every year the Company prepares the "Report on Corporate Governance and Ownership Structure Report", containing a general description of the corporate governance system adopted by the Group and reporting information on ownership structure, including the main governance practices implemented and the characteristics of the internal control and risk management system relating to the financial information process.

The Report is available on the Company's website: www.mairetecnimont.it, in the section "Governance".

18. Treasury Shares and Parent Company Shares

The Group companies do not own, either directly or indirectly, any Treasury shares or shares in the parent companies. Further, none of the Group companies have purchased or sold directly or indirectly any Treasury shares or parent company shares during the year.

19. Going Concern

The Group has achieved a positive result in 2013 of Euro 17.3 million and shows a consolidated net equity of Euro 35,2 million at 31 December 2013. At the same date financial debt amounts to Euro 532 million, only Euro 153 million of which is short-term.

In fact, on 26 July 2013 Maire Tecnimont S.p.A. announced that, as a consequence of the early conclusion of the share capital increase, for a total amount of Euro 150 million, rescheduling agreements with the main creditor banks of the Group became effective for Euro 307 million of debt and Euro 50 million of new finance was paid. According to these agreements, the reimbursement of Euro 357 million will benefit from a two-year grace period, with repayment in semi-annual instalments from 2015 to 31 December 2017. The loans are secured by covenants, as standard practice for this type of operation, of which the first calculation will take place in 2015 with reference to 31 December 2014 figures. Finally the certain facilities in an aggregate amount of Euro 245 million have been confirmed by all the banks, as well as guarantees for a total amount of Euro 765 million in order to support the business.

The share capital increase and provision of new finance allowed the Group to strengthen its financial situation and, particularly, to recapitalize the subsidiary Tecnimont S.p.A.

It should also be noted that for the borrowings not covered by the refinancing, there has been the substantial harmonization of the covenants envisaged with those included in the rescheduling and new finance agreements signed with the Group by the same financial institutions, and, consequently, the medium-long term portion of the relevant loans has been reclassified as non-current liabilities.

The financial reorganization plan of the Group is also based on an industrial plan (2013 - 2017), approved by the Board of Directors on 5 April 2013 and then updated on 13 March 2014, which includes both economic and financial forecasts. The Group, in the same date, revised economic forecasts for the year 2014 (Budget 2014) confirming that the assumptions underneath are in line with the Group strategic view, both in relation to the award of new projects in 2014 and to the implementation of the disposal plan of certain non-strategic assets. Particularly, the Directors believe that the delays in new projects acquisition matured in 2013 can be recover in the following months, also on the basis of the projects awarded during the 2014 first quarter and, as a consequence, they aim at the current year targets as the plan forecasts.

In 2013 the disposal plan of non-core assets has been started. In fact, on 17 June 2013, the Group signed agreements for the sale of two projects in the infrastructure and civil engineering business unit, specifically the CMT (Copenhagen Metro Team I/S) and Consorzio COCIV. Both disposals were later completed for a total amount substantially in line with the cash-in forecasted in the disposal plan.

Disposal activities are still going on and are principally focusing on the sale of the company that owns the Biomass Plant in Olevano di Lomellina, which, despite some delays, various and concrete expressions of interest have been received for. Upon completion of this transaction, that is currently expected within the first half of 2014, in addition with the previously communicated sales about 50% of the whole disposal plan expected until 2016 would have already been achieved.

The financial planning also provides repayment of the oldest overdue payables to suppliers, in order to mitigate the risks associated with late payment on business operations. In this regard it should be noted that at 31 December 2013 the Group had past-due trade payables to suppliers whose older outstanding items amount to Euro 38.3 million; this amount compared with 31 December 2012, has showed an improvement in absolute value, mainly because of agreements with suppliers, which are enabling a gradual payment of older trade payables in line with the achievement of refinancing positive effects.

Based on the initiatives already undertaken and implemented by the Group and on the ones still to be fully implemented, as described above, the assumptions adopted for the sustainability of the industrial plan, were considered reasonably probable to occur.

Considering the overcoming of the tough general economic and financial environment, such considerations have been made on the basis of the plan assumptions, mainly related to the implementation of the targets through the awards of new projects, to the disposal of BiOlevano S.r.l. in a short time, with the related effects on the evolution of forecast cash flows, assuming the December 2014 covenants full compliance.

In this context, the Board of Directors has therefore evaluated as not significant the uncertainties, both individually and as a whole, and has concluded that the mentioned risk factors and the identified uncertainties do not give rise to any doubts about the Group’s ability to operate as a going concern. As a result, the consolidated financial statements for the year ended 31 December 2013 have been prepared on the basis of the going concern assumption.

Lastly, and as a further note of caution, the Directors state that the evolution of the factors that have been considered will be monitored constantly, and, specifically: i) the evolution of financial position; ii) the achievement of economic targets; iii) the awards of orders in accordance with the terms and conditions envisaged; iv) the forecasted disposal plan; and v) the Group's ability to comply with the covenants established by the loan contracts, so as to take the necessary and appropriate action, if circumstances require it.

20. Subsequent events and business outlook 2014

<u>LISTING OF AN EQUITY-LINKED DEBENTURE LOAN FOR A TOTAL OF Euro 80 MILLION, RESERVED TO QUALIFIED INVESTORS</u>

On 13 February 2014 Maire Tecnimont S.p.A. announced that following the approval given by the Board of Directors on 11 February 2014, it had started and successfully completed on that same date the listing of an equity-linked debenture loan (the "Listing") with a term of 5 years, for a total nominal figure of Euro 70 million (the "Bonds"). This amount would have subsequently been able to be increased up to Euro 20 million (for a maximum total of Euro 90 million) in the event of the increase option being exercised by the Company before the pricing date, and by a further Euro 10 million (for a general total of up to Euro 100 million) in the event of the full exercise of the over-allotment option by the joint bookrunners within 3 working days prior to the payment date, scheduled for 20 February 2014.

On 17 February 2014, the joint bookrunners exercised their over-allotment option in full. Consequently, the total nominal value of the bonds was increased from Euro 70 million to Euro 80 million.

The Bonds were settled on 20 February 2014.

The offer was intended exclusively for qualified investors on the Italian and international market, excluding the United States of America, Canada, Japan and Australia or any other jurisdiction in which the offer or sale of Bonds is subject to authorization by local authorities or in any case prohibited by the law.

The listing will enable the Company to obtain a more extensive diversification of the financial resources and optimization of the Company's financial structure through the collection of funds on the capital market. These funds will be used to finance the Company's business, in line with the 2013-2017 business plan approved on 05 April 2013. These funds will not be used to repay bank debt.

The Bonds will become convertible into ordinary shares in the Company (the "Shares") subject to approval by the Company's extraordinary Shareholders' meeting, to be held by 30 June 2014 (the "Long-Stop Date"), of a share capital increase with the exclusion of stock options in accordance with art. 2441, paragraph 5 of the Italian Civil Code, to be reserved exclusively for the conversion of the Bonds (the "Share Capital Increase").

G.L.V. Capital S.p.A., as majority shareholder, has informed the Company that it wishes to vote in favor of the Share Capital Increase.

Following that approval, the Company will issue a specific bond-holder notice (the "Physical Settlement Notice"). In accordance with the Bond regulation (the "Regulation") and as from the date specified on the Physical Settlement Notice, the Company will fulfill any exercise of conversion rights by delivering shares obtained from the Share Capital Increase, without prejudice to the Company's right to make a Net Share Settlement Election (as defined below).

As from 7 March 2018, Maire Tecnimont shall have the right to settle all conversions by making cash payment of an amount up to the nominal value of the Bonds and deliver a number of shares calculated according to the methods specified in the Regulation (the "Net Share Settlement Election").

Moreover, on the Bond maturity date, if the Company has issued a Physical Settlement Notice or has sufficient shares available to it to allocate to this end, the Company shall have the right to deliver a combination of shares and cash, rather than settle the conversion of the Bonds in cash only, in accordance with the methods specified by the Regulation.

If the Share Capital Increase should not be approved by the Long-Stop Date, the Company shall have the right, within 10 working days of the Long-Stop Date, to issue a notice for bond-holders and proceed to make full early redemption of the Bonds with payment (plus interest accrued) of a cash premium calculated in accordance with the methods specified in the Regulation.

The Company has agreed to make a lock-up commitment for up to 90 days after the bond issue date, in line with standard market practice for similar transactions. It is also noted that the Company does not have any own shares in portfolio nor has the Shareholders' meeting appointed the Directors to purchase any own shares. G.L.V. Capital S.p.A. has declared that it wishes to make a similar lock-up commitment to the Company.

The initial Bond conversion price has been established as Euro 2.1898, which constitutes a premium of 35% over the weighted average price of the Company's ordinary shares as recorded on the MTA, between the time of launch and transaction pricing.

The Bonds were issued at par, for a unit nominal value of Euro 100,000; they have a term of 5 years and a fixed annual coupon of 5.75%, payable six-monthly in arrears. If not previously converted, redeemed, purchased or cancelled, the Bonds will be redeemed at par on 20 February 2019.

The Company intends to request the admission to listing of the Bonds on an internationally-recognized regulated or unregulated operative market by the Long-Stop Date.

Banca IMI S.p.A. has acted as Global Coordinator, and with UniCredit Bank AG, Milan Branch, as Joint Bookrunners for the listing and MPS Capital Services Banca per le Imprese S.p.A. as Co- Bookrunner of the listing (together with the Joint Bookrunners, the "Bookrunners").

NEW CONTRACTS

On 20 January 2014, Maire Tecnimont S.p.A. announced that its subsidiary Tecnimont S.p.A. had signed agreements in connection with the development of engineering works for two fertilizer plants in the Russian Federation, in addition to an agreement for the direct negotiation of the EPC contract for one of the two plants. Both plants are owned by EuroChem Mineral and Chemical Company, one of the world's most important agrochemical companies, which mainly produces nitrogen- and phosphate-based fertilizers, in addition to synthetic organic products and iron minerals; its business ranges from mining and the extraction of natural gas through to fertilizer production, logistics and distributions. The first complex, situated in the industrial district of Kingisepp, in the region of St. Petersburg, comprises an ammonium plant with a production capacity of 2,700 tons per day, based on KBR technology, in addition to supporting utilities & off-site facilities. The purpose of the work includes the engineering packages developed by the licensee and the adaptation by a qualified Russian engineering company acting as subcontractor for Tecnimont. Tecnimont has also been appointed by EuroChem as "preferred bidder" for the direct negotiation of the EPC contract for the Kingisepp plant, for which the main terms and conditions have been agreed by the parties. The second complex, situated in the industrial district of Nevinnomyssk, in the region of Stavropol, comprises an ammonium plant with a production capacity of 2,700 tons per day, based on KBR technology, a granular urea plant with a capacity of 3,500 tons per day, based on Stamicarbon technology, the Maire Tecnimont licensing and IP specialist center and supporting utilities & off-site facilities. As concerns this second plant, engineering is already executive and the scope of the work is similar to that of Kingisepp. The total value of the engineering works that are already executive to date is approximately Euro 30 million.

The projects will be developed by Tecnimont in association with Chemoproject Nitrogen, a Czech Republic company that will be acting as subcontractor. Chemoproject Nitrogen boasts numerous examples of the development of prilled and granular urea plants based on Stamicarbon technology. Chemoproject, a member of Safichem Group AG, is the most important Czech engineering company operating in EPC projects in the nitrogen chemical industry. These agreements pave the way of a long-term industrial collaboration with a prestigious client as is EuroChem, better positioning the Maire Tecnimont Group for future investments that may be made by EuroChem in Russia and abroad. These contracts also consolidate the Group's track record in the strategic sector of fertilizers, both as EPC Contractor and Technology Provider. The agreements also represent a further success under the scope of the Group's long-standing presence in Russia, which began with the Gorlovka development back in 1933 of the ammonium plant by Montecatini, at the very start of the Maire Tecnimont Group history. These initiatives also confirm the strategy focused on the involvement, right from the very early stages of large-scale investment decisions made by its clients, as well as in technology-driven activities and a selective EPC approach in the core business and consolidated geographical areas.

On 30 January 2014, Maire Tecnimont S.p.A. announced the award, through its subsidiaries Tecnimont S.p.A., KT – Kinetics Technology S.p.A. and Stamicarbon BV of new service contracts and additions for EP, licensing and technology packages for a total value of approximately Euro 96 million. The contracts, relating to the core business Oil, Gas & Petrochemical and Fertilizers, were acquired in Europe, North America, the Middle East, and East Asia, and confirm the Group's growth strategy in the field of services with high technological content and thus higher margins. These last awards also confirm the validity of the Group's technology-driven business model, thanks to the leadership position enjoyed in the core business and the distinctive competences acknowledged on the markets on which it operates.

On 10 February 2014, Maire Tecnimont S.p.A. has announced that the consortium established between some of its subsidiaries (86%) and the Turkish company Ustay A.S. (14%) has been awarded stage II of the Sonara complex expansion project in Cameroon. The project involves the development of a new hydrocracker complex within the refinery in Limbè (in the south-west of the country). It aims to improve the quality of the refined products, as well as increase plant flexibility overall. The client is SOciété NAtionale de RAffinage (SONARA), the State entity that owns and manages the country's only refinery. The total value of the contract is approximately USD 715 million, of which around USD 612 million pertains to the Maire Tecnimont Group, whose work concerns engineering services for the entire project, procurement, construction of part of the plant and construction supervision and commissioning services. The remainder of the construction works will be carried out by Ustay A.S. Project completion is expected for the second half of 2017. The project was awarded by the Ministry for Public Contracts of Cameroon following an international tender during which the consortium was found to be the most competitive bidder of the numerous important international competitors. Stage II of the project to expand the Sonara complex is considered by the Cameroon government as of strategic importance for the country's development. This important project, moreover, further strengthens the Group's presence in a promising geographical area, as West Africa looks set to be; it also confirms the focus on the core business of Oil & Gas, as well as representing a prestigious reference in the refinement sector.

BUSINESS OUTLOOK 2014

The Group confirms positive margins for 2014, in light of the results for 2013, and after having suffered the negative effects related to the Power BU of the last two years. This objective is driven by the positive performance of the Oil, Gas & Petrochemicals BU in line with the Group strategic guidelines.

The Group envisages the award of new orders in the next few quarters in the Oil, Gas & Petrochemicals BU, confirming the industrial re-positioning which has already generated new orders in 2013 and the early months of 2014.

In the Licensing area the business is expected to grow, which will lead to registration requests for several new patents throughout the year, and in parallel a broader marketing of proprietary technologies.

In the Energy BU the Group is currently developing a new commercial strategy aimed at enhancing its core competencies while mainly focusing on engineering services and EP projects, as confirmed by the latest award, focused on technological alliances with solid construction partners.

The Infrastructure & Civil Engineering BU is currently implementing its turn-around process begun last year and continued in 2013 through the reorganization of its structures in order to both increase its ability to adapt to changing production volumes and enable a more targeted focus with consequent improved ability to respond to the demand for engineering services.

In detail, the development of the business in 2014 is in line with the strategic assumptions of the Group based on a consolidation of the traditional EPC activities, with greater focus on the E and EP components and appropriate leverage on the value of technology and customer service activities, through the exploitation of core competencies that have been a constant characteristic of the Group's position on the market; these industrial policies will also be pursued in new geographical areas such as North America and Africa, where the Group is focusing specific business initiatives.

The Group continues to pursue a cost reduction policy in line with the results already achieved in 2013.

Therefore, the Group confirms its re-focusing on the core business. The previously announced asset disposal plan continues, and further transactions are expected to be completed within the first semester of 2014, first and foremost the Biomass Plant of Olevano di Lomellina, other minor investments and some properties.

21. Parent company operating performance

Maire Tecnimont S.p.A. is a joint-stock company incorporated in Italy registered with the Companies Registrar of Rome as the holding company of Maire Tecnimont Group. Maire Tecnimont S.p.A. closed the financial year ending 31 December 2013 with net loss of Euro 5.3 million, EBITDA of Euro 16 million and net equity of Euro 393 million.

The main increase in non-current assets is a consequence of the recapitalization of the subsidiary Tecnimont S.p.A., net of the write-down of the equity investment in Tecnimont Civil Construction S.p.A. for Euro 20,300 thousand following the impairment testing of the investment value.

Current assets are mainly composed of tax credits from the Inland Revenue for excess IRES and VAT credits, as well as trade receivables from subsidiaries.

Shareholders' equity was 393.099 thousand Euro as of 31 December 2013, up 140,197 thousand Euro with respect to the previous year, due to the share capital increase carried out in 2013 and net of the period loss.

Non-current liabilities has increased by Euro 249,952 thousand; indeed following the conclusion of the share capital increase, the agreements with the main lending banks came into force and Euro 60 million was disbursed in new finance to Maire Tecnimont S.p.A.; this will be repaid as from 2015. Other non-current liabilities refer to amounts due to subsidiaries for inter-company loans. These loans were to a large extent received in order to be able to grant loans to other Group companies requiring liquid funds in order to manage their core business; the major increase is, however, the effect of the assumption of inter-group payables included under the broader scope of the recapitalization of Tecnimont and which were then allocated in July to increasing its capital.

The current liabilities item mainly refers to payables due to subsidiaries for tax and VAT consolidation, the amount is the net balance of advance payments and of tax receivables and payables transferred to the consolidating company by subsidiaries under tax and VAT consolidation. The remaining part relates to the short-term portion of loans and trade payables due to third party suppliers and Group companies not involved by the refinancing.

Statement Of Financial Position

(Values in Euro thousands)	2013	2012
Non-current assets	765,285	358,643
Current assets	74,922	103,172
Total assets	**840.207**	**461,815**
Shareholders' equity	393,099	252,902
Non-current liabilities	296,821	46,869
Current liabilities	150,287	162,044
Shareholders' equity and liabilities	**840,207**	**461,815**

Revenues for the year mainly relate to dividends collected in 2013 from subsidiaries and by earnings from "Intra-group services" provided to the direct subsidiaries.

The income taxes line is positive and mainly consists of the IRES tax loss accrued by the Company during the fiscal year, the benefit of which will be reflected in the Group's tax consolidation.

Income Statement

(Values in Euro thousands)	2013	2012
Total revenues	44,318	42,882
Total costs	(28,352)	(20,559)
Gross operating margin	15,966	22,323
Amortization, depreciation and provisions	(2,861)	(1,093)
Operating Profit (Loss)	13,105	21.230
Financial income	4,441	354
Interest expense	(7,585)	(3,983)
Income/(Costs) on investments	(20,300)	(37,500)
Result before tax	(10,339)	(19,899)
Income taxes, current and deferred	4.979	3.316
Profit (Loss) for the year	**(5,361)**	**(16.583)**
Earnings per share	**(0.018)**	**(0.054)**

The "Reconciliation between the net income of Maire Tecnimont S.p.A. and the Group net income" and the "Reconciliation between the Shareholders' equity of Maire Tecnimont S.p.A. and the Group Shareholders' equity" is included in the Notes to the Consolidated Financial Statements.

22. Proposal of the Board of Directors

Dear Shareholders,

We believe we have fully illustrated the Company's Financial Statements and trust that you agree with the presentation and criteria adopted to prepare the Financial Statements for the fiscal year 2013, which we invite you to approve along with the proposal to carry forward the year's net loss amounting to Euro 5,360,784.19.

Milan, 13 March 2014

The Board of Directors

The Chairman

Consolidated Financial Statements and Explanatory Notes

at 31 December 2013

23. Consolidated Financial Statements

23.1. Consolidated Income Statement

(Values in Euro thousands)	Notes	31 December 2013	31 December 2012
Revenues	27.1	1,572,928	2,135,277
Other operating revenues	27.2	83,245	51,559
Total Revenues		**1,656,173**	**2,186,836**
Raw materials and consumables	27.4	(526,884)	(834,555)
Cost of services	27.5	(679,801)	(1,019,376)
Personnel cost	27.6	(252,151)	(282,365)
Other operating costs	27.7	(81,238)	(209,735)
Total Costs		**(1,540,074)**	**(2,346,031)**
Gross Operating Margin		**116,099**	**(159,195)**
Amortization, depreciation and impairment losses	27.8	(20,339)	(17,411)
Write down of bad debts included in NWC	27.9	(2,889)	(2,513)
Provision for risks and charges	27.9	(2,907)	(8,275)
Operating Profit (Loss)		**89,964**	**(187,394)**
Financial income	27.10	4,221	5,669
Interest expense	27.11	(44,777)	(50,776)
Gains/(Losses) on investments	27.12	709	(46)
Profit (Loss) before tax		**50,117**	**(232,547)**
Income taxes for the year, current and deferred	27.13	(32,774)	24,840
Profit (Loss) for the year		**17,343**	**(207,707)**
Group		16,952	(207,609)
Minorities		391	(98)
Earnings (Loss) per Share	27.14	**0.06**	**(0.68)**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section "Transactions with Related Parties".

23.2. Consolidated Statement of Comprehensive Income

(Values in Euro thousands)	Notes	31 December 2013	31 December 2012
Profit (Loss) for the Year		**17,343**	**(207,707)**
Other comprehensive income (charges) that won't be reclassified in the income/(loss) of the year:			
Actuarial gains (losses)	*28.18*	(829)	(1,717)
Tax impact		228	472
Total other comprehensive income (charges) that won't be reclassified in the income/(loss) of the year:		**(601)**	**(1,245)**
Other comprehensive income (charges) that will be reclassified in the income/(loss) of the year:			
Translation differences	*28.18*	(2,606)	(10,954)
Net valuation of derivatives:			
• Valuation of derivatives	*28.18*	629	11,745
• Tax impact		(173)	(3,230)
Total other comprehensive income (charges) that will be reclassified in the income/(loss) of the year:		**(2,150)**	**(2,439)**
Other Income (Charges) in the Year, Net of Tax Impact		**(2,751)**	**(3,684)**
Comprehensive Income for the Year		**14,592**	**(211,392)**
Attributable to:			
• Group		14,202	(211,293)
• Minorities		391	(98)

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section "Transactions with Related Parties".

23.1. Consolidated Statement of Financial Position

(Values in Euro thousands)	Notes	31 December 2013	31 December 2012
Assets			
Non-current Assets			
Property, plant and equipment	*28.1*	34,970	45,342
Goodwill	*28.2*	291,754	301,754
Other intangible assets	*28.3*	25,223	28,803
Investments in associated companies	*28.4*	2,750	5,772
Financial Instruments - Derivatives	*28.5*	263	10
Other non-current financial assets	*28.6*	15,086	13,065
Other non-current assets	*28.7*	60,122	60,510
Deferred tax assets	*28.8*	86,710	99,890
Total Non-Current Assets		**516,878**	**555,146**
Current Assets			
Inventories	*28.9*	140,134	162,017
Construction contracts	*28.10*	293,896	242,013
Trade receivables	*28.11*	413,031	451,014
Current tax assets	*28.12*	125,477	137,484
Financial Instruments - Derivatives	*28.13*	415	866
Other current financial assets	*28.14*	17,282	44,017
Other current assets	*28.15*	139,613	151,203
Cash and cash equivalents	*28.16*	194,187	433,347
Total Current Assets		**1,324,035**	**1,621,960**
Non-Current Assets classified as held for sale	*28.17*	101,916	169,934
Eliminations of assets from and to assets held for sale	*28.17*	(84,889)	(96,153)
Total Assets		**1,857,940**	**2,250,887**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section “Transactions with Related Parties”.

(Values in Euro thousands)	Notes	31 December 2013	31 December 2012
Shareholders' Equity			
Share capital		19,690	16,125
Share premium reserve		224,698	83,045
Other reserves		59,477	61,730
Valuation reserve		(1,737)	(1,592)
Total shareholders' equity and reserves	*28.18*	**302,128**	**159,307**
Income/(Loss) from previous years		(285,573)	(73,465)
Profit/(Loss) for the Year		16,952	(207,609)
Total Group Shareholders' Equity	*28.18*	**33,507**	**(121,766)**
Minorities		1,688	1,089
Total Shareholders' Equity	*28.18*	**35,195**	**(120,677)**
Non-Current Liabilities			
Medium-long term borrowings	*28.19*	362,766	0
Provisions for risks and charges over 12 months	*28.20*	33,109	35,047
Deferred tax liabilities	*28.8*	21,854	21,219
Post-employment and other employee benefits	*28.21*	15,213	15,436
Other non-current liabilities	*28.22*	17,206	18,995
Financial instruments - Derivatives	*28.23*	81	1,024
Other non-current financial liabilities		0	0
Total Non-Current Liabilities		**450,229**	**91,721**
Current liabilities			
Short-term debt	*28.24*	152,707	687,890
Provisions for risks and charges within 12 months	*28.25*	0	150
Tax payables	*28.26*	38,321	44,345
Financial instruments – Derivatives	*28.27*	6,909	9,829
Other current financial liabilities	*28.28*	9,741	10,738
Client advance payments	*28.29*	114,681	279,916
Construction contracts	*28.30*	289,849	310,006
Trade payables	*28.31*	660,791	771,636
Other current liabilities	*28.32*	93,999	104,803
Total Current Liabilities		**1,366,998**	**2,219,313**
Liabilities directly associated with non-current assets classified as held for sale	*28.17*	90,407	156,684
Eliminations of liabilities from and to liabilities held for sale	*28.17*	(84,889)	(96,153)
Total Shareholders' Equity and Liabilities		**1,857,940**	**2,250,887**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section "Transactions with Related Parties".

24. Consolidated Statement of Changes in Equity

(Values in Euro thousands)	Share Capital	Share Premium Reserve	Other Reserves	Translation Reserve	Valuation Reserve	Income and Loss from previous years	Profit (Loss) for the Year	Group Shareholders' Equity	Minorities	Consolidated Shareholders' Equity – Group and Minorities
Balances at 31 December 2011	**16,125**	**83,045**	**67,141**	**4,701**	**(8,862)**	**223,652**	**(296,376)**	**89,426**	**(42,773)**	**46,653**
Destination of profit/(loss)						(296,376)	296,376	**0**		**0**
Purchase/Sale of treasury shares										
Change in scope of consolidation						(741)		**(741)**	**43,960**	**43,219**
Other changes			841					**841**		**841**
Dividend Distribution										
Total Profit (Loss) for the Year				(10,954)	7,270		(207,609)	**(211,293)**	**(98)**	**(211,391)**
Balances at 31 December 2012	**16,125**	**83,045**	**67,982**	**(6,253)**	**(1,592)**	**(73,465)**	**(207,609)**	**(121,766)**	**1,089**	**(120,677)**

Balances at 31 December 2012	**16,125**	**83,045**	**67,982**	**(6,253)**	**(1,592)**	**(73,465)**	**(207,609)**	**(121,766)**	**1,089**	**(120,677)**
Destination of profit/(loss)						(207,609)	207,609	**-**		**-**
Capital increase	3,565	146,417						**149,982**		**149,982**
Charges related to capital increase net of tax impact		(4,764)						**(4,764)**		**(4,764)**
Option rights sale			355					**355**		**355**
Change in scope of consolidation								**-**		**-**
Other changes						(4,499)		**(4,499)**	**209**	**(4,290)**
Dividend Distribution										
Total Profit (Loss) for the Year				(2,606)	(145)		16,952	**14,198**	**392**	**14,590**
Balances at 31 December 2013	**19,690**	**224,698**	**68,337**	**(8,859)**	**(1,737)**	**(285,573)**	**16,952**	**33,507**	**1,689**	**35,195**

25. Consolidated Statement Of Cash Flows (Indirect Method)

(Values in Euro thousands)	31/12/2013	31/12/2012
Cash and Cash Equivalents at the beginning of the Year (A)	**433,347**	**550,104**
Operations		
Net Income of Group and Minorities	**17,343**	**(207,707)**
Adjustments:		
- Amortization and impairment losses of intangible assets	13,613	10,884
- Depreciation and impairment losses of non-current tangible assets	6,725	6,527
- Provisions	5,797	10,789
- (Revaluation)/Impairment losses	(709)	46
- Financial (Income)/Charges	40,555	45,107
- Income taxes	32,774	(24,840)
- (Capital Gains)/Capital Losses	(218)	(85)
- (Increase)/Decrease in inventories	21,883	172,400
- (Increase)/Decrease in trade receivables	37,984	(46,820)
- (Increase)/Decrease in receivables for construction contracts	(56,083)	85,147
- Increase/(Decrease) in other liabilities	(13,982)	113,281
- (Increase)/Decrease in other assets	4,572	30,208
- Increase/(Decrease) in trade payables	(276,080)	(415,563)
- Increase/(Decrease) in payables for construction contracts	(20,156)	98,617
- Increase/(Decrease) in provisions (including post-employment benefits)	(3,907)	(5,501)
- Income taxes paid	(2,579)	(4,117)
Cash Flow from Operations (B)	**(192,468)**	**(131,627)**
Investments		
(Investments)/Disposal of non-current tangible assets	(565)	(1,571)
(Investments)/Disposals of intangible assets	(2,533)	(7,622)
Investments in associated companies	892	(191)
(Increase)/Decrease in other investments	824	(0)
Cash Flow from Investments (C)	**(1,382)**	**(9,384)**
Financing		
Increase/(Decrease) in bank overdrafts	(136,024)	(67,658)
Change in financial liabilities	(60,949)	87,250
(Increase)/Decrease in securities/bonds	(4,557)	2,374
Change in other financial assets and liabilities	14,118	3,985
Capital increase - Net of Charges	143,217	-
Other reserves	-	1
Cash Flow From Financing (D)	**(44,195)**	**25,951**
Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)	**(238,045)**	**(115,059)**
Cash and Cash Equivalents at the end of the Year (A+B+C+D)	**195,302**	**435,045**
of which: Cash and cash equivalents included in Assets held for sale and Discontinued	1,115	1,698
CASH AND CASH EQUIVALENTS SHOWN IN THE FINANCIAL STATEMENTS AT YEAR END	**194,187**	**433,347**

26. Notes at 31 December 2013

Basis of Preparation

General Information

Maire Tecnimont S.p.A. is a joint-stock company incorporated in Italy registered with the Rome Business Register. The addresses of the registered office and the places in which the Group conducts its principal business activities are listed in the introduction to the Financial Statements.

The Consolidated Financial Statements for 2013 have been prepared in accordance with International Accounting Principles (IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as with the provisions issued in implementation of article 9 of Law 38/2005. IFRS mean also all the revised accounting principles (IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC). The Financial Statements have been prepared according to the historical cost principle, modified as required for the valuation of some financial instruments. The Consolidated Financial Statements as at 31 December 2013 presented herein are denominated in Euros as this is the currency in which most of the Group's transactions are performed. Foreign operations are included in the Consolidated Financial Statements in accordance with the principles described hereunder.

Going Concern

On the basis of what is described in the "Going Concern" section in the Report on Operations, the Directors believe that the Group and the Company have adequate resources to continue operations for the foreseeable future and therefore consider it appropriate to use the going concern principle for the preparation of Consolidated Financial Statements at 31 December 2013.

Accounting Statements

The formats of the Financial Statements adopted by the Group reflect the additions and changes introduced with the application of IAS 1 revised, as described below:

The items on the Statement of Financial position are classified as current and non-current, while those of the Consolidated Income Statement and Consolidated Statement of Comprehensive Income are classified by type. The Consolidated Statement of Cash Flows has been prepared using the indirect method, adjusting net income for the year for non-monetary components. The Statement of Changes in Equity shows total net income (charges) for the year and other changes in the shareholders' equity.

Accounting Principles, Amendments and IFRS Interpretations Starting from January 2013

The following accounting standards, amendments and interpretations were applied by the Group for the first time as from 1 January 2013:

On 12 May 2011, the IASB issued IFRS 13 - Fair Value Measurement, which defines a single framework for measuring fair value, required or permitted by other Standards, and related disclosures of Financial Statements. Fair value is defined as the price that may be received to sell an asset (or to be paid to transfer a liability) as part of an orderly transaction between market operators at the valuation date. This principle shall be applied prospectively; adoption of this amendment did not have any significant effects on the valuation of the Statement of Financial Position items in the Report herewith.

On 16 December 2011 the IASB issued some amendments to IFRS 7 – Financial Instruments: additional information. The amendments require disclosures on the effects or potential effects of financial assets and liabilities offsetting the Statement of Financial Position data of a company carried out in accordance with IAS 32. Disclosures are to be provided retrospectively. The adoption of the amendment had no effect on the disclosure given in this Report.

On 16 June 2011 the IASB issued an amendment to IAS 1 – Presentation of Financial Statements to call on companies to group all items in the Prospectus under total "Other comprehensive income" in two categories based on whether they can be subsequently reclassified in the Income Statement. Related taxes shall be allocated on the same basis. The adoption of these amendments did not have any effect on the valuation of Statement of Financial Position items and had only limited effects on the information provided in the Report herewith.

On 16 June 2011 the IASB issued an amendment to IAS 19 – Employee Benefits that eliminates the possibility of postponing the recognition of actuarial gains or losses through the corridor approach, by requiring the recording of actuarial gains and losses in the Prospectus among "Other comprehensive income" so that the full amount net of provisions for defined benefits (net of assets servicing the plan) is recorded in the consolidated Statement of Financial Position data. The amendment also introduces additional information to be supplied in the notes. The amendment is retrospectively applicable. The adoption of this amendment did not have any effect on the valuation of Statement of Financial Position items in the Report herewith.

On 17 May 2012, the IASB published the Annual Improvements to IFRSs document: 2009-2011 Cycle, covering modifications to principles as part of the annual process of improving them, focusing on changes assessed as necessary, but not urgent. Below are those that involve a change in the presentation, recognition and measurement of assets and liabilities, excluding those that involve only a change in terminology or editorial changes with minimal effect on the accounts, or those that affect standards or interpretations not applicable to the Group:

• IAS 1 Presentation of Financial Statements - Comparative Information: it is clarified that in case additional comparative information is provided, it must be presented in accordance with IAS/IFRS. Moreover, it is clarified that should any entity modify an accounting principle or make a retrospective adjustment/restatement, the same entity shall present a Statement of Financial Position also in the beginning of the comparative period ("third Statement of Financial Position" in the Financial Statements), while no comparative disclosures also for such "third Statement of Financial Position" are not requested, apart from the items concerned.

• IAS 16 Property, plant and equipment - Classification of servicing equipment: it is clarified that servicing equipment shall be classified as Property, plant and equipment when used for more than one year, or otherwise in inventories.

• IAS 32 Financial Instruments: Presentation in the Statements - Direct taxes on distributions to holders of equity instruments and transaction costs on capital instruments: it is clarified that direct taxes relating to these cases, follow the rules of IAS 12.

• IAS 34 Interim Financial Statements - Total assets for a reportable segment: it is clarified that the total assets shall be reported only if such information is regularly provided to the chief operating decision maker of the entity and there has been a material change in the total assets of the segment compared to as reported in the last annual Financial Statements.

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT APPLIED BY THE GROUP BEFORE THE EFFECTIVE DATE

The Group has not opted for early adoption of the following standards, amendments and interpretations to existing standards and endorsed by the EU, mandatory for Financial Statements beginning on or after 1 January 2013 and for which the Group is assessing the possible effects that might arise from the adoption of the same.

IFRS 10 - Consolidated Financial Statements 1 January 2014; Changes to Consolidated Financial Statements Amendments, Joint Arrangements to IFRS 10, IFRS 11 and IFRS 12 and Disclosure of Interests in Other Entities: Transition Guidance; IFRS 11 Joint Arrangements 1 January 2014; IFRS 12 Disclosure of Interests in Other Entities 1 January 2014 Changes to the amendments to IAS 32 Financial Instruments 1 January 2014.

Furthermore, the Group is assessing the possible effects which might result from application of the following principles, for which, at the date of approval of this consolidated interim financial report, the competent bodies of the EU have not yet completed the endorsement process.

IFRS 9 - Financial Instruments 1 January 2015 IFRIC 21 - Levies 1 January 2014; Amendments, Changes to IFRS 10, IFRS 12 and IAS 27 "Investments Entities" 1 January 2014; IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets 1 January 2014; IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting 1 January 2014.

ACCOUNTING PRINCIPLES, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

At the date of these Consolidated Financial Statements the EU competent authorities have not yet completed the standardization process required to adopt the accounting principles and amendments described below.

- On 20 May 2013, the interpretation IFRIC 21 - Levies was published, clarifying the time when a liability connected with taxes imposed by a government entity should be booked, both for those booked in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* and for taxes for which timing and amount are certain.
- On 12 November 2009, the IASB published standard IFRS 9 – Financial Instruments: the standard was then amended on 28 October 2010. The principle, retrospectively applicable as of 1 January 2015, is the first step of a gradual process to completely replace IAS 39 and introduces new requirements for the classification and valuation of financial assets and liabilities. In particular, with regard to financial assets, the new principle replaces the various requirements of IAS 39 by adopting exclusively one approach to determine the criteria for the measurement thereof, based on the methods used to manage the financial instruments and on the contractual cash-flow characteristics of the financial assets. In terms of financial liabilities, the main modification introduced concerns the recognition of variations in the fair value of financial liabilities measured at fair value in the Income Statement whenever these variations are due to a change in their creditworthiness. According to the new standard, these changes must be recognized on the Statement of "Other comprehensive income/(loss)", and may no longer be recognized in the Income Statement.
- On 19 November 2013, the IASB published the document "IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39" in relation to the requirements of the new hedge accounting model. The document aims to respond to criticisms made of the requirements laid down by IAS 39, often considered as overly restrictive and not able to suitably reflect the entity's risk management policies. The main changes concern:

    - changes to the types of transactions eligible for hedge accounting, in particular extending the risks of non-financial assets/liabilities that can be eligible for management under hedge accounting;
    - change to the way in which forward contracts and derivative options are booked when they are included in a hedge accounting relationship in order to reduce P/L volatility;
    - change to the effectiveness test insofar as the current form will be replaced by the principle of "economic relationship" between the item hedged and the hedging instrument; moreover, there will no longer be any need for an evaluation of the retrospective effectiveness of the hedge;
    - greater flexibility in the new accounting rules offset by the additional requests for information on the company's risk management activities.

- On 12 December 2013, the IASB published the "Annual Improvements to IFRSs: 2010-2012 cycle", covering modifications to principles as part of the annual process of improving them. The main changes are:
    - IFRS 2 *Share Based Payments – Definition of vesting condition*. Changes have been made to the definitions of "vesting condition" and "market condition" and additional definitions of "performance condition" and "service condition" given (previously included under the definition of "vesting condition")
    - IFRS 3 *Business Combination – Accounting for contingent consideration*. The change clarifies that a "contingent consideration" classified as a financial asset or liability must be measured at fair value at each year end date; the changes in fair value are then noted on the Income Statement or amongst the items of the comprehensive Income Statement according to the requirements of IAS 39 (or IFRS 9).
    - IFRS 8 *Operating segments – Aggregation of operating segments*. The changes require an entity to provide information on management's considerations in applying the aggregation criteria of operating segments, including a description of the operating segments that have been aggregated and the economic indicators considered in determining whether or not said operating segments have "similar economic characteristics".
    - IFRS 8 *Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets*. The changes clarify that the reconciliation of total assets of operating segments and total assets of the entity must only be presented if the total assets of the operating segments is regularly revised by the higher operating decision-making level.
    - IFRS 13 *Fair Value Measurement – Short-term receivables and payables*. The Basis for Conclusions have been amended to clarify that with the issue of IFRS 13 and the consequent amendments to IAS 39 and IFRS 9, the possibility of booking current receivables and payables without needing to book the effects of discounting remains valid, if said effects are immaterial.
    - IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated amortization/depreciation*. The changes have eliminated the incoherency in the recording of amortization/depreciation provisions when a tangible or intangible asset is revalued. The new requirements clarify that the gross book value shall be adjusted consistently with the revaluation of the asset's book value and that the provision for amortization/depreciation shall be the difference between the gross book value and the book value net of impairment recorded.
    - IAS 24 *Related Parties Disclosures – Key management personnel*. It is clarified that if the services of key managers are provided by an entity (i.e. not by a natural person), said entity shall be considered as a related party.

  The changes apply as from financial years starting on or after 1 July 2014. Early application is allowed.

- On 12 December 2013, the IASB published the "Annual Improvements to IFRSs: 2011-2013 cycle", covering modifications to principles as part of the annual process of improving them. The main changes are:
    - IFRS 1 *First-time Adoption of International Financial Reporting Standards – Meaning of "effective IFRS"*. It is clarified that the entity adopting the IFRSs for the first time, as an alternative to the application of a standard currently in force as at the date of the first IAS/IFRS Financial Statements, may opt for the early application of a new standard set to replace the standard in force. This option is permitted when the new standard allows for early application. The same version of the standard must be applied in all periods presented in the first IAS/IFRS Financial Statements.
    - IFRS 3 *Business Combinations – Scope exception for joint ventures*. The change clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangements, as defined by IFRS 11, from the scope of application of IFRS 3.
    - IFRS 13 *Fair Value Measurement – Scope of portfolio exception* (par. 52). The change clarifies that the portfolio exception included in paragraph 52 of IFRS 13
      Applies to all contracts included under the scope of application of IAS 39 (or IFRS 9), regardless of whether or not they comply with the definition of financial assets and liabilities provided by IAS 32.
    - IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. The change clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether or not the purchase of a property comes under the scope of application of IFRS 3, reference must be made to the specific indications given by IFRS 3; in order, instead, to determine whether or not the purchase comes under the scope of IAS 40, reference must be made to the specific indications of IAS 40.
- The changes apply as from financial years starting on or after 1 July 2014. Early application is allowed.

SCOPE OF CONSOLIDATION

In addition to the parent company, Maire Tecnimont S.p.A, the scope of consolidation includes the direct and indirect subsidiaries of Maire Tecnimont S.p.A. In particular, entities are consolidated when Maire Tecnimont S.p.A. exercises control over them, either through the direct or indirect share ownership of the majority of votes exercisable in the Shareholders' meeting or when it exercises a significant influence expressed by the power to determine the financial and management decisions of the company/entity, obtaining the related benefits regardless of the existence of any share ownership. Entities are excluded from line-by-line consolidation if the inclusion thereof, in terms of operating dynamics (for example, companies not yet or no longer operating and companies for which the liquidation process appears nearly concluded), would be irrelevant to the accurate presentation of the Group's earnings, cash flow and financial position from both the qualitative and the quantitative perspective. Joint ventures, in which two or more parties start a business enterprise subject to joint control, are consolidated using the proportionate method. All subsidiaries are included in the scope of consolidation from the date on which the Group acquires control. Companies are excluded from the scope of consolidation as from the date on which the Group transfers control.

The following changes in the scope of consolidation have occurred:

- On 10 October 2013, Maire Tecnimont S.p.A. announced completion of the sale of the Metro Copenhagen project to Salini S.p.A. (following to the termination of the contract with Impregilo S.p.A.) of the stake equal to approximately 40% held by the subsidiary Tecnimont Civil Construction S.p.A. in CMT (Copenhagen Metro Team I/S), the special purpose vehicle for the construction of the Copenhagen Underground, which has consequently been deconsolidated.

- KT was chosen by Pemex Refinacion as assignee of the turnkey project of the new hydrogen unit of the Cadereyta, Mexico refinery, together with the Spanish business OHL industrial, OHL Industrial Mexico, Ecolaire (companies of the OHL group) and the Mexican Costrucion Industrial TAPIA. Under this scope, the company UTE Hidrogeno Cadereyta, held 43% which has been consolidated using the proportional method, has been established in Spain.

  None of the abovementioned changes had a significant effect on the Group.

  As mentioned previously, in considering them irrelevant in terms of the truthful and correct representation of the Group's economic, equity and financial position and of no particular use to the financial statement users (as qualified by the "Framework for the Preparation and Presentation of Financial Statements" published by the IFRS), the subsidiaries listed below have not been consolidated, considering their current state of inoperativeness, or economic irrelevance, or the liquidation procedures underway:

- Federico Due S.c.a.r.l., Svincolo Taccone S.c.a.r.l., Ravizza S.c.a.r.l., Parco Grande S.c.a.r.l., Tecnimont Mexico, Program International S.r.l., Tecnimont USA INC.

For the purpose of preparing the consolidated information in accordance with IFRS, all the consolidated companies have prepared a specific reporting package based on the IFRS principles adopted by the Group, as illustrated below, restating and/or adjusting the accounting data approved by the competent corporate bodies of the respective companies.

Consolidation is based on the following criteria and methods:

a) adoption of the line-by-line consolidation method, consisting of the full incorporation of the assets, liabilities, costs and revenue, regardless of the percentage owned;
b) adoption of the proportionate consolidation method, consisting of the full incorporation of the assets, liabilities, costs and revenue, according to the percentage owned;
c) elimination of intra-group items arising from financial transactions between Group companies, including the elimination of any potential gains or losses not yet realized arising from transactions between consolidated companies and recognizing the ensuing deferred tax implications;
d) elimination of intra-Group dividends and subsequent reallocation to the initial shareholders' equity reserves;
e) elimination of the book value of the holdings in companies included in the scope of consolidation, along with the corresponding share of net equity and the allocation of the positive and/or negative differences arising in relation to the various items affected (assets, liabilities and shareholders' equity), defined according to the award date of the holding and the subsequent changes occurring;
f) the presentation of those parts of the equity, reserves, and profits or losses attributable to minority shareholders, in appropriate sections in the Income Statement and shareholders' equity; and
g) the adoption of the translation method at current exchange rates for foreign companies whose Financial Statements are prepared in an operating currency other than the euro, involving the translation of all monetary assets and liabilities at year-end exchange rates and Income Statement items at the average exchange rate for the year. The balance arising from conversion is recognized among the shareholders' equity reserve.

The exchange rates used for the translation of the Financial Statements prepared in foreign currencies are those published by UIC (Italian Foreign Exchange Office), as shown in the table below:

Exchange rates	January-December 13	31/12/2013	January-December ` 12	31/12/2012
Euro/U.S. Dollar	1.328120	1.37910	1.284790	1.3194
Euro/Brazil Real	2.868660	3.25760	2.50844	2.7036
Euro/Indian Rupee	77.930	85.3660	68.59730	72.56
Euro/Nigerian Naira	211.551	220.886092	204.051	206.104
Euro/New Chilean Peso	658.3240	724.768766	624.801	631.729
Euro/Russian Rouble	42.3370	45.32460	39.9262	40.3295
Euro/Saudi Riyal	4.980860	5.172420	4.81826	4.94838
Euro/Polish Zloty	4.197490	4.15430	4.18474	4.074
Euro/Yen	129.6630	144.720	102.492	113.61

The tables below show the scope of consolidation at 31 December 2013:

Companies consolidated using the line-by-line method:

Consolidated Company	Consolidation method	HQ/Country	Currency	Share capital	% Group Ownership	Through:	
Maire Tecnimont S.p.A.	Line-by-line	Italy (Rome)	EUR	19,689,550	–	Parent Company	
Tecnimont S.p.A.	Line-by-line	Italy (Milan)	EUR	1,000,000	100%	Maire Tecnimont S.p.A.	100%
Tecnimont Civil Construction S.p.A.	Line-by-line	Italy	EUR	6,000,000	100%	Maire Tecnimont S.p.A.	100%
Met NewEN S.p.A.	Line-by-line	Italy	EUR	6,000,000	100%	Maire Tecnimont S.p.A.	99%
						Tecnimont Civil Construction S.p.A.	1%
BiOlevano S.r.l.	Line-by-line	Italy	EUR	5,000,000	100%	Met NewEN S.p.A.	90%
						Protecma S.r.l.	10%
Stamicarbon B.V.	Line-by-line	Netherlands	EUR	9,080,000	100%	Maire Tecnimont S.p.A.	100%
Noy Engineering S.r.l.	Line-by-line	Italy	EUR	100,000	100%	Stamicarbon B.V.	100%
KT S.p.A. (former Tecnimont KT Kinetics Technology S.p.A.)	Line-by-line	Italy	EUR	6,000,000	100%	Maire Tecnimont S.p.A.	100%
Processi Innovativi S.r.l.	Line-by-line	Italy	EUR	45,000	56.67%	KT S.p.A.	56.67%
KTI Immobiliare S.r.l.	Line-by-line	Italy	EUR	100,000	100%	KT S.p.A.	100%
K.T Iberia S.L	Line-by-line	Spain	EUR	10,000	100%	KT S.p.A.	100%
KTI Arabia LLC	Line-by-line	Saudi Arabia	Rial	500,000	70%	KT S.p.A.	70%
Sofregaz S.A.	Line-by-line	France	EUR	3,000,000	100%	Tecnimont S.p.A.	100%
TPI Tecnimont Planung und Industrieanlagenbau Gmbh	Line-by-line	Germany	EUR	260,000	100%	Tecnimont S.p.A.	100%
Tws S.A.	Line-by-line	Switzerland	EUR	507,900	100%	T.p.i.	100%
Imm.Lux. S.A.	Line-by-line	Luxembourg	EUR	780,000	100%	Tecnimont S.p.A.	100%
Protecma S.r.l.	Line-by-line	Italy	EUR	3,000,000	100%	Tecnimont S.p.A.	100%
Empresa Madrilena de Ingegnerìa y Construcciòn S.A.	Line-by-line	Spain	EUR	60,110	100%	Tecnimont S.p.A.	100%
Tecnimont Poland Sp.Zo.o	Line-by-line	Poland	Plz	50,000	100%	Tecnimont S.p.A.	100%
Tecnimont Arabia Ltd.	Line-by-line	Saudi Arabia	Rial	5,500,000	100%	Tecnimont S.p.A.	100%
Tecnimont Nigeria Ltd.	Line-by-line	Nigeria	Naire	10,000,000	55%	Tecnimont S.p.A.	55%

Consolidated Company	Consolidation method	HQ/Country	Currency	Share capital	% Group Ownership	Through:	
Tecnimont Russia	Line-by-line	Russia	RUR	18,000,000	100%	Tecnimont S.p.A.	99%
						TPI Tecnimont Planung und Industrieanlagenbau Gmbh	1%
Tecnimont ICB Pvt. Ltd.	Line-by-line	India	Indian Rupee	13,886,700	100%	Tecnimont S.p.A.	100%
Tecnimont do Brasil Ltda.	Line-by-line	Brasil	Real	322,860,535,52	100%	Tecnimont S.p.A.	98.752%
	Line-by-line					Maire Engineering France S.A.	1.248%
Tecnimont Chile Ltda.		Chile	Pesos	277,934,149	99,92%	Tecnimont do Brasil Ltda.	99.92%
Consorcio ME Ivai	Line-by-line	Brasil	Real	0	65%	Tecnimont do Brasil Ltda.	65%
Maire Engineering Sapezal	Line-by-line	Brasil	Real	1,500,000	100%	Tecnimont do Brasil Ltda.	100%
Maire Engineering France S.A.	Line-by-line	France	EUR	680,000	99,98%	Tecnimont S.p.A.	99.98%
Transfima S.p.A.	Line-by-line	Italy	EUR	1,020,000	51%	Tecnimont Civil Construction S.p.A.	51%
Transfima G.E.I.E.	Line-by-line	Italy	EUR	250,000	50,65%	Tecnimont Civil Construction S.p.A	43%
	Line-by-line					Transfima S.p.A.	7.65%
Japigia 2000 S.r.l.	Line-by-line	Italy	EUR	98,000	95%	Tecnimont Civil Construction S.p.A	95%
Cefalù 20 S.c.a.r.l.	Line-by-line	Italy	EUR	20,000,000	99,99%	Tecnimont Civil Construction S.p.A	99.99%
Corace S.c.a.r.l.	Line-by-line	Italy	EUR	10,000	65%	Tecnimont Civil Construction S.p.A	65%
MGR Verduno 2005 S.p.A.	Line-by-line	Italia	EUR	600,000	94,708%	Tecnimont Civil Construction S.p.A	94.708%
ML 3000 S.c.a.r.l.	Line-by-line	Italy	EUR	10,000	51%	Tecnimont Civil Construction S.p.A	51%
Birillo 2007 S.c.a.r.l.	Line-by-line	Italy	EUR	600,000	100%	Tecnimont Civil Construction S.p.A	98%
	Line-by-line					MST S.r.l.	2%
Coav S.c.a.r.l.	Line-by-line	Italy	EUR	25,500	51%	Tecnimont Civil Construction S.p.A	51%
MST S.r.l.	Line-by-line	Italy	EUR	400,000	100%	Tecnimont S.p.A.	100%

Companies consolidated using the proportionate method:

Consolidated Company	Consolidation Method	HQ/Country	Currency	Share Capital	% Group Ownership	Through:	
JTS Contracting Company Ltd	Proportionate	Malta	EUR	100,000	45%	Tecnimont S.p.A.	35%
						Sofregaz S.A.	10%
Sep FOS(*)	Proportionate	France	EUR	-	50%	Tecnimont S.p.A.	49%
						Sofregaz S.A.	1%
Consorzio Turbigo 800	Proportionate	Italy	EUR	100,000	50%	Tecnimont S.p.A.	50%
TSJ Limited(*)	Proportionate	Malta	USD	123,630	55%	Tecnimont S.p.A.	55%
JV Gasco(*)	Proportionate	United Arab Emirates	USD	-	50%	Tecnimont S.p.A.	50%
JO Saipem-Dodsal-Tecnimont (*)	Proportionate	United Arab Emirates	AED		32%	Tecnimont S.p.A.	32%
UTE Hidrogeno Cadereyta(*)	Proportionate	Spain	Eur	6,000	43%	KT S.p.A	43%

(*) *Indicates joint ventures/joint arrangements established with the purpose of managing a specific contract.*

Accounting policies

The key accounting policies adopted for the Financial Statements are described below.

Business Combinations

Acquisitions of subsidiaries are accounted for in accordance with the acquisition method. The purchase price is the sum of the current values, on the date of acquisition, of the assets acquired, the liabilities incurred or undertaken and the financial instruments issued by the Group in exchange for management the acquired company.

When the assets, liabilities and identifiable potential liabilities of the acquired company are recognized under IFRS 3, these are recognized at their current values on the date of acquisition, except for non-current assets (or Groups being divested), which are classified as held to sale in agreed with IFRS 5, which are reported and valued at current values, less sale costs.

Goodwill deriving from an acquisition is recorded as an asset and initially valued at cost, calculated as the excess of purchase cost over the Group's share of the current value of recorded assets, liabilities and identifiable contingent liabilities. If, after these values are recalculated, it is the case that the Group's share of the current value of assets, liabilities and identifiable contingent liabilities exceeds the purchase cost, the difference is immediately charged to the income Statement.

Minority interests in the acquired company are initially valued as being equal to their share in the current values of recognized assets, liabilities and contingent liabilities.

Investments in Associated Companies

An associated company is a company that the Group does not control or jointly control but over which it has a significant influence by participating in decisions relating to the Company's financial and operating policies.

Operating results, assets and liabilities of associated companies are recognized in the Consolidated Financial Statements using the equity method, except where such items are held for sale, in which case they are accounted for separately in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

In according with this method, investments in associated companies are recognized in the Statement of Financial Position at cost, adjusted for changes in the associated companies' net assets after the acquisition, net of any impairment on individual investments. Any losses of associated companies that exceed the Group's interest in the same (inclusive of medium-long term interest basically forming part of the Group's net investment in the associated company) are not recognized, unless the Group has taken an obligation to cover such losses.

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Group undertakes, together with other parties, an economic activity that is subject to joint control. Joint control is understood as the contractually shared control over a business activity and exists solely when strategic, financial and operational decisions connected to the business require the full consent of all the parties that share such control.

When a Group company conducts its business directly through joint venture agreements, the assets and liabilities jointly controlled with other parties are reported in the Consolidated Financial Statements of the company based on the Group's percentage share and classified by type. Liabilities and costs incurred in direct connection with operations that are subject to joint control are reported on an accrual basis. The portion of profit deriving from the sale or use of resources generated by the joint venture, net of the relevant portion of costs, is recognized when it is probable that the Group will benefit from the economic rewards of such transactions and their amount can be reliably calculated.

Joint venture agreements that entail the establishment of a separate entity in which each party has a shareholding are called jointly-controlled investments. These are accounted for by the Group using the proportionate consolidation method, under which the Group's share in the jointly-controlled venture's assets, liabilities, costs and revenue are consolidated line-by-line with the corresponding Consolidated Financial Statement items.

In transactions between a Group company and a jointly-controlled venture, unrealized profits and losses are eliminated to the extent of the Group's percentage share in the jointly-controlled venture, except in cases where unrealized losses constitute evidence of a reduction in value in the transferred asset.

GOODWILL

Goodwill deriving from the acquisition of a subsidiary or a jointly-controlled venture represents the excess of purchase cost over the Group's percentage of the fair value of assets, liabilities and identifiable contingent liabilities of the subsidiary or jointly-controlled venture on the acquisition date. Goodwill is recognized as an asset and tested annually for impairment.

Impairment losses are charged immediately to the Income Statement and are not subsequently reversed, in accordance with IAS 36 - Impairment of Assets.

For the purpose of impairment testing, goodwill acquired in a business combination transaction must be allocated to each cash-generating unit in the acquiring company, or groups of cash generating units, that are expected to benefit from aggregation synergies. When the recoverable amount of cash-generating units (or groups of cash-generating units) is lower than the book value, goodwill is written down.

In the event of disposal of a subsidiary or jointly-controlled venture, the portion of goodwill attributable to it is included in the calculation of gains or losses arising from the disposal.

Goodwill arising from awards made prior to the date of transition to IFRS remain stated at the value determined in application of Italian GAAP at such date, and were tested for impairment on the same date.

NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets (and groups of assets being disposed of) are classified as held for sale when it is expected that their book value will be recovered by selling the asset rather than using it for the Company's operations. This condition is met solely when the sale is very likely, the asset (or group of assets) is available for immediate sale in its current state and senior management has undertaken a commitment to sell the asset, with the sale expected to take place within 12 months of the date when the item was classified as being held for sale.

Non-current assets (and groups of assets being disposed of) that are classified as held for sale are valued at the lower of the previous book value and the market value less disposal costs.

REVENUE RECOGNITION

Operating revenue is valued at the fair value of the sum received net of returns, discounts, allowances and premiums, as follows:

- sales revenues, when the risks and rewards are transferred by ownership;
- services revenues, at the time the service is provided.

The Group classifies the differences in exchange rates arising from commercial transactions under operating income, and, more specifically, in the item "Other operating revenue" or "Other operating costs", according to whether the net effect is positive or negative, with detail provided in the notes to the financial statement.

Construction contracts

When the outcome of a construction contract can be reliably estimated, the related revenue and costs must be recognized using the cost-to-cost method, i.e. in proportion to the percentage of completion of works at the Statement of Financial Position date, measured as the ratio between the costs incurred for the works carried out and the total estimated contract cost.

Given the technical complexity, the size and the duration of construction projects, the additional compensations, contract changes, price revisions and incentives are included to the extent that they have been agreed upon with the client. As for the valuation of these elements, the Company recognizes revenue only if there is an advanced negotiation process where it is likely that the customer is willing to accept these changes and it is possible to quantify the potential amounts that the customer might potentially accept.

When the outcome of a construction contract cannot be reliably estimated, the related revenues are recognized to the extent that incurred contract costs are likely to be recovered. Contract costs are recognized as expenses in the financial period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense.

Property, plant and equipment

Property, plant and equipment used for the production or the supply of goods and services are recognized at their historical cost, inclusive of any additional charges and direct costs required to make the asset available for use.

Property, plant and equipment are recognized at cost, net of accumulated amortization/depreciation and any impairment losses.

Property is recorded at fair value at the date of the revaluation less any subsequent accumulated amortization/depreciation and any subsequent accumulated impairment, and is depreciated over its estimated useful life. Annually, property values are recalculated based on an independent expert appraisal. The positive/negative difference is recorded in revaluation surplus under equity.

Amortization/depreciation is calculated on a straight-line basis by applying the following rates on the cost of the assets over their estimated useful life, which is reviewed annually:

Asset Category	Depreciation Rate
Land	0%
Buildings	from 2% to 10%
Plant and equipment	from 7.5% to 15%
Industrial and commercial equipment	15%
Furniture and fittings	12%
IT equipment	20%
Vehicles	from 20% to 25%

Gains and losses deriving from the sale or disposal of assets are measured as the difference between the sale price and the net book value and are recorded in the Income Statement for the year.

Ordinary maintenance expenses are fully recognized in the Income Statement.

Interventions to improve an asset with respect to its original verified condition are capitalized and depreciated in proportion to the residual useful life thereof.

The cost of improvements on goods leased from third parties that meet the prerequisites for being recognized as assets are reported under tangible fixed assets and depreciated at the shorter of the residual length of the concession and the residual useful life of the asset.

Leased assets

The leasing contracts under which the Group where there is not the transfer of the all the risks and rewards of ownership are considered as operating leases.

Payments for operating leases are recognized on a straight-line basis over the duration of the contract.

Grants

Government grants are reported when it is reasonably certain that these will be received and that all the relative conditions are met.

Capitalized government grants related to tangible fixed assets are recognized as a direct deduction of the relative asset. The value of an asset is adjusted by systematic amortization/depreciation, calculated in relation to its possible residual use based on its useful life.

INTANGIBLE ASSETS

Intangible assets purchased separately are shown at cost less amortization/depreciation and impairment. Amortization/depreciation is charged on a straight line basis over the estimated useful life of the asset. The amortization/depreciation method and the residual life are reviewed at the end of each reporting period. The effects of changes in the amortization/depreciation method and the residual useful life are reflected in the accounting treatment going forward rather than retrospectively.

Internally generated tangible assets – Research and development costs

Research costs are charged to the Income Statement in the period in which they are incurred.

Intangible assets generated internally as a result of development as part of an internal project within the Group are only recorded as assets when all the following conditions are met:

- There is the technical possibility of completing the intangible asset and making it available for use or sale;
- There is the intention to complete the intangible asset and to use or sell it;
- The ability to use or sell the intangible asset exists;
- It is probable that the asset created will generate future economic benefits;
- The technical, financial and other resources exist to complete the development and use or sell the asset during the development phase.

The original value of internally generated intangible assets initially recorded is the sum of the expenses incurred from the date on which the asset meets the abovementioned conditions. When internally generated intangible assets cannot be recognized, the related development costs are charged to the Income Statement in the period in which such expenses are incurred.

Following their initial recognition, internally generated intangible assets are accounted for at cost less accumulated impairment, as is the case for intangible assets purchased separately.

Intangible assets acquired in business combination

Intangible assets acquired in a business combination are identified and recognized separately from amortization/depreciation when they fulfill the definition of intangible asset and their fair value can be reliably measured. The cost of such intangible assets is their fair value on the date of acquisition. After their initial recognition, intangible assets acquired in a business combination are shown at cost less amortization/depreciation and accumulated impairment, as is the case for intangible assets purchased separately.

IMPAIRMENT OF TANGIBLE, INTANGIBLE AND FINANCIAL ASSETS

At each reporting date, the Group reviews the book values of its tangible, intangible and financial assets to determine whether there is any indication of impairments of value. Should it be impossible to estimate the recoverable value of an individual asset, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs. Where these conditions exist, the Group estimates the recoverable amount of the assets to enable the computation of the value of any required write-down.

Intangible assets with an indefinite useful life, such as goodwill, are tested for impairment annually or whenever there is indication of impairment.

The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value using a pre-tax rate that reflects current market valuations of the cost of money and the specific risks connected to the business. That value is determined using several cash-flow scenarios (sensitivity analyses).

If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. An impairment loss is recognized immediately in the Income Statement.

When the impairment of an asset no longer exists or is reduced, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been determined it was not impairment occurred. The write back of an impairment loss is recognized immediately in the Income Statement.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. The cost is composed of direct materials and, where applicable, direct labor, general production costs and other expenses incurred to bring inventories to their current location and state. The cost is calculated using the weighted average cost method. The net realizable value is the estimated sale price less estimated completion costs and selling expenses.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized in the Statement of Financial Position at the moment when the Group becomes a party to the relative contractual clauses.

FINANCIAL ASSETS

Receivables

Receivables are initially recognized at fair value and are subsequently valued at amortized cost, using the effective interest rate method, net of associated impairment related to amounts deemed uncollectable, which are set aside in a specific write down provision. Amounts considered uncollectable are estimated on the basis of the of the realizable cash flows. Such flows take account of the expected time taken to collect, the presumed realizable value, any guarantees and the expected credit collection cost. The original value of the receivables is restored in subsequent financial years if the reasons for impairment cease to exist. In this case, the reversal is recognized in the Income Statement and may in no case exceed the amortized cost that the receivables would have had in the absence of previous adjustments.

Trade receivables with a maturity falling within normal commercial terms are not adjusted to present value. Receivables denominated in a currency other than the operating currency of the individual companies are valued at the year-end exchange rate.

Other financial assets

The financial assets that the Company intends or is able to keep until maturity in accordance with IAS 39 are recognized at cost or the fair value of the initial amount paid, plus any transaction costs (e.g., commissions, consultancy fees, etc.) directly attributable to the acquisition of the asset. Subsequent to the initial assessment, such assets are valued at amortized cost, using the original effective interest rate method.

Any potential financial assets held for the purpose of generating a short-term profit are recognized and measured at fair value, with their effects recognized in the Income Statement. Any financial assets other than the ones previously mentioned are classified as financial instruments held for sale, measured at fair value with gains or losses recognized through shareholders' equity. These gains or losses are recorded in the Income Statement as soon as the asset is sold or loss impairment. This latter category includes investments in companies other than subsidiaries, jointly-controlled ventures, and associated companies.

Cash and cash equivalents

This item includes cash, bank current accounts and deposits that are refundable on demand, as well as other short-term highly liquid investments that can be easily converted into cash with minor risks in terms of change in value.

Financial liabilities and equity instruments

Financial liabilities and the Group's equity instruments are classified in accordance with the substance of the underlying contractual agreements and in compliance with the respective definitions of liabilities and equity instruments. The latter are defined as contracts attributing the right to benefit from the residual interest in the Group's assets after deducting all of its liabilities. The accounting standards adopted in relation to specific financial liabilities and equity instruments are described below.

Payables

Financial payables are initially recognized at cost, corresponding to the fair value of the liabilities, net of directly attributable transaction costs.

Subsequent to initial recognition, payables are valued at amortized cost, using the original effective interest rate method. This category includes interest-bearing bank loans and bank overdrafts.

Trade payables with normal commercial maturities are not adjusted to present value. Payables denominated in currencies other than the operating currency of the individual companies are valued at the year-end exchange rates.

Method of determination of fair value

Fair value is the value at which an asset (or a liability) can be exchanged in a transaction between independent parties having a reasonable degree of knowledge of market conditions and other meaningful elements related to the object of the negotiation. The definition of fair value implies the assumption that an entity is fully operating and that there is no necessity to liquidate materially reduce business activities, or carry out transactions at unfavorable conditions. The fair value reflects the financial standing of the instrument as it incorporates the counterparty risk.

Receivables and Payables:

The fair value of receivables and payables recognized in the Statement of Financial Position at cost or at amortized cost, the fair value, for respect the information procedures, is determined according to the following methods:

- for short-term receivables and payables, it is held that the cashed-out/cashed-in value is reasonably close to their fair value;
- for long-term receivables and payables, the fair value assessment is mainly carried out through the future cash flow discounting method. Each future cash flow is discounted at a rate based on the zero-coupon yield increased by a margin representing the specific risk level of the counterparty.

Other financial instruments (Bonds and securities)

The fair value of this category of financial assets is determined by taking into account the market prices at the Statement of Financial Position date, where these exist, or alternatively by using other valuation methods based exclusively on market data.

EQUITY INSTRUMENTS

Equity instruments issued by the Company are recognized on the basis of the amounts received in exchange for them, net of direct issuing costs.

DERIVATIVES AND HEDGE ACCOUNTING

The Group uses derivatives (swap, option and forward contracts) to hedge risks arising from changes in interest rates on bank loans and exchange rate risks on cash flows of contracts denominated in foreign currencies.

The structure of existing contracts complies with the Group's hedging policy.

Derivatives are measured at fair value, with any changes in value recognized in the Income Statement if they fail to meet the conditions that would allow them to be classified as hedges or due to the type of instrument, or because the Company decides not to conduct the efficacy test. Derivatives are classified as hedges when the relation between the derivative and the object of the hedge is formally documented and the efficacy of the hedge, tested periodically, is high pursuant to IAS 39. The derivative hedge accounting methods used differ depending on the purpose of the hedging: cash flow hedges or fair value variation hedges.

Cash flow hedge

Changes in the fair value of derivatives that are designed for, and are effective in, hedging future cash flows linked to the Group's contractual commitments are reported directly under shareholders' equity; any ineffective portions of such derivatives are immediately charged to the Income Statement.

Amounts directly recorded through shareholders' equity are included in the Income Statement in the same period in which the commitments under the hedge contract impact the Income Statement.

Fair value hedge

For the effective hedging of exposures to "changes in fair value", the hedged item is adjusted by the fair value changes linked to the hedged risk with a counter item in the Income Statement. Gains and losses arising from the valuation of derivative contracts are also recognized through the Income Statement.

Changes in the fair value of derivatives that are not designated as hedge instruments are recognized through the Income Statement of the period in which they occur.

Embedded derivatives

Embedded derivatives included in contracts are treated as separate derivatives only if:

- the related risks and features are not closely linked to those of the host contract;
- the embedded instrument fulfills the definition of derivative;
- the hybrid instrument is not accounted for at fair value with changes in fair value reported in the Income Statement.

When an embedded derivative is separated, if the host contract is a financial instrument it must be recognized in accordance with IAS 39, and in accordance with other reference principles if it is not a financial instrument.

Measurement of fair value

The fair value of financial instruments is the current market price, or where this is unavailable, to the value resulting from the application of appropriate financial valuation methods that account for all factors adopted by market operators and the prices obtained in a real market transaction. In particular, the fair value of interest rate swaps is determined by discounting expected cash flows, whereas the fair value of forward exchange transactions is calculated on market exchange rates at the reporting date and on differential exchange rates between the related currencies.

Derecognition of financial instruments

The Group derecognizes financial assets from its Statement of Financial Position when of the right to receive cash flows is extinct and when all of the risks and benefits connected to the holding of the asset have essentially been transferred (the so-called "derecognition") or, if the item is considered definitively irrecoverable, after completion of all the necessary credit collection procedures. The Group derecognizes financial liabilities from its Statement of Financial Position when the specific contractual obligation is extinguished. Receivables transferred through factoring agreements are derecognized from the Statement of Financial Position assets only if the risks and benefits related to their ownership have been substantially transferred to the assignee. The receivables transferred without recourse and the receivables transferred with recourse that fail to meet that requirement remain on the Company's Statement of Financial Position, even though these have been legally transferred, in which case a financial liability of equal amount is recorded under liabilities, representing the advance payment received.

Shareholders' equity

Share Capital

The share capital is represented by the Parent Company's subscribed and paid-up capital. The direct costs incurred for the issuance of the shares are deducted from the share capital when costs that are directly attributable to capital transactions are involved.

Treasury Shares

Treasury shares are represented as a negative item of Group shareholders' equity. The costs incurred in relation to the issuance of new shares by the Parent Company are deducted from the shareholders' equity, net of any potential deferred tax impact. Gains or losses arising from the purchase, sale, issuance or cancellation of treasury shares are not recognized in the Income Statement.

Profit (losses) carried forward

Profit or losses carried forward include the profits or losses for the year and those of the previous years, minus the portions thereof that have been distributed or allocated to reserves (in the case of earnings) or covered (in the event of losses). Further, the item includes the transfers from other reserves within shareholders' equity if permitted under the limitations relevant to the specific reserves, as well as the effects arising from changes in accounting principles and material errors.

Other reserves

Other reserves include, among others, the fair value reserve related to the items recognized at fair value, with corresponding items in shareholders' equity, the treasury share reserve, the statutory reserve and the conversion reserve.

Valuation reserve

The valuation reserve includes, among others, the cash flow hedge reserve related to the effective portion of the hedge and the actuarial reserve on defined benefit plans recognized in shareholders' equity.

CONTRACTUAL LIABILITIES DERIVING FROM FINANCIAL GUARANTEES

Contractual liabilities deriving from financial guarantees are initially recognized at fair value and subsequently at the higher of:

- the amount of the contractual obligation, determined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets;

- the amount initially recorded net, where appropriate, of any accumulated amortization/depreciation recognized in accordance with the reporting of revenue as described above.

PROVISIONS FOR RISKS AND CHARGES

Provisions are recognized in the Financial Statements when the Group has a current obligation (legal or constructive) as a result of a past event and will more than likely be requested to fulfill such obligation. Provisions are based on the best possible estimate of costs involved in settling the obligation at the reporting date and are discounted to present value when the effect is material.

When the Group believes that a provision made for risks and charges has to be in part or entirely refunded or compensated, the indemnity is reported under assets only when the refund is virtually certain and the related amount can be reliably determined.

Onerous contracts

If the Group has a contract that can be classified as onerous, the current obligation of the contract must be recorded and valued in the same way as a provision.

An onerous contract is a contract in which the non-discretional costs required to meet the obligation exceed the economic rewards expected from the contract itself.

Restructuring Provision

A restructuring provision is recognized only if the Group has developed a detailed and formal plan for such a restructuring, and has given rise to a valid expectation among third parties that the Group will perform such a restructuring, either because it has already started the related activities or because it has key elements to the interested third parties.

A restructuring provision should only include direct restructuring costs that are not associated with the Group's current operations.

Warranties

Provisions for warranty costs are recognized when it is probable that an intervention under guarantee on completed works is requested. Provisions are quantified based on senior management's best possible estimate of the cost of meeting the obligation.

Post-employment benefits

Payments into defined contribution plans are reported in the Income Statement in the period in which they become due.

With regard to defined benefit plans, the cost of benefits granted is determined using the projected unit credit method, and making actuarial valuations at year-end. Actuarial gains and losses are fully recognized in the period in which they arise and are reported directly in a specific reserve of shareholders' equity. Past service cost is recognized immediately to the extent to which the benefits are already due.

Liabilities for post-employment benefits recognized in the Financial Statements reflect the current value of liabilities for defined benefit plans adjusted to account for actuarial gains and losses and costs of past services not reported and reduced by the fair value of the plan's assets. Any net assets arising from such calculation are limited to the value of non-recognized actuarial losses and costs of past service, plus the current value of any repayments and reductions in future contributions to the plan.

Other long-term benefits

The accounting treatment of other long-term benefits is the same as that applied to post-employment benefits, except for the fact that the actuarial gains and losses and the costs of past services are fully recognized in the Income Statement in the period in which these materialize.

Financial income and expense

Interest income and expense are recognized on an accrual basis using the effective interest rate method, using the interest rate that financially equalizes all incoming and outgoing cash flows (including any potential premiums, discounts, commissions, etc.) composing a specific transaction. The Group classifies under this item the changes in exchange rates arising from financial transactions, while the changes in exchange rates on commercial transactions are recognized under operating income, specifically under the item "Other operating revenue" or

"Other operating costs", according to their positive or negative impact; the relevant details are provided in the Notes to the Financial Statements.

Income taxes

Income taxes for the year are determined as the sum of current and deferred taxes.

Current Taxes

Current taxes for the current and previous years are reported as the amount that is expected to be paid to tax authorities.

Current tax liabilities are calculated using the tax rate applicable in the individual countries where the Group is operating at the reporting date.

Deferred taxes

Deferred taxes are taxes that are expected to be paid or recovered on the temporary differences arising between the value of an asset or liability for tax purposes and its carrying amount in the Statement of Financial Position, and are accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are normally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is likely that future taxable profit will be sufficient to allow the deduction of temporary differences. Such assets and liabilities are not recognized if the temporary differences derive from goodwill or from initial recognition (not in business combinations) of other assets and liabilities referring to operations that have no impact on financial results or taxable income.

The book value of deferred tax assets is revised at each Financial Statements date and reduced when it is no longer probable that sufficient taxable income will be achieved to allow the full or partial recovery of such assets.

Deferred taxes are calculated at the tax rate that is expected to be effective when the asset is realized or the liability settled. Deferred taxes are charged directly to the Income Statement, with the exception of those connected to items reported directly under Shareholders' equity, in which case the relative deferred taxes are also recognized under Shareholders' equity.

Deferred tax assets and liabilities are offset when it is legally possible and when such deferred taxes are linked to taxes due to the same tax authority and the Group intends to settle current tax assets and liabilities on a net basis.

Deferred taxes are charged directly to the Income Statement, with the exception of those connected to items reported directly under Shareholders' equity, in which case the relative deferred taxes are also recognized under Shareholders' equity.

Use of estimates

The preparation of the Financial Statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of assets and liabilities and on the disclosures of contingent assets and liabilities at the reporting date. The estimates and assumptions made are based on experience and other relevant factors. Therefore, the actual results achieved may differ from those estimates. The estimates and assumptions are revised periodically and the impact of each change is reflected in the Income Statement for that year in which the revisions to the estimates are made if the effects are limited to that period, but also in the following years if the revision has implications for both the current year and future years. We underscore that the recent financial and economic crisis has led the Company to formulate new assumptions for its future economic and financial developments due to the high level of uncertainty. Therefore, based on the information currently available, it is reasonably possible that next year's financial results may differ from the Company's estimates and could lead to even significant adjustments in the book values of the relative items.

The main financial statement items affected by such situations of uncertainty are:

- construction contracts – the Group's consolidated revenue is primarily generated by multi-year contracts whose prices are determined on the date of the tender or on the date the contract is awarded. The margins previously estimated for these contracts could work out to be lower due to increases in the costs incurred during order execution (such as the cost of raw materials, contractual penalties imposed for delays in delivery or unexpected problems encountered during contract execution, or disputes with the clients, subcontractors and suppliers);
- goodwill, other fixed assets and financial assets – these are tested annually and whenever there is an indication of a potential impairment in order to assess the recoverability of such values;
- derivatives – initially recognized at cost, and then adapted these are valued at fair value on subsequent Statement of Financial Position dates. The fair value represents the current market price or, in its absence, the value arising from the application of appropriate financial valuation models;
- provisions for risks and charges – these are set aside based on the best estimate of costs required for complying with the obligation on the date of the financial report and the net present value determined when the relative impact is material;
- employee benefits – the cost of the services rendered by employees is determined using the best actuarial valuations on the date of the estimate.

CHANGES TO ACCOUNTING ESTIMATES AND ERRORS

The Group applies IAS 8 in selecting and applying its accounting principles and to account for changes to accounting principles, changes to accounting estimates and corrections of any errors made in earlier financial years.

EVENTS OCCURRING AFTER THE REPORTING DATE

Such post- Statement of Financial Position events relate to facts arising after the Statement of Financial Position date up until the date in which publication is authorized, by which is meant the date on which the Board of Directors gives its approval. Events occurring after the financial reporting date can refer to facts that attest to existing situations at the Statement of Financial Position date (subsequent events giving rise to adjustments) or facts indicative of situations that have arisen after the Statement of Financial Position date (subsequent events not giving rise to adjustments). The impact of the former is reflected in the Financial Statements in the form of an update to the earlier facts reported, while the latter, if significant, are exclusively and appropriately disclosed in the Notes.

27. Consolidated Income Statement

27.1. Revenue

The revenue generated in 2013 is Euro 1,572,982,000 recording a decrease of Euro (562,349,000) against the previous year. A breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Income from sales and services	619,853	1,420,862
Change orders for contracts in progress	953,075	714,415
Total	**1,572,928**	**2,135,277**

More specifically, the change in the fiscal year is mainly driven by the decrease in "Revenues from sales and services" of Euro (801,009,000). Such variation is partly mitigated by the increase in "Change orders for contracts in progress" of Euro 238,660,000, mainly as a result of the higher income from the major contracts closed in the previous year. This overall decrease to date reflects the evolution of backlog projects resulting in a sharp decrease in revenues in the Power BU as a result of the completion of South American projects that, during the same period of 2012, had generated further production volumes and in line with the new strategy. Even the Oil, Gas & Petrochemicals BU recorded decreases, while the Infrastructure & Civil Engineering BU recorded an increase. The decrease in revenues also reflect the future guidelines of the new business plan geared to growth in terms of product mix with higher margins and lower volumes, with progressive growth of E (Engineering), EP (Engineering and Procurement) services and simultaneous reduction of EPC projects (Engineering, Procurement, Construction).

That said, it is noted that the most important share remains derived from the Oil, Gas & Petrochemicals BU, which represented approximately 79% (83% in 2012) of Group revenues, in line with the previous year in terms of impact on the consolidated volumes, but negative in absolute terms by approximately Euro 503 million. The change in volumes in the 'Oil, Gas & Petrochemicals' BU is due to a very advanced stage of the main contracts having been reached which has not yet been offset by new awards, and a slowdown of some orders with lower margins for which, however, production is expected to recover in the coming months. The main revenues are however related to the Oil, Gas & Petrochemicals BU in relation to the Gasco, Borouge 3, Tobolsk, Kuwait, OPaL and Etileno XXI projects.

The Power BU has accounted for about 3% (8% in 2012) of revenue with a significant decrease in absolute terms of approximately Euro 129 million, and this trend is mainly due to the new strategy of refocusing the business, as previously described, as well as a natural consequence of the Agreement for the conclusion of EPC contracts in South America. Revenues for the year also include the production of the Biomasse Olevano plant, part of the disposal program in the coming months.

Lastly, the Infrastructure & Civil Engineering BU accounted for approximately 18% (9% in 2012) in revenues with an increase in absolute terms of about Euro 102 million. This change is mainly driven by higher volumes generated by the Copenhagen Metro contract, which was then sold in 2013, and the Etihad Rail contract, partially offset by lower revenues related to the slowdown of certain contracts.

The changes in work in progress also take into account the positive impact deriving from the recognition of not only the prices stipulated by contract, but also any changes, incentives and other claims recognized after relevant reasonable updates in the works, which are considered possibly acceptable by customers as accurately valued. In particular, the assessment of claims was made on the basis of positive outcomes that are reasonably foreseeable through the ongoing negotiations with customers for recognition of the higher costs incurred. At present, these claims are at an advanced stage of negotiation.

27.2. Other operating revenue

"Other operating revenue" at 31 December 2013 is Euro 83,245,000, an increase of Euro 31,686,000 against the previous year. The breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Capital Gain on disposal	38,952	152
Revenues from green certificates	17,778	1,991
Operating exchange gains	17,515	16,942
Extraordinary income	3,690	11,375
Contract penalties receivable	2,048	228
Insurance claims	171	1,505
Use of risk provisions	132	700
Income from the sale of materials	17	38
Operating gains on exchange rate fluctuations	0	5,609
Other	2,942	13,019
Total	**83,245**	**51,559**

Other operating revenue includes items not directly related to Group contract production activities but that in any case are ancillary to the core business. Other operating revenue primarily includes:

- Gains on disposals were Euro 38,952; the item mainly includes the positive economic effects of the fee associated with the sale of the entire stake in the COCIV Consortium and related rights and obligations, net of the settlement of some accounts payable and receivables due from the consortium transferred in favor of Impregilo and Società Italiana per Condotte d'Acqua, and even in a residual manner the sale of the Copenhagen Metro project;
- Revenues for green certificates equal to Euro 17,778; the item includes the value of green certificates, annual titles of renewable production, on the basis of production at the Biomasse Olevano plant;
- Foreign exchange operations were Euro 17,515 thousand representing the net positive value between profits and losses resulting from foreign exchange operations. The item has increased slightly over the previous year, related to the performance of the currency markets and foreign exchange of projects in place;
- Extraordinary income was Euro 3,690 thousand, are mainly related to the higher allocation of costs relating to previous years;
- Use of risk fund amounting to Euro 132 thousand relating to the release of risk provisions mainly related to credit risk where the risk of occurrence has failed;
- Insurance payments, contractual penalties and other miscellaneous income.

27.3. Information by Business Segment

The Group's operating segments have been determined based on the reporting system used by the Group's CEO and the Top Management for strategic decisions. The reporting system, which reflects the Group's current organizational structure, is based on three Business Units – "Oil, Gas & Petrochemicals", "Power" and "Infrastructure & Civil Engineering" – and adopts the same accounting principles used for the drafting of the Consolidated Financial Statements.

The key operations of each of the Group's Business Units are summarized below:

I. **Oil, Gas & Petrochemicals BU**, designs and constructs plants and systems mainly for the natural gas industry (separation, treatment, liquefaction, transportation, storage, regasification, and compression/pumping stations); it designs and constructs plants and systems for the chemicals and petrochemicals industry, especially those for the production of polyethylene and polypropylene (polyolefins), ethylene oxide, ethylenic glycol, purified terephthalic acid (PTA), ammonia, urea and fertilizers; in the fertilizer sector, it grants patented technology and intellectual property licenses to current and potential urea producers. Other important activities are linked to the sulfur recovery process, hydrogen production units and high-temperature furnaces.

II. **Power BU**, designs and constructs hydrocarbon-based power generation plants (simple or combined-cycle electric power plants and co-generation plants), power plants fuelled by renewable resources (hydroelectric or biomass plants), waste-to-energy and district heating plants, the re-powering of electric power plants, and the construction of energy transformation and transmission systems with progressive growth in E and EP services.

III. **Infrastructure & Civil Engineering BU**, designs and executes civil engineering projects (large-scale works such as roads, motorways, underground and overground rail lines, tunnels, bridges and viaducts) and industrial, commercial and service sector facilities and buildings.

A more detailed description of the operations of each Business Unit can be found in the "Report on Operations".

The Group evaluates the performance of its business segments based on the performance achieved by each unit. The Business Unit revenue shown is that directly achieved by or attributable to the operations typically carried out by the Business Unit and includes income generated by transactions with third parties. The Business Unit costs are the operating expenses incurred by the Business Unit payable to third parties.

The way the Group is managed, amortization/depreciation, risk provisions, financial income and charges, and taxation remain the responsibility of the corporate unit as these are not part of operating activities and are shown in the total column.

Information by business segment is reported in the following tables:

REVENUES AND PROFIT BY BUSINESS SECTOR AS OF 31.12.2013:

(Values in Euro thousands)	Revenue		EBITDA by Segment	
	2013	2012	2013	2012
Oil, Gas & Petrochemical	1,306,673	1,810,127	100,673	91,073
Power	48,173	177,492	(5,625)	(216,483)
Infrastructure and Civil Engineering	301,327	199,217	21,051	(33,785)
Total	**1,656,173**	**2,186,836**	**116,099**	**(159,195)**

INCOME STATEMENT BY BUSINESS SECTOR AS OF 31.12.2013:

(Values in Euro thousands)	Oil, Gas & Petrochemicals	Power	Infrastructure & Civil Engineering	Total
Revenue	1,306,673	48,173	301,327	**1,656,173**
Business Profit	**171,862**	**(3,240)**	**30,510**	**199,131**
EBITDA	**100,673**	**(5,625)**	**21,051**	**116,099**
Amort., deprec., impairment losses and risk provisions				(23,247)
Operating Profit (Loss)				**89,964**
Financial income (charges)				(39,847)
Income before tax				**50,117**
Income taxes for the year				(32,774)
Net income/(loss)				**17,343**
Profit/(loss) attributable to the Group				16,953
Profit/(loss) attributable to minorities				391

INCOME STATEMENT BY BUSINESS SECTOR AS OF 31.12.2012:

(Values in Euro thousands)	Oil, Gas & Petrochemicals	Power	Infrastructure & Civil Engineering	Total
Revenue	1,810,127	177,492	199,217	**2,186,836**
Business Profit	**165,033**	**(208,792)**	**(24,263)**	**(68,022)**
EBITDA	**91,073**	**(216,483)**	**(33,785)**	**(159,195)**
Amort., deprec., impairment losses and risk provisions				(25,686)
Operating Profit (Loss)				**(187,394)**
Financial income (charges)				(45,153)
Income before tax				**(232,547)**
Income taxes for the year				24,840
Net income/(loss)				**(207,707)**
Profit/(loss) attributable to the Group				(207,609)
Profit/(loss) attributable to minorities				(98)

STATEMENT OF FINANCIAL POSITION BY BUSINESS SECTOR AS OF 31.12.2013

(Values in Euro thousands)	Oil, Gas and Petrochemicals	POWER	INFRASTRUCTURES AND CIVIL ENGINEERING	TOTAL
Segment assets	942,589	108,582	388,024	1,439,195
Unallocated assets (*)				418,745
Total assets	**942,589**	**108,582**	**388,024**	**1,857,940**
Segment liabilities	(954,232)	(52,941)	(190,654)	(1,197,827)
Unallocated liabilities (*)				(660,113)
Total liabilities	**(954,232)**	**(52,941)**	**(190,654)**	**(1,857,940)**

(*) Unallocated assets and liabilities mainly relate to treasury and tax assets and liabilities handled by the corporate entity. They are not allocated to the segments because they fall beyond the scope of their operations. With reference to the Oil, Gas & Petrochemical sector, the negative difference between the segment assets and liabilities is due to the failure to attribute the liquid funds available at the joint venture.

STATEMENT OF FINANCIAL POSITION BY BUSINESS SECTOR AS OF 31.12.2012

(Values in Euro thousands)	Oil, Gas and Petrochemicals	POWER	INFRASTRUCTURES AND CIVIL ENGINEERING	TOTAL
Segment assets	1,147,312	135,695	520,874	1,803,881
Unallocated assets (*)				447,006
Total assets	**1,147,312**	**135,695**	**520,874**	**2,250,887**
segment Liabilities	(1,167,028)	(143,757)	(349,955)	(1,660,740)
Unallocated liabilities (**)				(590,147)
Total liabilities	**(1,167,028)**	**(143,757)**	**(349,955)**	**(2,250,887)**

(**) *The unallocated assets and liabilities mainly refer to Treasury and tax assets and liabilities, which are operations performed by the Parent Company and have not been allocated to the business segments as they cannot be directly attributed to the operations. With reference to the Oil, Gas & Petrochemical sector, the negative difference between the segment assets and liabilities is due to the failure to attribute the liquid funds available at the joint venture.*

GEOGRAPHICAL AREAS:

The Group's activities are mainly located in the following areas: the Middle East, EU and non-EU Europe, the Americas and Italy.

The table below analyses group sales on the various geographical markets, regardless of the origin of the goods and services, for FYs 2013 and 2012:

(Values in Euro thousands)	December 2013		December 2012		Variation	
	Value	%	Value	%	Value	%
Italy	244,017	14.7%	131,009	6.0%	113,008	86.3%
Overseas						
• European Union	230,919	13.9%	176,244	8.1%	54,675	31.0%
• Non-EU European countries	90,243	5.4%	128,830	5.9%	(38,587)	(30.0%)
• Middle East	705,537	42.6%	1,209,425	55.3%	(503,887)	(41.7%)
• Americas	170,284	10.3%	223,398	10.2%	(53,114)	(23.8%)
• Other	215,173	13.0%	317,929	14.5%	(102,756)	(32.3%)
Total consolidated revenues	**1,656,173**		**2,186,836**		**(530,662)**	**(24.3%)**

27.4. Raw materials and consumables

The total cost of raw materials and consumables in FY 2013 is Euro 526,884,000, decreasing by Euro 307,671,000 against the previous year.

The relevant breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Raw materials purchased	(508,925)	(811,979)
Consumables	(10,716)	(23,019)
Fuel	(3,610)	(1,452)
Change in inventories	(3,633)	1,895
Total	**(526,884)**	**(834,555)**

In particular, in 2013 the item "Raw materials purchased" shows a decrease of Euro 303,054,000 which reflects last year's intense phase of materials purchase (metal structures, cables and primary equipment such as valves, pumps, compressors, heaters and key machinery) for the major contracts awarded in the previous years, and for which the emission phase of the main equipment orders has been completed and the implementation phase is underway. In the previous year this item also reflected the substantial increase attributable to projects in South America (Power BU) where exponential increases were recorded in the costs of raw materials; the 2013 trend also reflects the conclusion of EPC contracts in South America.

Last year, "Consumables" were driven by the higher demand for office equipment and other materials required by the expansion of activities at the new premises and the need for specific consumables for the opening of new construction sites.

27.5. Cost of services

The cost of services in FY 2013 was Euro 679,801,000, with a decrease of Euro 339,575,000 against the previous year.

The relevant breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Subcontracting costs	(443,340)	(548,412)
Turnkey plant design costs	(81,310)	(259,729)
Reallocated costs	(16,451)	(25,516)
Utilities	(5,493)	(6,627)
Transportation costs	(15,102)	(32,964)
Maintenance costs	(2,661)	(3,265)
Consulting and services	(26,169)	(28,415)
Increase in assets for internal work	1,989	5,541
Cost of guarantees and other banking services	(24,349)	(22,627)
Sales and advertising costs	(2,032)	(8,485)
Additional employee costs	(22,394)	(24,570)
Telegraph and similar costs	(646)	(802)
Insurance	(8,884)	(7,288)
Other	(32,959)	(56,217)
Total	**(679,801)**	**(1,019,376)**

The general decrease of the items that make up the "cost of services" today reflects the evolution of the projects in the order backlog which leads to a strong reduction in the Power Business Unit as a result of completion of contracts in South America which, in the same period of 2012, had generated more activities. Even the Oil, Gas & Petrochemicals BU recorded decreases in line with the new business plan geared to growth in terms of product mix with higher margins and progressive growth of E (Engineering), EP (Engineering and Procurement) services and simultaneous reduction of EPC projects (Engineering, Procurement, Construction); the changes to the Oil, Gas & Petrochemicals BU are also a result of the achievement of a very advanced stage of the main contracts not yet offset by new awards and a slowdown of some orders with lower margins for which, however, production is expected to recover in the coming months.

More specifically, this trend was mainly related to "Subcontracts", "Turnkey projects" and "Transport costs", while the other costs are substantially in line with the previous year.

"Charge backs" recorded a significant decrease in 2013; this item refers to costs charged back by non-consolidated consortium companies associated with the Infrastructure & Civil Engineering BU and the reduction is a result of the conclusion of activities related to High-Speed.

"Additional employee costs" and "Utilities" have decreased, directly related to the general decrease in personnel costs, following the reorganization of the total workforce of the Group.

"Consulting and Services" includes the costs for the use of freelance technicians charged on an hourly basis, costs for professional fees, primarily for assistance for out of court settlements, audit fees, business consulting and services and consulting related to the projects initiated during the year.

"Other" mainly refers to non-capitalized costs for information technology maintenance costs of the application packages and other miscellaneous services.

27.6. Personnel costs

The cost of personnel in FY 2013 total Euro 252,151,000 showing a decrease of Euro 30,214,000 against the previous year; this reduction is mainly due to the reduction in the average number of employees between the two years, as detailed in the tables below.

These are as follows:

(Values in Euro thousands)	2013	2012
Wages and salaries	(196,651)	(218,702)
Social security costs	(44,156)	(50,529)
Post-employment benefits	(9,449)	(10,461)
Other expenses	(1,896)	(2,673)
Total	**(252,151)**	**(282,365)**

In 2013 the Maire Tecnimont Group managed and introduced key significant changes in the structure of its own Human Capital, both investing in the resources available and redefining the entire personnel.

The Maire Tecnimont Group workforce totals 4,295 employees; in 2012 this was 4,470, so 590 have joined and 765 left.

Therefore, the Group reported an overall reduction of the workforce of 175 employees, essentially related to the continuation of the process of reorganization, logistics optimization and rationalization of costs achieved, with particular reference to the Italy, through initiatives to reduce staff and concentration in Milan of the Italian offices of the Group. The most significant decrease in personnel numbers was in Italy (134), where there were 1,903 employees, compared to 2,037 for 2012. 240 contracts were terminated in Italy during the period, plus 26 employees of Tecnimont Civil Construction assigned to CIGS (special redundancy schemes).

As for the remaining geographical areas in which the Group is present, there is an overall decrease of 147 employees, due to the optimization of the Group's presence in South America (20 employees) and the reduction of international staff in the service of sites nearing work completion, managed by TWS SA.

In contrast, during the reference period an increase of resources in Asia (80 employees) is to be recorded, which is also due to the trend of re-training staff in place, which focuses on the re-proportioning between professional classes and roles, in terms of enhancing productivity and skills, as well as the diversification of nationalities of the resources themselves. The Asian region is thus confirmed as the major source of recruitment of the Group with respect to the Engineering and, in particular, Construction, with the hiring of 260 resources at the Branch Tecnimont Kuwait, dedicated to the specialized activities of supervision and assembly of the AGRP project.

Even social security costs decreased from the previous year and the incidence of social security contributions on total compensation is lower than the theoretical Italian rate because many employees are hired abroad.

The changes to the workforce by category are shown in the table below (31/12/2012-31/12/2013):

Category	Workforce 31/12/2012	New Hires	Outgoing Employees	Promotions/status changes following title reclassification/standardized CNLA	Workforce 31/12/2013
Executives	454	23	(63)	12	426
Middle-managers	1,651	153	(364)	94	1,534
White collars	2,217	148	(327)	(106)	1,932
Blue collars	148	266	(11)	0	403
Total	**4,470**	**590**	**(765)**	**0**	**4,295**
Average no. of employees	**4,997**				**4.320**

The classification "Managers" and "Middle-Managers" does not reflect Italian contracts, but responds to national and international identification parameters of Management and Middle Management managerial used for Italian and foreign managerial resources.

Changes in the workforce by geographical area (31/12/2012-31/12/2013):

Geographical Area	Workforce 31/12/2012	New hires	Outgoing employees	Other variations	Workforce 31/12/2013
Italy	2,037	108	(240)	(2)	1,903
Rest of Europe	487	103	(205)	1	386
Asia	1,898	377	(299)	2	1,978
South America	46	2	(21)	(1)	26
Africa	2	0	0	0	2
Total	**4,470**	**590**	**(765)**	**0**	**4,295**

It should be pointed out that the use of labor services varies according to the phase and schedule of works, which may call for direct construction work using the Group materials and workforce or for the use of third-party services. In particular, Group policy provides for the contracting of the labor required to execute the individual orders to meet completion deadlines.

27.7. Other operating costs

Other operating costs in FY 2013 are Euro 81,237,000 showing a decrease of Euro 128,498,000 against the previous year.

The relevant breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Contractual penalties payable	(20,234)	(77,218)
Loss on sale of company	0	(63,138)
Leases	(27,214)	(22,691)
Rentals	(11,965)	(13,341)
Charges on exchange rate derivatives	(910)	(4,956)
Losses on receivables	(1,066)	(1,096)
Other costs	(19,848)	(27,295)
Total	**(81,237)**	**(209,735)**

"Contractual penalty liabilities", which last year included the amounts relating to the "Bocamina" plant for the client Endesa Chile (Enel Group) following the request to enforce all bank bonds given as a guarantee of completion of the work, mainly refers to the penalties debited in connection with the UGS Wierzchowice project and other minor projects. More specifically, the main amount relates to the UGS Wierzchowice – Poland project; these expenses equate to the shares of penalties and related interests booked on the basis of the provisions of the agreements stipulated in the second half of 2013 with the consortium leader and with the other consortium members. The results of these agreements could not have been forecast last year, defining them as a mutual settlement between the partners in order to safeguard project completion, considering the worsening of the financial position in which the consortium members find themselves. We note that the amount on the Income Statement is specified net of the use of the provision for risks allocated previously, in connection with this type of risk, equal to Euro 4,200 thousand. The residual part of the penalties, relating to minor projects, is mainly a consequence of settlement deeds signed due to failure to achieve certain plant performances.

The item "Loss on company disposal" in the previous year referred to the effects of the agreement for the sale of the project company "Mabe" and its Brazilian projects.

"Rent" refers to the cost of the rent of the office buildings of the Group's offices and increased by Euro 4,523 on the same period last year, mainly due to the entry into operation of the second tower of the office of the Garibaldi complex.

The item "Leases" is related to the cost of leasing the capital goods needed for the Group's operating activities and the leasing installments payable on vehicles and marked a decrease of Euro 1,376 over the same period last year.

"Charges on exchange rate derivatives" of Euro 910 thousand refers to the cash flow hedges related to the Group's contractual obligations that had an impact on the Income Statement in the year. The decrease is linked to the trend of the Forex markets and the expiry of the hedges on exchange rate risks on contracts completed in the year.

"Other costs" is mainly due to indirect and local taxes related primarily to some foreign companies, membership dues, losses, contingent liabilities, payments for the use of licenses and patents, and other general costs.

27.8. Amortization/depreciation and impairment

Amortization/depreciation and impairment is Euro 20,339,000 in FY 2013, up Euro 2,928,000 against the previous year.

The breakdown is shown below:

(Values in Euro thousands)	2013	2012
Amortization/depreciation of intangible assets	(3,613)	(10,884)
Amortization/depreciation of tangible assets	(6,209)	(6,527)
Other asset write-downs	(10,517)	0
Total	**(20,339)**	**(17,411)**

Amortization/depreciation and impairment mainly reflects the partial impairment of goodwill related to the Infrastructure and Civil Engineering BU for about Euro 10 million as a result of the impairment test carried out during 2013. If the item does not include this component it shows a significant decrease due to the completion of the amortization/depreciation of the portion of goodwill allocated to the backlog in response to some past awards.

The amortization/depreciation of intangible fixed assets relates primarily to:

- Amortization/depreciation of patent rights equals Euro 1,150,000 of which Euro 1,083,000 is related to the amortization/depreciation of the urea licenses patented by Stamicarbon, recorded and valued at the time of allocating the goodwill deriving from the acquisition, as well as new developments over the years;
- The amortization/depreciation of concessions and licenses is Euro 494,000 and mainly refers to the Group's SAP, Tagetik, Zucchetti and other software application licenses.
- The amortization/depreciation of other intangible fixed assets is Euro 1,009,000. The item refers to other various intangibles recognized at the acquisition date of Tecnimont ICB and to the amortization/depreciation of the exclusive client agreements signed at the time of the acquisition of Stamicarbon B.V., for which the prospective profitability had been estimated. The residual amortization/depreciation refers to the consulting costs for the implementation and operational start-up of new SAP software at KT Group and other Group software applications;
- The amortization/depreciation of the incomplete order backlog is Euro 960,000.

The amortization/depreciation of tangible fixed assets relates primarily:

- to the amortization/depreciation of buildings owned that are related to the surplus value of the buildings in the Financial Statements after the acquisition of Tecnimont ICB, and the remaining part in other assets owned (Euro 1,956,000);
- to the amortization/depreciation of plants and equipment (Euro 939,000) and industrial equipment -assets functional to construction site work – (Euro 411,000);
- to the amortization/depreciation of other assets, including office furniture, electronic machinery, vehicles and industrial vehicles, mechanical diggers and metal shovels (Euro 2,903,000). This item decreased over the previous year.

The item "Other impairments of fixed assets" amounting to Euro 10,516,000 mainly reflects the partial impairment of goodwill related to the Infrastructure and Civil Engineering BU for about Euro 10 million as a result of the impairment test carried out during 2013, and the remaining part refers to impairment of other fixed assets.

27.9. Provisions for bad debts and risks and charges

Provisions for bad debts and for risks and charges in FY 2013 are Euro 5,797,000.

The relevant breakdown is shown in the table below:

(Values in Euro thousands)	2013	2012
Bad debt provisions	(2,889)	(2,513)
Provisions for risks and charges	(2,908)	(8,276)
Total	**(5,797)**	**(10,789)**

Total provisions for bad debts and charges decreased by Euro 4,992,000 against the previous year.

Total provisions for bad debts increased by Euro 376,000 against the previous year. Receivables were subject to individual impairment for individually significant positions, for which there are objective conditions of partial or total uncollectibility. The amount of the provisions reflects the estimated recoverable cash flows, the expected collection date and future credit recovery costs and charges. Collective provisions were set aside for those receivables not subject to individual write-downs based on historical experience and statistical data.

Provisions for risks and charges decreased by Euro 5,368,000 against the previous year. The item includes provisions and other charges relating to various legal disputes and litigations. This item last year was affected by non-recurring provisions made by the Group as part of the sale of the company "Mabe" to take account of a residual part of risks.

27.10. Financial Income

(Values in Euro thousands)	2013	2012
Financial income from subsidiaries	32	0
Other financial income	3,313	5,055
Gains on derivatives	876	614
Total	**4,221**	**5,669**

Financial income is Euro 4,221,000 a decrease of Euro 1,448,000 against the previous year.

"Other financial income" was generated mainly by interest income on temporary cash investments, current accounts, financial instruments classified as financing, and receivables valued at amortized cost. Financial income generated by interest income is down on 2012. In fact, despite the averagely lower liquidity versus 2012, the market offered slightly lower yields.

Out of the income generated by derivatives totaling Euro 876,000, Euro 557,000 refer to income generated by interest rate derivatives with maturity on the contract expiry terms and the remaining part for 319,000 refers to the "time-value" portion of exchange rate hedging derivatives.

27.11. Interest expense

(Values in Euro thousands)	2013	2012
Charges from associated companies	(40)	(91)
Other financial charges	(41,570)	(37,267)
Charges on derivatives	(3,167)	(13,418)
Total	**(44,777)**	**(50,776)**

Interest expense was Euro 44,777,000, decreasing by Euro 5,999,000 against the previous year.

"Other financial charges" which mainly includes loan interest; interest payable on current accounts; on factoring transactions and bank and ancillary charges; on financial liabilities valued on the amortized cost criterion using the effective interest rate method – totaling approximately Euro 41,570,000 - records a significant increase of Euro 4,303,000. This change is linked to the increase, from the second half of 2012, in the Group's debt, in the Tecnimont subsidiary to be precise, which entered into short- and medium-term financing agreements with banks and factoring companies in order to support the cash requirements of the projects, now concluded, in the Power sector. The refinancing ended in 2013 began to express positive results on interest expense as early as the last quarter of the current year.

The other residual financial charges include the discounting of financial assets and liabilities, interest expenses on post-employment and other employee benefits, and other charges.

"Charges on Derivatives" for Euro 3,167,000 decreased by Euro 10,251,000 over the previous year and are associated:

- for Euro 2,714,000 with the "time-value" portion of the exchange rate risk hedging derivatives: as the hedging component is not considered, the change in its fair value is entered in the Income Statement. This component is decreasing against the previous year as a result of the performance of the forward points trend (which reflect the ratio between rates in the Euro area and in the US dollar area) and of the expected exchange rate trend between the two currencies;
- for Euro 453,000 with charges on derivatives of derivative instruments on interest rates related to the hedge interest rate risk, classified for accounting purposes as instruments held for trading and measured at fair value with changes recognized in the Income Statement.

Last year the item was affected by the mark to market of derivatives on hedge exchange rate risks on certain contracts; since there were no related cash flows related, these instruments were considered speculative with effect on the Income Statement of the fair-value.

27.12. Gains/(Losses) on Equity Investments

(Values in Euro thousands)	2013	2012
Gains from investments in associated companies	(0)	67
Gains from investments in other companies	747	422
Revaluation/(Impairment losses) associated companies	(13)	(522)
Revaluation/(Impairment losses) other companies	(25)	(13)
Total	**709**	**(46)**

The balance of gains and losses on equity investments is positive and is Euro 709,000, showing an increase of Euro 755,000 against the previous year.

Gains from investments in other companies includes the dividends received from Kafco LTD a company participated by Stamicarbon B.V.

Income and expenses from affiliated companies relate to the equity valuation of the same, with negative effects in detail we report Penta Domus for Euro 96,000 and Euro 101,000 for Tecnichem, instead revenues are recorded for Euro 150,000 for UCC-Engineering LLP, and the remaining part for KT Star and Hidrogeno Cadereyta S.A.P.I.

Other impairment losses refers to the losses covered in the CAVET and CAVTOMI Consortiums.

27.13. Income Taxes

(Values in Euro thousands)	2013	2012
Current income taxes	(4,383)	(17,216)
Income taxes related to earlier years	(1,923)	24,374
Advance taxes	(24,154)	25,009
Deferred taxes	(2,314)	(7,327)
Total	**(32,774)**	**24,840**

The estimated taxes were Euro 32.8 million, as at 31 December 2012, the Group had a negative economic situation and therefore not comparable. The effective tax rate in 2013 was impacted by the non-deductibility of the goodwill impairment charge, by some provisions for potential tax risks relating to previous years and the fact that some foreign companies of the Group are not included in the consolidated tax, they realized losses fiscally recognized, but for which at the time there are no prerequisites to set aside the deferred tax assets. If net of these non-recurring effects, the tax rate would have been about 36%.

Current taxes comprise mainly the burden related to IRAP that due to deductibility of labor costs from its tax base, generates a significant imposition, the remaining part is related to income taxes of the foreign companies.

Income taxes from previous years mainly includes a provision for potential tax risks relating to previous years, partially offset by the recognition of a gain on the IRES repayment for IRAP deduction related to personnel expenses of previous years, in accordance with Law no. 16/2012.

The net amount of deferred tax assets and liabilities reflects the effect of the use of deferred tax assets on tax losses realized in prior years accounted as a reduction in the year of the group's taxable amount and uses on taxable temporary differences in previous years deductible in the current year.

27.14. Earnings (Losses) per Share

Maire Tecnimont S.p.A. share capital is comprised of ordinary shares for which the basic earnings (loss) per share is calculated by dividing the FY 2013 net loss attributable to the Group by the weighted average of the number of outstanding shares of Maire Tecnimont S.p.A. in the financial year in question. At the reporting date the number of shares outstanding was 305,527,500. This figure was used to calculate the basic earnings (loss) per share on 31 December 2013.

(Values in Euro thousands)	2013	2012	
Number of shares outstanding	305,527,500	305,527,500	(*)
(Treasury shares)	0	0	
Number of shares on which the earnings per share have been computed	305,527,500	305,527,500	(*)
Net income attributable to the Group	16,951,840	(207,609,273)	
Data per share (Euro)			
Basic earnings per share attributable to the Group in Euro	**0.06**	**(0.68)**	(*)

(*) Adjusted merely to allow for comparison following the 2013 reserved share capital increased under option.

The basic earnings per share equal Euro 0.06. diluted earnings per share are the same as the basic earnings per share due to the absence of dilutive instruments.

28. Consolidated Statement of Financial Position

28.1. Property, Plant and Equipment

(Values in Euro thousands)	2012	Changes in the year	2013
Land	4,122	(175)	3,947
Buildings	29,181	(6,568)	22,613
Plant and equipment	2,994	(1,483)	1,511
Industrial and commercial equipment	1,444	(591)	853
Other assets	7,601	(1,555)	6,046
Total	**45,342**	**(10,372)**	**34,970**

The following table outlines the changes in historical cost, amortization/depreciation and net book value of the Company's property, plant and equipment:

(Values in Euro thousands)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Total
Net book value at 31 December 2012	**4,122**	**29,181**	**2,994**	**1,444**	**7,601**	**45,342**
Increases	0	247	17	0	1,141	1,405
Disposals	0	0	0	(55)	0	(55)
Depreciation	0	(1,956)	(939)	(411)	(2,903)	(6,209)
Restatements/cost adjustments	0	(3,670)	0	0	0	(3,670)
Changes due to scope of consolidation	0	(1,350)	(561)	(77)	(43)	(2,031)
Impairment losses/increase in value	0	10	0	0	0	10
Other changes	(175)	151	0	(48)	250	178
Net book value at 31 December 2013	**3,947**	**22,613**	**1,511**	**853**	**6,046**	**34,970**
Historical cost	3,947	29,673	4,542	3,171	33,999	75,332
Accumulated depreciation	0	(7,060)	(3,032)	(2,318)	(27,952)	(40,362)

Changes during the year are mainly related to the amortization/depreciation for the year, the change in the scope of consolidation, reclassification to "Assets held for sale", net of awards. The main changes in the year of reference are:

- Land, with a net decrease of Euro 175,000, mainly a consequence arising from the translation of foreign currency balances;
- Buildings, with a net decrease of Euro 6,568,000, primarily due to the amortization/depreciation period, of the deconsolidation of the Company and the relative Copenhagen Metro contract and due to the reclassification under IFRS 5 of a building owned destined for sale. The increases were primarily related to purchases of site buildings;

- Plant and equipment with a net decrease of Euro 1,484,000, primarily due to the amortization/depreciation of the year, of the deconsolidation of the Company and related Copenhagen Metro contract;

- Industrial and commercial equipment, with a net decrease of Euro 591,000, mainly due to the amortization/depreciation of the year, of the deconsolidation of the Company and related Copenhagen Metro contract and the disposal of some specific site equipment;

- Other assets, with a net decrease of Euro 1,555,000, primarily due to the amortization/depreciation for the year, net of increases primarily related to improvements to buildings for rent, office furniture, electronic equipment, motor vehicles, industrial transport. The other variations are the result of foreign currency conversion.

28.2. Goodwill

(Values in Euro thousands)	2012	Changes in the year	2013
Goodwill	301,754	(10,000)	291,754
Total	**301,754**	**(10,000)**	**291,754**

The total goodwill value of Euro 291,754,000 incorporates the following consolidation differences:

- Euro 135,249,000 for the acquisition of Tecnimont Group;

- Euro 63,852,000 for the acquisition and subsequent merger of Maire Engineering S.p.A. into Maire Investimenti S.p.A. (after the merger, Maire Investimenti S.p.A. changed its name to Maire Engineering S.p.A.);

- Euro 18,697,000 for the acquisition and subsequent merger by Maire Engineering of the companies Tecno Impianti di Di Amato & Orlandi S.p.A., SIL Società Italiana Lavori S.p.A., and Calosi e Del Mastio S.p.A.;

- Euro 55,284,000 for the acquisition of subsidiary Tecnimont ICB;

- Euro 137,000 for the acquisition of the capital of Noy Engineering S.r.L;

- Euro 2,184,000 for the acquisition of subsidiary Stamicarbon B.V.;

- Euro 26,351,000 for the acquisition of KT Group.

The change refers to the partial impairment of goodwill related to the Infrastructure and Civil Engineering BU for about Euro 10 million as a result of the impairment test carried out during 2013, based on the assumptions detailed below.

During the year there have been events that have made a presumption of impairment, and therefore the possible non-recoverability of the carrying amount of goodwill mainly for the Infrastructure & Civil Engineering CGU; in fact, this CGU continues the turn-around process started in the previous year and continued in 2013, through a process of reconfiguration of the corporate structures in order to increase its capacity to adapt to changes in production volumes and allow a higher focus and consequent ability to meet the demand for engineering services. In 2013 the revision of the budget values of some projects and the allocation of personnel costs related primarily to the restructuring process taking place in this field of activity were recorded.

In accordance with IAS 36 - Impairment of Assets, for the purpose of impairment testing, Maire Tecnimont Group has determined the Cash Generating Units that are the smallest identifiable group of assets capable of generating cash inflows that are largely independent of the cash inflows of other assets or groups of assets in the Consolidated Financial Statements. The maximum level of CGU aggregation is represented by the operating segments in accordance with IFRS 8.

Goodwill has been allocated in a timely manner to the CGUs that are expected to generate cash flows related to the business combinations that originated the goodwill.

The CGUs have been identified according to comparable parameters applied in the previous year.

The table below summarizes the value of goodwill broken down by sector of activity:

(values in Euro millions)	Goodwill 2012	Impairment 2013	Goodwill 2013
Infrastructure & Civil Engineering	61,0	(10)	51,0
Power	21,5		21,5
Oil, Gas & Petrochemicals	217,1		217,1
Licensing	2,2		2,2
Total	**301,8**	**(10)**	**291,8**

The Group tests the recoverability of goodwill and other tangible and intangible fixed assets at least once a year, also in the absence of impairment loss indicators. The recoverable value of the CGUs to which the individual goodwill has been allocated is tested by determining the value in use, defined as the present value of the expected cash flows using a discount rate that reflects the specific risks of each CGU at the valuation date. The CGU carrying amount includes the carrying value of non-current assets which can be allocated to the CGUs either directly or according to a reasonable and standardized criterion. The items under net working capital are not included in the calculation of the carrying amount and the recoverable value. They are tested separately for impairment, in compliance with the applicable accounting principles.

The analysis in question was carried out with the help of an independent expert, using the cash flows based for 2014 on the budget, and for 2015-2017 on the revision of the forecasts of the industrial and financial plan, approved by the Board of Directors on 13 March 2014 and supplemented by specific plants relating to the Infrastructures and Civil Engineering CGU. Said flows confirm the assumptions and strategic basis of the Group plan approved by the Board of Directors on 5 April 2013. Such document reflects the Top Management's best projections in relation to the main assumptions concerning the Company performance (macroeconomic and pricing trends, development and business outlooks). The assumptions and corresponding financials are considered suitable for the purpose of impairment testing.

The Plan also includes the possibility of fund generation through the sale of corporate assets no longer considered strategic for the Group. For the purpose of impairment testing on goodwill, where available, the plan in the event of permanence in the CGU has been considered for the assets being disposed of in the Plan. The plan also includes - in addition to contract margins and costs of commercial, general and administrative nature - savings relative to the cost of direct and indirect staff whose reorganization is underway by the Management. In performing the impairment test, in order to reflect the current conditions of the CGU for impairment, only the savings included in the plan that have already been achieved were considered.

The use value was determined based on the estimated discounted future cash flows that the CGUs will be able to produce in the future. The estimated revenue flows include the reversal of general and administrative expenses (G&A) of the Group for all CGUs. The value of the cash flows has been shown net of notional taxation, considering the tax benefit relating to the possible tax deductibility of amortization/depreciation. There have been no assumptions with respect to changes in net working capital or with respect to investments in fixed capital.

To determine the recoverable amount, the income flows are referred to the Company's planning period, as well as a final value (terminal value) over the planning horizon, consistent with the nature of the investments and areas of operation. With regard to the estimation of the terminal value, the flow of the last year of the forecast has not been chosen as an expression of the "normalized" flow but the prudent arithmetic mean of the future cash flows of the Plan was considered. The "normalized" flow was capitalized considering a growth rate between 0% and 2% for the OG&P and Licensing CGUs, and between 0% and 1% for CGUs characterized by negative results, or the Power CGU Energy and the I&IC CGU.

For the purpose of discounting the operating flows, the post tax WACC was identified as a rate of reference. The parameters used for the estimate of the discounting rates (Beta and Net Financial Position) have been determined based on a sample of comparable companies operating in the "Infrastructure" sector for the E&IC CGU and "Engineering" for all the other CGUS, assessing financial highlights and the most important market values for each of them.

For the purpose of expressing the riskless rate, the yield of 10 year Interest Rate Swap contracts denominated in Euros was taken into account. With regard to cost of equity, such rate was increased by the credit spread between the yield of 10 year Italian Treasury bonds and IRSs of the Euro area with the same maturity, considering the mean registered in 2013. The market risk premium was estimated to be 5.5%. As to cost of equity, the rates measured for the OG&P, Power and Infrastructure & Civil Engineering CGUs have further been increased by 1 percentage point for Oil, Gas & Petrochemical, following the postponement of the new project award process, by 4 points for Power and 5 for I&IC due to the progressive deterioration of the economic results of the same CGUs over the past two years and taken into account the volume of expected growth in their plans.

The analyses carried out on the basis of the above-described parameters highlighted the loss of value of the Infrastructures & Civil Engineering CGU; impairment of 10 million euros has therefore been recorded in the consolidated data as at 31 December 2013.

The sensitivity analyses were also performed on the basis of the changes to the following parameters: i) discount rate and ii) growth rate for the measurement of the Terminal Value; based on such analysis, the recoverable value range of the examined CGUs was defined.

Discount rate (post-tax WACC)	Lower value	Higher value
Oil, Gas & Petrochemicals CGU	11.0%	13.0%
Power CGU	14.0%	16.0%
Infrastructure & Civil Engineering CGU	10.2%	12.2%
Licensing CGU	11.0%	13.0%

Growth rate beyond the planning horizon	Lower value	Higher value
Oil, Gas & Petrochemicals CGU	0.0%	2.0%
Power CGU	0.0%	1.0%
Infrastructure & Civil Engineering CGU	0.0%	1.0%
Licensing CGU	0.0%	2.0%

The results of these sensitivity analyses have not highlighted any impact on the values booked for the Oil, Gas and Petrochemical, Energy and Licensing CGUs. As concerns the Infrastructures and Civil Engineering CGU, in the event of a greater discounting rate and lower growth rate, there is a further impairment of an insignificant amount.

In applying this method, the management makes use of assumptions, including the estimate of future increases in the backlog, revenues, gross margin, operating costs, terminal value growth rate, investments and WACC (discount rate). Cash flow projections refer to current operation conditions and, therefore, they do not include financial flows correlated with extraordinary events.

Lastly, it is necessary to specify that the Group management is in charge of developing estimates and projections based on the past experience and expectations about the future outlook of the market in which the Group operates. However, the estimate of the recoverable value of the cash generating unit requires the use of prudent estimates by the management. The Group cannot prevent impairment losses of goodwill in future periods. In fact, various factors linked to the evolution of the market may request a reassessment of the value of goodwill. The circumstances and the events that could lead to an additional impairment test shall be monitored by the Group on an ongoing basis.

28.3. Other Intangible Assets

(Values in Euro thousands)	2012	Changes in the year	2013
Patent rights	20,752	(1,198)	19,554
Concessions, licenses, trademarks and similar rights	1,037	(306)	731
Other	2,160	182	2,342
Assets under construction and advance payments	2,767	(1,299)	1,468
Backlog	2,087	(959)	1,128
Total	**28,803**	**(3,580)**	**25,223**

The table below summarizes the changes in the historical cost, amortization/depreciation and the net book value of other intangible assets:

(Values in Euro thousands)	Patent rights	Concessions, licenses, trademarks and similar rights	Other	Assets under construction and advance payments	Backlog	Total
Net book value at 31 December 2012	**20,752**	**1,037**	**2,160**	**2,767**	**2,087**	**28,803**
Increases	1,876	188	391	78	0	2,533
Disposals	0	0	0	0	0	0
Depreciation	(1,150)	(494)	(1,009)	0	(959)	(3,613)
Restatements/cost adjustments	0	0	800	(1,377)	0	(577)
Changes due to scope of consolidation	0	0	0	0	0	0
Impairment losses/increase in value	(1,924)	0	0	0	0	(1,924)
Other changes	0	0	0	0	0	0
Net book value at 31 December 2013	**19,554**	**731**	**2,342**	**1,468**	**1,128**	**25,223**
Historical cost	28,305	7,608	44,783	1,468	40,694	122,858
Accumulated depreciation	(8,751)	(6,877)	(42,441)	0	(39,566)	(97,635)

The value of "Other intangible assets" on 31 December 2013 was Euro 25,223,000, down Euro 3,580,000 against the previous year. The decrease is mainly attributable to the period amortization/depreciation.

The main changes in the year were:

- Patent rights decreased Euro 1,198,000 primarily related to new technologies and intellectual property rights (patents and licenses) developed and deposited during the year by Stamicarbon B.V. and Maire Tecnimont Innovation Center (MTIC), net of their amortization/depreciation; the item generally undergoes annual specific impairment testing;
- Concessions, licenses and trademarks, recorded a net decrease of Euro 306,000 related primarily to amortization/depreciation; the increases are related to the costs incurred for the purchase of software licenses functional to the performance of business activities;
- Other intangible fixed assets with a total net increase of Euro 182,000, essentially related to the entry into operation of the new system of management and digitization of documents and thus reclassified by work in progress, and by increases related to consultancy costs incurred for the implementation and commissioning of the new software; the reduction is related to the amortization/depreciation of the year;
- Work in progress and advances recorded a net decrease of Euro 1,299,000 mainly due to the reclassification to other intangible fixed assets of costs for the implementation project of a new management and document scanning system now operating; the remaining amount mainly includes leasehold improvements for wiring costs of Tower A of the new headquarters and other costs of some software;
- Incomplete backlog orders, with a net decrease of Euro 959,000 as a result of the amortization/depreciation of 2013. This asset refers to the estimated future margin generated by Backlog following the acquisition of the KT Group; the defined amortization/depreciation rates relate to the estimated work in progress of the projects in each subsequent year.

28.4. Investments in Associated Companies

(Values in Euro thousands)	2012	Changes in the year	2013
Investments in associated companies:			
• Studio Geotecnico Italiano	1,021	0	1,021
• Uffici Finanziari 2000 S.c.a.r.l.	4	(4)	0
• Stazioni Metro Val S.c.a.r.l.	4	0	4
• Villaggio Olimpico Moi S.c.a.r.l.	3	0	3
• Consorzio FEIC	5	0	5
• Consorzio CO.RI.RE.	10	0	10
• Penta Domus S.p.A	2,189	(2,189)	0
• MCM servizi Roma S.c.a.r.l.	4	0	4
• Tecnichem	320	(320)	0
• Cociv	103	(103)	0
• KT Star Co. S.A.E.	2,033	(557)	1,476
• Hidrogeno cadereyta S.A.P.I.	0	0.2	0.2
• Consorzio Libya Green	25	0	25
• Tecnimont Construction Co WLL-Qatar	20	0	20
• UCC Engineering LLP - Kazakistan	31	150	181
Total	**5,772**	**(3,022)**	**2,750**

The overall decrease in investments in associated companies was Euro 3,022,000. This decrease is mainly attributable to the liquidation of Tecnichem, the sale of the shareholding Cociv, the equity valuation of KT Star and the reclassification of the shareholding of Penta Domus in investments in other companies following the reduction in the share held in that company.

The increase in the shareholding UCC-Engineering LLP for Euro 150,000 is mainly a result of the equity valuation of the same.

The details of the associated companies are as follows:

Company	HQ/Country	Currency	Share capital	% owned	Through:	%
Studio Geotecnico Italiano	ITA	EUR	1,550,000	44.00%	Tecnimont S.p.A.	44%
Stazioni Metro Val S.c.a.r.l.	ITA	EUR	10,000	33.34%	Tecnimont C.C. S.p.A.	33.34%
Villaggio Olimpico Moi S.c.a.r.l.	ITA	EUR	10,000	33.33%	Tecnimont C.C. S.p.A.	33.33%
Consorzio FEIC	ITA	EUR	15,494	33.85%	Tecnimont C.C. S.p.A.	33.85%
Consorzio CO.RI.RE.	ITA	EUR	51,646	20.04%	Tecnimont C.C. S.p.A.	20.04%
MCM servizi Roma S.c.a.r.l.	ITA	EUR	12,000	33.33%	MST S.r.l.	33.33%
KT Star CO. S.A.E.	EGYPT	USD	725,000	40%	KT S.p.A.	40%
Consorzio Libya Green	ITA	Euro	100,000	24.5%	Tecnimont C.C. S.p.A.	24.5%
Tecnimont Construction Co WLL-Qatar	QATAR	QAR	42,000	49%	Tecnimont C.C. S.p.A.	49%
UCC Engineering LLP - Kazakistan	KZT	KZT	20,000,000	30%	Tecnimont S.p.A.	30%
Hidrogeno cadereyta S.A.P.I.	MEX	MXN	561	40.7%	KT S.p.A.	40.7%

28.5. Financial Instruments – Non-current derivatives

(Values in Euro thousands)	2012	Changes in the year	2013
Financial instruments, derivatives	10	253	263
Total	**10**	**253**	**263**

Non-current derivatives are Euro 263,000, up Euro 253,000 against 2012. The item refers to the valuation of the derivatives used to hedge the exchange rate risk related to the cash flows generated by contract revenue and costs. For further information and an analysis of the fair-value hierarchy, reference should be made to the section "Information on Financial Risks".

28.6. Other Non-current Financial Assets

(Values in Euro thousands)	2012	Changes in the year	2013
Holding in:			
Non-consolidated subsidiaries	115	(79)	36
Other companies	4,972	2,094	7,066
Total Holdings	**5,087**	**2,015**	**7,102**
Financial receivables due from associated companies	1,610	(1,610)	0
Financial receivables due from affiliated companies	6,368	1,610	7,978
Other financial receivables	0	6	6
Total Financial Receivables	**7,978**	**6**	**7,984**
Total	**13,065**	**2,021**	**15,086**

Investments in Non-Consolidated Subsidiaries

(Values in Euro thousands)	2012	Changes in the year	2013
Investments in non-consolidated subsidiaries:			
• Maire Engineering India	86	(86)	0
• Federico due Scarl	8	0	8
• Svincolo Taccone S.c.a.r.l. in liquidazione	8	0	8
• Ravizza S.c.a.r.l.	5	0	5
• Parco Grande S.c.a.r.l.	5	0	5
• Tecnimont Mexico	3	0	3
• Tecnimont USA	0	7	7
Total	**115**	**(79)**	**36**

During 2013, no changes were recorded in relation to the equity investments in question, apart from the of the Company Maire Engineering India, which, in October 2013, was incorporated into the subsidiary Tecnimont Icb and the establishment of Tecnimont USA; this latter is not yet operative and we have therefore chosen not to consolidate it.

The table below provides information on the non-consolidated subsidiaries:

Company	HQ/Country	Currency	% owned	Through:	%
Federico due Scarl in liquidazione	ITA	EUR	82%	Tecnimont C.C. S.p.A.	82%
Svincolo Taccone S.c.a.r.l. in liquidazione	ITA	EUR	80%	Tecnimont S.p.A.	80%
Ravizza S.c.a.r.l.	ITA	EUR	50%	Tecnimont C.C. S.p.A.	50%
Parco Grande S.c.a.r.l.	ITA	EUR	50%	Tecnimont C.C. S.p.A.	50%
Program International C.E. S.r.l. in liquidazione	ITA	EUR	100%	KT S.p.A.	100%
Tecnimont Mexico	Messico	MXN	100%	Tecnimont S.p.A.	90.00%
				TWS S.A.	10.00%
Tecnimont Usa	USA	USD	100%	Tecnimont S.p.A.	100%

Investments in non-consolidated subsidiaries relate mainly to the consortia established to execute specific orders whose lifecycle is linked to the duration of the orders, which had either expired or had yet to start at the reporting date. Investments in non-consolidated subsidiaries are classified as available-for-sale financial instruments, which should be valued at fair value. However, because the investment relates to shares not listed on an active market, the fair value cannot be reliably measured, although we do not expect it to change from the cost. Therefore, these holdings are carried at cost and adjusted for possible impairment.

Investments in Other Companies

(Values in Euro thousands)	2012	Changes in the year	2013
Investments in other companies:			
• Metrofiera S.c.a.r.l.	2	0	2
• Bata S.p.A. in liquidazione	38	0	38
• R.C.C.F. S.p.A. – Nodo di Torino	4	0	4
• Finenergia S.p.A. in liquidazione	26	0	26
• Società Interporto Campano S.p.A.	1,653	0	1,653
• Penta Domus S.p.A	0	2,095	2,095
• Consorzio Cavtomi	150	0	150
• Consorzio Cavet	434	0	434
• Lotto 5A S.c.a.r.l.	2	0	2
• Metro B1 S.c.a.r.l.	352	0	352
• RI.MA.TI. S.c.a.r.l.	40	0	40
• Lybian Joint Company	9	0	9
• Consorzio Ponte Stretto di Messina	4	0	4
• Polis	1	0	1
• Progetto Alfiere Costruzione	1,206	1	1,206
• Aminex Chemicals Ltd	0.5	0	0.5
• Farm Chemicals Ltd	0.7	0	0.7
• Tecnosanità S.c.a.r.l.	17	0	17
• Cisfi S.p.A.	1,008	0	1,008
• Fondazione ITS	10	0	10
• Consorzio contratto di programma Aquila (*)	0	0	0
• Consorzio parco scientifico e tecnologico Abruzzo (*)	0	0	0
• Consorzio Tecnoenergia Nord S.c.a.r.l.	12	0	12
• Consorzio Tecnoenergia Sud S.c.a.r.l.	2	0	2
Total	**4,972**	**2,096**	**7,066**

(*) These investments have been fully written down

In 2013, no changes were recorded in relation to the equity investments, with the exception of the reclassification of the equity investments of the company Penta Domus S.p.A. from equity investments in related companies to equity investments in other companies.

Investments in other companies refer primarily to the consortia formed to execute specific contracts, the life cycles of which are linked to the duration of the contracts themselves. These investments should be valued at fair value, but given that the investments are in shares that are not traded on an active market, the fair value cannot be reliably determined, although we do not expect any value changes. They are therefore recognized at cost and, in the event, adjusted for impairment. Investments in other companies are classified as available for-sale financial instruments.

The table below outlines the key data of the investments made by the Group in other companies:

Company	HQ/Country	Currency	% owned	Through:Company	%
Consorzio contratto di programma Aquila	ITA	EUR	5.50%	KT S.p.A.	5.50%
Fondazione ITS	ITA	EUR	10%	KT S.p.A.	10%
Consorzio Parco scientifico e tecnologico Abruzzo	ITA	EUR	11.10%	KT S.p.A.	11.10%
Consorzio Tecnoenergia Nord S.c.a.r.l.	ITA	EUR	12.50%	MST S.r.l	12.50%
Consorzio Tecnoenergia Sud S.c.a.r.l.	ITA	EUR	12.50%	MST S.r.l	12.50%
Tecnosanità S.c.a.r.l.	ITA	EUR	17%	MST S.r.l	17%
Consorzio Cavtomi	ITA	EUR	3%	Tecnimont C.C. S.p.A.	3%
Società Interporto Campano S.p.A.	ITA	EUR	3.08%	Tecnimont C.C. S.p.A.	3.08%
R.C.C.F. SC.p.A. – Nodo di Torino	ITA	EUR	4%	Tecnimont C.C. S.p.A.	4%
Consorzio Ponte Stretto di Messina	ITA	EUR	5.99%	Tecnimont C.C. S.p.A.	5.99%
Bata S.r.l. in liquidazione	ITA	EUR	4.41%	Tecnimont C.C. S.p.A.	4.41%
RI.MA.TI. S.c.a.r.l.	ITA	EUR	6.15%	Tecnimont C.C. S.p.A.	6.15%
Consorzio Cavet	ITA	EUR	8%	Tecnimont C.C. S.p.A.	8%
Lotto 5°A S.c.a.r.l.	ITA	EUR	15%	Tecnimont C.C. S.p.A.	15%
Progetto Alfiere Costruzione	ITA	EUR	19%	Tecnimont C.C. S.p.A.	19%
Metro B1 S.c.a.r.l.	ITA	EUR	19.30%	Tecnimont C.C. S.p.A.	19.30%
Penta Domus S.p.A	ITA	EUR	13.52%	Tecnimont C.C. S.p.A.	13.52%
Metrofiera S.c.a.r.l.	ITA	EUR	99.99%	Tecnimont C.C. S.p.A.	99.99%
Cisfi S.p.A	ITA	EUR	0.69%	Tecnimont C.C. S.p.A.	0.69%
Aminex Chemicals Ltd	India	Indian Rupee	4.30%	Tecnimont I.C.B	4.30%
Farm Chemicals Ltd	India	Indian Rupee	17%	Tecnimont I.C.B	17%
Lybian Joint Company	Lybia	Lybian Dinar	0.33%	Tecnimont S.p.A.	0.33%
Finenergia S.p.A. in liquidazione	ITA	EUR	1.25%	Tecnimont S.p.A.	1.25%
Polis	ITA	EUR	7.40%	Tecnimont S.p.A.	7.40%

Non-current Financial Receivables From Associated Companies

Amounts receivable from businesses in relation to the financial receivable of Tecnimont C.C. S.p.A. due from Penta Domus S.p.A. have been reclassified to "non-current financial receivables due from associated companies".

Non-current Financial Receivables From Affiliated Companies

Receivables from affiliated companies were Euro 7,978,000 and are related for Euro 6,368 to the financial receivable that the company Tecnimont C.C. S.p.A. has from the affiliated company Progetto Alfiere S.p.A. to finance the activities of the latter in the initiative "Torri Eur" and Euro 1,610 for the financial receivable of Tecnimont C.C. S.p.A. from the company Penta Domus S.p.A., necessary to finance the activities of the latter in the initiative "Ex Area Vitali".

Non-current Financial Receivables from Others

Financial receivables due from other businesses relate to the financial receivable due to Tecnimont C.C. S.p.A. from RCCF Nodo di Torino S.C.P.A. in liquidation.

The fair value estimate of non-current financial receivables on 31 December 2013 is essentially in line with the relevant book value.

28.7. Other non-current assets

(Values in Euro thousands)	2012	Changes in the year	2013
Trade receivables beyond 12 months	46,451	83	46,534
Other trade receivables beyond 12 months	14,059	(471)	13,588
Total	**60,510**	**(388)**	**60,122**

Other non-current assets are Euro 60,122,000, down Euro 388,000 against the previous year.

The item "Trade receivables due over 12 months" refers to receivables of Tecnimont S.p.A., Tecnimont Civil Construction and KT for warranties to customers for the success of the work during construction. The increase of Euro 83 thousand is the net effect due partly to the collection of guarantee withholdings and partly to the reclassification to short-term of the receivables as a consequence of the closure of orders subject to withholding as at the date of this note, net of those accrued during the year.

Other trade receivables due over 12 months are Euro 13,588,000 and mainly refer to receivables under dispute against J&P (Euro 11,450,000) and other miscellaneous receivables due after 12 months, including security deposits. More information is provided in the "Legal Matters and Disputes" section of the "Directors' Report on Operations".

28.8. Deferred Tax Assets and Liabilities

(Values in Euro thousands)	2012	Changes in the year	2013
Deferred tax assets	99,890	(13,179)	86,711
Deferred tax liabilities	(21,219)	(635)	(21,854)
Total	**78,671**	**(13,814)**	**64,857**

Deferred tax assets and liabilities showed a positive net balance of Euro 64,857 thousand, an overall decrease of Euro 13,814 thousand over 31 December 2012, mainly reflecting the impact of the decrease in deferred tax assets.

The reduction of deferred tax assets is mainly due to the combined effect of the release of prepaid tax on tax losses of previous years used during the year to reduce the group's taxable income and the release of advances on provisions made for risks deducted during the year, offset by the provision for prepaid tax on temporary changes deductible in future periods.

The determination of prepaid tax assets was carried out critically evaluating the existence of the basis for the future recovery of these assets on the basis of the capacity of the company and the Maire Tecnimont Group, also by virtue of the exercize of the option relative to the "tax consolidation" to generate positive taxable income in future periods.

The Group enjoys theoretical tax benefits for tax losses that can be carried forward for approximately Euro 34 million not posted in the statement of financial position as an asset.

The deferred tax provision remains basically in line with last year. The change relates to provisions made on temporary differences that will be taxable in future periods, mainly due to the allocation of infra-group dividends of some subsidiaries, not yet collected as at 31 December 2013.

The composition of deferred tax assets and liabilities and changes during the year are shown in the table below:

(Values in Euro thousands)	2012	Provision	Utilisation	Reclassifications	2013
Deferred Tax Assets					
Provisions for risks and charges	22,111	5,832	(7,246)	313	21,010
Provisions for employee-related risks and charges	2,172	650	(733)		2,089
Tax losses	61,132	2,732	(23,156)	3,368	44,076
MTM derivatives	4,176	51	(703)	(110)	3,414
Present values of financial assets and liabilities	0				0
Value differences in tangible and intangible fixed assets	2,372	1,060	(31)	(192)	3,208
Post-employment benefits – IAS 19	150	91			241
Other	4,770	14,509	(12,669)	1,521	8,131
Other consolidation items	3,007	2,368	(833)		4,542
Total Deferred Tax Assets	**99,890**	**27,292**	**(45,371)**	**4,900**	**86,711**
Deferred Tax Liabilities					
Bad debt provisions	(447)				(447)
MTM derivatives	(1,562)	(77)	155		(1,485)
Amortized cost of financing	(51)	(160)	105		(106)
Present values of financial assets and liabilities	(4)				(4)
Post-employment benefits – IAS 19	(663)	(12)	0		(676)
IFRS 3 Acquisition of Tecnimont S.p.A.	(353)				(353)
IFRS 3 Acquisition of Tecnimont ICB	(5,168)	0	115		(5,053)
IFRS 3 Acquisition of Tecnimont KT	(135)				(135)
Value differences in tangible and intangible fixed assets	(3,079)	(958)			(4,037)
Other	(9,432)	(8,057)	8,296		(9,192)
Other consolidation items	(325)	(41)			(366)
Total Deferred Tax Liabilities	**(21,219)**	**(9,305)**	**8,671**	**0**	**(21,854)**
Total Deferred Tax Assets and Liabilities	**78,671**	**17,987**	**(36,702)**	**4,900**	**64,857**

28.9. Inventories

Inventories *(Values in Euro thousands)*	2012	Changes in the year	2013
Finished products and goods	1,911	(64)	1,847
Advance payments	160,106	(21,819)	138,287
Total	**162,017**	**(21,883)**	**140,134**

Finished products and goods refer to consumables used by some Group companies in the performance of their activities.

Advance payments, of Euro 138,287 thousand, refer to the advance payments made to Italian and foreign suppliers and subcontractors against the shipment of materials needed for the construction of plants and work in progress.

The decrease in advances to suppliers is a direct consequence of the trend in contracts and lower inventory materials in transit. A decrease is noted in advances in relation to the Gasco, Borouge 3 and Tobolsk orders, as well as in the amount of approximately 20.3 million, in the values relating to the Copenhagen metro order transferred in 2013.

28.10. Construction Contracts Receivable

(Values in Euro thousands)	2012	Changes in the year	2013
Work in progress – Advances	242,013	51,883	293,896
Total	**242,013**	**51,883**	**293,896**

Backlog work in progress, shown as assets (construction contracts receivable), is the net positive value of each individual contract resulting from the advancement in production and the relative invoicing on account and contractual risk provision.

The increase in the value of construction contracts of Euro 51,883 thousand is mainly related to the advancement of work of the projects and related contractual terms. The main construction contracts refer to the Backlog of the Infrastructure & Civil Engineering BU, the Fiumetorto-Cefalù railway line and the new Etihad Rail railway line; in the Oil, Gas & Petrochemicals BU, specifically Tombak, Novy Urengoy, Slovnaft and other minor projects.

The value of construction contracts includes the additional requirements relating to contracts in an advanced stage of negotiation for the portion likely to be accepted by the customer. Currently, such requirements weigh approximately 7.9% for the Oil, Gas & Petrochemicals BU; about 3.8% for the Power BU and approximately 7% for the Infrastructures BU.

28.11. Trade receivables

(Values in Euro thousands)	2012	Changes in the year	2013
From clients within 12 months	426,145	(29,872)	396,273
From subsidiaries within 12 months	750	33	783
From associated companies within 12 months	14,386	(14,363)	23
From parent companies within 12 months	169	(128)	41
From affiliated companies within 12 months	9,564	6,347	15,911
Total	**451,014**	**(37,983)**	**413,031**

“Trade receivables” totalled Euro 413,031 thousand, down Euro 37,983 thousand on 2012.

The decrease in trade receivable amounting to Euro 29,872 thousand is the result primarily of the combined effect of the completion of some projects during 2013 and collections in the period exceeding billing. Receivables from subsidiaries refers to receivables from non-consolidated subsidiaries.

Receivables from subsidiaries refers to receivables from non-consolidated subsidiaries. This item mainly includes receivables from Program International Consulting Engineers S.r.l. for Euro 665,000 and from Parco Grande for Euro 116,000, Federico 2 Consortium for Euro 0.9 thousand and Tecnimont USA for Euro 0.6 thousand.

Trade receivables due from affiliated companies are for Euro 0.3 thousand from Stazioni Metroval and for Euro 22,000 from KTI Star. The decrease is related to the sale of the consortium Cociv.

Receivables from parent companies include receivables from GLV S.p.A. and refer to administrative/tax services provided by Maire Tecnimont S.p.A.

Receivables from subsidiaries refer to receivables from Cavet of Euro 70,000, Cavtomi for Euro 7,923,000, Metro B1 for Euro 5,269,000, Interporto Campano for Euro 1,751,000 for engineering services provided and Euro 546,000 refer to receivables from Progetto Alfiere S.p.A. for asset management services regarding the “Torri EUR” project, Euro 353,000 from the company Penta Domus S.p.A. for asset and project management services in the “Ex Area Vitali” project.

Trade receivables are shown net of bad debt provisions of Euro 9,962,000 (Euro 7,740,000 in 2012).

(Values in Euro thousands)	2012	Provision	Utilisation	Changes due to scope of Consolidation	Other changes	2013
Bad debt provisions	7,740	2,889	(132)	0	(535)	9,962
Total	**7,740**	**2,889**	**(132)**	**0**	**(535)**	**9,962**

Provisions made mostly relates to projects of the Oil, Gas & Petrochemicals BU and the residual part of the Infrastructure BU. The decreases are related to the utilization of the provision made during the period following the final accounting of losses on loans previously provided for.

The carrying amount of all trade receivables substantially corresponds with fair value, which is calculated as indicated in the section on measurement criteria.

28.12. Current Tax Assets

(Values in Euro thousands)	2012	Changes in the year	2013
Tax assets	137,484	(12,007)	125,477
Total	**137,484**	**(12,007)**	**125,477**

Tax assets are Euro 125,477 thousand, down Euro 12,007 thousand against 31 December 2012. The item includes primarily VAT credits for Euro 48,853 thousand, of which Euro 37,351 thousand relating to the foreign subsidiaries Tecnimont Do Brasil and Tecnimont Cile and other tax receivables for Euro 76,624 thousand.
The VAT receivables of the South American companies are deemed recoverable not only through the award of new contracts by the South American group but also following the recognition of the claims by the client in case of any sale of the company.

Other tax receivables for Euro 76,624 thousand mainly refer to:

- tax receivables for foreign companies for Euro 25,519 thousand, mainly relating to tax receivables of the subsidiaries Tecnimont ICB, Tecnimont Do Brasil and Stamicarbon;
- receivables for excess IRES paid by Maire Tecnimont S.p.A. heading the tax consolidation, in the amount of Euro 23,286 thousand;
- the balance of tax assets for Euro 27,819 thousand, includes the overpayment of current IRES advance tax by other Group companies, IRAP advance tax, and withholding tax due on bank interest and other tax credits due for various rebates as well as receivables for tax paid abroad. This item includes tax credits related to the IRES reimbursement for the IRAP portion relative to deductible labor costs as provided by Legislative Decree 16/2012.

Maire Tecnimont S.p.A. and its subsidiaries Tecnimont S.p.A., MST S.r.l., Protecma S.p.A., Tecnimont Civil Construction S.p.A., Met Newen S.p.A, Tecnimont KT S.p.A. and Program International S.r.l. have chosen to apply the National Tax Consolidation Regime that allows to calculate IRES income taxes based on a taxable base resulting from the algebraic sum of the positive and negative taxable income amounts of each individual Group company.

The main Group companies adhered to the Group VAT consolidation regime.
Some Group companies in the past few years completed sale transactions with credit institutes in relation to VAT amounts claimed as rebates; some transactions were valued in said transactions were valued using the accounting treatment provided for by IAS 39 for sales of receivables.

28.13. Financial Instruments - Derivatives

(Values in Euro thousands)	2012	Changes in the year	2013
Financial instruments – Derivatives	866	(451)	415
Total	**866**	**(451)**	**415**

Derivative instruments are Euro 415 thousand (down Euro 451 thousand on 2012). This is mainly due to the fair value measurement of derivative contracts in place; for details, please refer to the measurement policies section. As at 31 December 2013, the item includes the valuation of derivative instruments hedging exchange rate risk on future contract revenue and backlog costs. The positive mark-to-market adjustment was due to foreign exchange trends, which saw the dollar weaken against the euro from the derivatives transaction date to the end of the year; the positive mark-to-market value is offset by future operating cash outflows of equal amount.

For more information and an analysis of the fair value hierarchy, please refer to the section entitled "INFORMATION ON FINANCIAL RISKS".

28.14. Other Current Financial Assets

(Values in Euro thousands)	2012	Changes in the year	2013
Financial receivables due within 12 months:			
From subsidiaries	550	459	1,009
From associated companies	604	69	673
From affiliated companies	9,251	8	9,259
Other securities	0	4,557	4,557
From others	33,612	(31,828)	1,784
Total	**44,017**	**(26,735)**	**17,282**

"Other Current Financial Assets" was Euro 17,282 thousand, down Euro 26,735 thousand on 2012.

Receivables from subsidiaries refer to receivables from non-consolidated subsidiaries includes receivables from Program International Consulting Engineers S.r.l. for Euro 900 thousand and from Tecnimont USA for 109 thousand.

Financial receivables from affiliated companies refer to Villaggio Olimpico Moi for Euro 70 thousand, MCM servizi Roma for Euro 580 thousand, and Stazioni Metroval for Euro 23 thousand.

Financial receivables from associated companies refer solely to CAVET consortium.

The item "Other securities" increased on 2012 and relate for Euro 3,145,000 to SICAV cash investments of Sofregaz, which last year had been reclassified as assets held for sale, in compliance with IFRS 5 and Euro 1,412,000 to investments made by the company UTE - Hidrogeno Cadereyta, newly formed company.

Other receivables were Euro 1,784,000 decreased by 31,828,000; this item mainly includes accrued financial income and the remaining part of this item includes financial receivables from factoring companies for the residual portions of advances received, and other miscellaneous receivables. Last year this item included Euro 17,808,000 financial receivables due from the customer RFI on the Cefalù contract, collected during the year and the financial receivables held by Tecnimont S.p.A. from the subsidiary Sofregaz S.A. reclassified in accordance with IFRS 5 for Euro 13,185,000; today following the signing of a binding offer which is expected to be completed in the coming weeks and as it is not included within the scope of the sale, this item was reconsolidated at 31 December 2013.

The book values of all the above financial assets are in line with their fair value, measured in accordance with the methods set out in the section "Valuation Criteria".

28.15. Other Current Assets

(Values in Euro thousands)	2012	Changes in the year	2013
Other receivables due within 12 months	144,395	(10,138)	134,257
Trade accrued charges and deferred income	6,808	(1,452)	5,356
Total	**151,203**	**(11,590)**	**139,613**

On 31 December 2013, other current assets total Euro 139,613,000, down Euro 11,590,000 against the previous year. This item mainly includes receivables from other consolidated consortium partners, JV shareholders, companies being disposed, insurance premiums, and various accruals and receivables.

The main item relates to receivables due from companies for sale, with particular reference to the trade receivable due to Tecnimont S.p.A. from Biolevano S.r.l., as the accounting representation of the effect of reclassifying the "Biolevano – Biomass plant" project under "Assets for sale".

The book value of all the current assets in question is substantially in line with their fair value.

The table below shows the breakdown of other receivables due within 12 months:

(Values in Euro thousands)	2012	Changes in the year	2013
Receivable due from companies classified IFRS 5	89,915	(11,473)	78,442
Receivables due from other consortium partners	15,125	(2,275)	12,850
Other receivables	18,011	(4,550)	13,461
Receivables due from other partner JGC-Gasco	2,573	12,381	14,954
Receivable due from other partner JV Ethiad	2,415	(2,415)	0
VAT receivables (foreign countries)	4,746	644	5,390
Insurance premiums	41	258	299
Receivables due from Borouge 3 partner Samsung	4,192	(1,521)	2,671
Guarantee deposits	1,956	416	2,372
Other prepayments (rents, commissions, assistance)	6,768	(1,411)	5,356
Receivables from employees	2,521	(907)	1,614
Advances paid to suppliers	1,200	(1,099)	101
Social security receivables	1,726	57	1,783
Receivable from shareholders for share capital not yet paid up	14	305	319
Total	**151,203**	**(11,590)**	**139.613**

28.16. Cash and cash equivalents

(Values in Euro thousands)	2012	Changes in the year	2013
Bank and post office deposits	432,918	(239,007)	193,911
Cash and cash equivalents	429	(153)	276
Total	**433,347**	**(239,160)**	**194,187**

Cash and cash equivalents are Euro 194,187,000 on 31 December 2013, down Euro 239,160,000 against the previous year.

The Group's cash and cash equivalents allocated with the Joint Ventures at 31 December 2013 are approximately Euro 84,663,000. With specific reference to Joint Ventures, there are specific partnership agreements that envisage that liquidity is allocated to the projects until specific performance targets are reached; at 31 December 2013 the Joint Ventures showed a liquidity surplus against their current needs. JV cash during 2013 recorded a significant decrease mainly in the JV Gasco and Borouge 3 projects that have reached a very advanced stage and have recorded significant payments made during the period and also payments following the distribution of dividends of JV Gasco.

Cash flows from operating activities showed absorption of Euro 192,468,000, Euro 60,841 worse than 2012. Despite the positive result of the year, these flows were affected negatively by changes in working capital. In fact, the changes in trade receivables, trade payables, construction contract receivables and payables and inventory advances showed a significant absorption of cash primarily related to payments made by the Joint Ventures, as well as the outcome of the agreement for the sale of the project company "Mabe" in the period. Cash flow from investment absorbed Euro 1,382,000 mainly due to the new technologies and intellectual property rights (patents and licenses) developed and filed during the year by Stamicarbon B.V. and the Maire Tecnimont Innovation Centre (MTIC), the implementation of software and the purchase of minor goods, net of the disposals of investments and the collection of dividends from affiliated companies.

Financial management also absorbed cash of Euro 44,195,000 mainly due to period financial costs and the repayment of advances on invoices related to the working capital management of specific contracts and the repayment of portions of loans at the closing of the reorganization, net of the proceeds of the capital increase.

The estimated fair value of "Bank and post office deposits" on 31 December 2013 was in line with the corresponding book value.

28.17. Non-current assets classified as held for sale

(Values in Euro thousands)	2012	Changes in the year	2013
Assets held for sale	169,934	(68,018)	101,916
Elimination of assets from and to assets held for sale	(96,153)	11,264	(84,889)
Total Assets	**73,781**	**(56,754)**	**17,027**
Liabilities directly associated with assets classified as held for sale	(156,684)	66,277	(90,407)
Elimination of liabilities from and to liabilities held for sale	96,153	(11,264)	84,889
Total Liabilities	**(60,531)**	**55,014**	**(5,517)**
Total	**13,250**	**(1,740)**	**11,510**

The Assets and liabilities held for sale ("Assets held for sale") have a net positive value of Euro 11,510 thousand and are attributable to the companies Biolevano (Biomass plant in Olevano di Lomellina), at an owned building and to some of the assets of Sofregaz SA that are represented pursuant to IFRS 5 as "Assets and liabilities held for sale" and reclassified under these specific items. This latter following the signing of a binding offer completion of which is expected over the next few weeks. The period change of Euro 1,740 thousand is mainly a consequence of a different scope of sale relating to Sofregaz SA, net of the classification amongst non-current assets held for sale of an owner building.

With reference to the sale underway for the company BiOlevano, this continues for more than a year as events and circumstances have arisen that lie outside the control of the Group and were previously considered unlikely. In this regard, Appendix B, point C of IFRS 5 is considered to apply. In actual fact, in consideration of a first negotiation that was then not completed due to the difficulty in obtaining financial resources experienced by the party originally very interested, negotiations then began with the current potential interested party, which is currently carrying out all due diligence and the relevant procedures, which must be considered essential in view of the plant in question. The effect of the exposure according to IFRS 5 of the assets and liabilities of BiOlevano has involved the fact that they were not subject to amortization/depreciation, which would otherwise have totalled approximately 3.7 million euros.

In this context, the disposal is considered as "highly probable" on the basis of ongoing negotiations, although there is no certainty that it will be possible to proceed with the sale. The Group has ongoing negotiations for the sale of such additional assets, but the assets and liabilities related to them are not shown among those held for sale because, while considering the sale transaction highly probable, at 31 December 2013 all the conditions required according to IFRS 5 had not yet been complied with.

In Income Statement, the relevant income is classified separately from other continued assets, since disposals do not represent a major business line.

Below is a summary table for this item:

ASSETS AND LIABILITIES HELD FOR SALE		
(Values in Euro thousands)	31/12/2013	*Of which to Continuing Operations*
NON-CURRENT ASSETS	83,566	
CURRENT ASSETS	16,676	37
FINANCIAL ASSETS	1,673	
TOTAL ASSETS HELD FOR SALE	**101,916**	***37***
NON-CURRENT LIABILITIES	6,777	*6,777*
CURRENT LIABILITIES	81,914	*76,398*
FINANCIAL LIABILITIES	1,715	*1,715*
TOTAL LIABILITIES HELD FOR SALE	**90,407**	***84,889***

28.18. Group Shareholder's Equity

The Group's Shareholders' Equity is Euro 33,507,000, up Euro 155,273,000 on 2012.

The total consolidated Shareholder's Equity, considering the minorities, was Euro 35,195,000, up Euro 155,872,000 on 2012.

The overall change in the Group's Shareholders' Equity is mainly due to the result for the year and the payment of the capital increase subscription net of related costs; instead, there was a decrease in the reserve for Cash Flow Hedges of derivative hedging instruments and reserve for currency translation of foreign financial statements in currencies other than the functional currency (Euro).

The Shareholders' equity of minority interests was Euro 1,688,000 and recorded an increase of Euro 600,000 mainly due to the profit for the year.

Share Capital

Share capital was Euro 16,125,000 and was made up of 322,500,000 shares.

On 6 June 2013 the extraordinary Shareholders' meeting resolved a reverse stock split of the outstanding shares in a ratio of 1 newly issued share without any expressed par value accruing regular dividend for every 10 shares without any expressed par value held. As a result of this transaction, the share capital of Euro 16,125,000 is divided into 32,250,000 shares.

On 11 June 2013 the Arab Development Establishment ("ARDECO") underwrote and paid in the indivisible capital increase against payment, for an overall amount, including share premium, equal to Euro 15,277,500, reserved to it and, consequently, with exclusion of the option right pursuant to article 2441, paragraph 4, second sentence of the Italian Civil Code, resolved upon by Maire Tecnimont S.p.A.'s extraordinary Shareholders' meeting of 6 June 2013. The reserved capital increase was underwritten by ARDECO against issuance of 1,697,500 ordinary shares of Maire Tecnimont S.p.A. – equal to 5% of the share capital post-increase – at a subscription price of Euro 9.00 per share, of which Euro 8.50 as share premium. The newly issued shares shall accrue regular dividend and have identical characteristics as the other outstanding shares at the time of their issue, and enjoy the option rights deriving from the subsequent capital increase resolved by the aforementioned extraordinary Shareholders' meeting resolution of the Shareholders of Maire Tecnimont S.p.A. on 6 June 2013.

Therefore, the share capital at 30 June 2013 was Euro 16,973,750 and was made up of 33,947,500 shares.

As at 26 July 2013, following the subscription of the capital increase, pursuant to article 2441, paragraph 1 of the Italian Civil Code, resolved upon by Maire Tecnimont S.p.A.'s extraordinary Shareholders' meeting of 6 June 2013, the share capital of Maire Tecnimont S.p.A., fully subscribed and paid in, is Euro 19,689,550, divided into 305,527,500 shares without face value, accruing regular dividend.

Share Premium Reserve

The reserve was made up of Euro 25,000 thousand paid before 26 November 2007 and Euro 58,045 thousand generated by the premium on the share capital increase made in 2007, net of charges for listing costs, equal to Euro 3,971 thousand net of the tax effect.

The 2013 change is Euro 141,653 thousand, comprising the premium paid by ARDECO and the other shareholders totaling Euro 146,417 thousand, offset by Euro 4,167 thousand in expenses for the share capital increase, net of the tax effect.

This capital reserve can be freely used either for a free share capital and/or to cover losses. In accordance with article 2431 of the Civil Code, the reserve can also be distributed to the shareholders on approval of the Shareholders' meeting.

Other Reserves

Other reserves total Euro 59,477,000 on 31 December 2013 and are broken down as follows:

- the legal reserve of parent company Maire Tecnimont S.p.A. amounting to Euro 5,328,000 on 31 December 2012;

- the asset revaluation reserve, recognized after the acquisition of the remaining 50% stake in Tecnimont ICB for Euro 8,881,000 and Euro 841,000 for the revaluation of other buildings;
- foreign currency conversion reserve, which was negative for Euro 8,859,000 on 31 December 2013, made up of the temporary conversion differences of currency-denominated financial statements of foreign companies; the negative change in the year is Euro 2,606,000 and was influenced by currency performance;
- other statutory reserves amounting to Euro 53,286,000 on 31 December 2013; the variation of 2013 for Euro 354,000 relates to the sale of option rights as a result of the capital increase in July 2013.

Valuation Reserve

The valuation reserve shows a negative balance of Euro -1,737,000 on 31 December 2013 and is made up of the Cash Flow Hedge Reserve and the Actuarial Gains and Losses Reserve. The table below shows the changes in the Valuation Reserve:

(Values in Euro thousands)	Cash Flow Hedge Reserve	Actuarial Gains/(Losses)	Totale
Net book value at 31 December 2012	**(1,851)**	**260**	**(1,591)**
Actuarial Gains/(Losses)	0	(829)	(829)
Related tax effect	0	228	228
Net valuation of derivatives:			
Valuation of derivatives	629	0	629
Related tax effect	(173)	0	(173)
Net book value at 31 December 2013	**(1,396)**	**(341)**	**(1,737)**

The tables below show the "Reconciliation between the Net Income of Maire Tecnimont S.p.A. and the Group Net Income" and the "Reconciliation between the Shareholders' Equity of Maire Tecnimont S.p.A. and Group Shareholders' Equity".

Reconciliation between the Net Income of Maire Tecnimont S.p.A. and the Group Net Income

(Values in Euro thousands)	2012	2013
Net income for the year of Maire Tecnimont S.p.A	(16,583)	(5,361)
Intra-Group dividend eliminated from the Consolidated Financial Statements	(24,468)	(28,198)
Net income of subsidiaries	(257,000)	30,049
Elimination of intra-Group earnings	614	965
Other consolidation adjustments	90,018	18,508
Deferred and advanced income taxes	(190)	988
Group Net Income	**(207,609)**	**16,952**

RECONCILIATION BETWEEN THE SHAREHOLDERS' EQUITY OF MAIRE TECNIMONT S.P.A. AND GROUP SHAREHOLDERS' EQUITY

(Values in Euro thousands)	2012	2013
Shareholders' Equity of Maire Tecnimont S.p.A	252,902	393,099
Elimination of the book value of consolidated companies	(347,670)	(714,651)
Recognition of net equity of consolidated companies	(174,793)	207,093
Other consolidation adjustments	147,795	147,966
Group Shareholders' Equity	**(121,767)**	**33,507**
Minority interests	1,089	1,688
Consolidated Shareholders' Equity	**(120,677)**	**35,195**

28.19. Medium/Long-term Borrowings

(Values in Euro thousands)	2012	Changes in the year	2013
Bank debt due beyond 12 months	0	362,766	362,766
Total	**0**	**362,766**	**362,766**

Debt, net of current portion was Euro 362,766 thousand, up the same amount against 31 December 2012. The above debt increased as a consequence of the refinancing (in terms of debt rescheduling and new finance agreements) and of the reclassification of certain loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous breach of certain contractual provisions relating to the financial covenants. As at 31 December 2013, we have no reports of failure to comply with covenants, as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

More specifically, the item includes Euro 344,291 thousand for the long-term portion of debt relating to the rescheduling and new finance agreements stipulated with the Group's main lenders. These agreements provide for the rescheduling of of all debts over five years, with a grace period of two years and the repayment in six-monthly installments from 2015 to 31 December 2017. The loans are secured by covenants in line with the standards for this type of operation, of which the first measurement will take place in 2015 with reference to the figures at 31 December 2014. More specifically, these financial parameters provide for the maintenance of a certain level of shareholders' equity, liquid funds and gross financial position, as well as keeping a certain ratio of net financial position to shareholders' equity.

The residual amount of Euro 18,475 thousand relates to some loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous violation of certain contractual provisions on financial covenants.

Please note that the rescheduling agreements with reference to the loans with Banco Santander S.A. - Milan branch, with Banco Santander Chile and with IMI (the latter only in relation to the portion of the debt regarding the Bocamina plant, totaling Euro 7.4 million) involve the constitution of a pledge over income deriving from the arbitration/dispute involving the Bocamina II plant and over the related insurance indemnities.

As at 31 December 2013, there are no overdue payables to report.

28.20. Provisions for charges over 12 months

(Values in Euro thousands)	2012	Changes in the year	2013
Provisions for charges over 12 months	35,047	(1,938)	33,109
Total	**35,047**	**(1,938)**	**33,109**

The breakdown and changes made during the period are detailed below:

(Values in Euro thousands)	2012	Provisions	Used	Reclassifications/ Change in scope of Consolidation	2013
Provisions for employee-related charges	**1,418**	**4,708**	**(1,418)**	**284**	**4,992**
Provisions for tax risks	**7,761**	**2,506**	**(387)**	**435**	**10,315**
Provisions for other risks and charges:	**25,868**	**1,128**	**(8,910)**	**(284)**	**17,802**
Risks associated with legal action	1,494	900			2,394
Provisions for client contract risks	17,834	228	(6,799)		11,263
Dispute risks	3,546		(2,111)	(284)	1,151
Other	2,994				2,994
Total	**35,047**	**8,342**	**(10,715)**	**0**	**33,109**

Provisions for charges are Euro 33,109,000, down Euro 1,938,000 against the previous year.

The main increases in provisions for charges are attributable to provisions for future tax charges for Euro 2,506 against risks relating to audits of tax years that have not been defined yet and devoid of administrative proceedings, and relating to proceedings for disputes for Euro 4,708,000 for estimated costs related to compensation and inventive policies to employees and for Euro 900,000 in other charges related to lawsuits and disputes.

The uses of the contract provision mainly refer to charges that materialized financially in the year with reference to the contractual risks on contracts completed.

The remainder is attributable to the use of labor disputes provision partly related to charges that have materialized in the year.

28.21. Post-employment benefits and Other Employee Benefits

(Values in Euro thousands)	2012	Changes in the year	2013
Post-employment and other employee benefits	15,436	(223)	15,213
Total	**15,436**	**(223)**	**15,213**

With reference to post-employment benefits, the Group has established a post-employment plan in favor of all the employees of the Italian companies, the TFR. In addition, the employees of the former Fiat Engineering are also given a “Loyalty Bonus Plan” – which is similar to a defined benefit plan – while employees of some foreign companies of the Tecnimont Group enjoy other benefit plans defined as "defined contribution plans".

In accordance with IAS 19 – Employee Benefits, the Company estimated the liabilities for the defined benefit plans on 31 December 2013. The table below shows the relevant changes:

(Values in Euro thousands)	Post-employment Benefits	Loyalty Bonus	Other Benefit Plans	Total
Balance at 31 December 2012	**15,043**	**97**	**295**	**15,436**
Service costs	105	1	68	174
Benefits paid	(1,376)	(53)	(26)	(1,455)
Actuarial losses/(gains) (remeasurements)	533	(2)		531
Net interest costs	80			80
Consolidation area changes				
IFRS 5 changes			462	462
Other changes	23	45	(84)	(16)
Balance at 31 December 2013	**14,408**	**88**	**716**	**15,213**

"Current employee service costs" are reported in the Income Statement under "Personnel Costs". Interest expense on obligations is recognized in the Income Statement under "Interest expense" – "Other charges". Actuarial gains and losses are shown in a specific valuation reserve under shareholders' equity.

The parameters used to value the post-employment benefits are:

• inflation: the Company has adopted the same inflationary scenario as the government's 2013 Industrial and Financial Budget ("DPEF"), which assumes a 1.5% CPI;

• increases in wages and salaries: the Company's remuneration policy takes into account contractual and meritocratic components and inflation adjustments, and is used to estimate the future provisions for the post-employment benefits accrued by employees until they leave the Company; in particular, the Company has chosen to apply a wage growth rate equal to the inflation component;

• discounting rate: this is determined using the market yields on corporate bonds issued by primary companies at the valuation date, based on the Euro Composite AA (source: Bloomberg) interest rate curve on 31 December 2013;

• collective reference: with reference to the entire collective subject of analysis of Maire Tecnimont Group the average age and average seniority (TFR base) were considered.

The main decreases in post-employment benefits and other provisions refer to personnel who have left.

With regard to the calculation of the loyalty bonus, the collectivity that has been the subject of evaluation refers to employees as at the valuation date, in possession of the requirements for receiving such bonuses. The registry composition of the collective group being evaluated consists of 7 persons with an average age of 60 and a seniority of maturity of the benefit of 31 years.

28.22. Other Non-current Liabilities

(Values in Euro thousands)	2012	Changes in the year	2013
Trade payables due beyond 12 months	18,450	(1,691)	16,759
Tax payables due beyond 12 months	545	(98)	447
Total	**18,995**	**(1,789)**	**17,206**

Other non-current liabilities are Euro 17,206 thousand at 31 December 2013 and mainly relate to the supplier/subcontractor contractual guarantees held by the Group to ensure the good outcome of the works. The decrease was due primarily to the progress of works and contractual terms with suppliers, against which the deductions were lower than on 31 December 2012.

The decrease in Tax payables over 12 months is mainly due to the recognition of the liability due over 12 months in relation to the substitute tax generated by the elimination of the temporary differences between the book value and the fiscal value of some intangible fixed assets recognized.

28.23. Financial Instruments – Non-current Derivatives

(Values in Euro thousands)	2012	Changes in the year	2013
Financial instruments – Derivatives	1,024	(943)	81
Total	**1,024**	**(943)**	**81**

"Financial Instruments – Non-current Derivatives" recorded as liabilities were Euro 81 thousand, down Euro 943 thousand on 2012. These hedging liabilities refer to the fair-value valuation of the derivative contracts in place. The long-term portion mainly refers to the instruments purchased to hedge the Sadara order.

For more information and an analysis of the fair value hierarchy, please refer to the section entitled "INFORMATION ON FINANCIAL RISKS".

28.24. Short-term financial liabilities

(Values in Euro thousands)	2012	Changes in the year	2013
Bank debt	588,453	(457,661)	130,792
Other lenders	92,623	(73,776)	18,847
Accrued financial liabilities	6,814	(3,746)	3,068
Total	**687,890**	**(535,183)**	**152,707**

Short-term financial liabilities are Euro 152,707 thousand, a long way down by Euro 535,183 thousand against 31 December 2012 mainly due to the conclusion of the refinancing involving rescheduling agreements for existing debt and new finance with the consequent long-term reclassification of Euro 362,766 thousand. For the remaining part, the reduction is a result of partial repayments of loans and repayment of advances on invoices related to the working capital management of specific contracts.

More specifically, the short-term financial payables to banks mainly refer to:

- Euro 44,368 the short-term principal amount of loans with Portigon AG (former WestLB), Intesa, Unicredit, Cariparma, Ubi and other short-term loans granted by other banks;

- Euro 86,423 thousand, negative current account balances due to the use of facilities granted;

Short-term liabilities to other lenders are Euro 18,847 thousand and are mainly connected with the mobilisation of credits and factoring operations. Last year, the item included the payable for the enforcement of the guarantees on the Bocamina order, subject to negotiation within the more extensive, complex refinancing.

The table below shows the net financial debt of the Group at year end and at end 2012 in line with the Consob Communication No. DEM/6064293/2006 of 28 July 2006:

MAIRE TECNIMONT GROUP NET FINANCIAL DEBT

	Values in Euro thousands	**31/12/2013**	**31/12/2012**
A.	Cash	(316)	(429)
B.	Bank and post office deposits	(193,871)	(432,918)
C.	Securities	(4,557)	
D.	**Liquidity (A+B+C)**	**(198,744)**	**(433,347)**
E.	**Financial current recevaibles**	**(13,139)**	**(44,882)**
F.	Bank current debts	136,650	687,890
G.	Current part of non-current borrowings	16,057	-
H.	Other financial current debts	16,650	20,567
I.	**Current Financial Debt (F+G+H)**	**169,357**	**708,457**
J.	**Net Current Financial Debt (I-E-D)**	**(42,527)**	**230,228**
K.	Bank non-current debts	362,766	-
L.	Bonds issued	-	-
M.	Other non-current debts	81	1,024
N.	**Non-Current Financial Debt (K+L+M)**	**362,848**	**1,024**
O.	**Net Financial Debt (J+N)**	**320,321**	**231,252**

The following table provides a reconciliation of net financial debt and net financial position of the Group at end 2013 and 2012:

NFD AND NFP RECONCILIATION

Values in Euro thousands	**31/12/2013**	**31/12/2012**
O. Net Financial Debt	**320,321**	**231,252**
Net financial debt of assets on disposal	42	8,025
Other non-current financial assets	(15,086)	(13,065)
Financial instruments - derivatives (non consistent portion)	(263)	(10)
Net Financial Position	**305,013**	**226,202**

The fair value estimate of these financial instruments at 31 December 2013, measured using the method indicated in the section "Valuation Criteria", was substantially in line with their book value. The breakdown by expiry date of the gross financial liabilities is shown in the section "Information on Financial Risks".

28.25. Provisions for charges within 12 months

(Values in Euro thousands)	2012	Changes in the year	2013
Provision for charges within 12 months	150	(150)	0
Total	**150**	**(150)**	**0**

Provisions for charges within 12 months as at 31.12.2012 were Euro 150 thousand, and referred to the costs for dismantling a temporary building at Viale Castello della Magliana 75, Rome.

28.26. Tax payables

(Values in Euro thousands)	2012	Changes in the year	2013
Tax payables	44,345	(6,024)	38,321
Total	**44,345**	**(6,024)**	**38,321**

"Tax liabilities" of Euro 38,321 thousand declined from the value recorded at 31 December 2012.

The item mainly covers tax liabilities of foreign companies, including VAT, amounting to Euro 30,726 thousand, mainly relating to the following foreign companies: Tecnimont ICB, the French subsidiary Sofregaz S.A. and Stamicarbon B.V.

The other tax payables relate to IRES and IRAP of companies not included in the tax consolidated, VAT payables which refer mainly to deferred payment VAT that will be paid at the time of payment by the public sector client.

The balance related to employee IRPEF income tax deductions, withholding tax due on payments to external professionals and other various tax payables.

At 31 December 2013, there were no overdue tax and social security positions.

28.27. Financial Instruments - Derivatives

(Values in Euro thousands)	2012	Changes in the year	2013
Financial instruments - Derivatives	9,829	(2,920)	6,909
Total	**9,829**	**(2,920)**	**6,909**

"Derivatives" of Euro 6,909 thousand decreased Euro 2,920 thousand from 2012 as a result of the fair-value measurement of the derivative contracts held. The breakdown of this item is shown below:

- Euro 6,780 relates to the measurement of derivative instruments hedging exchange rate risk on contract revenue and costs. The decrease on 31 December 2012 was driven by the trend of the US dollar in the foreign exchange markets. The negative mark-to-market value is due to the appreciation of the US dollar against the Euro from the time in which the derivative contracts were stipulated up to closing. The negative mark-to-market value of the hedge positions is offset by future incoming operative cash flows for an equal amount.

- Euro 129 thousand represent the negative mark-to-market value of interest rate derivatives hedging interest rate risk, which are classified as held for trading for accounting purposes and, accordingly, recognized at fair value through profit or loss. During the year, the negative fair value recorded an improvement of Euro 557 thousand.

The fair value of embedded derivatives removed from some construction contracts has been zeroed following the closure of the reference orders.

For more information and an analysis of the fair value hierarchy, please refer to the section entitled "INFORMATION ON FINANCIAL RISKS".

28.28. Other current financial liabilities

(Values in Euro thousands)	2012	Changes in the year	2013
Other current financial liabilities	10,738	(997)	9,741
Total	**10,738**	**(997)**	**9,741**

Other current financial liabilities, of Euro 9,741 thousand, include financial liabilities due not to the banking system but mainly relating to funding received from the Cavet consortia companies for Euro 7,363 thousand, Cavtomi for Euro 2,130 thousand, and the share of the loan granted by Ghella S.p.A. (minority shareholder) in the company ML3000 S.c.a.r.l. for Euro 248 thousand, the latter was reclassified from long term to short term during the year.

28.29. Client advance payments

(Values in Euro thousands)	2012	Changes in the year	2013
Client advance payments	279,916	(165,234)	114,681
Total	**279,916**	**(165,234)**	**114,681**

"Client advance payments" are Euro 114,681 thousand, down Euro 165,234 thousand on 2012. Client advance payments relate to contractual payments on account received from clients on the date of signing of construction contracts.

The reduction mainly reflects the deconsolidation of the advances on orders of the Infrastructures BU for the Copenhagen metro and high speed MI-GE (COCIV), following their sale. In addition, the decrease was due to higher absorption of advances previously collected through advance billing, compared to new advances received during the year. This change is linked to contractual terms of the projects that allow invoices to be issued based on interim payment certificates that have absorbed these advances.

The main contractual advances related to the Oil, Gas & Petrochemicals BU orders, Borouge 3 and Slovnaft, and for the Infrastructure BU, primarily the Etihad Rail network order.

28.30. Construction Contracts Payable

(Values in Euro thousands)	2012	Changes in the year	2013
Work in progress - Advance payments	310,006	(20,157)	289,849
Total	**310,006**	**(20,157)**	**289,849**

The net negative value of contract work in progress shown under liabilities (construction contract payables) is the result, for each order, of the sum of the sales value of the portion of the project completed at the statement of financial position date, amounts invoiced and contractual risk provisions.

The Euro 20,157 thousand decrease is linked to the advancement of work and the contractual terms, for which the work carried out in the year was lower than invoices on account. The main construction contract payables are referred to the orders of the Oil, Gas & Petrochemicals BU such as Gasco, Tempa Rossa, AGRP Kuwait and Indians OPaL PP/LDPE.

28.31. Trade Payables

(Values in Euro thousands)	2012	Changes in the year	2013
Trade payables due within 12 months	761,701	(135,162)	626,539
Subsidiary payables due within 12 months	1,080	(376)	704
Associated company payables due within 12 months	8,071	(6,440)	1,631
Parent company payables due within 12 months	784	160	944
Affiliated company payables due within 12 months	0	30,973	30,973
Total	**771,636**	**(110,845)**	**660,791**

Trade payables are Euro 660,791 thousand, down Euro 110,845 thousand on 2012.

This change is mainly the result of the JV Gasco and Borouge 3 orders which have reached a very advanced stage and for which there have been significant payments to suppliers during the period. The financial performance of the Group has had an impact over the last two years not only in terms of increasing debt but also because it has given rise to a significant increase in trade payables due to suppliers, with consequent repercussions on overdue amounts due to suppliers.

In this regard it should be noted that the Group as at 31 December 2013 had overdue payables to third parties, of which Euro 38.3 million was 90 days or more overdue; when compared to 30 September 2013 this value showed an improvement in absolute terms, mainly because of approximately Euro 17.7 million payment plans negotiated with suppliers. The Group has, in fact, proceeded with the definition of repayment plans, which are enabling a gradual settlement of older trade payables in line with the achievement of the positive effects of the strategy.

In 2013, payment reminders were received as part of ordinary administrative management. Moreover, at 31 December 2013, the value of payment injunction orders issued to Group companies, not yet covered by an agreed rescheduling plan, was approximately Euro 0.7 million. Negotiations are currently underway to reach an agreed plan also for these latter items, if not opposed.

Trade payables to subsidiaries refer to payables due to unconsolidated companies and, specifically: Ravizza S.c.a.r.l. for Euro 43 thousand, Parco Grande S.c.a.r.l. for Euro 116 thousand and Program International Consulting Engineers S.r.l. for Euro 545 thousand.

Trade payables to associated companies are Euro 1,631 thousand, down Euro 6,440 thousand on 2012 mainly due to the sale of the equity investment in consortium Cociv, the payables of which have now been reclassified to trade payables. Trade payables to associates are due to MCM Servizi Roma for Euro 371 thousand, Studio Geotecnico Italiano for Euro 1,246 thousand and Villaggio Olimpico Moi for Euro 2 thousand, Stazioni MetroVal S.c.a.r.l. for Euro 12 thousand.

Payables to parent companies were Euro 944 thousand and refer to payables to GLV S.p.A. for the use of trademarks and lease of office space.

Amounts due to associates of Euro 30,973 thousand mainly refer to amounts due to Cavtomi for Euro 588 thousand, Consortium Ponte sullo stretto for Euro 2 thousand, Consortium Cavet for Euro 43 thousand, Lotto 5A S.c.a.r.l. in liquidation for Euro 12,351 thousand, Consortium Metro B1 for Euro 16,346 thousand, Metrofiera Scarl in liquidation for Euro 710 thousand and R.C.C.F. Nodo di Torino S.p.A. for Euro 4 thousand.

28.32. Other Current Liabilities

(Values in Euro thousands)	2012	Changes in the year	2013
Residual debt MABE closing	40,181	(33,081)	7,100
Employee salaries accrued but not yet paid	15,426	(941)	14,485
Pension and Social security payables	11,246	(687)	10,559
Expropriation payables	7,689	(18)	7,671
Tax payables (foreign countries)	4,020	2,996	7,016
Accrued charges and deferred income	5,468	8,579	14,047
Payable to other partner of TSJ-Boruge 3 JV	4,133	9,867	14,000
Other payables (various creditors)	16,640	2,481	19,121
Total	**104,803**	**(10,804)**	**93,999**

The item "Other Current Liabilities" of Euro 93,999 thousand declined Euro 10,804 thousand from 2012. The change is mainly due to the residual payables in relation to the Mabe closing, which were paid in 2013, the payment of residual amounts due provides for an extension until mid-2014.

The remaining items in other current liabilities mainly refer to payables due to social security institutions, accrued but not paid amounts due to staff, expropriation payables and other sundry payables, plus accrued charges and deferred income.

"Expropriation payables" include the amount due for expropriation accrued to date and connected with the "Fiumetorto-Cefalù" project managed by Cefalù 20 S.c.a.r.l. This payable amount will be reimbursed by the client.

"Tax payables" refer mainly to VAT payables of some foreign branches.

At 31 December 2013, there were no overdue tax and social security positions.

29. Commitments and Contingent Liabilities

The table below shows financial guarantees of Maire Tecnimont Group at 31 December 2013 and at 31 December 2012:

MAIRE TECNIMONT GROUP'S FINANCIAL GUARANTEES (Values in Euro thousands)	**2013**	**2012**
GUARANTEES ISSUED ON THE GROUP'S BEHALF		
Bank guarantees issued to third parties, of which:		
Guarantees issued to clients for oders in progress		
Performance bonds (with banks and insurance companies)	*719,305*	*975,508*
Advance bonds (with banks and insurance companies)	*196,698*	*297,412*
Others	*229,967*	*226,784*
Total personal guarantees	**1,145,970**	**1,499,704**
OTHER PERSONAL GUARANTEES		
Parent guarantees on behalf of subsidiaries, including:	**8,131,685**	**10,649,643**
Performance bonds	*7,590,257*	*10,403,457*
Others	*541,428*	*246,186*
Parent guarantees on behalf of associates	**0**	**41,277**
Parent guarantees on own behalf	**257,454**	**259,675**
Total other personal guarantees	**8,389,139**	**10,950,595**
Total Financial Guarantees	**9,535,109**	**12,450,299**

"Guarantees issued on the Group's behalf" amounting to Euro 1,145,970 thousand refer to the guarantees issued by banks and/or insurers on behalf of the Group operating companies in the sphere of the core business. In particular:

- "Performance Bonds": these guarantee the performance of the contract. In issuing this type of guarantee, the bank undertakes an obligation to repay the client up to a certain amount in the event the contractor's execution of the work fails to fulfill the contractual terms.
  Clients with large-scale orders could request SACE insurance coverage for some risks with an obligation to the bank.
- "Advance Bonds": these are guarantees of repayment for contractual advances. In issuing this type of guarantee, the bank undertakes an obligation to repay the client a set amount, as the reimbursement of payments on account, in the event of contractual default by the guarantee applicant (the contractor). Clients with large-scale orders could request SACE insurance coverage for some risks with an obligation to the bank.

"Other personal guarantees" of Euro 8,389,139 refer to the "Parent Company guarantees" issued to clients by Group companies on behalf of the subsidiaries in relation to the obligations undertaken as part of their core business and, therefore, contract execution. The period reduction is connected with the difference between the Parent Company Guarantees returned by clients for orders completed (mainly for the Colbun, Tasnee, Rabigh and Copenhagen metro projects) and those issued for the new Iowa Fertilizer order of Tecnimont S.p.A. and to SACE Factoring in the interests of MGR Verduno.

30. Transactions with Related Parties

Related parties transactions carried out by the Maire Tecnimont Group in 2013 mainly include:

- group companies that are not consolidated and companies related to the Group (Program International, Studio Geotecnico S.p.A., MCM Servizi Roma S.c.a r.l., etc.);
- the parent company GLV Capital S.p.A. and its direct subsidiaries;
- companies directly and/or indirectly related to the majority shareholder of Maire Tecnimont S.p.A.;
- Directors and Auditors and/or companies related to them.

With reference to the disclosure on related parties, it is reported that all transactions with related parties have been conducted based on market conditions. At 31 December 2013, the breakdown of the Company's receivables/payables (including financial receivables/payables) and cost/revenue transactions with related parties, is shown in the tables below. The tables also show the equity positions resulting from transactions that took place last year and are still being defined:

(Values in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Costs	Revenues
Elfa Investimenti S.r.l.	14	0	0	0	49
Esperia Aviation S.p.A. (*)	128	874	0	0	36
G.L.V. S.p.A. (*)	41	(944)	0	(356)	81
Maire Investments S.p.A.	0	0	0	(1)	18
S.C Real Estate S.r.l.	0	0	0	(10)	4
Total	**183**	**(70)**	**0**	**(367)**	**188**

(*) For the following receivable with Esperia and payable with GLV, repayment plans have been defined, which will allow for the gradual reduction of the respectively positive and negative commercial entries.

More specifically, payable contracts still in place relate to the lease of property used as offices by the Group companies and the use of the "Maire" trademark (relations with GLV Capital S.p.A.). Receivable contracts relate to administrative/fiscal/legal services (GLV Capital S.p.A. and Maire Investments S.p.A.) and the recharge of costs incurred on behalf of said companies and other activities.

Relations with other non-consolidated and/or non-associated companies of the Group, are purely commercial and relate to specific activities linked to contracts.

(Values in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Costs	Revenues
MCM Servizi Roma S.c.a.r.l.	0	(371)	480	(38)	31
Studio Geotecnico Italiano	0	(1,519)	0	(1,109)	0
Consorzio Libya Green	0	0	0	(17)	0
Stazioni Metro Val S.c.a.r.l.	0	(12)	23	(8)	0
Villaggio Olimpico MOI S.c.a.r.l.	0	(2)	70	(2)	0
Ravizza S.c.a.r.l	0	(43)	0	(2)	0
Parco Grande S.c.a.r.l.	116	(116)	0	0	0
Program International Consulting Engineers S.r.l	700	(936)	900	0	31
KTI Star	22	0	0	(6)	146
Total	**838**	**(2,999)**	**1,473**	**(1,182)**	**208**

31. Independent Auditors Fees

The table below has been prepared in compliance with article 149-*duodecies* of the "Consob Regulations for Issuers" to show the fees paid to the external audit firm in FY 2013 for the audit service and those paid for other non-audit services carried out by the same audit firm.

Type of service	Audit Firm	Client	Fees (Values in Euro thousands)
Audit	Deloitte & Touche S.p.A.	Capogruppo Maire Tecnimont	415
	Deloitte & Touche S.p.A.	Subsidiaries	808
	Rete Deloitte	Subsidiaries	599
Attestation services*	Deloitte & Touche S.p.A.	Capogruppo Maire Tecnimont	560
	Deloitte & Touche S.p.A.	Subsidiaries	55
	Rete Deloitte	Subsidiaries	3
Other services**	Deloitte & Touche S.p.A.	Capogruppo Maire Tecnimont	160
	Deloitte & Touche S.p.A.	Subsidiaries	50
	Rete Deloitte	Subsidiaries	43

Prices do not include VAT, expenses or, where applicable, the reimbursement of the Consob reporting contribution.

** Attestation services include the signing of tax declarations and services provided under the scope of the activities required prior to the share capital increase:*
- Report on prospective data;
- Report as provided for by art. 2441, paragraph four, second sub-paragraph, of the Italian Civil Code;
- Examination of pro-forma consolidated financial statements as at 31 December 2012;
- Comfort letter of the Prospectus prepared in accordance with Italian legislation and the International Prospectus.

*** Other services include agreed-upon procedures on accounting data.*

32. Information on Financial Risks

The Group is exposed to financial risks in carrying out its ordinary business activities, more specifically:

- credit risk related to normal business relationships with clients and financing transactions;
- liquidity risk related to the difficulty of liquidating market positions in the desired timeframe or of securing the financial resources needed to continue operations;
- market risk related to fluctuations in interest rates, foreign exchange rates and the price of goods, given that the Group operates internationally in different currency zones and uses financial instruments that generate interest;
- the risk of default and loan covenants, relating to the possibility that the financing contracts contain clauses that give the issuer banks the right to demand the immediate repayment of the borrowed sums should specific circumstances arise, which, consequently, would generate a liquidity risk.

The Maire Tecnimont Group constantly monitors the financial risks to which it is exposed in such a way as to evaluate the potential negative effects of such risks in advance and to take suitable actions to mitigate them.

The following section provides qualitative and quantitative benchmark indicators on the incidence of such risks on Maire Tecnimont Group. The quantitative data presented below are not predictive value. In particular, the market risk sensitivity analysis cannot reflect the complexity and the related reactions of markets that could derive from each hypothetical change.

32.1. Credit Risk

Credit risk represents the Maire Tecnimont Group’s exposure to potential losses arising from a counterparty’s failure to fulfill its obligations. Credit risk associated with the ordinary business of commercial transactions is monitored by both the operational and the administration functions on the basis of formal procedures that define the client risk quantification and control methods.

The Group also has procedures in place to manage credit collection operations and possible disputes.

Currently, the Group is not exposed to significant concentrations of credit risk either by geographical area or by client as it has diversified its operations into several geographical markets and business lines.

The Group’s maximum theoretical exposure to credit risk at 31 December 2013 corresponded to the book value of the financial assets shown in the statement of financial position, as well as the nominal value of the guarantees issued for third-party loans or commitments.

The receivables reported in the Statement of Financial Position at 31 December 2013 are net of bad debt provisions, which are computed on the hypothetical default risk of the counterparty based on their reliability (third parties, related parties, and public entities). Trade receivables due from third-party clients due within and over 12 months were Euro 396,273,000 (Euro 451,014,000 for 2012) and Euro 46,534,000 (Euro 46,452,000 for 2012), respectively, less the provision for bad debts of Euro 9,962,000 for receivables subject to write down. The estimate of amounts considered non-recoverable is made on the basis of expected future cash flows. These cash flows take into account the expected recovery time, the presumed realizable value, any guarantees and any expected credit collection cost.

The tables below provide a breakdown of third-party trade receivables by expiry date and Business Unit:

(Values in Euro thousands)	Overdue at 31/12/2013				
	Not expired	Up to 365 days	From 366 to 731 days	More than 731 days	Total
Oil, Gas & Petrolchemicals	151,009	74,883	33,207	79,802	338,901
Power	182	3,107	4,862	160	8,311
Infrastructure e Civil Engineering	47,725	37,488	3,677	6,531	95,421
Other	(35)	248	121	(160)	173
Total Third-Party Trade Receivables	**198,880**	**115,726**	**41,867**	**86,333**	**442,807**
Of which:					
Within 12 months					***396,273***
Over 12 months					***46,534***

(Values in Euro thousands)	Overdue at 31/12/2012				
	Not expired	Up to 365 days	From 366 to 731 days	More than 731 days	Total
Oil, Gas & Petrolchemicals	145,076	178,642	26,311	22,784	372,813
Power	22,816	52	5,999	115	28,981
Infrastructure e Civil Engineering	35,892	27,971	3,881	10,744	78,487
Other	13	41	-	-	54
Total Third-Party Trade Receivables	**203,797**	**206,706**	**36,191**	**33,642**	**480,337**
Of which:					
Within 12 months					***433,885***
Over 12 months					***46,452***

Trade receivables overdue for more than 731 days for the Infrastructure and Civil Engineering BU are mainly related to subjects belonging to the Italian Public Administration, with respect to the Oil, Gas & Petrochemicals BU, are related to a few locations and are constantly monitored; both cases do not give rise to concern regarding solvency of customers (Italian and foreign government bodies), and the collectability of the same. The increase is partly also due to the trade receivables of the subsidiary Sofregaz, which last year was classified as held for sale Trade receivables are shown net of bad debt provisions of Euro 9,962,000 (Euro 7,740,000 end 2012).

(Values in Euro thousands)	2012	Provisions	Utilised	Change in scope of consolidation	Other changes	2013
Bad debt provision	7,740	2,889	(132)	0	(535)	9,962
Total	**7,740**	**2,889**	**(132)**	**0**	**(535)**	**9,962**

Provisions made mostly relates to projects of the Oil, Gas & Petrochemicals BU, and the residual part to projects of the Infrastructure BU. The decreases are related to uses in the period following the final accounting of losses on receivables previously provisioned.

32.2. Liquidity Risk

Liquidity risk represents the risk that, due to the difficulty of securing new financial resources or of liquidating assets on the market, the company is unable to meet its payment obligations, is forced to incur additional costs to obtain the resources needed or, as an extreme consequence, is confronted with a situation of potential insolvency that puts at risk its Going Concern.

Maire Tecnimont Group is going through a period of understandable financial stress and tension especially related to the losses pertaining to certain contracts that are now complete, the Power BU in Latin America. The projects mentioned above have caused a significant absorption of cash produced by draining liquidity produced within the Group and contributing to the increase, over the past two years, in the financial debt. The increase in financial debt also coincides with the liquidity crisis in the banking system nationally and internationally that generally has resulted in a decrease in medium-long term to companies, an increase in the cost of funding the banking system and the consequent increase in the cost of borrowing.

The period of financial and liquidity crisis that the Company and the Group are going through requires the implementation of a strategy aimed at achieving definite financial balance of the Group, the conclusion of which is expected to restore the financial situation, assets and liquidity adequate to handle the needs of the Company and the Group.

On 26 July 2013 Maire Tecnimont S.p.A. announced that following the early conclusion of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. These agreements provide for the rescheduling of Euro 307 million of the Group's indebtedness over five years, with a grace period of two years and the repayment by half-year installments from 2015 to 31 December 2017. In addition, our lenders Intesa Sanpaolo, UniCredit and Monte dei Paschi di Siena have provided new financing in an aggregate amount of Euro 50 million under the same conditions. Finally the certain facilities in an aggregate amount of Euro 245 million have been confirmed by all the banks, as well as guarantees for Euro 765 million in order to support the business.

On 13 February 2014 Maire Tecnimont S.p.A. announced that following the approval given by the Board of Directors on 11 February 2014, it had started and successfully completed on that same date the listing of an equity-linked debenture loan (the "Listing") with a term of 5 years, for a total nominal figure of Euro 70 million (the "Bonds"). On 17 February 2014, the joint bookrunners exercised their over-allotment option in full. Consequently, the total nominal value of the bonds was increased from Euro 70 million to Euro 80 million. The Bonds were settled on 20 February 2014.

The offer was intended exclusively for qualified investors on the Italian and international market, excluding the United States of America, Canada, Japan and Australia or any other jurisdiction in which the offer or sale of Bonds is subject to authorisation by local authorities or in any case prohibited by the law.

The listing will enable the Company to obtain a more extensive diversification of the financial resources and optimisation of the Company's financial structure through the collection of funds on the capital market. These funds will be used to finance the company's business, in line with the 2013-2017 business plan approved on 5 April 2013. These funds will not be used to repay bank debt.

The Bonds will become convertible into ordinary shares in the Company (the "Shares") subject to approval by the Company's extraordinary Shareholders' meeting, to be held by 30 June 2014 (the "Long-Stop Date"), of a share capital increase with the exclusion of stock options in accordance with art. 2441, paragraph 5 of the Italian Civil Code, to be reserved exclusively for the conversion of the Bonds (the "Share Capital Increase").

The initial Bond conversion price has been established as Euro 2.1898, which constitutes a premium of 35% over the weighted average price of the Company's ordinary shares as recorded on the MTA, between the time of launch and transaction pricing.

The Bonds were issued at par, for a unit nominal value of Euro 100,000; they have a term of 5 years and a fixed annual coupon of 5.75%, payable six-monthly in arrears. If not previously converted, redeemed, purchased or cancelled, the Bonds will be redeemed at par on 20 February 2019.

The table below shows the breakdown of financial debt by expiry date:

31.12.2013 **(Values in Euro thousands)**	**Due within 1 year**	**Due within 2 to 5 years**	**Due within 5 years**	**Total**
Bank debt	133,860	362,766	0	496,626
Other lenders	18,847	0	0	18,847
Other current financial liabilities	9,741	0	0	9,741
Derivative instruments	6,909	81	0	6,990
Total Current and Non-Current Financial Liabilities	**169,357**	**362,847**	**0**	**532,204**

31.12.2012 **(Valori in migliaia di Euro)**	**Due within 1 year**	**Due within 2 to 5 years**	**Due within 5 years**	**Total**
Bank debt	595,267	0	0	595,267
Other lenders	92,623	0	0	92,623
Other current financial liabilities	10,738	0	0	10,738
Derivative instruments	9,829	1,024	0	10,853
Total Current and Non-current Financial Liabilities	**708,457**	**1,024**	**0**	**709,481**

32.3. Market Risks

Exchange rate risk

The Group is exposed to risks deriving from exchange rate fluctuations, which may have an impact on the net income and on the value of shareholders' equity. In particular, if Group companies incur costs denominated in currencies other than those of their respective revenues, fluctuations in exchange rates may influence the operating income of such companies.

The Group is exposed to the following main exchange rates:

- EUR/USD, in relation to sales in US dollars made by the Group's Italian companies in markets that use the dollar as currency for trade flows and sales/purchases in the sector in which Maire Tecnimont Group operates;
- EUR/JPY, in relation to Yen-denominated trade flows and sales/purchases of some orders in the sector in which Maire Tecnimont Group operates.

Other significant exposures relate to EUR/BRL and EUR/PLN exchange rates.

Maire Tecnimont Group has adopted the following strategies to reduce exchange rate risk:

- upon signing individual contracts, it stipulates exchange rate derivative contracts to hedge the differences between receipts and payments denominated in foreign currencies, throughout the entire duration of the contract. Such transactions may be defined as cash flow hedges;

- whenever possible, contracts are denominated in the currency in which payment takes place to reduce hedging costs.

The assets and liabilities of consolidated companies whose accounting currency is not the euro may be subject to different countervalues in euro depending on exchange rate fluctuations. In accordance with the Group's accounting principles, the impact of said fluctuations are reflected directly through shareholders' equity in "Foreign currency translation reserve".

The Group monitors the main exposures to exchange rate risk. The Group had no hedges against such exposure at the reporting date.

Raw material price fluctuation risk

The Group is exposed to risks deriving from changes in raw material prices that may have an impact on its profit and on its net asset value. In particular, such changes may impact the operating results of the Group companies when such companies sustain costs for procurement of semi-finished or finished products (e.g. machinery, pipes, cables) in which the contents of raw material has a significant effect on overall margin of projects. The change in the price of these commodities can affect the operating results of these companies.

Sensitivity analysis

The potential loss in fair value (see table below) of derivative instruments that hedge exchange rate risk (currency swap/forward) and raw material price fluctuation (commodity swap), held by the Group at 31 december 2013, would lead to a negative impact on net equity of about Euro (4,475) thousand net of the tax impact, in the event of an unfavorable and immediate 10% fluctuation in exchange rates of the principal foreign currencies against the euro.

Financial Instrument (Values in Euro thousands)	**Book Value at 31/12/2013**	**Impact on Income Statement**	**Impact on Shareholders' Equity**	**Impact on Income Statement**	**Impact on Shareholders' equity**
Financial Assets and Liabilities		**+ 10%**		**- 10%**	
"Foreign Currency Options"	-	-	-	-	-
"Forward Currency Swap" (*) (**)	(1,924)	9	6,086	(15)	(7,438)
"Commodity Swap"	-	-	-	-	-
Impact on financial assets pre-tax		9	6,086	(15)	(7,438)
Tax rate 27.5%		27.5%	27.5%	27.5%	27.5%
Impact on financial assets after tax		7	4,412	(10)	(5,393)
Total increase (decrease)		**7**	**4,412**	**(10)**	**(5,393)**

(*) Fair-Value "Level 2"

The analysis does not take into account future trade receivables and payables against which the Group has entered into the hedging transactions referred to above. It may be reasonably assumed that the exchange rate fluctuations would cause an opposite effect of equal amount on the hedged underlying transactions.

The table below shows the periods in which the cash flows associated with the cash flow hedge derivatives in place at the reporting date are expected to have an impact on the Income Statement.

(Values in Euro thousands)	31/12/2013				
	Book value	Expected cash flow	Less than 1 year	From 2 to 5 years	Over 5 years
"FX Forward/Swap"(*)	(1,924)	98,683	87,111	11,572	-

(*) *Fair-Value "Level 2"*

32.4. Interest rate risk

The Maire Tecnimont Group is exposed to fluctuations in interest rates with respect to the measurement of borrowing costs.

Financial debt (Values in Euro thousands)	**Total**	**Hedged portion**	**Portion not hedged**
Current debt	130,792	7,500	123,292
Non-current debts	362,766	0	362,766
Total debts	**493,558**	**7,500**	**486,058**

Maire Tecnimont Group does not use derivative instruments for speculative purposes, actually it uses them to reduce the impact of fluctuations in interest expense. These hedging transactions have the purpose of mitigating the impact of increases in the Euribor rate on interest expense, while maintaining part of the benefits connected to any reductions in the rate.

The risk associated with fluctuations in interest rates as part of the Maire Tecnimont Group is managed – as mentioned – with the purpose of hedging transactions with Zero Cost Collar transactions. However, for accounting purposes, these instruments are classified as trading derivatives and reported at fair value with the relevant impact shown in the Income Statement. The risk on the residual portion of the floating-rate debt is currently nullified as the Group's cash deposits bear interest at rates indexed at the same Euribor rate applied to the debt. That means that any fluctuation in the cost of the outstanding loans is offset by a similar variation in the interest income generated by cash deposits.

Sensitivity analysis

The table below shows the potential loss in fair value of the derivatives held by the Group at 31 December 2013 for the purposes of managing the interest rate risk ("Amortizing Interest Rate Collar"), impacting the Income Statement. A sudden and unfavorable shift of 10% in market interest rates and a favourable shift of 10% in market interest rates would would generate an effect equal to zero.

(Values in Euro thousands)	**Book value at 31/12/2013**	**+ 100 bps parallel shift in interest rate curve Eur**		**- 100 bps parallel shift in interest rate curve Eur**	
Financial instrument		Impact on Income Statement	Impact on Shareholders' Equity	Impact on Income Statement	Impact on Shareholders' Equity
"Amortizing Interest Rate Collar"(*)	(129)	-	-	-	-
Impact on financial assets pre-tax		-	-	-	-
Tax rate 27.5%		27.50%		27.50%	
Tax effect		-		-	
Impact on financial assets after tax		**-**		**-**	

(*) *Fair-Value "Level 2"*

32.5. Risk of default and debt covenants

The risk under review relates to the possibility that the financing contracts contain clauses that give the lender banks the right to demand the immediate repayment of the borrowed sums should specific circumstances arise, thus generating a liquidity risk.

In the first quarter of 2013, the Group did not comply with the covenants under the loan agreements in place. Failure to observe the above-mentioned parameters would in fact theoretically result in the option, exercisable by the lenders, to demand immediate repayment of the loans.

On 26 July 2013, following the early termination of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. The loans are secured by covenants in line with the standards for this type of operation, of which the first measurement will take place in 2015 with reference to the figures at 31 December 2014.

Finally, for the covenants envisaged for the loans not concerned by the refinancing, there is no notice of them not having been respected as they were substantially harmonized with the covenants envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

Analysis of forward transactions and derivatives

The Group has verified compliance with the requirements of IAS 39 and the possible application of hedge accounting in the recognition of hedge transactions in the Financial Statements, specifically:

- Transactions definable as hedges pursuant to IAS 39 are divided into cash flow hedges and fair-value hedges. When realized, the accrued result of cash flow hedges – the only hedge transactions currently in place – is included in the gross operating margin; for exchange rate transactions, any change in fair value is recognized under shareholders' equity for the effective part and in the Income Statement for the ineffective part;
- Transactions not definable as hedge pursuant to IAS 39:

The accrued result and the change in fair value are recognized below the gross operating margin line among financial income and expense.

In accordance with IFRS 7, the classification of financial instruments at fair value is determined on the basis of the significance of the inputs used to measure the fair value. IFRS 7 sets out the following fair-value disclosure hierarchy:

- Level 1: determination of fair value based on quoted prices in active markets. The instruments used by the Group do not fall into this category;
- Level 2: determination of fair value based on the quoted prices in an active market for similar instruments or through valuation methods based directly or indirectly on observable market inputs. The instruments used by the Group fall into this category;
- Level 3: determination of fair value based on valuation models whose inputs are not based to a significant degree on observable market data ("unobservable inputs"). At the present time, the Group has no instrument whose value is determined using models with inputs not based directly on observable market data.

The fair value of all derivative instruments used by the Group is determined on the basis of valuation methods that incorporate observable market parameters (Level 2). No transfers from Level 1 to Level 2 or vice versa were made in FY 2013.

Derivative instruments at 31 December 2013

The tables below show the following information:

- the outstanding amount of the derivative contracts in place at the reporting date, by maturity;
- the fair value portion referred to in the foregoing paragraph, recognized in the Income Statement.

Any difference between the value in the Statement of Financial Position and the fair value recognized in the Income Statement represents the fair value of contracts that may be defined as cash flow hedges, which, in accordance with the Group's accounting principles, is directly recognized among shareholders' equity reserves.

Interest rate derivatives

The Group entered into "Amortizing Interest Rate Collar" contracts.

The characteristics of these instruments are shown in the table below:

Type of contract (Values in Euro thousands)	Notional value	Fair Value at 31.12.2013	Hedged Financial Liabilities
Amortizing IRS (*)	-	-	-
Amortizing Interest Rate Collar (*)	7,500	(129)	7,500

(*) *Fair-Value "Level 2"*

Interest rate derivative contracts are entered into with leading Italian and foreign banks for the purpose of hedging.

However, for accounting purposes, these instruments are classified as trading derivatives and reported at fair value with the relevant impact shown in the Income Statement.

(Values in Euro thousands)	Notional value due within 1 year	Notional value due within 2 to 5 years	Notional value due over 5 years	Income on Income Statement at 31 December 2013
Interest rate risk management				
Not classifiable as hedge pursuant to IAS 39 (*)	*7,500*	-	-	*557*

(*) *Fair-Value "Level 2"*

Exchange rate derivatives

The Group uses exchange rate hedges to mitigate any risk of future potential fluctuations in the cash flows into and/or out of the contracts, attributable to unfavorable changes in the exchange rate.

The derivatives held at 31 December 2013 related to forward financial transactions and, in particular, to contracts hedging the exchange rate risk inherent in Maire Tecnimont Group orders denominated in foreign currencies.

Exchange rate/raw materials derivative contracts are entered into with leading Italian and foreign banks for the purpose of hedging. These instruments are also classified as hedges for accounting purposes. Changes in the fair value of the derivatives held to hedge future cash inflows generated by the Group's contractual commitments are directly reported under shareholders' equity when effective, whereas the ineffective portion is immediately recorded in the Income Statement.

Amounts directly not recognized under shareholders' equity are included in the Income Statement in the same period in which the hedged cash flow generated its effect on the Income Statement.

(Values in Euro thousands)	Notional value due within 1 year	Notional value due 2 to 5 years	Impact on Shareholders' Equity at 31 December 2013	Impact on Income Statement at 31 December 2013
Exchange rate risk management	77,600	9,426	(2,204)	(286)
Classifiable as hedge pursuant to IAS 39(*)	*77,600*	*9,426*	(2,204)	*(286)*

(*) *Fair-Value "Level 2"*

32.6. Classification of financial instruments

In accordance with IFRS 7, the tables below show the types of financial instruments included in the Statement of Financial Position categories and the valuation criteria applied:

31.12.2013 (Values in Euro thousands)	Loans and Receivables	Fair Value assets held for trading recognized in Income Statement	Hedge derivatives	Assets held to maturity	Assets held for sale	Total
Other Non-current Financial Assets	15,086	-		-	-	15,086
Other Non-current Assets	60,122	-	-	-	-	60,122
Trade Receivables	413,031	-	-	-	-	413,031
Financial Instruments - Derivatives	-	-	415	-	-	415
Other Current Financial Assets	17,282	-	-	-	-	17,282
Other Current Assets	139,613	-	-	-	-	139,613
Cash and cash equivalents	194,187	-	-	-	-	194,187
Total Financial Assets	**839,321**	**0**	**415**	**0**	**0**	**839,736**

(*) *Fair-Value "Level 2"*

31.12.2012 (Values in Euro thousands)	Loans and Receivables	Fair Value assets held for trading recognized in Income Statement	Hedge derivatives	Assets held to maturity	Assets held for sale	Total
Financial instruments – Non-current derivatives			10(*)			10
Other non-current financial assets	7,978				5,087	13,065
Other non-current assets	60,510					60,510
Trade receivables	451,014					451,014
Financial instruments - Derivatives		562	303(*)			865
Other current financial assets	44,017					44,017
Other current assets	151,203					151,203
Cash and cash equivalents	433,347					433,347
Total Financial Assets	**1,148,069**	**562**	**313**		**5,087**	**1,154,031**

(*) *Fair-Value "Level 2"*

31.12.2013 (Values in Euro thousands)	Amortized cost liabilities	Fair Value liabilities held for trading recognized in Income Statement	Hedge derivatives	Total
Financial instruments – Non-current derivatives			81(*)	81
Short-term loans	152,707			152,707
Financial instruments – Derivatives			6,909(*)	6,909
Trade payables	660,791			660,791
Other Current Liabilities	93,999			93,999
Total Financial Liabilities	**907,497**	**0**	**6,990**	**914,487**

(*) *Fair-Value "Level 2"*

31.12.2012 (Values in Euro thousands)	Amortized cost liabilities	Fair Value liabilities held for trading recognized in Income Statement	Hedge derivatives	Total
Financial instruments – Non-current derivatives		749	275(*)	1,024
Short-term loans	687,890			687,890
Financial instruments – Derivatives		5,355	4,474(*)	9,829
Trade payables	771,636			771,636
Other Current Liabilities	104,803			104,803
Total Financial Liabilities	**1,564,329**	**6,104**	**4,749**	**1,575,182**

(*) *Fair-Value "Level 2"*

The book value of financial assets and liabilities is substantially in line with their fair value.

33. Positions or Transactions Deriving from Atypical and/or Unusual Operations

In accordance with Consob Communication no. DEM/6064293 dated 28 July 2006, it is specified that during the year the Group did not implement any atypical and/or unusual transactions, as defined by the Communication.

34. Non-recurring Significant Events and Transactions

In FY 2013, the Group did not enter into any of the non-recurring significant transactions pursuant to Consob Communication no. DEM/6064293 of 28 July 2006 except as set forth in the section of the Report on Operations, "Key Events in the fiscal year".

35. Significant Events after 31 December 2013

Information on the significant events occurring after 31 December 2013 is provided in the "Report on Operations" that accompanies these Financial Statements.

36. Attestation to the Consolidated Financial Statements Pursuant to article 154-*bis*, paragraph 5, of Italian Legislative Decree 58/98 and Subsequent Amendments and Supplements

1. The undersigned Pierroberto Folgiero in his capacity as Chief Executive Officer and Dario Michelangeli in his capacity as "Executive in Charge of Preparation of the Company Accounting Documents" of Maire Tecnimont S.p.A., taking into account the contents of article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24 February 1998, attest to:
   - the consistency with the Company's characteristics; and
   - the effective application of the administrative and accounting procedures as the basis for preparation of the Consolidated Financial Statements in Fiscal Year 2013.
2. In addition, we attest that the Consolidated Financial Statements:
   - have been prepared in accordance with the applicable international accounting standards approved by the European Community pursuant to Commission Regulation (EC) No. 1606/2002 of 19 July 2002 of the European Parliament and of the Council;
   - correspond to the information contained in the accounting ledgers and records;
   - have been prepared in accordance with article 154-*ter* of the aforementioned Italian Legislative Decree 58/98 and subsequent amendments and supplements and provide a true and fair representation of the equity, economic and financial situation of the issuer and the whole of the companies included in the scope of consolidation.
3. The Report on Operations provides a reliable analysis of the performance, the operating result and the situation of the issuer, and the whole of the consolidated companies, as well as a description of the principal risks and uncertainties to which they are exposed.

The present attestation is provided also pursuant to and for the purposes of article 154-*bis*, paragraph 2, of Italian Legislative Decree 58 of 24 February 1998.

Milan, 13 March 2014

The Chief Executive Officer	The Executive in Charge of Preparation of the Company Accounting Documents
Pierroberto Folgiero	**Dario Michelangeli**

Financial Statements and Explanatory Notes

at 31 December 2013

37. Financial Statements

37.1. Income Statement

(Values in Euro thousands)	Notes	2013	2012
Revenue	*41.1*	42,334	40,793
Other operating revenue	*41.2*	1,984	2,089
Total Revenue		**44,318**	**42,882**
Raw materials and consumables	*41.3*	(41)	(49)
Cost of services	*41.4*	(11,787)	(9,901)
Personnel cost	*41.5*	(13,975)	(8,399)
Other operating costs	*41.6*	(2,549)	(2,210)
Total Costs		**(28,352)**	**(20,559)**
Gross Operating Margin		**15,966**	**22,323**
Amortization/depreciation and impairment	*41.7*	(511)	(1,093)
Write down of bad debts included in NWC and cash in hand	*41.8*	(2,350)	0
Operating Profit (Loss)		**13,105**	**21,230**
Financial income	*41.9*	4,441	354
Interest expense	*41.10*	(7,585)	(3,983)
Income/(Charges) on investments	*41.11*	(20,300)	(37,500)
Profit (Loss) before tax		**(10,339)**	**(19,899)**
Income Taxes	*41.12*	4,979	3,316
Profit (Loss) for the Year		**(5,361)**	**(16,583)**
Earnings (Loss) per Share		**(0.018)**	**(0.054)**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006, is provided in the specific disclosure section "Transactions with Related Parties".

37.2. Statement of Comprehensive Income

(Values in Euro thousands)	Notes	2013	2012
Profit (Loss) for the Year		**(5,361)**	**(16,583)**
Other Income (Charges)			
Actuarial gains (losses)	*42.11*	(21)	3
Tax impact	*42.11*	6	(1)
Other Income (Charges) in the Year, Net of Tax Impact		**(15)**	**2**
Comprehensive Income for the Year		**(5,376)**	**(16,581)**

37.3. Statement of Financial Position

(Values in Euro thousands)	Notes	2013	2012
Assets			
Non-current Assets			
Property, plant and equipment	*42.1*	108	156
Other intangible assets	*42.2*	3,709	4,884
Investments in subsidiaries	*42.3*	714,651	347,670
Other non-current assets	*42.4*	1,100	1,100
Other non-current financial assets	*42.4*	41,696	0
Deferred tax assets	*42.5*	4,021	4,833
Total Non-Current Assets		**765,285**	**358,643**
Current Assets			
Trade receivables	*42.6*	22,207	19,855
Current tax assets	*42.7*	27,769	37,520
Other current financial assets	*42.8*	0	21,591
Other current assets	*42.9*	24,327	23,762
Cash and cash equivalents	*42.10*	619	444
Total Current Assets		**74,922**	**103,172**
Total Assets		**840,207**	**461,815**

The analyses of related party transactions, in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section "Transactions with Related Parties".

(Values in Euro thousands)	Notes	2013	2012
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital		19,690	16,125
Share premium reserve		224,698	83,045
Other reserves		152,492	152,137
Valuation reserve		7	22
Total shareholders' equity and reserves		396,887	251,329
Profit (Loss) from previous years		1,573	18,156
Profit (Loss) for the Year	*42.11*	(5,361)	(16,583)
Total Shareholders' Equity		**393,099**	**252,902**
Non-current Liabilities			
Medium/long-term borrowings	*42.12*	76,064	0
Provisions for risks and charges over 12 months	*42.13*	2,357	1,211
Deferred tax liabilities	*42.5*	252	237
Post-employment benefits and other employee benefits	*42.14*	534	521
Other non-current financial liabilities	*42.15*	217,614	44,900
Total Non-Current Liabilities		**296,821**	**46,869**
Current Liabilities			
Short-term debt	*42.16*	17,886	59,027
Tax payables	*42.17*	1,135	891
Trade payables	*42.18*	87,014	52,265
Other current liabilities	*42.19*	44,252	49,861
Total Current Liabilities		**150,287**	**162,044**
Total Shareholders' Equity and Liabilities		**840,207**	**468,383**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006, is provided in the specific disclosure section "Transactions with Related Parties".

38. Statement of Changes in Equity

(Values in Euro thousands)	Share Capital	Additional Paid-up Capital	Statutory Reserve	Other Reserves	Treasury Shares	Profit and Losses from Earlier Years	Profit (Loss) for the Year	Shareholders' equity
Balances at 31 December 2011	**16,125**	**83,045**	**5,328**	**146,809**	**20**		**18,156**	**269,483**
Allocation of earnings						18,156	(18,156)	**0**
Total Profit (Loss) for the year					2		(16,583)	**(16,581)**
Balances at 31 December 2012	**16,125**	**83,045**	**5,328**	**146,809**	**22**	**18,156**	**(16,583)**	**252,902**
Balances at 31 December 2012	**16,125**	**83,045**	**5,328**	**146,809**	**22**	**18,156**	**(16,583)**	**252,902**
Allocation of earnings						(16,583)	16,583	**0**
Capital Increase	3,565	146,417						**149,982**
Charges related to capital increase net of tax impact		(4,764)						**(4,764)**
Option rights sale				355				**355**
Total Profit (Loss) for the year					(15)		(5,361)	**(5,376)**
Balances at 31 December 2013	**19,690**	**224,698**	**5,328**	**147,164**	**7**	**1,573**	**(5,361)**	**393,099**

39. Statement of Cash Flows (Indirect Method)

(Values in Euro thousands)	2013	2012
Cash and Cash Equivalents at the beginning of the year (A)	**444**	**1,020**
Operations		
Net Income	(5,361)	(16,583)
Adjustments:		
Amortization/Depreciation of intangible assets	463	1,029
Amortization/Depreciation of non-current tangible assets	48	64
Provisions	2,350	0
Financial (Income)/Expense	3,144	3,629
Income taxes	(4,979)	(3,316)
(Capital gains)/Capital Losses	0	0
Write-downs of investments	20,300	37,500
(Increase)/Decrease in trade receivables	(2,352)	7,909
Increase/(Decrease) in other liabilities	(5,609)	41,092
(Increase)/Decrease in other assets	(566)	(20,613)
Increase/(Decrease) in trade payables	34,749	(28,200)
Increase/(Decrease) in provisions (including Post-Employment Benefits)	1,159	193
Income taxes paid	15,801	1,037
Cash Flow from Operations (B)	**59,147**	**23,741**
Investments		
(Investments in)/Disposals of non-current tangible assets	0	(7)
(Investments)/Disposals of intangible assets	713	(858)
(Increase)/Decrease in other investments	(387,281)	0
Cash Flow from Investments (C)	**(386,568)**	**(865)**
Financing		
Change in financial debt	31,779	(3,230)
Change in other financial assets/liabilities	150,259	(26,682)
Change in capital and reserves	145,558	0
Dividend distribution	0	0
Cash Flow from Financing (D)	**327,596**	**(23,452)**
Increase/(Decrease) in Cash and Cash Equivalents (B+C+D)	**175**	**(576)**
Cash and Cash Equivalents at the End of the Year (A+B+C+D)	**619**	**444**

The analyses of related parties transactions in accordance with Consob Resolution no. 15519 of 27 July 2006 is provided in the specific disclosure section "Transactions with Related Parties".

40. Notes at 31 December 2013

Basis of Preparation

General Information

Maire Tecnimont S.p.A. is a joint-stock company incorporated in Italy, registered with the Rome Business Register. Pursuant to article 4, Subsection 1 of Legislative Decree 38/2005, the Statutory Accounts (separate Financial Statements) of Maire Tecnimont S.p.A., whose shares are listed and traded on the Italian Regulated Market, have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission as defined by article 6 of the EC Regulation 1606/2002 enacted by the European Parliament and Council on 19 July 2002. The Financial Statements have been prepared using the historical cost criterion, modified as required for the valuation of certain financial instruments, and based on the going concern principle.

The Financial Statements are denominated in euro (€) as this is the currency in which most of the Company's operations are performed.

Accounting Statements

The formats of and disclosures contained in these Financial Statements have been prepared in line with IAS 1 - REVISED, as called for by CONSOB Communications 1559 and 6064293 issued on 28 July 2006.

The items in the Statement of financial position are classified as current and non-current, while those of the Income Statement and the Statement of Comprehensive Income are classified by type.

The Statement of Cash Flows has been prepared using the indirect method, adjusting net income for the year for non-monetary components.

The Statement of Changes in Equity shows the total income (charges) for the year and other changes in the shareholders' equity.

Going Concern

On the basis of what is described in the "Going Concern" section in the Report on Operations, the Directors believe that the Group and the Company have adequate resources to continue operations for the foreseeable future and therefore consider it appropriate to use the going concern principle for the preparation of Consolidated Financial Statements at 31 December 2013.

Accounting Principles, Amendments and IFRS Interpretations Starting From January 2013

The following standards, amendments and interpretations were applied for the first time by the Company with effect from 1 January 2013:

On 12 May 2011, the IASB issued IFRS 13 - Fair Value Measurement, which defines a single framework for measuring fair value, required or permitted by other Standards, and related disclosures of Financial Statements. Fair value is defined as the price that may be received to sell an asset (or to be paid to transfer a liability) as part of an orderly transaction between market operators at the valuation date. This principle shall be applied prospectively; adoption of this amendment did not have any significant effects on the valuation of Statement of Financial Position items in the Report herewith.

On 16 December 2011 the IASB issued some amendments to IFRS 7 – Financial Instruments: additional information. The amendments require disclosures on the effects or potential effects of financial assets and liabilities offsetting the Statement of Financial Position data of a company carried out in accordance with IAS 32. Disclosures are to be provided retrospectively. The adoption of this amendment had no impact on the information included in this Report.

On 16 June 2011 the IASB issued an amendment to IAS 1 – Presentation of Financial Statements to call on companies to group all items in the Prospectus under total "Other comprehensive income" in two categories based on whether they can be subsequently reclassified in the Income Statement. Related taxes shall be allocated on the same basis. The adoption of these amendments did not have any effect on the valuation of Statement of Financial Position items and had only limited effects on the information provided in the Report herewith.

On 16 June 2011 the IASB issued an amendment to IAS 19 – Employee Benefits that eliminates the possibility of postponing the recognition of actuarial gains or losses through the corridor approach, by requiring the recording of actuarial gains and losses in the Prospectus among "Other comprehensive income" so that the full amount net of provisions for defined benefits (net of assets servicing the plan) is recorded in the consolidated Statement of Financial Position data. Finally, the amendment introduces new disclosures to be provided in the notes to the Financial Statements. The amendment is retrospectively applicable. The adoption of this amendment did not have any effect on the valuation of financial statement items in the Report herewith.

On 17 May 2012, the IASB published the document Annual Improvements to IFRSs: 2009-2011 Cycle, covering modifications to principles as part of the annual process of improving them, focusing on changes assessed as necessary, but not urgent. Below are those that involve a change in the presentation, recognition and measurement of financial statement items, excluding those that involve only a change in terminology or editorial changes with minimal effect in terms of accounting, or those that affect standards or interpretations not applicable to the Company:

• IAS 1 Presentation of Financial Statements - Comparative information: it is clarified that in case additional comparative information is provided, it shall be presented in accordance with IAS/IFRS. Moreover, it is clarified that should any entity modify an accounting principle or make a retrospective adjustment/restatement, the same entity shall present a Statement of Financial Position also in the beginning of the comparative period ("third Statement of Financial Position" in the Financial Statements), while comparative disclosures also for such "third Statement of Financial Position" are not requested in the Notes, apart from the items concerned.

• IAS 16 Property, plant and equipment - Classification of servicing equipment: it is clarified that servicing equipment shall be classified under Property, plant and equipment when used for more than one year, otherwise in inventories.

• IAS 32 Financial Instruments: Presentation in Financial Statements - Direct taxes on distributions to holders of equity instruments and transaction costs on capital instruments: it is clarified that direct taxes relating to these cases follow the rules of IAS 12.

• IAS 34 Interim Financial statements – Total assets for a reportable segment: it is clarified that the total assets shall be reported only if such information is regularly provided to the chief operating decision maker of the entity and if a material change occurred in the total amount of the segment assets with respect to what has been reported in the last annual report.

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT APPLIED BY THE GROUP PRIOR TO THE EFFECTIVE DATE

The Company has not opted for early adoption of the following standards, amendments and interpretations to existing standards and endorsed by the EU, mandatory for Financial Statements beginning on or after 1 January 2013 and for which the Company is assessing the possible effects that might arise from the adoption of the same.

IFRS 10 Consolidated Financial Statements 1 January 2014; Amendments to Amendments Consolidated Financial Statements, Joint Arrangements IFRS 10, IFRS 11 and IFRS 12 and Disclosure of Interests in Other Entities: Transition Guidance; IFRS 11 Joint Arrangements 1 January 2014; IFRS 12 Additional information on investments in other companies 1 January 2014; Amendments to Amendments to IAS 32 Financial Instruments 1 January 2014.

Furthermore, the Company is assessing the possible effects which might result from application of the following principles, for which, at the date of approval of this consolidated interim financial report, the competent bodies of the EU have not yet completed the endorsement process.

IFRS 9 - Financial Instruments 1 January 2015; IFRIC 21 - Levies 1 January 2014; Amendments, Changes to IFRS 10, IFRS 12 and IAS 27 "Investments Entities" 1 January 2014; IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets 1 January 2014; IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting 1 January 2014.

ACCOUNTING PRINCIPLES, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

At the date of this Annual Report the EU competent authorities have not yet completed the standardisation process required to adopt the accounting principles and amendments described below.

- On 20 May 2013 interpretation IFRIC 21 - Levies was published, which provides clarification on the time of recognition of a liability related to taxes imposed by a government body, for those that are recognized in the accounts in accordance with IAS 37 - *Provisions, potential liabilities and assets,* and for taxes, timing and amount are certain.
- On 12 November 2009, the IASB published IFRS 9 - Financial Instruments: the same was subsequently amended on 28 October 2010. The principle, retrospectively applicable as of 1 January 2015, is the first step of a gradual process to completely replace IAS 39 and introduces new requirements for the classification and valuation of financial assets and liabilities. In particular, with regard to financial assets, the new principle replaces the various requirements of IAS 39 by adopting exclusively one approach to determine the criteria for the measurement thereof, based on the methods used to manage the financial instruments and on the contractual cash-flow characteristics of the financial assets. In terms of financial liabilities, the main modification introduced concerns the recognition of variations in the fair value of financial liabilities measured at fair value in the Income Statement whenever these variations are due to a change in their creditworthiness. According to the new standard, such changes shall be recognized in the Statement of "Other gains and losses" and no longer in the Income Statement.
- On 19 November 2013, the IASB published the document "IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39" relative to the requirements of the new model of hedge accounting. The document aims to meet the critical requirements in IAS 39 often considered too stringent and not suitable to reflect the risk management policies of the entity. The main additions of the document regard:

- changes to the types of transactions eligible for hedge accounting, in particular spreading the risks of non-financial assets/liabilities eligible to be managed in hedge accounting;
- change in accounting method for forward contracts and derivative options when included in a hedge accounting report in order to reduce the volatility of the P/L;
- changes to the effectiveness test as the current form will be replaced with the principle of "economic report" between the hedged item and the hedging instrument; in addition, an assessment of the retrospective effectiveness of the hedging report will no longer be required;
- greater flexibility of the new accounting rules is offset by additional requests for information on the risk management activities of the company.

- On 12 December 2013, the IASB published the document "Annual Improvements to IFRSs: 2010-2012 Cycle" which incorporates the changes to the standards as part of the annual process of improvement. The main changes include:
  - IFRS 2 *Share Based Payments – Definition of vesting condition*. Changes have been made to the definitions of "vesting condition" and "market condition" and further definitions of "performance condition" and "service condition" have been added (previously included in the definition of "vesting condition")
  - IFRS 3 *Business Combinations - Accounting for contingent consideration.*The change clarifies that a *contingent consideration* classified as a financial asset or liability shall be measured at fair value at each year-end, the changes in fair value are recorded in the income economic or among the items of comprehensive Income Statement on the basis of the requirements of IAS 39 (or IFRS 9).
  - IFRS 8 *Operating Segments - Aggregation of operating segments.* Changes require an entity to provide information about the assessments made by management in applying the criteria of aggregation of operating segments, including a description of the aggregate operating segments and economic indicators considered in determining whether these operating segments have "similar economic characteristics".
  - IFRS 8 *Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets*. The amendments clarify that the reconciliation between the total assets of the operating segments and the total assets of the entity shall be submitted only if the total assets of the operating segments are regularly reviewed by the chief operating decision maker.
  - IFRS 13 *Fair Value Measurement – Short-term receivables and payables*. The Basis for Conclusions have been changed to clarify that with the issuance of IFRS 13, and consequential amendments to IAS 39 and IFRS 9, the possibility shall remain valid of accounting trade receivables and payables without any effects of an update, if these effects are not material.
  - IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated amortization/depreciation*. The changes have eliminated the inconsistencies in the recognition of accumulated amortization/depreciation when a tangible or intangible asset is revalued. The new requirements clarify that the gross carrying value is appropriate and consistent with the revaluation of the carrying value of the asset and that the accumulated depreciation is the difference between the gross carrying value and the carrying amount, net of impairment accounted for.
  - IAS 24 *Related Parties Disclosures – Key management personnel*. It is clarified that if the services of management with strategic responsibility are provided by an entity (and not a natural person), said entity is considered a related party.

The changes shall apply beginning the years that start 1 July 2014 or after. Earlier application is permitted.

- On 12 December 2013, the IASB published the document "Annual Improvements to IFRSs: 2011-2013 Cycle" which incorporates the changes to the standards as part of the annual process of improvement. The main changes include:
  - IFRS 1 *First-time Adoption of International Financial Reporting Standards – Meaning of "effective IFRS"*. It is clarified that the entity that adopts IFRS for the first time, as an alternative to the application of a principle currently in force on the date of the first IAS/IFRS Financial Statements, may opt for early application of a new principle intended to replace the principle in force. The option is allowed when the new principle allows early application. In addition, the same version of the principle needs to be applied in all periods presented in the first IAS/IFRS Financial Statements.
  - IFRS 3 *Business Combinations – Scope exception for joint ventures*. The amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all types of joint arrangement, as defined by IFRS 11 from the scope of application of IFRS 3.
  - IFRS 13 *Fair Value Measurement – Scope of portfolio exception* (par. 52). The amendment clarifies that the *portfolio exception* included in paragraph 52 of IFRS 13 applies to all contracts included within the scope of IAS 39 (or IFRS 9) regardless of whether they meet the definition of financial assets and liabilities provided by IAS 32.
  - IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. The amendment clarifies that IFRS 3 and IAS 40 do not mutually exclude each other and that, in order to determine whether the purchase of a property falls within the scope of application of IFRS 3, it is necessary to refer to the specific instructions provided by IFRS 3; instead, to determine whether the purchase in question falls within the scope of IAS 40 reference shall be made to the specific indications of IAS 40.
- The changes shall apply beginning the years that start 1 July 2014 or after. Earlier application is permitted.

ACCOUNTING POLICIES

The key accounting policies adopted for the Financial Statements are described below.

BUSINESS COMBINATION

Awards of subsidiaries are accounted for in accordance with the award method. The purchase price is the sum of the current values, on the date of acquisition, of the assets acquired, the liabilities incurred or undertaken and the financial instruments issued by the Company in exchange for management the acquired company, plus directly attributable merger costs.

When the assets, liabilities and identifiable potential liabilities of the acquired company are recognized under IFRS 3, these are recognized at their current values on the date of award, except for non-current assets (or Groups being divested), which are classified as held to sale in agreed with IFRS 5 and reported and value at current values, less sale costs.

Goodwill arising from the award is recognized as an asset and initially valued at cost, calculated as the excess of purchase price over the Group's share of the current value of recorded assets, liabilities and identifiable contingent liabilities. If, after these values are recalculated, it is the case that the Group's share of the current values of assets, liabilities and identifiable contingent liabilities exceeds the purchase price, the difference is immediately charged to the Income Statement.

INVESTMENTS

Investments in subsidiaries, jointly-controlled ventures and associated companies, other than those held for sale, are valued at the purchase cost inclusive of any other costs directly related to the asset. When an indication of impairment exists, the recoverability of the book value of the investment is tested by comparing the book value of the asset with the corresponding recoverable value represented by the higher of the fair value, net of the cost of selling the asset, and the value in use. In the absence of a binding sale agreement, the fair value is estimated on the basis of the values observed in recent transactions in an active market or on the basis of the best available information to reflect the amount that the Company can obtain through the sale of the asset. The value in use is generally determined, within the limits of the corresponding portion of the subsidiary's equity taken from the Consolidated Financial Statements, by discounting the asset's expected cash flows and, if meaningful and reasonably determinable, by its disposal, net of selling costs. Cash flows are determined based on reasonable assumptions and with the support of documentary evidence representing the best estimate of the future foreseeable economic conditions, giving higher importance to independent information. The discounting of cash flows is made using a rate that takes account of the implicit business risk of the company. The risk arising from potential losses exceeding the shareholders' equity is recognized in a specific provision as long as the controlling company is committed to fulfill the legal or implicit obligations towards the subsidiary or to cover its losses.

When the reasons for the impairment no longer exist, investments valued at cost are revalued within the limits of the write-downs previously applied through recognition in the Income Statement under the item "Gains/Losses from investments". The other investments are valued at fair value through the Income Statement if held for trading or under "Other reserves" of the shareholders' equity. In the latter case, the reserve is recognized through the Income Statement at the time of the impairment or disposal. When the fair value cannot be reliably determined, investments are valued at cost, net of impairment; in this case impairment cannot be reversed.

Investments held for sale are valued at the lower of their book value and their fair value, net of selling costs.

GOODWILL

Goodwill deriving from the award of a subsidiary or a jointly-controlled venture represents the excess of purchase cost over the Company's percentage of the fair value of assets, liabilities and identifiable contingent liabilities of the subsidiary or jointly-controlled venture on the award date. Goodwill is recognized as an asset and tested annually for impairment.

Impairment is charged immediately to the Income Statement and are not subsequently reversed, in accordance with IAS 36 - Impairment of Assets.

For the purpose of impairment testing, goodwill acquired in a business combination transaction must be allocated to each cash-generating unit in the acquiring company, or groups of cash generating units, that are expected to benefit from aggregation synergies. When the recoverable amount of cash-generating units (or groups of cash-generating units) is lower than the book value, goodwill is written down.

In the event of disposal of a subsidiary or jointly-controlled venture, the portion of goodwill attributable to it is included in the calculation of gains or losses arising from the disposal.

Goodwill arising from awards made prior to the date of transition to IFRS remain stated at the value determined in application of Italian GAAP at such date, and were tested for impairment on the same date.

Non-current Assets Classified as Held for Sale

Non-current assets (and groups of assets being disposed of) are classified as held for sale when it is expected that their book value will be recovered by selling the asset rather than using it for the company's operativity. This condition is met solely when the sale is very likely, the asset (or group of assets) is available for immediate sale in its current state and senior management has undertaken a commitment to sell the asset, with the sale expected to take place within 12 months of the date when the item was classified as being held for sale.

Non-current assets (and groups of assets being disposed of) classified as held for sale are valued at the lower of the previous book value and the market value less selling costs.

Revenue Recognition

Operating revenue is valued at the fair value of the sum received net of returns, discounts, allowances and premiums, as follows:

- sales revenues, when the risks and rewards are transferred by ownership;
- services revenues, at the time the service is effectively provided.

The Company classifies the differences in exchange rates arising from commercial transactions under operating income, and, more specifically, under "Other operating revenue" or "Other operating costs" according to whether the net effect is positive or negative, with detailed provided in the notes to the Financial Statements.

Dividends received

Dividends are recognized when the shareholders are entitled to receive them, which normally occurs in the period in which the Shareholders' meeting of the company in which the investment is held approves the distribution of earnings or reserves.

Property, plant and Equipment

Property, plant and equipment used for the production or the supply of goods and services are recognized at their historical cost, inclusive of any additional charges and direct costs required to make the asset available for use.

Property, plant and equipment are recognized at cost, net of accumulated amortization/depreciation and any impairment.

Amortization/depreciation is calculated on a straight-line basis by applying the following rates on the cost of the assets over their estimated useful life, which is reviewed annually:

Asset Category	Depretiation Rate
Land	0%
Buildings	from 3% to 10%
Plant and Equipment	from 7.5% to 15%
Industrial and commercial equipment	15%
Furniture and fittings	12%
IT equipment	20%
Vehicles	25%

Gains and losses deriving from the sale or disposal of assets are measured as the difference between the sale price and the net book value and are recorded in the Income Statement for the year.

Ordinary maintenance expenses are fully recognized in the Income Statement.

Interventions to improve an asset with respect to its original verified condition are capitalized and depreciated in proportion to the residual useful life thereof.

The cost of improvements on goods leased from third parties that meet the prerequisites for being recognized as assets are reported under tangible fixed assets and depreciated at the shorter of the residual length of the concession and the residual useful life of the asset.

Leased assets

The leasing contracts under which the Group where there is not the transfer of all the risks and rewards of ownership are considered as operating leases.

Payments for operating leases are recognized on a straight-line basis over the duration of the contract.

Grants

Government grants are reported when it is reasonably certain that these will be received and that all the relative conditions are met.

Capitalized government grants related to tangible fixed assets are recognized as a direct deduction of the relative asset. The value of an asset is adjusted by systematic amortization/depreciation, calculated in relation to its possible residual use based on its useful life.

Intangible Assets

Intangible assets purchased separately are shown at cost less amortization/depreciation and impairment. Amortization/depreciation is charged on a straight line basis over the estimated useful life of the asset. The amortization/depreciation method and the residual life are reviewed at the end of each reporting period. The effects of changes in the amortization/depreciation method and the residual useful life are reflected in the accounting treatment going forward rather than retrospectively.

Internally Generated Intangible Assets – Research and Development Costs

Research costs are charged to the Income Statement in the period in which they are incurred.

Intangible assets generated internally as a result of development as part of an internal project within the Group are only recorded as assets when all the following conditions are met:

- There is the technical possibility of completing the intangible asset and making it available for use or sale;
- There is the intention to complete the intangible asset and to use or sell it;
- The ability to use or sell the intangible asset exists;
- It is probable that the asset created will generate future economic benefits;
- The technical, financial and other resources exist to complete the development and use or sell the asset during the development phase.

The original value of internally generated intangible assets initially recorded is the sum of the expenses incurred from the date on which the asset meets the abovementioned conditions. When internally generated intangible assets cannot be recognized, the related development costs are charged to the Income Statement in the period in which such expenses are incurred.

Following their initial recognition, internally generated intangible assets are accounted for at cost less accumulated impairment, as is the case for intangible assets purchased separately.

Intangible Assets Acquired in Business Combination

Intangible assets acquired in a business combination are identified and recognized separately from amortization when they fulfill the definition of intangible asset and their fair value can be reliably measured. The cost of such intangible assets is their fair value on the date of award. After their initial recognition, intangible assets acquired in a business combination are shown at cost less amortization/depreciation and accumulated impairment, as is the case of intangible assets purchased separately.

Impairment of Tangible, Intangible and Financial Assets

At each reporting date, the Company reviews the book values of its tangible, intangible and financial assets to determine whether there is any indication of impairments of value. Should it be impossible to estimate the recoverable value of an individual asset, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs. Where these conditions exist, the Company estimates the recoverable amount of the assets to enable the computation of the value of any required write-down.

Intangible assets with an indefinite useful life, such as goodwill and trademarks, are tested for impairment annually or whenever there is indication of impairment.

The recoverable amount is the higher of the fair value net of selling expenses and the value in use. In calculating the value in use, estimated future cash flows are discounted to present value using a pre-tax rate that reflects current market valuations of the cost of money and the specific risks connected to the business.

If the recoverable amount of an asset (or of a cash-generating unit) is estimated to be lower than the relative book value, it is reduced to the lower recoverable value. An impairment loss is recognized immediately in the Income Statement.

When the impairment of an asset no longer exists or is reduced, the book value of the asset is increased to the new estimated recoverable value and cannot exceed the value that would have been determined it was not impairment occurred. The write back of an impairment loss is recognized immediately in the Income Statement.

Financial Instruments

Financial assets and liabilities are recognized in the Statement of Financial Position at the moment when the Company becomes a party to the relative contractual clauses.

Financial Assets

Receivables

Receivables are initially recognized at fair value and are subsequently valued at amortized cost, using the effective interest rate method, net of associated impairment related to amounts deemed uncollectable, which are set aside in a specific write down provision. Amounts considered uncollectable are estimated on the basis of of the realizable cash flows. Such flows take account of the expected time taken to collect, the presumed realizable value, any guarantees and the expected credit collection cost. The original value of the receivables is restored in subsequent financial years if the reasons for impairment cease to exist. In this case, the reversal is recognized in the Income Statement and may in no case exceed the amortized cost that the receivables would have had in the absence of previous adjustments.

Trade receivables with a maturity falling within normal commercial terms are not adjusted to present value. Receivables denominated in a currency other than the operating currency of the individual companies are valued at the year-end exchange rate.

Other financial assets

The financial assets that the Company intends or is able to keep until maturity in accordance with IAS 39 are recognized at cost, reported at the date of the trade, corresponding to the fair value of the initial amount paid, plus any transaction costs (e.g. commissions, consultancy fees, etc.) directly attributable to the award of the asset. Subsequent to the initial assessment, such assets are valued at amortized cost, using the original effective interest rate method.

Any potential financial assets held for the purpose of generating a short-term profit are recognized and measured at fair value, with their effects recognized in the Income Statement. Any financial assets other than the ones previously mentioned are classified as financial instruments held for sale, measured at fair value with gains or losses recognized through shareholders' equity. These gains or losses are recorded in the Income Statement as soon as the asset is sold or loss impairment. This latter category includes investments in companies other than subsidiaries, jointly-controlled ventures, and associated companies.

Cash and cash equivalents

This item includes cash, bank current accounts and deposits that are refundable on demand, as well as other short-term highly liquid investments that can be easily converted into cash with minor risks in terms of change in value.

Financial Liabilities and Equity Instruments

Financial liabilities and the Company's equity instruments are classified in accordance with the substance of the underlying contractual agreements and in compliance with the respective definitions of liabilities and equity instruments. The latter are defined as contracts attributing the right to benefit from the residual interest in the Company's assets after deducting all of its liabilities. The accounting standards adopted in relation to specific financial liabilities and equity instruments are described below.

Payables

Financial payables are initially recognized at cost, corresponding to the fair value of the liabilities, net of directly attributable transaction costs.

Subsequent to initial recognition, payables are valued at amortized cost, using the original effective interest rate method. This category includes interest-bearing bank loans and bank overdrafts.

Trade payables with normal commercial maturities are not adjusted to present value. Payables denominated in currencies other than the operating currency of the individual companies are valued at the year-end exchange rates.

Method of Determination of Fair Value

Fair value is the value at which an asset (or a liability) can be exchanged in a transaction between independent parties having a reasonable degree of knowledge of market conditions and other meaningful elements related to the object of the negotiation. The definition of fair value implies the assumption that an entity is fully operating and that there is no necessity to liquidate or materially reduce business activities, or carry out transactions at unfavorable conditions. The fair value reflects the financial standing of the instrument as it incorporates the counterparty risk.

Receivables and Payables:

The fair value of receivables and payables recognized in the Statement of Financial Position at cost or at amortized cost, the fair value, for respect the information procedures, is determined according to the following methods:

- for short-term receivables and payables, it is held that the cashed-out/cashed-in value is reasonably close to their fair value;
- for long-term receivables and payables, the fair value assessment is mainly carried out through the future cash flow discounting method. Each future cash flow is discounted at a rate based on the zero-coupon yield increased by a margin representing the specific risk level of the counterparty.

Other Financial Instruments (Bonds and Securities)

The fair value of this category of financial assets is determined by taking into account the market prices at the Statement of Financial Position date, where these exist, or alternatively by using other valuation methods based exclusively on market data.

Equity Instruments

Equity instruments issued by the Company are recognized on the basis of the amounts received in exchange for them, net of direct issuing costs.

Derecognition of Financial Instruments

The Group enters into factoring agreements by which it transfers contractual rights on receivables to third parties in exchange for the related cash flows. Such transactions may involve:

- the substantial transfer of the risks and rewards deriving from the ownership of the underlying financial asset;
- the Group maintaining a significant part or all of the abovementioned risks and rewards.

In the first case, the Group derecognizes the financial asset from its Statement of Financial Position and separately recognizes under assets and liabilities every right and obligation deriving from the transfer or maintained after the transaction.

In the second case, the Group continues to recognize the financial asset in its own Financial Statements.

Shareholders' Equity

Share Capital

The share capital is represented by the Company's subscribed and paid-up capital. The direct costs incurred for the issuance of the shares are deducted from the share capital whenever such costs are directly attributable to the capital transaction.

Treasury shares

Treasury shares are represented as a negative item of Company shareholders' equity. The costs incurred in relation to the issuance of new shares by the Company are deducted from the shareholders' equity, net of any potential deferred tax impact. Gains or losses arising from the purchase, sale, issuance or cancellation of treasury shares are not recognized in the Income Statement.

Profit (Losses) carried forward

Profit or losses carried forward include the profits or losses for the year and those of the previous years, minus the portions thereof that have been distributed or allocated to reserves (in the case of earnings) or covered (in the event of losses). Further, the item includes the transfers from other reserves within shareholders' equity if permitted under the limitations relevant to the specific reserves, as well as the effects arising from changes in accounting principles and material errors.

Other reserves

Other reserves include, among others, the statutory reserve and the extraordinary reserve.

Valuation Reserve

The valuation reserve includes, among others, the actuarial reserve on defined benefit plans recognized in shareholders' equity.

Contractual Liabilities Deriving From Financial Guarantees

Contractual liabilities deriving from financial guarantees are initially recognized at fair value and subsequently at the higher of:

- the amount of the contractual obligation, determined in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets;
- the amount initially recorded net, where appropriate, of any accumulated amortization recognized in accordance with the reporting of revenue as described above.

Provisions for Risks and Charges

Provisions are recognized in the Financial Statements when the Company has a current obligation (legal or constructive) as a result of a past event and will more than likely be requested to fulfill such obligation. Provisions are based on the best possible estimate of costs involved in settling the obligation at the reporting date and are discounted to present value when the effect is material.

When the Company believes that a provision for risks and charges has to be in part or entirely refunded or compensated, the indemnity is reported under assets only when the refund is virtually certain and the related amount can be reliably determined.

Onerous Contracts

If the Company has a contract that can be classified as onerous, the current obligation of the contract must be recorded and valued in the same way as a provision.

An onerous contract is a contract in which the non-discretional costs required to meet the obligation exceed the economic rewards expected from the contract itself.

Warranties

Provisions for warranty costs are recognized when it is probable that an intervention under guarantee on completed works is requested. Provisions are quantified based on senior management's best possible estimate of the cost of meeting the obligation.

Post-Employment Benefits

Payments into defined contribution plans are reported in the Income Statement in the period in which they become due.

With regard to defined benefit plans, the cost of benefits granted is determined using the projected unit credit method, and making actuarial valuations at year-end. Actuarial gains and losses are fully recognized in the period in which they arise and are reported directly in a specific reserve of shareholders' equity. Past service cost is recognized immediately to the extent to which the benefits are already due.

Liabilities for post-employment benefits recognized in the Financial Statements reflect the current value of liabilities for defined benefit plans adjusted to account for actuarial gains and losses and costs of past services not reported and reduced by the fair value of the plan's assets. Any net assets arising from such calculation are limited to the value of non-recognized actuarial losses and costs of past service, plus the current value of any repayments and reductions in future contributions to the plan.

Other Long-term Benefits

The accounting treatment of other long-tem benefits is the same as that applied to post-employment benefits, except for the fact that the actuarial gains and losses and the costs of past services are fully recognized in the Income Statement in the period in which these materialize.

Financial Income and Expense

Interest income and expense are recognized on an accrual basis using the effective interest rate method, using the interest rate that financially equalizes all incoming and outgoing cash flows (including any potential premiums, discounts, commissions, etc.) composing a specific transaction. The Company classifies under this item the changes in exchange rates arising from financial transactions, while the changes in exchange rates on commercial transactions are recognized under operating income, specifically under the item "Other operating revenue" or "Other operating costs", according to their positive or negative impact; the relevant details are provided in the notes to the Financial Statements.

Income Taxes

Income taxes for the year are determined as the sum of current and deferred taxes.

Current Taxes

Current taxes for the current and previous years are reported as the amount that is expected to be paid to tax authorities.

Current tax liabilities are calculated using the applicable tax rates and the fiscal rules in force or substantially approved on the closing date of the financial year. Maire Tecnimont S.p.A. and the main subsidiaries resident in Italy have exercised the option to adopt the National Tax Consolidation Regime, which enables the calculation of the IRES corporation tax on a taxable income base defined as the algebraic sum of the profits and losses of each individual company. In 2011 Maire Tecnimont S.p.A. and the main Group companies joined the Group's VAT consolidation regime.

Deferred Taxes

Deferred taxes are taxes that are expected to be paid or recovered on the temporary differences arising between value of an asset or liability for tax purposes and its carrying amount in the Statement of Financial Position.

Deferred tax liabilities are normally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is likely that future taxable profit will be sufficient to allow the deduction of temporary differences.

The book value of deferred tax assets is revised at each Financial Statements date and reduced when it is no longer probable that sufficient taxable income will be achieved to allow the full or partial recovery of such assets.

Deferred taxes are calculated at the tax rate that is expected to be effective when the asset is realized or the liability settled. Deferred taxes are charged directly to the Income Statement, with the exception of those connected to items reported directly under Shareholders' equity, in which case the relative deferred taxes are also recognized under Shareholders' equity.

In relation to tax losses it should be noted that on 15 July 2011 the Italian Law no. 111/2011 was approved for conversion of Legislative Decree no. 98/2011 concerning the urgent Corrective Measures adopted by the Italian Government in 2011. In particular, the Legislative Decree amended article 84 of the Italian Consolidated Act on Income Tax (T.U.I.R.) relating to the carryover of tax losses, removing the 5-year time limit envisaged for the purposes of the carryover of the past tax losses (which consequently may be carried over with no time limit), and introducing a quantitative limit to the use of past tax losses equal to 80% of the income generated in the subsequent fiscal years. The aforesaid 80% limit shall not apply to tax losses generated in the first three years after the company's incorporation, provided that they refer to a new production activity. The new provisions are applicable already as of fiscal year 2011 and, as clarified by circular letter 53/E 2011 of the Italian Tax Revenue Office, they also apply to the tax losses generated before 2011 that are still being carried forward in accordance with the previous rules.

Use of Estimates

The preparation of the Financial Statements and related Notes in accordance with IFRS requires management to make estimates and assumptions that have an impact on the value of assets and liabilities and on the disclosure of contingent assets and liabilities at the reporting date. The estimates and assumptions made are based on experience and other relevant factors. Therefore, the actual results achieved may differ from those estimates. The estimates and assumptions are revised periodically and the impact of each change is reflected in the Income Statement for that year in which the revisions to the estimates are made if the effects are limited to that period, but also in the following years if the revision has implications for both the current year and future years. We underscore that the recent financial and economic crisis has led the Company to formulate new assumptions for its future economic and financial developments due to the high level of uncertainty. Therefore, it cannot be excluded that next year's financial results may differ from the Company's estimates and could lead to even significant adjustments, which cannot possibly be anticipated today, in the book values of the corresponding items.

The main financial statement items affected by such situations of uncertainty are:

- provisions for credit risks;
- impairment of financial assets;
- amortization and depreciation;
- asset write downs;
- employee benefits;
- income taxes;
- provisions;
- valuation of derivative instruments and the relative underlying asset.

41. Income Statement

41.1. Revenue

Revenue generated in FY 2013 is Euro 42,334,000, up Euro 1,541,000 against the previous period, and is broken down as follows:

(Values in Euro thousands)	31/12/13	31/12/12
Revenues from sales and services	14,136	16,325
Dividends from subsidiaries	28,198	24,468
Total	**42,334**	**40,793**

Dividends from subsidiaries revenues are Euro 28,198,000 and relate to dividends received during the year, Euro 6,401,000 from the subsidiary Tecnimont KT S.p.A. and Euro 21,797,000 from the subsidiary Stamicarbon B.V. Income for goods and services are Euro 14,136,000 and relate to income generated by "Intra-Group Services" delivered to the direct subsidiaries.

Specifically, income from services refers to the services provided by the Parent Company in relation to the direction, coordination and control of legal, administrative, tax, financial and strategic matters on behalf of the individual Group companies.

41.2. Other operating revenue

(Values in Euro thousands)	31/12/13	31/12/12
Cost recovery	4	2
Capital Gain on disposal	0	10
Other	1,980	2,077
Total	**1,984**	**2,089**

Other operating revenue in the year is Euro 1,984,000, of which Euro 1,980,000 was generated by the administrative, fiscal and legal services provided by Maire Tecnimont S.p.A. to some Group companies (Tecnimont S.p.A., Met NewEn S.p.A. e Biolevano S.r.l) and to the related company Maire Investments S.p.A.

41.3. Raw Materials and Consumables

The cost of raw materials and consumables in the year is Euro 41,000, down Euro 8,000 versus the previous year. The table below shows the breakdown:

(Values in Euro thousands)	31/12/13	31/12/12
Consumables	(23)	(26)
Fuel	(18)	(23)
Total	**(41)**	**(49)**

The item mainly refers to the purchase of office equipment for Euro 23,000 and to petrol/fuel consumption for Euro 18,000, which was used for business cars.

41.4. Cost of Services

The total cost of services for the year is Euro 11,787,000, up Euro 1,886,000 against the previous year. The table below shows the breakdown:

(Values in Euro thousands)	31/12/13	31/12/12
Utilities	(223)	(224)
Maintenance	(798)	(149)
Consultancy and services	(2,264)	(2,003)
Directors and Statutory Auditors remuneration	(1,855)	(1,725)
Cost of bank guarantees and other banking services	(50)	(21)
Sale and advertising costs	(87)	(219)
Additional employee costs	(3,274)	(2,489)
Telegraph and similar costs	(13)	(28)
Insurance	(148)	(61)
Other	(3,075)	(2,982)
Total	**(11,787)**	**(9,901)**

Maintenance refers to the multi-service contract managed by M.S.T S.r.l. for the offices of Piazzale Flaminio in Rome and Via Gaetano de Castillia in Milan.

Consultancy and services includes professional fees, primarily for legal advice, services and consultancy for the projects launched in the year, audit and tax advice fees, and business consultancy.

Directors and Statutory Auditors remuneration refers to the fees accrued by members of the Board of Directors, the Board of Statutory Auditors, the Supervisory Board, the Remuneration Committee and the Internal Control Committee.

Additional employee costs mainly relate to the costs of business travel for senior executives.

It is noted that "Other" mainly refers to non-capitalized costs incurred for information technology services, the maintenance of application packages, printing and reprographic services.

41.5. Personnel Costs

Personnel costs for FY 2013 are Euro 13,975,000, up Euro 5,576,000 against the previous year. The table below shows the breakdown:

(Values in Euro thousands)	31/12/13	31/12/12
Wages and salaries	(10,786)	(6,082)
Social security costs	(2,626)	(1,856)
Post-employment benefits	(556)	(460)
Other costs	(7)	(1)
Total	**(13,975)**	**(8,399)**

In 2013 there was an increase in wages and salaries, due to costs incurred for compensation for termination of employment of certain employees and also as a result of a higher average workforce over the previous year. The average number of employees in the fiscal period increased from 76 to 84, the actual workforce at 31 December 2013 remained unchanged at 84 employees.

In detail, a breakdown of the Company’s workforce by category with the relevant changes is shown below:

Title	Workforce 31/12/2012	New hires	Outgoing employees	Promotions	Transfers	Workforce 31/12/2013
Managers	28	2	3	0	2	29
Middle-managers	26	0	4	2	1	25
White collars	30	2	1	-2	1	30
Blue collars	0	0	0	0	0	0
Total	**84**	**4**	**8**	**0**	**4**	**84**
Average No. of employees	76					84

41.6. Other Operating Costs

Other operating costs in 2013 are Euro 2,549,000, up Euro 339,000 against the previous year.

The breakdown is shown in the table below:

(Values in Euro thousands)	31/12/13	31/12/12
Hire costs	(522)	(549)
Rents	(1,416)	(1,211)
Other costs	(611)	(450)
Total	**(2,549)**	**(2,210)**

Lease costs, which mainly refer to the lease of application packages and vehicles, dropped versus the previous year as a result of a different cost allocation between the companies of the Group.

Rentals mainly comprise service charges connected with property use, particularly for the offices of Piazzale Flaminio (Rome), Via Castello della Magliana (Rome) and Via Gaetano de Castillia (Milan).

Other costs of Euro 611 thousand include mainly membership dues for Euro 310 thousand and donations for Euro 33 thousand.

41.7. Amortization/depreciation and Impairment

The total cost of amortization/depreciation and impairment for the fiscal year is Euro 511,000, down Euro 582,000 against the previous year.

The breakdown is shown in the table below:

(Values in Euro thousands)	31/12/13	31/12/12
Amortization/depreciation of intangible assets	(463)	(1,029)
Amortization/depreciation of tangible assets	(48)	(64)
Total	**(511)**	**(1,093)**

Amortization of intangible assets refers to concessions and licenses (SAP, Tagetik and other corporate software application packages) and to other intangible fixed assets related mainly to the consulting costs incurred for the implementation and roll-out of said applications. The decrease is due to certain assets becoming fully depreciated during the year.

The depreciation of tangible assets of Euro 48,000 refers to office and electronic machinery and other equipment. The decrease is due to certain assets becoming fully depreciated during the past year.

41.8. Provisions for bad debts

(Values in Euro thousands)	31/12/13	31/12/12
Provision for risks and charges	(2,350)	0
Total	**(2,350)**	**0**

Provisions were made during 2013 to the Provision for doubtful debt. The amount of the provision is connected with the loans disbursed to the subsidiaries Tecnimont do Brasil Ltda and Tecnimont Chile LTDA, which at present are considered as unable to be collected.

41.9. Financial Income

(Values in Euro thousands)	31/12/13	31/12/12
Income from subsidiaries	1,183	350
Other income	419	4
Exchange gains	2,839	0
Total	**4,441**	**354**

Income from subsidiaries of Euro 1,183 thousand refers to the interest income accrued on financing, financial instruments classified as financing and receivables valued at amortized cost, granted to Tecnimont Civil Construction S.p.A., Met NewEn S.p.A., Tecnimont do Brasil LTDA and Tecnimont Chile LTDA.

The amount of other income refers to interest income of Euro 419 thousand and relates to interest on bank current accounts and interest due from the tax authorities.

Exchange gains refer to currency adjustments of items in foreign currency, recorded in the accounts of Maire Tecnimont S.p.A. following the assumption of the debts of Tecnimont S.p.A. and also consider those realized during the period.

41.10. Interest expense

(Values in Euro thousands)	31/12/13	31/12/12
Interest expenses payable to subsidiaries	(4,415)	(854)
Other financial charges	(3,170)	(3,129)
Total	**(7,585)**	**(3,983)**

Interest expense from subsidiaries is Euro 4,415 thousand and relates to interest expense on loans received from Stamicarbon B.V., KT S.p.A., Tecnimont S.p.A., Protecma S.p.A, Tecnimont Russia, Tecnimont Planung und Industrieanlagenbau GmbH, Tecnimont Poland, Imm.Lux S.A. and Maire Engineering France S.A.; these have increased considerably following the assumption of the financial debt of Tecnimont S.p.A.. These expenses are valued at amortized cost using the effective interest rate method.

The item other charges did not vary significantly; it refers to the interest payable on bank loans.

41.11. Income/(Charges) on investments

(Values in Euro thousands)	31/12/13	31/12/12
Increase in value/(Impairment losses) Subsidiaries	(20,300)	(37,500)
Total	**(20,300)**	**(37,500)**

The total write-downs of investments at 31 December 2013 were Euro 20,300,000 and relate to the shareholding in Tecnimont Civil Construction S.p.A.

This write-down was carried out following the results of the impairment test performed on the value of certain investments of the Maire Tecnimont Group, as described in the paragraph "Investments in subsidiaries".

41.12. Taxes

(Values in Euro thousands)	31/12/13	31/12/12
Current income taxes	12,103	(270)
Income taxes related to previous years	567	192
Advance tax	(7,676)	3,456
Deferred tax	(15)	(62)
Total	**4,979**	**3,316**

This item shows a positive value of Euro 4,979,000, up Euro 1,663,000 against the previous year.

Current income taxes were Euro 12,103,000 and mainly refers to the proceeds payable to the Company as payment of tax losses utilized by the Group tax consolidation, as well as the remuneration on excess interest expense not deducted by the Company and deducted by the consolidated in line with the current terms of the consolidation agreement in force.

Maire Tecnimont S.p.A. and its subsidiaries Tecnimont S.p.A., Protecma S.p.A., Tecnimont Civil Construction S.p.A., Met Newen S.p.A., Tecnimont KT S.p.A. and Program International

S.r.l. have exercised the option for the tax treatment of domestic tax consolidation that allows determining IRES on a tax basis equal to the sum of the tax results of individual companies. Deferred tax assets on tax losses carried forward are recognized to the extent that it is probable that future taxable profit will be available against which they can be recovered.

Income taxes relating to prior years amounting to Euro 567,000 is related to income arising from an adjustment of compensation for Rol relative to previous years and to an overestimation of IRAP in the previous year.

Deferred tax assets consists of a negative amount of Euro 7,676,000 and refers to the release of deferred tax assets recorded in prior years on tax losses and surpluses of non-deductible interest expense that have been used by the Group tax consolidation during the year.

Deferred taxes of Euro 15,000 refers to the fiscally recognized amortization of the Sofregaz, Tecnimont and KT-Kinetics Technology trademarks, which, due to their classification as fixed assets with an indefinite useful life, are not subject to amortization in the Statutory Financial Statements, whereas a benefit is instead recognized solely for fiscal purposes.

The table below shows the breakdown of the theoretical and the actual tax charge for the year under consideration:

Description	31/12/2013
Income before tax	**-10,339**
Theoretical tax rate (*)	**27.5%**
Theoretical tax charge	**-2,843**
Temporary differences deductible in future years	
Temporary differences taxable in future years	7,588
Total	7,588
Reversal of temporary differences from previous tax years	
Temporary differences deductible	0
Total	0
Differences that cannot be reversed in future years (**):	
Taxable income	25,487
Tax losses	-32,668
Total	-7,181
Tax consolidation adjustment	407
Tax loss	**-9,933**
Current taxes on income for the year	**-2,731**
Actual IRES tax rate	**N/A**

(*) To enable the users of these Financial Statements to understand better the reconciliation between the tax charge recognized in the Financial Statements and the theoretical tax charge, IRAP has not been taken into account, since it is computed on a different taxable base than that of income before tax and would generate discrepancies between one fiscal year and another. Therefore, theoretical income taxes have been determined by applying solely the Italian tax rate (IRES of 27.5% in 2013) to the income before tax.

(**) This item relates mainly to dividends received from subsidiaries and to write down of investments.

41.13. Earnings (losses) per Share

The basic earnings (loss) per share is determined by dividing the FY 2013 net income by the weighted average number of Maire Tecnimont S.p.A. outstanding shares in the year.

The number of shares outstanding at the reporting date was 305,527,500. This figure was used to calculate the basic earnings (loss) per share at 31 December 2013.

(Values in Euro thousands)	2013	2012
Number of outstanding shares:	305,527,500	305,527,500 *
(Treasury shares)	0	0
Number of shares for the calculation of the earnings per share	305,527,500	305,527,500 *
Earnings attributable to Maire Tecnimont S.p.A.	(5,360,784.19)	(16,582,714.92)
Data per share (Euro):		
Basic Earnings per Share Attributable to Maire Tecnimont – in Euro	**(0.018)**	**(0.054)***

(*) Adjusted merely to allow for comparison following the 2013 reserved share capital increased under option.

The basic loss per share equal Euro 0.018; the diluted loss per share is the same as the basic earnings per share due to the absence of dilutive instruments.

42. Statement Of Financial Position

42.1. Property, Plant and Equipment

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Other assets	156	(48)	108
Total	**156**	**(48)**	**108**

The following table outlines the changes in the historical cost, depreciation and net book value of the Company's property, plant and equipment:

(Values in Euro thousands)	Plant and Equipment	Industrial and Commercial Equipment	Other Assets	Total
Net book value at 31 December 2012	**0**	**0**	**156**	**156**
Depreciation and impairment losses	0	0	(48)	(48)
Net book value at 31 December 2013	**0**	**0**	**108**	**108**
Historical cost	2	20	459	481
Accumulated depreciation	(2)	(20)	(351)	(373)

The main reductions in the year refer to annual depreciation.

42.2. Other intangibile assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Concessions, licenses, trademarks and similar rights	3,627	(189)	3,438
Other	534	(263)	271
Assets under construction and advance payments	723	(723)	0
Total	**4,884**	**(1,175)**	**3,709**

The following table outlines the changes in the historical cost, amortization and net book value of the Company's intangible assets:

(Values in Euro thousands)	Concessions, Licenses, Trademarks Similar Rights	Other intangible assets	Assets Under Construction and Advanced Payments	Total
Net book value at 31 December 2012	**3,627**	**534**	**723**	**4,884**
Increases	10	0	8,039	8,049
Disposal	0	0	(8,762)	(8,762)
Amortization and impairment losses	(199)	(263)	0	(462)
Net book value at 31 December 2013	**3,438**	**271**	**0**	**3,709**
Historical cost	4,540	4,508	0	9,048
Accumulated depreciation	(1,102)	(4,237)	0	(5,339)

The value of intangible assets was Euro 3,709,000 on 31 December 2013, down Euro 1,175,000 against the previous year. This decrease is mainly due to the amortization/reclassification of the year and the zeroing of fixed assets under construction and advance payments, following the conclusion of the refinancing for the share capital increase in July. The increase is related to the cost incurred for the registration of trademarks in various countries in the world.

The values of the trademarks with an indefinite useful life are shown in the following table:

(Values in Euro thousands)	2013
Tecnimont trademark	3,016
Sofregaz trademark	197
KT- Kinetics Technology trademark	70
Total	**3,283**

The Company tests the recoverability of the trademarks with an indefinite useful life at least once a year and more frequently in the presence of indicators of impairment losses. The recoverable value of the trademarks with an indefinite useful life has been determined based on their value in use.

42.3. Investments in Subsidiaries

(Values in Euro thousands)	2012	Changes in the year	2013
Subsidiaries:			
Tecnimont S.p.A.	216,229	372,281	588,510
Tecnimont Civil Construction S.p.A.	58,400	(5,300)	53,100
Met Newen S.p.A.	5,940	0	5,940
Tecnimont K.T. S.p.A.	26,972	0	26,972
Stamicarbon B.V.	40,129	0	40,129
Total	**347,670**	**366,981**	**714,651**

The increase in the equity investments in subsidiaries is Euro 366,981 thousand, as a consequence of the refinancing resulting in the recapitalisation of Tecnimont S.p.A. and the recording of the new value of the investment as Euro 588,510 thousand. Euro 15,000 thousand in financial receivables due from Tecnimont Civil Construction S.p.A. have also been waived, with the simultaneous increase of the share capital and subsequent impairment of said investment by Euro 20,300 thousand, following the relevant impairment testing.

Equity investments held in subsidiaries are measured at cost.

The last column of the table below shows the difference between the book value at cost and the relative portion of Shareholders' equity:

Company (values in Euro thousands)	Registered offices	Share Capital	Currency	Accounting Book Value (Group share) *	% owned	Pro rata Accounting Shareholders' Equity (A)	Book Value (B)	Difference (A-B)
Tecnimont S.p.A.	Via G. De Castillia 6/A (MI)	1,000	Euro	61,276	100%	61,276	588,510	(527,234)
Tecnimont Civil Construction S.p.A.	Viale Monte Grappa 3 (MI)	6,000	Euro	53,071	100%	53,071	53,100	(29)
Met Newen S.p.A.	Via G. De Castillia 6/A (MI)	6,000	Euro	6,271	99%	6,208	5,940	268
Tecnimont K.T S.p.A	Viale Castello della Magliana (RM)	6,000	Euro	24,480	100%	24,480	26,972	(2,492)
Stamicarbon B.V (**)	Amsterdam	9,080	Euro	61,995	100%	61,995	40,129	21,866

(*) As resulting from the latest Consolidated Financial Statements approved by the relevant Boards of Directors or, if not available, from the consolidated reporting packages.

(**) Please note that the loan contract for Euro 50 million, stipulated with UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Banca Monte dei Paschi di Siena S.p.A. provides for the establishment by the Company of a pledge over 100% of the capital of Stamicarbon as a guarantee of the obligation to repay the new credit facility.

During the year there have been events that have made a presumption of impairment, and therefore the possible non-recoverability of the carrying amount of the investment in Tecnimont Civil Construction S.p.A. – related to Infrastructure & Civil Engineering; in fact, this BU continues the turn-around process started in the previous year and continued in 2013, through a process of reconfiguration of the corporate structures in order to increase its capacity to adapt to changes in production volumes and allow a higher focus and consequent ability to meet the demand for engineering services. In 2013 there was the revision of the budget values of some projects and the allocation of personnel costs related primarily to the restructuring process taking place in this field of activity.

With regard to investments in Tecnimont S.p.A. and KT S.p.A. we proceeded to an impairment test because the carrying value of the respective investments was above the pro-quota shareholders' equity amount at 31 December 2013.

The analysis in question was carried out with the help of an independent expert, using the cash flows based for 2014 on the budget, and for 2015-2017 on the revision of the forecasts of the industrial and financial plan, approved by the Board of Directors on 13 March 2014 and supplemented by specific plants relating to the Infrastructures and Civil Engineering CGU of Tecnimont Civil Construction S.p.A. Said flows confirm the assumptions and strategic basis of the Group plan approved by the Board of Directors on 5 April 2013. Such document reflects the Top Management's best projections in relation to the main assumptions concerning the Company performance (macroeconomic and pricing trends, development and business outlooks). The assumptions and corresponding financials are considered suitable for the purpose of impairment testing.

The Plan also includes the possibility of a generation of funds through the sale of corporate assets that are no longer considered strategic for the Group. For the purpose of impairment testing on equity investments for the assets being disposed of in the Plan, where available, the plan, in the event of permanence within the Group, has been considered. With regard to assets held for sale for which a plan is not available, reference was made to the Management net of selling costs' estimated sale value.

In addition to contract margins and commercial, general and administrative costs, the plan provisions include savings relative to the cost of direct and indirect staff, whose reorganization is underway by the Management. In performing the impairment test, in order to reflect the current conditions of the CGU for impairment, only the savings included in the plan that have already been achieved were considered.

The value of the investments held by Maire Tecnimont was calculated by making an estimate of the corresponding operating value, the net financial position and the value of the accessory activities.

With reference to the value of the investment in Tecnimont S.p.A., the operating value was calculated as the sum of the operating value of each unit of the controlled companies of the Tecnimont sub-group (Oil, Gas & Petrochemicals, Infrastructure & Civil Engineering). The operating value of each unit was determined based on the estimate of the discounted future cash flows (in the form of income flow) that the companies are expected to generate in the future. The projected income flows include the reversal of general and administrative costs (G&A) of the Group for all the units. The value of the income flows is recognized net of taxation, without prudently taking into account the tax advantage relative to the possible deductibility of amortization and depreciation.

As for the determination of the recoverable value, the income flows refer to the industrial plan period, when available, and a terminal value beyond the time span of the industrial plan, consistently with the nature of investments and the segments of activity. The "normalized" flow was capitalized considering a growth rate with different intervals depending on the investment and the reference sector with regard to Tecnimont S.p.A. In particular, the rate 'g' was estimated in a range between 0% and 2% for OG&P of TCM, for the investment in KT. With regard to the Power and Infrastructures sector of TCM, and the investment in TCC, the rate 'g' has been estimated in a range between 0% and 1%, following the progressive deterioration of the economic results recorded by said CGUs in the last two financial years.

For the purpose of discounting the operating flows, the post tax WACC was identified as a rate of reference. The parameters used for the estimate of the discounting rates (Beta and Net Financial Position) have been determined based on a basket of comparable companies operating in the "Infrastructure" sector for the E&IC CGU and "Engineering" for all the other CGUS, assessing financial highlights and the most important market values for each of them.

For the purpose of expressing the riskless rate, the yield of 10 year Interest Rate Swap contracts, denominated in euros, was taken into account. With regard to cost of equity, such rate was increased by the credit spread between the yield of 10 year Italian Treasury bonds and IRSs of the Euro area with the same maturity, considering an average of 2013 values. The market risk premium was estimated to be 5.5%. As to cost of equity, the rates measured for the OG&P, Power and Infrastructure & Civil Engineering CGUs have further been increased by one percentage point for Oil, Gas & Petrochemical, following the postponement of the new project award process, by 4 points for Power and 5 for I&IC due to the progressive deterioration of the economic results of the same CGUs over the past two years and taken into account the volume of expected growth in their plans.

The main accessory assets/liabilities (ACC) included in the evaluation were: for TCM and TCC: the tax benefits derived from the utilization of losses carried forward during the Plan; for TCM: tax benefits from the tax shield arising from borrowing charges of the TCM Group not estimated in determining the value of the operating result following the use of a discount rate that coincides with the cost of equity; the expected value of disposal (net of sale cost) of certain assets that do not have a contribution to the determination of the cash flows of the Plan.

The analyses carried out on the basis of the above-described parameters highlighted the impairment of the investment in Tecnimont Civil Construction S.p.A., hence impairment of Euro 20,300 thousand has been recorded as at 31 December 2013.

Sensitivity analyses have also been carried out on the basis of changes to the following parameters: i) discounting rate; and ii) growth rate for the estimate of Terminal Value; on the basis of these analyses, the range of recoverable value of the CGU examined has been defined.

Discount rate (post-tax WACC)	Lower value	Higher value
Oil, Gas & Petrochemicals CGU - TCM	11.0%	13.0%
Power CGU - TCM	14.0%	16.0%
Infrastructure & Civil Engineering CGU - TCM	10.2%	12.2%
TCC	10.2%	12.2%
KT	11.0%	13.0%

Growth rate beyond the planning horizon	Lower value	Higher value
Oil, Gas & Petrochemicals CGU - TCM	0.0%	2.0%
Power CGU - TCM	0.0%	1.0%
Infrastructure & Civil Engineering CGU - TCM	0.0%	1.0%
TCC	0.0%	1.0%
KT	0.0%	2.0%

On the results of the sensitivity analysis:

- these have not revealed any impacts in relation to the investment in KT S.p.A. With reference to the equity investment in Tecnimont Civil Construction S.p.A., in view of the alignment of the investment to the value in use applied following the test, the sensitivity analysis would require a correction, moreover of a negligible amount, in the hypothesis of a greater discounting rate and lower growth rate;

- with reference to the interest in Tecnimont S.p.A., for which the carrying amount – the investment – has significantly increased on last year under the scope of its recapitalisation, a combination of WACC rate, in a range between 12% and 13% and growth rate in a range between 0% and 1%, the break-even point, such for which the value in use would be equal to said carrying amount.

42.4. Other Non-current Assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Trade receivable beyond 12 months	1,100	0	1,100
Total	**1,100**	**0**	**1,100**

Other non-current assets related to trade receivables beyond 12 months that are under dispute - specifically, Euro 1,100,000 due from the Regione Calabria.

With reference to this receivable, the arbitration award had upheld much of the demand made by the Company, thereby allowing the amount booked to be sustainable. The counterparty has appealed against the arbitration award and in 2013 the decision of the Court of Appeal of Catanzaro declared the award null purely for flaws in form; the Company has therefore decided to appeal against the sentence filed on 6 May 2013 and to petition the Supreme Court of Cassation in this respect. As at today's date, we believe that the above amount can be collected, given the continued reasons of merit, as already expressed in the arbitration award.

This amount was due to the company Protecma S.r.l. (Tecnimont S.p.A. subsidiary) by the aforementioned contractor for works completed in the past. In view of a more effective management of the litigation, the Company transferred the aforementioned receivable in 2009 to Maire Tecnimont S.p.A. based on an appraisal value. Such receivable is recognized at the presumed realizable value.

42.5. Other Non-current financial assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Financial receivables due within 12 months:			
From subsidiaries	0	41,289	41,289
From others	0	407	407
Total	**0**	**41,696**	**41,696**

The item "Other non-current financial assets" totaling Euro 41,289 thousand, refers for Euro 38,924 thousand to amounts receivable from Tecnimont Civil Construction S.p.A. and for Euro 2,365 thousand to amounts receivable from Met Newen S.p.A.

These loans bear interest in line with market rates and, differently to last year, have been reclassified as long-term, insofar as their payment is due beyond one year.

In 2013, loans were also granted to Tecnimont do Brasil LTDA and Tecnimont Chile LTDA, respectively for Euro 490 thousand and Euro 1,860 thousand; these amounts have been entirely written-down insofar as at present, we believe we will be unable to collect them.

"Other" refers to accrued financial income totaling Euro 407 thousand and relating to interest income accrued from the tax authority for VAT for which a rebate application has been filed but not yet liquidated.

Other non-current financial assets are classified as financial instruments which, after their initial recognition, are valued at amortized cost using the effective interest rate method. The estimated fair value of the loans granted is substantially in line with their book value, computed as indicated in the section "Valuation Criteria".

42.6. Deferred Tax assets and Liabilities

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Deferred tax assets	4,833	(812)	4,021
Deferred tax liabilities	(237)	(15)	(252)
Total	**4,596**	**(827)**	**3,769**

The item, "Deferred Tax Assets and Liabilities" shows a positive value of Euro 3,769,000, down Euro 827,000 against the previous year. The item comprises advanced tax credits for Euro 4,021,000 and deferred tax liability provisions for Euro 252,000.

Maire Tecnimont S.p.A. and its subsidiaries Tecnimont S.p.A., Protecma S.p.A., Tecnimont Civil Construction S.p.A., Met Newen S.p.A., KT S.p.A., Mst S.r.l. and Program International S.r.l. have chosen to apply for the National Tax Consolidation Regime that allows to calculate IRES income taxes based on a taxable base generated from the algebraic sum of the taxable income amounts of each individual Group company. Deferred tax assets arising from tax losses that have been recorded and may be carried forward are recognized to the extent of the likely future taxable income generated against which they may be set off.

The decrease in deferred tax assets is mainly due to the combined effect of the release of deferred tax assets on tax losses and excess interest expense related to prior years used in the consolidated tax return for the taxable knock down of the period and the provision of deferred tax assets on costs incurred for the capital increase recorded as a reduction in shareholders' equity, as well as the allocation of advances on temporary differences deductible in future years for appropriations for expenses related to compensation policies and staff bonuses.

Deferred taxes provision of Euro 252,000 mainly refers to the fiscally recognized amortization of the Sofregaz, Tecnimont and KT-Kinetics Technology trademarks, which, due to their classification as fixed assets with an indefinite useful life, are not subject to amortization in the Statutory Financial Statements, whereas a benefit is instead recognized solely for fiscal purposes.

The table below shows the breakdown and changes in tax assets and liabilities:

(Values in Euro thousands)	2012	Provision	Utilization	Reclassifications/Other	2013
Deferred Tax Assets					
Tax losses	4,722	2,732	(9,876)	2,935	513
Capital increase charges - IAS 32	0	2,354	(391)	0	1,962
Post-employment benefits	32	53			85
Other	79	2,087	(2,227)	1,522	1,460
Total Deferred Tax Assets	**4,833**	**7,225**	**(12,494)**	**4,457**	**4,021**
Deferred Tax Liabilities					
Value differences in tangible and intangible fixed assets (Trade mark)	(237)	(15)			(252)
Other					0
Total Deferred Tax Liabilities	**(237)**	**(15)**	**0**	**0**	**(252)**
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	**4,596**	**7,210**	**(12,494)**	**4,457**	**3,769**

42.7. Trade receivables

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Trade receivables within 12 months	63	(58)	5
Subsidiary receivables within 12 months	19,623	2,538	22,161
Parent company receivables within 12 months	169	(128)	41
Total	**19,855**	**2,352**	**22,207**

Trade receivables due from customers as at 31 December 2013 are Euro 5 thousand and are reduced by virtue of the subsequent collections.

Receivables from subsidiaries are Euro 22,161,000, of which Euro 6,909,000 refer to receivables from Tecnimont S.p.A. for co-ordination and control activities, the lease of office spaces and other charge backs; Euro 2,524,000 refer to receivables from Tecnimont KT S.p.A. for co-ordination and control activities; Euro 7,158,000 to receivables from Tecnimont Civil Construction S.p.A. for co-ordination and control activities; Euro 68,000 refers to receivables from Stamicarbon BV for charge backs related to the allocation of costs for the SAP management application; Euro 319,000 relate to receivables from Met Newen S.p.A. for the coordination and control for administrative/fiscal services.

The item also includes the excess IRES transferred to the subsidiaries on the basis of the Presidential Decree 09/29/1973, amounting to Euro 5,141,000, which could be used to offset the tax payables and receivables arising from the fiscal consolidation.

Receivables from parent companies amounting to Euro 41,000 relate to receivables from G.L.V. S.p.A. for charge back of maintenance related to the property of Piazzale Flaminio.

42.8. Current Tax Assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Tax receivables	37,520	(9,751)	27,769
Total	**37,520**	**(9,751)**	**27,769**

"Current tax assets" on 31 December 2013 are Euro 27,769 thousand, down against the previous year. This change mainly stems from reductions of Euro 5,623 thousand for the transfer of IRES excesses to Group companies and reductions of Euro 5,521 thousand for VAT.

In 2013, the Group's VAT consolidation agreement was renewed and Maire Tecnimont S.p.A., as parent company, consolidates the debt and/or credit balances of the subsidiaries adhering to this scheme.

42.9. Other Current Financial Assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Financial receivables due within 12 months:			
From subsidiaries	21,591	(21,591)	0
From others	0	0	0
Total	**21,591**	**(21,591)**	**0**

"Other current financial assets" are Euro 0 thousand, having dropped following the reclassification of the loans to Tecnimont Civil Construction S.p.A. and Met Newen S.p.A. to long-term. For more information, please refer to paragraph 42.5.

42.10. Other Current Assets

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Other receivables due within 12 months	23,562	540	24,102
Trade accrued charges and deferred income	200	24	224
Total	**23,762**	**565**	**24,327**

"Other current assets" were Euro 24,327,000, up Euro 565,000 on last year and mainly refers to group VAT and prepaid charges and expenses.

Also in 2013, certain Group companies have renewed adherence to the Consolidated VAT, transferring their debit balances of VAT payments to the consolidating Maire Tecnimont S.p.A..

42.11. Cash and Cash Equivalents

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Bank and post office accounts	440	172	612
Cash and cash equivalents	4	3	7
Total	**444**	**175**	**619**

"Cash and cash equivalents" are Euro 619 thousand on 31 December 2013, up Euro 175 thousand against the previous year. Operations generated a positive cash flow of approximately Euro 59,147 thousand, mainly due to the period result and changes in working capital.

Investing activities instead absorbed cash flows for Euro 386,568 thousand following the recapitalisation of Tecnimont S.p.A.

Financial management brought positive cash flow in the amount of Euro 327,596 thousand, mainly for period interest expense and the repayments of shares of loans upon the refinancing closing date, net of the collection of the share capital increase.

The estimated fair value of the bank and post office deposits on 31 December 2013 approximated their book value.

42.12. Shareholder's Equity

SHAREHOLDERS' EQUITY

Shareholders' Equity is Euro 393,099,000 on 31 December 2013, up Euro 140,196,000 against the previous year.

SHARE CAPITAL

The share capital at 31 December 2012, Euro 16,125,000, was made up of c. 322,500,000 shares.

On 6 June 2013 the extraordinary Shareholders' meeting resolved a reverse stock split of the outstanding shares in a ratio of 1 newly issued share without any expressed par value accruing regular dividend for every 10 shares without any expressed par value held. As a result of this transaction, the share capital of Euro 16,125,000 is divided into 32,250,000 shares.

On 11 June 2013 the Arab Development Establishment ("ARDECO") underwrote and paid in the indivisible capital increase against payment, for an overall amount, including share premium, of Euro 15,277,500, reserved to it and, consequently, with exclusion of the option right pursuant to article 2441, paragraph 4, second sentence of the Italian Civil Code, resolved upon by Maire Tecnimont S.p.A.'s extraordinary Shareholders' meeting of 6 June 2013. The reserved capital increase was underwritten by ARDECO against issuance of 1,697,500 ordinary shares of Maire Tecnimont S.p.A. – equal to 5% of the share capital post-increase – at a subscription price of Euro 9.00 per share, of which Euro 8.50 as share premium. The newly issued shares shall accrue regular dividend and have identical characteristics as the other outstanding shares at the time of their issue, and enjoy the option rights deriving from the subsequent capital increase resolved by the aforementioned extraordinary Shareholders' meeting resolution of the Shareholders of Maire Tecnimont S.p.A. on 6 June 2013.

Therefore, the share capital at 30 June 2013 was Euro 16,973,750 and was made up of 33,947,500 shares.

As at 26 July 2013, following the subscription of the capital increase, pursuant to article 2441, paragraph 1 of the Italian Civil Code, resolved upon by Maire Tecnimont S.p.A.'s extraordinary Shareholders' meeting of 6 June 2013, the share capital of Maire Tecnimont S.p.A., fully subscribed and paid in, is Euro 19,689,550, divided into 305,527,500 shares without par value, accruing regular dividend.

Share Premium Reserve

The reserve was made up of Euro 25,000 thousand paid before 26 November 2007 and Euro 58,045 thousand generated by the premium on the share capital increase made in 2007, net of charges for listing costs, equal to Euro 3,971 thousand net of the tax effect.

The 2013 change is Euro 141,653 thousand, comprising the premium paid by ARDECO and the other shareholders totaling Euro 146,417 thousand, offset by Euro 4,763 thousand in expenses for the share capital increase, net of the tax effect.

This capital reserve can be freely used either for a free share capital increase and/or to cover losses. In accordance with article 2431 of the Civil Code, the reserve can also be distributed to the shareholders on approval of the Shareholders' meeting.

Other Reserves

"Other reserves" are Euro 152,492,000 on 31 December 2013 and are broken down as follows:

- the extraordinary reserve, which on 31 December 2013 was Euro 140,432,000, did not change against the previous year;
- the legal reserve is Euro 5,328,000 on 31 December 2013;
- other reserves for Euro 6,731,000, consisting of Euro one thousand to the proceeds from the sale of its shares in May 2010; the variation of 2013 for Euro 355,000 relates to the sale of stock options as a result of the capital increase in July 2013.

Valuation Reserve

The valuation reserve is Euro 7,000 on 31 December 2013 and was made up of the actuarial gains and losses reserve, valued in accordance with IAS 19. The changes in the valuation reserve are shown in the table below:

(Values in Euro thousands)	Actuarial Gains/Losses	Total
Net book value at 31 December 2012	**22**	**22**
Actuarial gains/(losses)	(21)	(21)
Tax impact	6	6
Net book value as at 31 December 2013	**7**	**7**

Retained earnings

This item is Euro 1,573,000 following the decision of the Shareholders' meeting to bring the loss of 2012 forward.

Upon review of the items that constitute the equity, the following is specified:

Availability of the Main Items of Shareholders' Equity

(Values in Euro thousands)	2013	Possible uses	Available Portion
Share capital	19,690		-
Share premium reserve	224,698	A,B,C	224,698
Legal reserve	5,328	B	-
Extraordinary reserve	140,432	A,B,C	140,432
Valuation reserve	7	A,B,C	7
Other reserves	6,731	A,B,C	6,731
Retained earnings	1,573	A,B,C	1,573

Legend:

A: available for capital increases

B: available to cover losses

C: available for distribution to shareholders

Summary of Uses Made in the Past 3 Years

(Values in Euro thousands)	To Cover Losses	For Distribution	For Transfers to Other Reserves	Other
Share capital				
Share premium reserve				
Legal reserve				
Treasury shares				
Extraordinary reserve				
Valuation reserve				
Other reserves				

42.13. Medium/Long-Term Borrowings

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Bank loans due beyond 12 months	0	76,064	76,064
Total	**0**	**76,064**	**76,064**

Debt, net of current portion was Euro 76,064 thousand, up the same amount against 31 December 2012.

The above debt increased as a consequence of the refinancing (and consequent debt rescheduling and new finance agreements) and of the reclassification of certain loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous breach of certain contractual provisions relating to the financial covenants. As at 31 December 2013, we have no reports of failure to comply with covenants, as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

In particular, as at the date on which this financial report was prepared, following the positive conclusion of the share capital increase, the agreements came into force with the main lending banks and Euro 50 million of new finance was disbursed, with euro 10 million as rescheduling of the Cariparma S.p.A. facility disbursed to the Company and previously held by the subsidiary Tecnimont Civil Construction S.p.A.. These loans, of Euro 50 million, provide for a two-year grace period and repayment in six-monthly installments as from 2015 and until 31 December 2017. The residual part relates to the loans previously received from Intesa San Paolo and Unicredit and not concerned by the refinancing, which will expire as normal.

The loans are secured by covenants in line with the standards for this type of operation, of which the first measurement will take place in 2015 with reference to the figures at 31 December 2014. More specifically, these financial parameters provide for the maintenance of a certain level of shareholders' equity, liquid funds and gross financial position, as well as keeping a certain ratio of net financial position to shareholders' equity.

At 31 December 2013 there are no overdue payables to report.

42.14. Provisions for risks and charges over 12 months

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Provisions for risks and charges over 12 months	1,211	1,146	2,357
Total	**1,211**	**1,146**	**2,357**

The provision for risks and charges over 12 months increased by Euro 1,146,000 on last year. It is composed mainly of provisions for estimated costs related to compensation and incentive policies to employees.

42.15. Post-employment and other Employees Benefits

With reference to post-employment benefits, the Company has established benefits similar to a defined benefit plan favouring all of its employees.

In accordance with IAS 19 - Employee Benefits, the Company, with the assistance of an actuary, estimated the liabilities for the defined benefit plans on 31 December 2013. The table below shows the relevant changes:

(values in Euro thousands)	Post-Employment Benefits	Total
Balance at 31 December 2012	**521**	**521**
Current employee service costs	0	0
Actuarial losses (gains)	(15)	(15)
Income expense on obligations	0	0
Change in scope of consolidation	0	0
Other changes	36	36
Utilisations	(8)	(8)
Balance at 31 December 2013	**534**	**534**

"Current employee service costs" are reported in the Income Statement under "Personnel Costs". The income expense on obligations is recognized in the Income Statement under "Income expense" – "Other charges". Actuarial gains and losses are shown in a specific valuation reserve under shareholders' equity.

The parameters used to value the post-employment benefits are:

• inflation: the inflationary scenario indicated in the "Update Note of the Economics and Finance 2013 Document" was hypothesized and which provides inflation at 1.5%;

• increases in wages and salaries: the Company's remuneration policy takes into account contractual and meritocratic components and inflation adjustments, and is used to estimate the future provisions for the post-employment benefits accrued by employees until they leave the Company. In particular, the Company has chosen to apply a net increase per year equal to inflation of 1.5%;

• discounting rate: this is determined using the market yields on corporate bonds issued by primary companies at the valuation date, based on the Euro Composite AA (source: Bloomberg) interest rate curve on 31 December 2013;

• total workforce: Maire Tecnimont S.p.A. employees, their average age corresponding to 42,68 years and seniority (base TFR) (post-employment benefits basis) of 3,07 years.

42.16. Other Non-current Financial Liabilities

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Financial liabilities due to subsidiaries	44,900	172,714	217,614
Total	**44,900**	**172,714**	**217,614**

"Other non-current financial liabilities" are Euro 217,614 thousand and refer to amounts due to subsidiaries for inter-company loans and, in particular, to payables due to Stamicarbon B.V. for Euro 30,289 thousand, to K.T S.p.A. for Euro 44,411 thousand, to Tecnimont S.p.A. for Euro 120,445 thousand, to Tecnimont Russia for Euro 6,180 thousand, to Tecnimont Planung und Industrieanlagenbau GmbH for Euro 12,520 thousand, to Imm.Lux S.A. for Euro 297 thousand, to Protecma S.r.l. for Euro 3,270 thousand, to Maire Engineering France S.A. for Euro 200 thousand.

The increase is due on the one hand to having obtained financial resources from subsidiaries, thereafter used to grant loans to other Group companies needing liquid funds to be able to manage their core business and, on the other, to the effect of the assumption of infra-group debt by Tecnimont S.p.A., under the scope of the more extensive recapitalisation maneuver involving it, with the subsequent waiver by the assuming party, Maire Tecnimont S.p.A., of the related receivables.

The loans are all interest bearing in line with market rates and are due to expire beyond the next fiscal year. After their initial recognition, the loans are valued at amortized cost using the effective interest rate method.

42.17. Short-term Financial Liabilities

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Bank debt	59,027	(41,141)	17,886
Total	**59,027**	**(41,141)**	**17,886**

Short-term financial liabilities are Euro 17,886 thousand, down Euro 41,141 thousand on 2012; this reduction relates to both the repayment of shares of loans and the reclassification of loans not concerned by the refinancing that as at 31 December 2012 had been classified as current liabilities in relation to the previous violation of certain contractual provisions on financial covenants. As at 31 December 2013, we have no reports of failure to comply with covenants, as for the covenants on other loans that had not been respected previously, they were substantially harmonized with those envisaged in the rescheduled and new finance agreements signed with the Group by the same financial institutions.

This amount relates to the loans received from Intesa San Paolo and Unicredit and not concerned by the rescheduling maneuver, which will expire as normal.

The table below shows the net financial debt of the Company as at end 2013 and 2012 in line with the Consob Communication No. DEM/6064293/2006 of 28 July 2006:

	MAIRE TECNIMONT GROUP NET FINANCIAL DEBT		
	Values in Euro thousands	**31/12/201**	**31/12/2012**
P.	Cash	(7)	(4)
Q.	Bank and post office deposits	(612)	(440)
R.	Securities	-	-
S.	**Liquidity (A+B+C)**	**(620)**	**(444)**
T.	**Financial current recevaibles**	-	**(21,591)**
U.	Bank current debts	6,829	59,027
V.	Current part of non-current borrowings	11,057	-
W.	Other current financial debts	-	-
X.	**Current Financial Debt (F+G+H)**	**17,886**	**59,027**
Y.	**Net Current Financial Debt (I-E-D)**	**17,267**	**36,992**
Z.	Bank non-current debts	76,064	-
AA.	Bonds issued	-	
BB.	Other non-current debts	217,614	44,900
CC.	**Non-Current Financial Debt (K+L+M)**	**293,678**	**44,900**
DD.	**Net Financial Debt (J+N)**	**310,944**	**81,892**

The following table provides a reconciliation of net financial debt and net financial position of the Company as at end 2013 and 2012

NFD AND NFP RECONCILIATION		
Importi in Euro migliaia	**31/12/2013**	**31/12/2012**
O. Net Financial Debt	**310,944**	**81,892**
Other non-current financial assets	(41,696)	
Net Financial Position	**269,248**	**81,892**

42.18. Tax Liabilities

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Tax payables	891	244	1,135
Total	**891**	**244**	**1,135**

"Tax payables" of Euro 1,135,000 mainly refers to VAT for Euro 739,000 and IRPEF tax on employees for Euro 396,000.

At 31 December 2013, there were no overdue tax and social security positions.

42.19. Trade Payables

Trade payables are Euro 87,014,000, up Euro 34,749,000 against the previous year.

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Trade payables within 12 months	7,151	4,182	11,333
Subsidiary trade payables within 12 months	44,329	28,821	73,150
Associated trade payables within 12 months	0	650	650
Parent company trade payables within 12 months	784	160	944
Affiliated companies trade payables within 12 months	0	937	937
Total	**52,265**	**34,749**	**87,014**

"Trade payables" are Euro 11,333 thousand and refer to ordinary operations.

The financial performance of the Company and Group has had an impact over the last two years not only in terms of increasing debt but also because it has given rise to a significant increase in trade payables due to suppliers, with consequent repercussions on overdue amounts due to suppliers. In this regard it should be noted that the Company has no trade payables overdue by more than 90 days; when compared to end 2012 this value showed an improvement in absolute terms, mainly because of approximately Euro 1.9 million payment plans negotiated with suppliers. The Company has, in fact, proceeded with the definition of repayment plans, which are enabling a gradual settlement of older trade payables in line with the achievement of the positive effects of the strategy.

In 2013, payment reminders were received as part of ordinary administrative management. Moreover, as at 31 December 2013 there were no injunction orders notified to the Company not yet concerned by an agreed rescheduling plan.

Trade payables to subsidiaries are Euro 73,150 thousand, of which Euro 25,331 thousand refers to payables relative to the tax consolidation regime. The amount reflects the net balance of advances and tax credit/debit transferred to the consolidating entity by the subsidiaries that have adhered to the tax consolidation regime. Other payables due to the subsidiaries are Euro 47,819 thousand and mainly refer to trade payables. The period increase is a consequence of the assumption of part of the payables that Tecnimont S.p.A. had with regards to its direct subsidiaries; under the scope of the more extensive recapitalisation maneuver of Tecnimont and which in July were allocated to increase its capital. The main portion of those debts is supported by repayment plans subscribed by the major Group subsidiaries.

Payables to parent companies of Euro 943 thousand refers to G.L.V. S.p.A. payable for the use of trademarks and rents.

Amounts due to affiliated companies for Euro 936 thousand and payables due to associates for Euro 650 thousand respectively refer to amounts due to Program International Consulting Engineers and Studio Geotecnico Italiano, arising following the assumption of the debts of Tecnimont S.p.A.

42.20. Other Current Liabilities

(Values in Euro thousands)	31/12/12	Changes in the year	31/12/13
Social security payables	499	35	534
Employee salaries accrued but not yet paid	282	39	321
Other liabilities	49,080	(5,683)	43,397
Total	**49,861**	**(5,609)**	**44,252**

Other current liabilities are Euro 44,252 thousand, down Euro 5,609 thousand on 2012.

The item refers to amounts due to social security institutes for Euro 534 thousand and payables for employee salaries accrued and not yet paid for Euro 321 thousand.

Other payables, totaling Euro 43,397 thousand, refer for approximately Euro 41,296 thousand to amounts payable to subsidiaries for Group VAT. Again in 2013, certain Group companies have renewed adherence to the Consolidated VAT, transferring their balances to the credit of the payments to the consolidating VAT Maire Tecnimont S.p.A.

At 31 December 2013, there were no overdue tax and social security positions.

43. Commitments and Contingent Liabilities

The table below shows the financial guarantees issued by Maire Tecnimont S.p.A. at end 2013 and 2012 and the other commitments.

(Values in Euro thousands)	2013	2012
Guarantees issued on behalf of the Group		
Bank guarantees issued by third parties to other third parties	37,524	22,633
Other memorandum accounts		
Other personal guarantees		
Parent Company guarantees on behalf of subsidiaries	8,036,861	10,522,432
Of which:		
Performance Bonds	7,495,433	10,276,246
Other	541,428	246,186
Total Commitments	**8,074,385**	**10,545,065**

Guarantees issued by third parties on behalf of third parties relates to the guarantee issued in favor of the Tax Directorate Lombardy Large Taxpayers Office for compensation during the year 2012 for the Group VAT.

Guarantees issued on behalf of subsidiaries, amounting to Euro 8,036,861,000, relate to letters issued to guarantee client contractual obligations (primarily for the Borouge, Fos Cavou Gasco, Borouge 3, Etihad Railways, Tempa Rossa, Sadara) and other guarantees (letters of patronage) issued to banks on behalf of Tecnimont S.p.A.

The decrease for the year is related to the difference between the Parent Company Guarantee returned by customers for contracts terminated (mainly for the Colbun, Tasnee, Rabigh, Copenhagen Metro projects) and among those issued for the new contract Iowa Fertilizer of Tecnimont S.p.A. and SACE Factoring in the interest of MGR Verduno.

A description of potential liabilities can be found in the “Report on Operations”.

44. Transactions with Related parties

The related parties with whom Maire Tecnimont carried out transactions in FY 2013 were mainly the following:

- Group companies;
- companies directly and/or indirectly associated with the majority shareholder of Maire Tecnimont S.p.A.;
- by the parent G.L.V S.p.A., and its subsidiaries;
- Directors and Statutory Auditors and/or companies associated with these same entities.

In particular, contracts payable refer to the leasing of office buildings by Group companies (relations with G.L.V S.p.A.), payables arising under the tax consolidation (Tecnimont S.p.A., Met Newen S.p.A., K.T S.p.A., Tecnimont Civil Construction S.p.A., Protecma S.r.l., M.S.T S.r.l., Program International) payables and receivables under the consolidated VAT agreement (M.S.T S.r.l., Tecnimont Civil Construction S.p.A., Met Newen S.p.A., Tecnimont S.p.A., Protecma S.r.l., M.G.R Verduno S.p.A., Transfima S.p.A., Corace S.c.a.r.l., Cefalù S.c.ar.l.) and finally payables arising as a result of acts of assumption of the debts of Tecnimont S.p.A. (TICB, TCM do Brasil, TCM Chile, Immlux, TCM Russia, TPI, M.E France, Sofregaz, Studio Geotecnico Italiano, TSJ Limited, TCM Poland, Program International S.r.l.).

Financial contracts payable refers to liabilities for loans received (Stamicarbon B.V., Protecma S.r.l., Tecnimont S.p.A., K.T S.p.A., Immlux, TCM Russia, TPI, M.E France).

Contracts receivable relate to service activities, performed by Maire Tecnimont S.p.A. in favor of subsidiaries (Tecnimont S.p.A., KT S.p.A. Tecnimont Civil Construction S.p.A., Met Newen S.p.A.), administrative/fiscal/legal service (Tecnimont S.p.A., Met Newen S.p.A., Biolevano S.r.l., Maire Investments S.p.A.) charge back of costs incurred on behalf of SC Real Estate S.r.l., charge back of costs incurred on behalf of the parent (G.L.V. S.p.A.). Financial contracts receivable refers to granted loans (Tecnimont Civil Construction S.p.A. and Met Newen S.p.A. TCM do Brasil, TCM Chile).

With reference to the disclosure on related parties, it is reported that all transactions with related parties have been conducted based on market conditions.

At 31 December 2013, the breakdown of the Company’s receivables/payables and cost/revenue transactions with related parties, is shown in the table below, the tables also show the equity positions resulting from transactions during the previous and current year:

(Values in Euro thousands)	Trade Receivables	Trade Payables	Financial Receivables	Financial Payables	Receivables (Payables) from VAT consolidation	Receivables (Payables) from tax consolidation	Costs	Revenue	(Values in Euro thousands)
Biolevano S.r.l.	-	-	-	-	-	(37)	250	-	24
Esperia Aviation S.p.A.(*)	-	874	-	-	-			-	-
G.L.V S.p.A.(*)	41	(944)	-	-	-	-	-	(352)	81
Tecnimont Civil Construction S.p.A.	7,159	-	38,924	-	(15,291)	(4,393)	517	-	2,576
Met Newen S.p.A.	320	-	2,365	-	-	(4)	798	-	128
MST S.r.l.	-	(155)	-	-	2,335	64	1,116	(202)	54
Tecnimont S.p.A.	6,909	(5,064)	-	(120,445)	(25,589)	(19,806)		(4,444)	16,628
Protecma S.r.l.	-	(149)	-	(3,270)	(53)	(57)	-	(85)	-
Stamicarbon B.V.	69	(11,677)	-	(30,289)	-	-	-	(820)	84
KT S.p.A.	2,524	(2,458)	-	(44,412)	-	(553)	-	(2,335)	2,929
M.G.R Verduno S.p.A.	-	-	-	-	(328)	-	-	-	-
Transfima S.p.A.	-	-	-	-	(35)	-	-	-	-
Corace S.c.a.r.l.	-	-	-	-	4,874	-	517	-	-
Cefalù S.c.a.r.l.	-	-	-	-	16,855	-	1,427	-	-
Maire Investments S.p.A.	-	-	-	-	-	-	-	(1)	18
S.C Real Estate S.r.l	-	-	-	-	-	-	-	-	4
Noy Engineering S.r.l.	5	(168)	-	-	-	-	-	-	4
TICB		(22,332)	-	-	-	-	517	(13)	-
TCM Do Brasil	8	-	490	-	-	-	-	-	8
TCM Chile	30	(5)	1,860	-	-	-	-	-	30
IMMLUX	-	(83)	-	(298)	-	-	-	(7)	-
TCM Russia	-	(936)	-	(6,180)	-	-	-	(129)	-
TPI	1	(3,030)	-	(12,520)	-	-	-	(298)	1
ME France	-	(16)	-	(200)	-	-	-	(4)	-
Sofregaz	-	(4,001)	-	-	-	-	-	-	10
Studio Geotecnico Italiano	-	(649)	-	-	-	-	-	-	-
TSJ LIMITED	-	(2)	-	-	-	-	-	(2)	-
TCM Poland	-	(38)	-	-	-	-	-	(20)	-
Program international	-	(937)	-	-	-	(545)	-	-	-
Total	**17,066**	**(52,012)**	**43,639**	**(217,614)**	**(17,232)**	**(25,331)**	**5,142**	**(8,712)**	**22,579**

(*) For the following receivable (Esperia) and payable (GLV) positions, in question, repayment plans have been defined, which will allow for the gradual reduction of the respectively positive and negative commercial entries.

45. Information on Financial Risks

A more detailed description of financial risks can be found under "Information on Financial Risks" in the Notes to the Consolidated Financial Statements of Maire Tecnimont Group.

Maire Tecnimont S.p.A. is exposed to financial risks inherent to its ordinary business operations, more specifically:

- credit risk related to normal business relations with clients and financing transactions;
- liquidity risk related to the difficulty of liquidating market positions in the desired timeframe or of securing the financial resources needed to continue operations;
- market risk related to fluctuations in interest rates due to the use of financial instruments that generate interest; and
- risk of default and loan covenants related to the possibility that the loan contracts contain clauses that entitle lending banks to request from the borrower immediate repayment of the loan amounts should specific circumstances arise, that, consequently, would generate a liquidity risk.

Maire Tecnimont S.p.A. constantly monitors the financial risks to which it is exposed in such a way as to evaluate the potential negative effects of such risks and to take suitable actions to mitigate them.

The following section provides qualitative and quantitative benchmark indicators on the incidence of such risks on Maire Tecnimont S.p.A. The quantitative data presented below are not forward-looking and cannot reflect the complexity and the related reactions of markets which could derive from each hypothetical change.

IFRS 7 requires that the classification of financial instruments at fair value is determined on the significance of the inputs used to measure the fair value according to a fair value disclosure hierarchy (Level 1, Level 2 and Level 3); however, no financial instruments valued at fair value are contained in the Financial Statements of Maire Tecnimont S.p.A.

Credit Risk

Credit risk represents Maire Tecnimont's exposure to potential losses arising from a counterparty's failure to fulfill its obligations. Credit risk associated with the ordinary business of commercial transactions is monitored by both the operational and the administrative functions on the basis of formal procedures that define the client risk quantification and control methods.

The Company also has procedures in place to manage credit recovery activities and possible disputes.

The Company's maximum theoretical exposure to credit risk on 31 December 2013 corresponded to the book values of the financial assets shown in the Statement of Financial Position, as well as the nominal values of the guarantees issued for third-party loans or commitments.

For receivables in the Financial Statements at 31 December 2013, it was considered necessary to set aside a provision for bad debts equivalent to the loans granted to the subsidiaries Tecnimont do Brasil LTDA and Tecnimont Chile LTDA.

As on 31 December 2013, trade receivables due within and over 12 months were Euro 22,207,000 and Euro 1,100,000, respectively. The tables below provide a breakdown of the Company's receivables by due date:

Breakdown on Trade Receivables by Due Date

(Values in Euro thousands)	Overdue at 31/12/2012				
	Not due	Up to 365 days	From 366 to 731 days	More than 731 days	Total
TRADE RECEIVABLES	6,069	12,630	3,405	103	22,207
OTHER NON-CURRENT ASSETS	0	0	0	1,100	1,100
Total Trade Receivables	**6,069**	**12,630**	**3,405**	**1,203**	**23,307**
Of which:					
Due within 12 months (Note 42.6, 42.4)					***22,207***
					1,100

(Values in Euro thousands)	Overdue at 31/12/2012				
	Not due	Up to 365 days	From 366 to 731 days	More than 731 days	Total
TRADE RECEIVABLES	14,324	5,338	193	0	19,855
OTHER NON-CURRENT ASSETS	0	0	0	1,100	1,100
Total Trade Receivables				**1,100**	**20,955**
Of which:					
Due within 12 months (Note 42.6, 42.4)					***19,855***
					1,100

Other non-current assets related expired for more than 731 days are to trade receivables beyond 12 months under dispute; specifically in the amount of Euro 1,100,000 due from the Regione Calabria.

Following the decision by the Court of Appeals of Catanzaro, it was decided to appeal the ruling filed on 6/5/2013 and to appeal to the Supreme Court of Cassation.

This credit was claimed by the company Protecma S.r.l. (Company of the Maire Tecnimont Group) to this client for work performed in the past. In view of a more effective management of the litigation, the Company transferred the aforementioned receivable in 2009 to Maire Tecnimont S.p.A. based on an appraisal value.

Liquidity Risk

Liquidity risk represents the risk that, due to the difficulty of securing new financial resources or of liquidating assets on the market, the available financial resources may prove insufficient for the Company to cover obligations that are due. Two main factors influence the Group’s liquidity: the cash generated or absorbed by operations and investments; and the expiry and rollover dates of loans or the liquidity of the financial investments and market conditions.

Maire Tecnimont Group is going through a period of understandable financial stress and tension especially related to the losses pertaining to certain contracts that are now complete, the Power BU in Latin America. The projects mentioned above have caused a significant absorption of cash produced by draining liquidity produced within the Group and contributing to the increase, over the past two years, in the financial debt. The increased financial debt also coincided with the liquidity crisis of the national and international banking system, which, more generally, brought about a reduction in medium/long-term loans to businesses, an increase in the cost of banking system funding and the consequent increase of the cost of debt.

The period of financial crisis and liquidity that the Company and the Group have gone through made it necessary to develop an operation aimed at reaching a definitive restoration of the equity and financial balance of it and the Group.

On 26 July 2013 Maire Tecnimont S.p.A. announced that following the early conclusion of the share capital increase, rescheduling agreements have become effective for Euro 307 million of debt with the main lending banks of the Group and Euro 50 million of new finance was paid. These agreements provide for the rescheduling of Euro 307 million of the Group's indebtedness over five years, with a grace period of two years and the repayment by half-year installments from 2015 to 31 December 2017. In addition, our lenders Intesa Sanpaolo, UniCredit and Monte dei Paschi di Siena have provided new financing in an aggregate amount of Euro 50 million under the same conditions. Finally the certain facilities in an aggregate amount of Euro 245 million have been confirmed by all the banks, as well as guarantees for Euro 765 million in order to support the business.

On 13 February 2014 Maire Tecnimont S.p.A. announced that following the approval given by the Board of Directors on 11 February 2014, it had started and successfully completed on that same date the listing of an equity-linked debenture loan (the "Listing") with a term of 5 years, for a total nominal figure of Euro 70 million (the "Bonds"). On 17 February 2014, the joint bookrunners exercised their over-allotment option in full. Consequently, the total nominal value of the bonds was increased from Euro 70 million to Euro 80 million. The Bonds were settled on 20 February 2014.

The offer was intended exclusively for qualified investors on the Italian and international market, excluding the United States of America, Canada, Japan and Australia or any other jurisdiction in which the offer or sale of Bonds is subject to authorisation by local authorities or in any case prohibited by the law.

The listing will enable the Company to obtain a more extensive diversification of the financial resources and optimisation of the Company's financial structure through the collection of funds on the capital market. These funds will be used to finance the Company's business, in line with the 2013-2017 business plan approved on 05 April 2013. These funds will not be used to repay bank debt.

The Bonds will become convertible into ordinary shares in the Company (the "Shares") subject to approval by the Company's Shareholders' meeting, to be held by 30 June 2014 (the "Long-Stop Date"), of a share capital increase with the exclusion of stock options in accordance with art. 2441, paragraph 5 of the Italian Civil Code, to be reserved exclusively for the conversion of the Bonds (the "Share Capital Increase").

The initial Bond conversion price has been established as Euro 2.1898, which constitutes a premium of 35% over the weighted average price of the Company's ordinary shares as recorded on the MTA, between the time of launch and transaction pricing.

The Bonds were issued at par, for a unit nominal value of Euro 100,000; they have a term of 5 years and a fixed annual coupon of 5.75%, payable six-monthly in arrears. If not previously converted, redeemed, purchased or cancelled, the Bonds will be redeemed at par on 20 February 2019.

31/12/2012 (Values in Euro thousands)	Due within 1 year	Due in 2 to 5 years	Due over 5 years	Total
Bank debt	17,886	76,064		93,950
Other lenders	0	217,614	0	217,614
Total current and non-current financial liabilities	**17,886**	**293,678**	**0**	**311,564**

The flows are not discounted to present value and, therefore, may differ from their book value.

Other non-current liabilities were Euro 217,614,000 and refer to payables to subsidiaries for intercompany loans; distribution upon maturity is based on the residual contractual maturity or the first date in which payment can be requested.

Market Risk

Exchange Rate Risk

The Company is exposed to risks deriving from exchange rate fluctuations as it has financial assets denominated in currencies other than euro that may influence its net income or the value of shareholders' equity.

Interest Rate Risk

The Company is exposed to interest rate fluctuations that may affect the extent of the interest expense payable on its debt.

This risk is managed within the Group by entering into contracts to hedge the risk of fluctuations in interest rates including various hedging contracts amortizing interest rate swaps (IRS) and amortizing rate collar (Collar).The IRS allows, in essence, to transform the cost of the loan from floating rate to fixed rate, even if the deadlines are not perfectly aligned with the time limits, while the Collar allows for including the changes in the interest rate of the loan within a set range of values.

For more complete information on financial risks on the interest rate, see the section "INFORMATION ON FINANCIAL RISKS" in the Notes to the Consolidated Financial Statements of the Maire Tecnimont Group.

Risk of Default and Debt Covenants

The risk under review relates to the possibility that the financing contracts contain clauses that entitle lending banks to make requests to the debtor, should specific circumstances arise, thus generating a liquidity risk.

In the first quarter of 2013, the Company did not comply with the covenants under the loan agreements in place. Failure to observe the above-mentioned parameters would, in fact, theoretically result in the option, exercisable by the lenders, to demand immediate repayment of the loans.

On 26 July 2013 Maire Tecnimont S.p.A., following the early termination of the share capital increase, rescheduling agreements have become effective of the debt with the main lending banks of the Group and Euro 60 million of new finance was paid. The loans are secured by covenants in line with the standards for this type of operation, of which the first measurement will take place in 2015 with reference to the figures at 31 December 2014.

Finally, for the covenants envisaged for the loans not concerned by the refinancing, there is no notice of them not having been respected as they were substantially harmonized with the covenants envisaged in the rescheduled and new finance agreements agreements signed with the Group by the same financial institutions.

Within the broadest possible scope of the financial strategy to which reference is made in the "Going Concern" section, these covenants are subject to renegotiation.

Classification of Financial Instruments

In accordance with IFRS 7, the tables below show the types of financial instruments included in the Statement of Financial Position items and the valuation criteria applied:

Values at 31/12/2013 (Values in Euro thousands)	Loans and receivables at amortized cost	Fair value assets held for trading recognized in Income Statement	Hedge derivatives	Assets held to maturity	Assets held for sale	Total
Other non-current assets	1,100					1,100
Trade receivables	22,207					22,207
Other financial assets	41,696					41,696
Other current assets	24,327					24,327
Cash and cash equivalents	619					619
Total	**89,949**					**89,949**

Values 31/12/2012 (Values in Euro thousands)	Loans and receivables at amortized cost	Fair value assets held for trading recognized in Income Statement	Hedge derivatives	Assets held to maturity	Assets held for sale	Total
Other non-current assets	1,100					1,100
Trade receivables	19,855					19,855
Other financial assets	21,591					21,591
Other current assets	23,762					23,762
Cash and cash equivalents	444					444
Total	**66,752**					**66,752**

Values at 31/12/2013 (Values in Euro thousands)	**Liabilities at amortized cost**	**Fair value liabilities held for trading recognized in Income Statement**	**Hedge derivatives**	**Total**
Medium/long-term debt	76,064			76,064
Other non-current financial liabilities	217,614			217,614
Short-term debt	17,886			17,886
Trade payables	87,014			87,014
Other current liabilities	44,252			44,252
Total	**442,830**			**442,830**

Values at 31/12/2012 (Values in Euro thousands)	**Liabilities at amortized cost**	**Fair value liabilities held for trading recognized in Income Statement**	**Hedge derivatives**	**Total**
Medium/long-term debt	0			0
Other non-current financial liabilities	44,900			44,900
Short-term debt	59,027			59,027
Trade payables	52,265			52,265
Other current liabilities	49,861			49,861
Total	**206,053**			**206,053**

The book value of the financial assets and liabilities is substantially in line with their fair value.

46. Independent Auditors Fees

The table below has been prepared pursuant to article 149-*duodecies* of the "Consob Regulations for Issuers" to show the fees paid in FY 2013 for the audit service.

Type of service (Values in Euro thousands)	Audit Firm	Client	Fees
Audit service	Deloitte & Touche S.p.A.	Maire Tecnimont S.p.A.	415
Attestation services *	Deloitte & Touche S.p.A.	Maire Tecnimont S.p.A.	560
Other services **	Deloitte & Touche S.p.A.	Maire Tecnimont S.p.A.	160

Fees do not include VAT, expenses or, where applicable, the reimbursement of the Consob reporting contribution

* Attestation services include the signing of tax declarations and services provided under the scope of the activities required prior to the share capital increase:
- Report on prospective data;
- Report as provided for by art. 2441, paragraph four, second sub-paragraph, of the Italian Civil Code;
- Examination of pro-forma consolidated financial statements as at 31 December 2012;
- Comfort letter of the Prospectus prepared in accordance with Italian legislation and the International Prospectus.

** Other services include agreed-upon procedures on accounting data.

47. Non-recurring Significant Events and Transactions

During 2013, the Group did not enter into any of the non-recurring significant transactions defined by Consob Communication No. DEM/6064293 of 28 July 2006 in addition to that specified in the paragraph of the Report on Operations "Key events".

48. Positions or Transactions deriving from Atypical or Unusual Operations

In FY 2013, the Group did not make any atypical and/or unusual transactions pursuant to Consob Communication No. DEM/6064293 of 28 July 2006 as defined in the same Communication.

49. Significant Events after 31 December 2013

Information on the significant events occurring after 31 December 2013 is provided in the "Report on Operations" presented earlier in this Annual Report.

50. Attestation to the Financial Statements Pursuant to article 154-*bis*, paragraph 5, of Italian Legislative Decree 58/98 and Subsequent Amendments and Supplements

1. The undersigned Pierroberto Folgiero in his capacity as Chief Executive Officer and Dario Michelangeli in his capacity as "Executive in Charge of Preparation of the Company Accounting Documents" of MAIRE TECNIMONT S.p.A., taking into account the contents of article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24 February 1998, attest to:
   - the consistency with the Company's characteristics; and
   - the effective application of the administrative and accounting procedures as the basis for preparation of the Financial Statements in Fiscal Year 2013.
2. In addition, we attest that the Financial Statements:
   - have been prepared in accordance with the applicable international accounting standards approved by the European Community pursuant to Commission Regulation (EC) No. 1606/2002 of 19 July 2002 of the European Parliament and of the Council;
   - correspond to the information contained in the accounting ledgers and records;
   - provide a true and fair representation of the equity, economic and financial situation of the Company in question.
3. The Report on Operations provides a reliable analysis of the performance, the operating result and the situation of the Company in question as well as a description of the principal risks and uncertainties to which it is exposed.

The present attestation is provided also pursuant to and for the purposes of article 154-*bis*, paragraph 2, of Italian Legislative Decree 58 of 24 February 1998.

Milan, 13 March 2014

The Chief Executive Officer	The Executive in Charge of Preparation of the Company Accounting Documents
Pierroberto Folgiero	**Dario Michelangeli**

REPORT OF THE BOARD OF STATUTORY AUDITORS

51. Report of the Board of Statutory Auditors

MAIRE TECNIMONT SPA

Sede legale: Roma, Viale Castello della Magliana, 75
Sede operativa in Milano, Via Gaetano De Castillia, 6A
Capitale sociale Euro 19.689.550,00 interamente versato
C.F./P. I.V.A. e n. di iscrizione al Registro delle Imprese di Roma 07673571001
n. R.E.A. 1048169

Relazione del Collegio Sindacale all'Assemblea degli Azionisti convocata per l'approvazione del Bilancio 31 dicembre 2013 (art. 153, D. Lgs. n. 58/98)

Signori Azionisti,

il Collegio Sindacale nell'attuale composizione è stato nominato dall'Assemblea degli Azionisti del 30 aprile 2013.

Nell'espletamento della nostra attività:

- abbiamo vigilato sull'osservanza della legge, dell'atto costitutivo e sul rispetto dei principi di corretta amministrazione;
- abbiamo partecipato alle riunioni del Consiglio di Amministrazione, del Comitato Controllo e Rischi, del Comitato per la Remunerazione, del Comitato Parti Correlate ed abbiamo ottenuto dagli Amministratori periodiche informazioni sul generale andamento della gestione, sulla sua prevedibile evoluzione, nonché sulle operazioni di maggior rilievo economico, finanziario e patrimoniale effettuate dalla Società e dal Gruppo, assicurandoci che le delibere assunte e poste in essere non fossero manifestamente imprudenti, azzardate, in potenziale conflitto di interessi, in contrasto con le delibere assembleari o tali da compromettere l'integrità del patrimonio sociale;
- abbiamo rilevato l'assenza di operazioni inusuali e/o atipiche;
- abbiamo acquisito conoscenza e vigilato sull'adeguatezza della struttura organizzativa della Società e del Gruppo, tramite osservazioni dirette, raccolta di informazioni dai

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Responsabili delle funzioni aziendali ed incontri con i Rappresentanti della Società di Revisione Deloitte & Touche S.p.A. anche ai fini dello scambio di dati e informazioni;

- abbiamo valutato e vigilato sull'adeguatezza del sistema di controllo interno e di gestione dei rischi, mediante la partecipazione al Comitato Controllo e Rischi e l'ottenimento di informazioni dall'Amministratore incaricato del sistema di controllo interno e di gestione dei rischi, dal Responsabile dell'*Internal Audit*, dai Responsabili delle funzioni aziendali, dai Rappresentanti della Società di Revisione e dall'Organo incaricato della vigilanza sull'efficacia, l'osservanza e l'aggiornamento del modello di organizzazione, gestione e controllo ai fini del D.Lgs. n. 231/01 (Organismo di Vigilanza). Abbiamo inoltre avuto incontri con i due Responsabili dell'*Internal Audit* della Società, che si sono succeduti nel corso dell'esercizio 2013, dai quali abbiamo ottenuto informazioni sugli esiti degli accertamenti compiuti anche presso le società controllate;
- abbiamo vigilato sulle modalità di attuazione delle regole di Governo Societario adottate dalla Società, anche in aderenza ai principi contenuti nel Codice di Autodisciplina delle società quotate emesso dal Comitato per la Corporate Governance di Borsa Italiana S.p.A.; in particolare:
    - abbiamo verificato la corretta applicazione dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione per valutare l'indipendenza dei propri membri;
    - abbiamo vigilato sull'indipendenza della Società di Revisione;
    - abbiamo verificato il rispetto dei criteri di indipendenza dei Sindaci;
- abbiamo valutato e vigilato sull'adeguatezza delle disposizioni impartite alle società controllate. Tali disposizioni hanno permesso a queste ultime di fornire tempestivamente alla controllante le notizie necessarie per adempiere agli obblighi di comunicazione previsti dalla legge;
- abbiamo verificato l'osservanza delle norme di legge inerenti la formazione del bilancio d'esercizio e di quello consolidato al 31 dicembre 2013, redatti secondo i principi

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contabili internazionali IAS/IFRS, e delle rispettive relazioni sulla gestione, tramite verifiche dirette e informazioni assunte dalla Società di Revisione.

Nel corso dell'attività di vigilanza sopra descritta non sono emersi omissioni, fatti censurabili o irregolarità tali da richiederne la segnalazione ai competenti Organi esterni di controllo e vigilanza o la menzione nella presente relazione.

L'Organismo di Vigilanza, che abbiamo periodicamente incontrato, non ci ha comunicato fatti di rilievo.

Così come la relazione annuale del Consiglio di Amministrazione sul Governo Societario e gli Assetti Proprietari non ha evidenziato problematiche tali da essere portate alla Vostra attenzione.

Anche nel corso degli incontri che il Collegio Sindacale ha avuto con i corrispondenti organi delle principali società controllate, nonché con la società di revisione della società controllata indiana TICB, non sono emersi aspetti rilevanti.

In aderenza alle raccomandazioni ed indicazioni della CONSOB, il Collegio Sindacale evidenzia che:

- l'esercizio 2013 è stato straordinariamente influenzato dalla manovra di riorganizzazione finanziaria e patrimoniale che ha comportato, principalmente, un aumento di capitale di circa 150 milioni di euro, accordi di riscadenziamento del debito per 307 milioni di euro con le principali banche finanziatrici del Gruppo e sono stati ottenuti 50 milioni di euro di nuova finanza. Le operazioni di aumento di capitale sociale e di erogazione di nuova finanza hanno consentito il rafforzamento patrimoniale del Gruppo e in particolare la ripatrimonializzazione della controllata Tecnimont S.p.A. ;
- la Società ed il Gruppo stanno uscendo dalla situazione di tensione finanziaria in cui si erano trovati negli ultimi due esercizi;
- il piano di ristrutturazione asseverato da Professionista indipendente, richiesto, presentato ed accettato dalle banche finanziatrici, è tutt'ora in corso di realizzazione soprattutto per quanto riguarda le previste dismissioni, che hanno subito qualche ritardo;

- la "*governance*" della Società è stata rafforzata; in particolare è stato nominato un Amministratore Delegato, cui sono state conferite le deleghe operative, sono stati nominati cinque amministratori indipendenti, di cui uno espressione della minoranza, su nove, e tre amministratori donne su nove;
- nel corso del primo trimestre 2014 il Gruppo ha acquisito nuovi ordini per circa 600 milioni di euro come comunicato al mercato.

Le informazioni fornite dal Consiglio di Amministrazione relativamente alle operazioni infragruppo e con le parti correlate sono ritenute adeguate.

Nel corso dell'esercizio 2013:

- il Collegio Sindacale ha avuto periodici incontri e scambi di informazioni con i rappresentanti della società di revisione Deloitte & Touche S.p.A.;
- si sono tenute n. 12 riunioni del Consiglio di Amministrazione e n. 8 riunioni del Collegio Sindacale;
- Il Gruppo ha conferito a Deloitte & Touche S.p.A. o a soggetti facenti parte del *network* internazionale della stessa i seguenti incarichi:
  - incarichi di revisione contabile: attività di revisione contabile completa del bilancio d'esercizio e consolidato al 31 dicembre 2013 conferita ai sensi di legge; attività di revisione contabile limitata del bilancio intermedio consolidato al 31 marzo 2013 e 30 giugno 2013;
  - altri servizi di attestazione e assistenza: *comfort letter* su Prospetto Informativo per l'operazione di aumento di capitale offerto in opzione ai soci; *comfort letter* sull'*offering circular ex rule* 144/a ed *ex regulation S* e successivi aggiornamenti; *comfort letter* sui dati previsionali; parere di congruità del prezzo di emissione delle azioni Maire Tecnimont S.p.A. con esclusione del diritto di opzione ai sensi dell'art 2441 c.c., quarto comma, secondo periodo. Procedure di verifica concordate su alcuni saldi del bilancio intermedio consolidato al 30 settembre 2013.
  - altri servizi: sottoscrizione delle dichiarazioni fiscali e altra attività in ambito fiscale.

Al Collegio Sindacale non sono pervenuti né denunzie ex art. 2408 c.c., né esposti.

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Il Collegio Sindacale non ha rilasciato specifici pareri, ma solo quelli di competenza ai sensi della normativa vigente.

La Società di Revisione ha espresso giudizio positivo sul bilancio di esercizio e su quello consolidato, senza formulare eccezioni e/o riserve, ma solo richiami di informativa.

Il Collegio ha rilevato che i Bilanci sono formati in conformità alle norme che li regolano e ha riscontrato la completezza e l'adeguatezza delle informazioni fornite dal Consiglio di Amministrazione nelle proprie relazioni, anche relativamente al presupposto della continuità aziendale, nonché ai rischi, alle incertezze ed ai contenziosi cui sono esposti la Società e il Gruppo.

Fra i fatti di rilievo verificatisi dopo la chiusura dell'esercizio, il Collegio evidenzia l'emissione da parte della Società di un prestito obbligazionario *equity-linked*, denominato *"€80 million 5,75 per cent. Unsecured Equity-Linked Bonds due 2019"*, deliberato dal Consiglio di Amministrazione in data 11 febbraio 2014.

Il Collegio ritiene che la destinazione a nuovo della perdita di esercizio pari ad € 5.360.784,19, proposta dal Consiglio di Amministrazione, non contrasti con le disposizioni di legge e di statuto.

Milano, 9 aprile 2014

Il Collegio Sindacale

Pier Paolo Piccinelli	Presidente	
Giorgio Loli	Sindaco effettivo	
Antonia Di Bella	Sindaco effettivo	

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REPORT OF THE

INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

52. Report of the Independent auditors on the Consolidated Financial Statements

Deloitte.

Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Maire Tecnimont S.p.A.

1. We have audited the consolidated financial statements of Maire Tecnimont S.p.A. and subsidiaries (the "Maire Tecnimont Group"), which comprise the statement of financial position as of December 31, 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 9, 2013.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Maire Tecnimont Group as of December 31, 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. As fully reported by the Directors in the "Going concern" paragraph of the Report on Operations, which this paragraph refers to, in 2013 the Group completed the refinancing, that provided the rescheduling of most of the debts with the financial institutions and the Euro 150 million share capital increase. Furthermore, the Directors have confirmed that the revised economic forecasts for the year 2014 and the assumptions underneath are in line with the Group strategic view, as reflected in the industrial plan 2013 - 2017, approved by the Board of Directors in April 2013 and then updated on 13 March 2014.

Particularly, also on the basis of the projects awarded during the 2014 first quarter, the Directors believe that in the next months the Group shall recover the delays in new projects acquisition matured in 2013 and aim at the 2014 targets as the plan forecasts. In relation to the disposal plan, which achieved in 2013 the sale of two projects in the infrastructure and civil engineering business unit totalling about Euro 65 million, the Directors still confirm, despite some delays, the disposal of BiOlevano S.r.l. in a short time, being it also one of the short term financial planning main assumptions.

Based on the initiatives already undertaken and implemented by the Group and on the ones still to be fully implemented, the Directors consider the assumptions adopted for the sustainability of the industrial plan reasonably probable to occur. Such considerations have been made considering the overcoming of the tough general economic and financial environment and the implementation of the industrial plan targets through the awards of new projects and the disposal of BiOlevano S.r.l. in a short time with the related effects on the evolution of forecast cash flows, assuming the December 2014 covenants full compliance. In this context, the Directors inform that they evaluated the uncertainties both individually and as a whole and assessed that, due to the specific actions already undertaken and implemented and to the ones still to be fully implemented, the risk factors and the identified uncertainties, as fully reported in the mentioned paragraph of the Report on Operations, are not significant and do not give rise to any doubts about the Group's ability to operate as a going concern. As a result, the financial statements for the year ended 31 December 2013 have been prepared on the basis of the going concern assumption.

5. The Directors of Maire Tecnimont S.p.A. are responsible for the preparation of the Report on Operations and the Report on Corporate Governance and Ownership Structure, as published on the Maire Tecnimont S.p.A. website in the relevant section *Governance*, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and Ownership Structure, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of the Maire Tecnimont Group as of December 31, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
April 9, 2014

This report has been translated into the English language solely for the convenience of international readers.

REPORT OF THE

INDEPENDENT AUDITORS ON THE SEPARATE FINANCIAL STATEMENTS

53. Report of the Independent Auditors on the Separate Financial Statements

Deloitte.

Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Maire Tecnimont S.p.A.

1. We have audited the financial statements of Maire Tecnimont S.p.A., which comprise the statement of financial position as of December 31, 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 9, 2013.

3. In our opinion, the financial statements give a true and fair view of the financial position of Maire Tecnimont S.p.A. as of December 31, 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. As fully reported by the Directors in the "Going concern" paragraph of the Report on Operations, which this paragraph refers to, in 2013 Maire Tecnimont Group, being Maire Tecnimont S.p.A. the parent company, completed the refinancing, that provided the rescheduling of most of the debts with the financial institutions and the Euro 150 million share capital increase. Furthermore, the Directors have confirmed that the revised economic forecasts for the year 2014 and the assumptions underneath are in line with the Group strategic view, as reflected in the industrial plan 2013 - 2017, approved by the Board of Directors in April 2013 and then updated on 13 March 2014. Particularly, also on the basis of the projects awarded

during the 2014 first quarter, the Directors believe that in the next months the Group shall recover the delays in new projects acquisition matured in 2013 and aim at the 2014 targets as the plan forecasts. In relation to the disposal plan, which achieved in 2013 the sale of two projects in the infrastructure and civil engineering business unit totalling about Euro 65 million, the Directors still confirm, despite some delays, the disposal of BiOlevano S.r.l. in a short time, being it also one of the short term financial planning main assumptions.

Based on the initiatives already undertaken and implemented by the Group and on the ones still to be fully implemented, the Directors consider the assumptions adopted for the sustainability of the industrial plan reasonably probable to occur. Such considerations have been made considering the overcoming of the tough general economic and financial environment and the implementation of the industrial plan targets through the awards of new projects and the disposal of BiOlevano S.r.l. in a short time with the related effects on the evolution of forecast cash flows, assuming the December 2014 covenants full compliance. In this context, the Directors inform that they evaluated the uncertainties both individually and as a whole and assessed that, due to the specific actions already undertaken and implemented and to the ones still to be fully implemented, the risk factors and the identified uncertainties, as fully reported in the mentioned paragraph of the Report on Operations, are not significant and do not give rise to any doubts about the Group's ability to operate as a going concern. As a result, the financial statements for the year ended 31 December 2013 have been prepared on the basis of the going concern assumption.

5. The Directors of Maire Tecnimont S.p.A. are responsible for the preparation of the Report on Operations and the Report on Corporate Governance and Ownership Structure, as published on the Maire Tecnimont S.p.A. website in the relevant section *Governance*, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Report on Operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and Ownership Structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of the Maire Tecnimont S.p.A. as of December 31, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Rome, Italy
April 9, 2014

This report has been translated into the English language solely for the convenience of international readers.