
**FINANCIAL STATEMENTS
AT 31 DECEMBER 2013**

AMBIENTHESIS SPA



STATEMENT OF FINANCIAL POSITION AS AT 31/12/2013

(figures in Euros)

		31.12.2013	31.12.2012	31.12.2012 Proforma*
	Notes	Total	Total	Total
ASSETS				
NON-CURRENT ASSETS				
Property, plants, machinery and other fixed assets	1	13,689,306	9,436,732	14,608,504
Property investments	2	17,409,872	0	17,409,872
Goodwill	3	20,848,118	12,000,000	20,848,118
Intangible assets	4	29,824	17,984	45,505
Investments	5	15,769,172	41,788,771	14,532,452
Other financial assets	6	6,562,449	6,121,242	6,121,242
Pre-paid tax assets	7	1,221,177	222,352	447,614
Other assets	8	384,881	234,687	234,767
Total non-current assets		75,914,799	69,821,768	74,248,074
CURRENT ASSETS				
Inventory	9	8,646	12,507	165,827
Trade receivables	10	55,862,788	37,042,023	55,330,602
Current tax assets	11	750,282	1,139,481	1,288,760
Financial receivables and other financial assets	12	6,224,741	5,917,062	4,993,971
Other assets	13	3,686,315	884,372	3,288,011
Cash and cash equivalents	14	383,995	334,019	349,324
Total current assets		66,916,767	45,329,464	65,416,495
Non-current assets held for sale	15	2,824,254	0	2,824,254
TOTAL ASSETS		145,655,820	115,151,232	142,488,823

*Following the merger by incorporation of the companies Ecoitalia S.r.l., Blu Ambiente S.r.l., Co.Gi.Ri. S.r.l., Tekna S.r.l. e Smarin S.r.l. into Ambienthesis S.p.A., it has been prepared a Proforma statement of financial position which, according to the OPI 2 provision, presents, in retrospect, the impacts of the merger as at 31 December 2012. Such Proforma data have not been audited.

		31.12.2013	31.12.2012	31.12.2012 Proforma*
	Notes	Total	Total	Total
EQUITY AND LIABILITIES				
EQUITY	16			



Share capital		48,204,000	48,204,000	48,204,000
Reserves		40,336,318	33,682,848**	43,721,166
Treasury shares		(2,564,876)	(2,564,876)	(2,564,876)
Financial year profit (loss)		(987,288)	(2,537,523)**	(3,293,083)
Total equity		84,988,154	76,784,449	86,067,207
NON-CURRENT LIABILITIES				
Long-term financial liabilities	17	1,251,710	-	1,600,688
Risk and charges provisions	18	123,825	96,804	220,629
Employees benefits provision	19	1,088,130	577,935	1,083,732
Deferred tax liabilities	20	1,200,142	122,755	1,300,261
Total non-current liabilities		3,663,807	797,494	4,205,310
CURRENT LIABILITIES				
Short-term financial liabilities	21	13,317,300	6,958,665	9,427,266
Short-term portion of long-term financial liabilities	22	1,795,375	3,000,000	3,321,479
Trade payables	23	37,013,323	24,044,122	35,038,898
Advances	24	11,170	61,170	215,170
Other current liabilities	25	4,866,691	3,505,332	4,213,493
Total current liabilities		57,003,859	37,569,289	52,216,306
TOTAL EQUITY AND LIABILITIES		145,655,820	115,151,232	142,488,823

**Following the merger by incorporation of the companies Ecoitalia S.r.l., Blu Ambiente S.r.l., Co.Gi.Ri. S.r.l., Tekna S.r.l. e Smarin S.r.l. into Ambienthesis S.p.A., it has been prepared a Proforma statement of financial position which, according to the OPI 2 provision, presents, in retrospect, the impacts of the merger as at 31 December 2012. Such Proforma data have not been audited.*

*** figures reclassified following the application of IAS19 revised.*

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

		31.12.2013	31.12.2012**	31.12.2012 Proforma*
	Notes	Total	Total	Total
REVENUES	26			
Revenues		60,111,250	45,500,776	67,899,023
Other revenues		293,741	202,707	230,363
Total revenues		60,404,991	45,703,483	68,129,386
OPERATING EXPENSES	27			
Purchase of raw materials, semi-finished goods and others		(5,064,045)	(2,027,397)	(2,887,149)
Services		(47,838,425)	(36,642,944)	(53,892,797)
Labour cost		(5,958,843)	(4,236,405)	(6,169,209)
Other operating expenses and provisions		(2,382,791)	(2,454,590)	(3,022,961)
<i>- of which non-recurring items</i>		784,592	0	0
GROSS OPERATING MARGIN		(839,113)	342,147	2,157,270
Amortisation and depreciation		(2,182,340)	(1,542,410)	(2,195,650)
NET OPERATING MARGIN		(3,021,453)	(1,200,263)	(38,380)
FINANCIAL REVENUES (EXPENSES)	28			
Financial revenues		400,390	425,857	246,403
<i>- of which non-recurring items</i>		165,440	0	0
Financial expenses		(851,894)	(688,907)	(731,011)
Derivative instruments		36,400	(4,113)	(74,060)
REVENUES (EXPENSES) ON INVESTMENTS	29			
Revenues (expenses) on investments		1,710,996	(1,602,503)	(2,919,029)
PRE-TAX INCOME		(1,725,561)	(3,069,929)	(3,516,077)
Income tax	30	738,273	532,406	222,994
NET INCOME		(987,288)	(2,537,523)	(3,293,083)

**Following the merger by incorporation of the companies Ecoitalia S.r.l., Blu Ambiente S.r.l., Co.Gi.Ri. S.r.l., Tekna S.r.l. e Smarin S.r.l. into Ambienthesis S.p.A., it has been prepared a Proforma statement of financial position which, according to the OPI 2 provision, presents, in retrospect, the impacts of the merger as at 31 December 2012. Such Proforma data have not been audited.*

*** figures reclassified following the application of IAS19 revised.*



COMPREHENSIVE INCOME STATEMENT <i>Figures in thousand euros</i>	31.12.2013	31.12.2012**	Proforma 31.12.2012**
NET WORTH	(987)	(2,538)	(3,293)
Items of comprehensive result classifiable within the period result in subsequent periods			
Translation differences	(126)	118	118
Tax effect related to the items of the comprehensive result classifiable in the financial statement.	0	0	0
Total items of comprehensive result classifiable within the period result in subsequent periods	(126)	118	118
Items of comprehensive result non-classifiable within the period result in subsequent periods			
Actuarial profit/(loss) IAS 19R	47	(68)	(128)
Tax effect related to the items of the comprehensive result classifiable in the financial statement.	(13)	19	35
Total items of comprehensive result non-classifiable within the period result in subsequent periods	34	(49)	(93)
Total other items of comprehensive result	(92)	69	25
Total comprehensive result in the financial year	(1,079)	(2,469)	(3,268)

*The above reported accounting standards have been reclassified following the adoption of amendments as of IAS1. For further details please see paragraph "Amendments on accounting standards"

**Following the merger by incorporation of the companies Ecoitalia S.r.l., Blu Ambiente S.r.l., Co.Gi.Ri. S.r.l., Tekna S.r.l. e Smarin S.r.l. into Ambienthesis S.p.A., it has been prepared a Proforma statement of financial position which, according to the OPI 2 provision, presents, in retrospect, the impacts of the merger as at 31 December 2012. Such Proforma data have not been audited.

*** figures reclassified following the application of IAS19 revised.

CASH FLOW STATEMENT



<i>In thousands of Euros</i>	31.12.2013	31.12.2012*
Cash and cash equivalents in the balance sheet as at the beginning of the financial year	334	1,531
Initial account overdrafts	(6,708)	(5,325)
Short term financial receivables	5,917	17,449
INITIAL NET CASH	(457)	13,655
Merger impact	(3,277)**	
INITIAL NET CASH AFTER MERGER IMPACT	(3,734)	
CASH FLOW FROM INCOME ACTIVITIES		
Pre-tax result	(1,726)	(3,069)
Amortisation and depreciation	2,182	1,542
Depreciation (re-evaluation) on investments	(1,212)	3,337
Investments profit	(499)	(1,734)
Increase (decrease) in employees benefits provision	51	(7)
Capital losses/(gains) on transfer of assets	0	6
Increase (decrease) in risk and charges provisions	(97)	0
OPERATING ASSETS CASH FLOW		
Tax paid in the financial year	392	(592)
Decrease (increase) in inventories	157	0
Decrease (increase) in trade receivables	(532)	(3,808)
<i>- of which towards related parties</i>	<i>(2,452)</i>	<i>(1,652)</i>
Decrease (increase) in other current assets	(487)	66
Increase (decrease) in trade payables	1,974	2,862
<i>- of which towards related parties</i>	<i>4,485</i>	<i>(885)</i>
Increase (decrease) in other non-financial payables	403	429
TOTAL	606	(968)
CASH FLOW FROM INVESTMENT ACTIVITIES		
Net investments in tangible assets	(1,235)	(2,190)
Net investments in intangible assets	(11)	(9)
Dividends income	499	1,734
(increase) decrease in investments	(25)	(982)
(Increase) decrease in other non-current available-for-sale financial assets	(583)	(761)



- of which towards related parties	(441)	(600)
TOTAL	(1,355)	(2,209)

CASH FLOW FROM FINANCING ACTIVITIES

Taking over (refund) of medium and long term loans	(1,821)	(4,677)
Distribution of dividends	0	(881)
Variation in other financial assets/liabilities	314	(5,376)
Other equity variations	0	0)
Total	(1,507)	(10,9342)

NET CASH FLOW	(2,256)	(14,112)
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FINAL NET CASH FLOW	(5,990)	(457)
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Cash and cash equivalents in the balance sheet as at the end of the period	384	334
Final account overdraft	(12,599)	(6,708)
Short-term financial receivables	6,225	5,917
FINAL NET CASH FLOW	(5,990)	(457)

OTHER INFORMATION

Financial expenses in the financial year	(959)	(981)
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* figures reclassified following the application of IAS19 revised.

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



STATEMENT OF CHANGES IN SHAREHOLDERS 'EQUITY
(IN THOUSANDS OF EUROS)

	Share capital	Share premium re- serves	Legal reserve	Other reserves	Income	Treasury shares	Financial year in- come	Total equity
BALANCE AS AT 01.01.2012	48,204	24,547	1,618	211	5,813	(2,564)	2,305	80,134
IAS 19R retrospective application impact				5	(5)			
BALANCE AS AT 01.01.2012	48,204	24,547	1,618	216	5,808	(2,564)	2,305	80,134
TRANSACTIONS WITH SHAREHOLDERS								
Dividends distribution							(881)	(881)
Previous financial year balance			115		1,309		(1,424)	0
			115		1,309		(2,305)	(881)
NET RESULT							(2,538)	(2,538)
OTHER COMPONENTS OF COMPREHENSIVE INCOME								
Actuarial profit/(loss)				(49)				(49)
Translation differences				118				118
COMPREHENSIVE INCOME				69			(2,538)	(2,469)
BALANCE AS AT 31.12.2012	48,204	24,547	1,733	285	7,117	(2,564)	(2,538)	76,784

	Share capital	Share premium re- serves	Legal reserve	Other reserves	Income	Treasury shares	Financial year income	Total equity
BALANCE AS AT 01.01.2013	48,204	24,547	1,733	285	7,117	(2,564)	(2,538)	76,784
Merger impact				(16)	9,299			9,283
BALANCE AS AT 01.01.2013 AFTER MERGER	48,204	24,547	1,733	269	16,416	(2,564)	(2,538)	86,067
TRANSACTIONS WITH SHAREHOLDERS								
Dividends distribution							0	0
Previous financial year balance					(2,538)		2,538	0
					(2,538)		2,538	0
NET RESULT							(987)	(987)
OTHER COMPONENTS OF COMPREHENSIVE INCOME								



IAS 19R Actuarial profit/(loss)				34				34
Translation differences				(126)				(126)
COMPREHENSIVE RESULT				(92)			(987)	(1,079)
BALANCE AS AT 31.12.2013	48,204	24,547	1,733	177	13,878	(2,564)	(987)	84,988



ASSETS AND FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION No. 15519 of July 27, 2006
(in Euros)

	31/12/2013			31/12/2012			31/12/2012 PROFORMA		
	Total	Of which related	%	Total	Of which related	%	Total	Of which related	%
ASSETS									
Non-current assets	75,914,799	6,900,783	9.09%	69,821,768	6,326,242	9.06%	74,248,074	6,326,242	8.52%
Assets held for sale	2,824,254			0			2,824,254		
Current assets	66,916,767	40,754,974	60.90%	45,329,464	27,146,336	59.89%	65,416,495	37,351,465	57.10%
TOTAL ASSETS	145,655,820			115,151,232			142,488,823		
EQUITY AND LIABILITIES									
Equity	84,988,154			76,784,449			86,067,207		
Non-current liabilities	3,663,807			797,494			4,205,310		
Current liabilities	57,003,859	16,675,461	29.25%	37,569,289	9,874,092	26.28%	52,216,306	12,086,608	23.15%
TOTAL LIABILITIES	60,667,666			38,366,783			56,421,616		
TOTAL EQUITY AND LIABILITIES	145,655,820			115,151,232			142,488,823		

INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION No. 15519 of July 27, 2006

(figures in euros)

	31/12/2013			31/12/2012			31/12/2012 PROFORMA		
	Total	Of which related	%	Total	Of which related	%	Total	Of which related	%
INCOME STATEMENT									
REVENUES	60,404,991	13,337,384	22.08%	45,703,483	3,744,935	8.19%	68,129,386	11,259,373	16.53%
OPERATING EXPENSES									
Purchase of raw materials and services	(52,902,470)	(19,030,342)	35.97%	(38,670,341)	(13,280,708)	34.34%	(56,779,946)	(22,350,400)	39.36%
Labour cost	(5,958,843)			(4,236,405)			(6,169,209)		
Other operating expenses and provisions	(2,382,791)	(858,451)	36.03%	(2,454,590)	(952,415)	38.80%	(3,022,961)	(1,373,221)	45.43%
Amortisation and depreciation	(2,182,340)			(1,542,410)			(2,195,650)		
NET OPERATING MARGIN	(3,021,453)			(1,200,263)			(38,380)		
FINANCIAL REVENUES (EXPENSES)	(415,104)	177,232	n/a	(267,163)	307,807	n/a	(558,668)	168,703	n/a
REVENUES (EXPENSES) ON INVESTMENTS	1,710,996			(1,602,503)			(2,919,029)		
PRE-TAX INCOME	(1,725,561)			(3,069,929)			(3,516,077)		
Income tax	738,273	(70,928)	n/a	532,406	320,682	60.23%	222,994		
NET INCOME	(987,288)			(2,537,523)			(3,293,083)		

EXPLANATORY NOTES TO FINANCIAL STATEMENTS AS AT 31/12/2013

PREMISES

On the 7th June 2013, the name of Sadi Servizi Industriali S.p.A. has been changed into Ambienthesis S.p.A. Ambienthesis S.p.A. (Hereinafter also "Ambienthesis" or "the Company") is a joint-stock company incorporated in Italy and registered with the Register of Companies of Milan. The address of its registered office is Segrate, via Cassanese 45.

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

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

MERGER BY INCORPORATION OF ECOITALIA, BLU AMBIENTE, CO.GI.RI, TEKNA E SMARIN INTO AMBIENTHESIS

In the context of the plan aimed at the rationalisation and simplification of the corporate structure of the Ambienthesis Group, have been carried out mergers between Ambienthesis S.p.A. and the companies that it entirely owns, directly or indirectly, Blu ambiente S.r.l., Co.gi.ri S.r.l., Ecoitalia S.r.l., Smarin S.r.l. and Tekna S.r.l.. The merger deed has been agreed on 18 December 2013 on the basis of the extra-ordinary 17 October 2013 meeting deliberations and of the 17 October 2013 board of directors deliberation.

The civil effect of the merger has been defined starting from 31 December 2013, while accounting and tax impacts of the same merger started from 1 January 2013. As regards the above mentioned merger operations, the continuity of values standard has been applied consistent with the provision of the Documento Assirevi OPI 2, giving in fact relevance to the prior existence of the controlling relationship between the companies involved in the merger, and to the expenses incurred by the absorbing company to originally acquire the absorbed one. Consequently, as at the mergers date of effectiveness, current values of assets, liabilities and goodwill reflected by the price of the purchase of investments have been recorded in the Ambienthesis separated balance sheet within the limit of imputations to assets, liabilities and goodwill items effectuated in the consolidated balance sheet. In other words, such mergers have determined the convergence of the consolidated balance sheet, at the merger date, with the separated balance sheet of the post-merger merging company, carrying out the so called "legal consolidation". The net impact of the values incorporation of the related companies in the opening Ambienthesis Balance sheet, highlighted a "net merger difference" amounting to 9,283 thousand Euros, involving the impact deriving from the application of IAS19 *revised*, recorded as equity "Reserves" item.

Moreover, as required by the above mentioned OPI 2 and in order to obtain a homogenous point of comparison



with the first post-merger balance sheet, data relating to 2012 financial year have been revised, including the ones of the incorporated companies, and stated in the "Proforma" column of the statement of financial position, of the income statement and of the comprehensive income statement as at 31 December 2013. "Proforma" data have not been revised.

Such proforma data are therefore used, in these explanatory notes, as further comparative data relating to 2012 financial year, where necessary, to provide more complete information.

The financial statements at December 31st, 2013, approved by the Ambienthesis S.p.A. Board of Directors at its meeting on 10th April 2014, have been audited by the auditing company PricewaterhouseCoopers S.p.A. .

The values of these notes are in thousands of Euros, unless otherwise stated.

Preparation and presentation criteria

The financial statements have been prepared on the basis of the company's functioning and continuity, in accordance with the general principle of true and fair presentation of the financial and economic position, and of the financial flows of the Company.

Statements and Balance sheets

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

Income Statement

The Income Statement is prepared according to a format where the expenses are allocated by nature, highlighting interim results relating to the operating margin and result before taxes. The operating margin is calculated as the difference between the Income and the operating costs (the latter including non-cash costs related to depreciation, and write-down of current and non-current assets, net of any write-backs) and inclusive of any unrealised gains/losses generated from the disposal of non-current assets.

Statement of Comprehensive Income

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

Statement of Financial Position

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

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

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

Statement of Cash Flows

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

Statement of variations in Shareholders' Equity

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

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

For each significant item reported in these statements, the references to the following explanatory notes, which provide the relevant information and detail the composition and changes compared to the previous year, will be specified. It is also noted that in order to comply with the instructions contained in Consob Resolution no. 15519 of 27 July 2006 "Provisions on financial statements" specific statements of financial position and income statement were prepared, in addition to the compulsory statements, highlighting the significant amounts of positions or transactions with related parties.

Amendments to applicable accounting standards

Evaluation and measurement criteria are based on IFRS standards in force at 31 December 2013 and approved by the European Union.

The following accounting standards, amendments and interpretations have been applied for the first time starting from 1 January 2013:

- amendment to IAS 1 – presentation of components of the comprehensive income statement;
- amendment to IAS 19 – recognition and disclosure of defined benefits plans

As regards amendment to IAS 1 “presentation of components of the comprehensive income statement”, we shall precise that on 16 June 2011 IASB issued an amendment to IAS 1 – Presentation of Financial Statement. This document requires businesses to gather all the items displayed among “Other comprehensive profit/(loss)” depending on their prospect of being further recorded in the income statement. This document has been published on the official journal of the European union on 6 June 2012 and can be applied to financial year starting from 1 July 2012 or later.

This amendment, applicable to the Company starting from 1 January 2013, entailed the change of the chart relating to the Income statement producing no impact on the evaluation of the balance sheet items.



Pursuant to the regulation n.475/2012 issued by the European Commission on 5 June 2012, amendments to the international accounting standard IAS 19 "Employee benefits" have been homologated. Such standard, reviewed by IASB on 16 June 2011, requiring, among others: (i) the obligation to record all actuarial profits and losses in the comprehensive profit chart, eliminating however the chance to adopt the corridor method. Actuarial profits and losses detected in the comprehensive profit chart shall not be further recorded in the income statement; and (ii) the elimination of the separated presentation of the items of the cost relating to the defined benefits liability, represented by the expected profit of the activities under the plan and of the interests cost, and the substitution with the aggregate "net interest". In accordance with the transaction regulations required by IAS 19 revised, ambienthesis applies such standard starting from 1 January 2013 with retroactive effect; therefore, 2012 Financial Statements, disclosed in this annual financial Report with comparative purposes, have been modified compared to data previously disclosed. Such change entailed on 31 December 2012 a reclassification from the Equity item "Financial year Profit/(loss) to the "Reserves" item for 49 thousand Euros, at net of related tax effect.

The following amendments, improvements and interpretations, in force from 1 January 2013, regulate cases in point and situations not existing or anyhow with no significant impact at date of this Balance Sheet, but that could be having effects on future transactions or agreements:

- amendment to IFRS 7 – financial instrument: further information;
- amendment to IAS 12 – income tax;
- IFRS 13 – Fair value measurement.

Accounting principles and amendments yet not applicable and not implemented in advance by Ambienthesis

On 12 May 2011 IASB issued the standard IFRS 10 – Consolidated balance sheet which will substitute the SIC-12 consolidation – special purpose companies (vehicles companies) and parts of IAS 27 – consolidated and separated balance sheet, which will be renamed separated balance sheet and will regulate the accounting treatment of the investments in the separated balance sheet. Main variations established by the new standards are as follows:

- According to IFRS 10 there is only one basis standard to consolidate every kind of entity, and such standard is based on control. Such variation removes the perceived contradiction between former IAS 27 (based on control) and SIC 12 (based on the transfer of risks and benefits);
- It has been introduced a stronger definition of control compared to the past, based on three features; (a) power over the acquired business; (b) exhibit, or rights, whose profit vary on the basis of the involvement of the same business; (c) ability to use power to influence the amount of such profits;
- IFRS 10 requires an investor, in order to evaluate if there's control on the acquired company, to focus on activities sensitively affecting the profits of the same;
- IFRS 10 requires, while evaluating the existence of a control, only fundamental rights to be considered, meaning the ones exercisable when relevant decision on the business must be taken;

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- o IFRS 10 requires helping practical guidelines in evaluating the existence of control in difficult situations, such as de facto control, potential rights to vote, situations in which it must be established whether who has decisional power is acting as agent or director, etc.

In general words, the application of IFRS 10 requires a significant judgment level on a certain number of applicable aspects. This standard is applicable in a retrospective way from 1 January 2014.

On 12 May 2011 IASB issued IFRS 11 – Joint Agreements which will substitute IAS 31 – Interests In Joint Ventures and SIC-13 – Jointly Controlled Entities – Non-monetary Contributions by Ventures. The new standard, being understood the criteria to spot the existence of a joint control, provides the criteria for the accounting treatment of joint venture agreements based on rights and obligations deriving from such agreements rather than on their legal form, distinguishing between joint venture and joint operation. According to IFRS 11, the existence of a separate vehicle is no sufficient condition to classify a joint participation as joint venture. As regards joint ventures, where parties have rights only on agreement equity, this standard establishes equity method as the only accounting method in the consolidated balance sheet. As regards joint operations, where parties have rights on activities and obligations on agreement liabilities, this standard requires to directly record in the consolidated balance sheet (and in the separated one) the pro-rata of assets, liabilities, expenses and revenues deriving from the joint operation. The new standard is retrospectively applicable from 1 January 2014. Following the issue of IAS 28 – Investments in Associates has been amended to understand in its sphere of application, from the standard effectiveness date, investments in jointly controlled companies.

On 12 May 2011 IASB issued the standard IFRS 12 – Disclosure of interests in Other Entities which is a new and complete standard on additional information to be provided in the consolidated balance sheet for every kind of investment, included the ones in subsidiaries, joint participation agreements, related companies, special purpose companies and other non-consolidated vehicle companies. This standard is applicable in a retrospective way from 1 January 2014.

On 16 December 2011 IASB issued some amendments to IAS 32 – Financial Instruments: Presentation, to clarify the application of some standards to compensate financial assets and liabilities included in IAS 32. Amendments are applicable in a retrospective way for financial years starting from or after 1 January 2014.

On 29 May 2013 IASB issued some amendments to IAS 36 – Impairment of Assets – Further information on the recoverable value of non-financial assets. Amendments aim to clarify that further information do be provided about the recoverable value of assets (goodwill included) or cash generating unit, in case their recoverable value is based on the fair value at net of disposal expenses, they will only concern assets or cash generating units for which an impairment loss has been detected or eliminated during the financial year. Amendments shall be retrospectively applied to financial years starting from 1 January 2014.

On 27 June 2013 IASB issued amendments to IAS 39 – Financial instruments: recognition and Measurement – Derivatives and Continuation of Hedge Accounting. Amendments concern the introduction of some exemptions to hedge accounting requirements defined by IAS 39 in case an existing derivative shall be substituted with a new derivative having by law or regulation, directly or indirectly a Central Counterparty. Amendments shall be retrospectively applied to financial years starting from 1 January 2014.

The company is evaluating eventual impacts which will derive from the adoption of such standards, which at the moment are not considered to have impacts.

Accounting standards, amendments and IFRS yet not approved by the European Union

At date of this balance sheet, competent bodies of the European Union still have not carried out the necessary homologation process to adopt amendments and standards below described.

On 20 may 2013 it has been issued the interpretation IFRIC 21 – Levies, providing clarifications on the collection of a liability related to taxes imposed by a governative body both regarding the ones detected on accounting basis pursuant informations of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, and taxes with certain timing and amount.

On 12 november 2009 IASB issued standard IFRS 9 – Financial Instrument: the same standard has later been amended on 28 October 2010. This standard, retrospectively applicable from 1 January 2015, represent the first part of a phase-by-phase process aiming at substitute the whole IAS 39 and introduce new classification and evaluation criteria of financial assets and liabilities. In particular, as regards financial assets the new standard uses only one approach based on management modalities of financial instruments contractual and on cash flows characteristics of the same financial assets aiming at determine the evaluation criteria, substituting regulations as of IAS 39. As regards financial liabilities, the main change is instead about the accounting treatment of the fair value variations of a financial liabilities designated as financial liabilities evaluated at fair value through the income statement, in case they are due to the variation of the creditworthiness of the same liability. According to the new standard, such variations shall be detected in the “Other comprehensive profit/(loss)” and will not appear in the income statement any longer.

On 19 november 2013 IASB issued the document IFRS 9 Financial Instruments - Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39, relating to the new hedge accounting model. This document aims at responding to some criticism on the requirements required by IAS 39 for the hedge accounting, often considered too pressing and not suitable to reflect the risk management policy of entities. The main innovations of this document regard:

- Changes in the kinds of transactions eligible for hedge accounting, in particular enlarging risks of non financial assets/liabilities eligible to be managed in the hedge accounting;
- Change of the accounting modality of forward contracts and options when included in a hedge accounting report, in order to reduce the volatility of the income statement;
- Changes in the performance test through the substitution of the current modality based on the 80-125% parameter with the standard of the “economic relationship”, between hedged item and hedging instrument; moreover, no more evaluation of the of the retrospective effectiveness of the hedge report will be requested;

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- The greater flexibility of new accounting regulations is counterbalanced by additional information requests on risk management activities of the company.

On 12 december 2013 IASB issued the “Annual Improvements to IFRSs: 2010-2012 Cycle” document which recognises changes to the standards in the field of the annual improvement process of the same. Main changes regard:

- IFRS 2 Share Based Payments – Definition of vesting condition. Changes have been made to the definitions of “vesting condition” and “market condition” and have been added the further definitions of “performance condition” and “service condition” (formerly included in the “vesting condition” definition).
- IFRS 3 Business Combination – Accounting for contingent consideration. This change clarifies that a contingent consideration classified as a financial asset or a liability shall be remeasured at fair value at every financial year closing date and fair value variations are recorded in the income statement or among comprehensive income statement elements on the basis of the IAS 39 (or IFRS 9) requirements.
- IFRS 8 Operating segments – Aggregation of operating segments. This changes require to an entity to provide information about the evaluations made by the management in applying operating segments aggregation criteria, including a description of the aggregated operating segments and of the economic indicators considered in determining if such operating segments have “similar economic features”
- IFRS 8 Operating segments – Reconciliation of total of the reportable segments’ assets to the entity’s assets. Changes clarify that the reconciliation between the total operating segments assets and the total entity assets shall be issued only if the total operating segments assets is regularly revised by the highest operating decisional level.
- IFRS 13 Fair Value Measurement – Short-term receivables and payables. The Basis for Conclusions of such standard have been modified in order to clarify that by issuing IFRS 13, and consequential changes to IAS 39 and IFRS 9, still remain the chance to account current trade receivables and payables without detecting the effects of a discounting back, wether such effects result intangible.
- IAS 16 Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization. The changes eliminated inconsistencies in the recognition of amortization funds when a material or intangible asset is being revalued. The new requirements clarify that the gross carrying amount is adequate to the extent that the carrying amount of the asset is revalued and that the amortization provision is equal to the difference between the gross carrying amount and the carrying amount net of the Book value.
- IAS 24 Related Parties Disclosures – Key management personnel. It should be clarified that if the services of managers with strategic responsibilities are provided by an entity (and not by a natural person), that entity is to be considered a related party.

The amendments are effective for financial periods beginning on or after 1 July 2014 or later date. An early appli-

cation is allowed.

On December 12, 2013, the IASB published the "Annual Improvements to IFRSs: 2011-2013 Cycle" document that incorporates changes to the principles under the annual improvement process. The main changes concern:

- IFRS 1 First-time Adoption of International Financial Reporting Standards – Meaning of “effective IFRS. It is clarified that the entity that adopts for the first time IFRSs, as an alternative to the application of a principle currently in force at the date of the first IAS / IFRS, may opt for the early application of a new principle intended to replace the principle in force. The option is only allowed when the new principle allows for early application. In addition, 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 amendment clarifies that paragraph 2 (a) of IFRS 3 excludes from the scope of IFRS 3 the formation of all types of joint arrangements, as defined by IFRS 11.
- 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 in the scope of IAS 39 (or IFRS 9) regardless of whether they meet the definition of financial assets and liabilities provided by the IAS 32.
- IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a real property falls within the scope of IFRS 3, reference should be made to the specific 'IFRS 3; however, in order to determine whether the purchase in question falls within IAS 40, reference should be made to the specific guidance in IAS 40.

The amendments are effective for financial periods beginning on or after 1 July 2014 or later date. An early application is allowed.

Ambienthesis is assessing the effects of the application of the above-mentioned principles that are currently considered as non impacting.

EVALUATION CRITERIA

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

Non-current Assets

▪ Tangible Assets

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

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

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

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

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

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

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



ing from the disposal or retirement of an asset are determined as the difference between the sale proceeds and the net book value and are recognized in the income statement.

Property Investments

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

Goodwill and intangible assets with indefinite lives

Goodwill and other intangible assets with indefinite useful lives are stated at cost net of any accumulated impairment losses.

At 31 December 2013 the Company does not hold intangible assets with indefinite useful lives other than goodwill.

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

Goodwill is not depreciated and the recoverability of the book value is tested at least annually (impairment test) and in any case when events that indicate an impairment occur, as required by IAS 36 (Impairment of Assets) . For the purposes of the impairment, the goodwill acquired in a business combination is allocated, from the acquisition date, to each of the units that generate financial flows (cash generating units) that are expected to benefit from the synergies of the acquisition.

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

Intangible Assets

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

- Advertising costs are charged in full in the income statement in which they are incurred.
- Industrial patent rights and the use of intellectual property rights are capitalized if they meet the general conditions for recognition and amortized based on their presumed life, but no more than that fixed by the

contracts and legislation.

- Concessions, licenses, trademarks and similar rights recorded as assets are capitalized if they meet the general conditions for recognition and are amortized over the expected period of use, in any case not exceeding that fixed in the purchase contract; in case the period of use shouldn't be definable, the duration is five years.

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

Impairment of non-financial assets

IFRS require evaluation of the existence of impairment of tangible and intangible assets in the presence of indicators that suggest that this problem may exist. In the case of goodwill and intangible assets with an indefinite useful life or assets not yet available for use, the estimated recoverable amount is performed at least annually, and in any case to the occurrence of specific events that may indicate a reduction in value. The recoverable amount is determined by comparing the book value recorded in the financial statements with the higher between the fair value net of selling costs and value in use of the asset.

The fair value, in the absence of a binding sales agreement, is estimated on the basis of values obtained from an active market or from recent transactions or on the best information available to reflect the amount that the company could obtain from the sale of the asset .

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

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

Investments

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

Business Combinations

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

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

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

Goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the net asset value attributable to minority interests and the fair value of any previously held interest in the acquired entity over the fair value of net acquired assets and liabilities assumed at the acquisition date.

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

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

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

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

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

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

Other non-current assets

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

Inventories

Inventories consist of consumables.

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

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

The manufacturing cost includes all direct costs and a share of indirect costs, individually identified and quantified, reasonably attributable to the products. During the evaluation of the products that are being processed, the cost of production, according to the reached steps at period end, was taken into account. Inventories of obsolete or slow-moving items are written down to take account of the possibility of utilization or sale. The write-down is eliminated in subsequent years if the reasons for such should lapse .

Financial assets and liabilities

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

Financial instruments registered at fair value in the income statement

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

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

Loans and receivables

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

The class under consideration includes the following items:

- trade and others payables and receivables



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

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

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

- Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank deposits and other liquid investments with a maturity of not more than three months. For the purposes of the cash flow statement cash and cash equivalents are represented by cash and cash equivalents net of bank overdrafts at the end of the financial year..

- Borrowings

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

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

Financial derivatives

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

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

Provisions for risks and charges

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

Provisions are recognized at the value representing the best estimate of the amount the company would reasonably pay to settle the obligation or transfer it to third parties at the end of the financial year. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is determined by discounting the cash flows determined taking into account the risks associated with the obligation, at the average Company's debt rate; The increase in the provision due to the passing of time is recognized in the income statement under "Financial income (expenses)". The costs in which Ambienthesis Group expects to incur in order to carry out its restructuring plans are recorded in the financial period during which the company formally defines the plan and the interested parties have a valid expectation that the restructuring will happen. Provisions are periodically updated to reflect changes in cost estimates, settlement times and the discount rate; revisions to estimates are recognized in the same income statement item that had previously held the provision, or, when the liability regards tangible assets (i.e. the dismantling and restoration of sites), as a contra-entry to the asset to which it refers.

Benefits to employees

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

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

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

Please note that following the changes made to the rules for employee termination benefits ("TFR") by Law of 27



December 2006 no. 296 and subsequent decrees and regulations issued in early 2007, the following accounting treatment has been adopted:

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

Treasury shares

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

Received dividends

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

Revenues and costs

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

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

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

Income taxes

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

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

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

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

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

Foreign currency transactions

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

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

Estimates and assumptions

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

Allowance for doubtful accounts

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

Provision for future risks



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

Recoverable value of non-current assets (including goodwill)

Non-current assets include property, plants and equipment, intangible assets (including goodwill), investments and other financial assets. Management regularly reviews the book value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows expected from use or sale of the asset and a suitable discount rate to calculate the present value. When the book value of non-current asset has suffered a loss in value, the Company recognizes an impairment loss for the amount by which the book value of the asset exceeds its recoverable amount from use or sale of the same, determined by reference to the most recent company plans.

Revenues from services

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

NON-CURRENT ASSETS

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

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

cost	Historical 31/12/2012	Mmerger impact	Increase	Other movements	Disposals	31/12/2013
Lands and buildings	3,249	4,972	96	2,750	0	11,067
Plants and machinery	22,438	7,790	592	1,288	0	32,108
Commercial and industrial equipment	5,055	1,116	20	0	(51)	6,140
Other tangible assets	53	235	0	0	(5)	283
Current tangible assets and advances	4,062	1	529	(4,040)	0	552
Overall total	34,857	14,114	1,237	(2)	(56)	50,150

tions	Amortisa- 31/12/2012	Mmerger impact	Amortisation	Other movements	Disposals	31/12/2013
Lands and buildings	2,609	1,684	340	0	0	4,633
Plants and machinery	18,534	6,081	1,454	0	0	26,069
Commercial and industrial equipment	4,257	952	340	0	(51)	5,498
Other tangible assets	21	224	21	0	(5)	261
Current tangible assets and advances	0	-	0	0	0	0
Overall total	25,421	8,941	2,155	0	(56)	36,461

Net worth	31/12/2012	Mmerger impact	Increase/(transfer)	Other movements	Amortisation	31/12/2013
Lands and buildings	640	3,288	96	2,750	340	6,434
Plants and machinery	3,905	1,708	592	1,288	1,454	6,039
Commercial and industrial equipment	798	164	20	0	340	642
Other tangible assets	32	11	0	0	21	22
Current tangible assets and advances	4,062	1	529	(4,040)	0	552
Overall total	9,437	5,172	1,237	(2)	2,155	13,689

Investments equal to 1,237 thousand Euros relate essentially to the normal cycle of investments in plant, machinery and equipment needed to carry out the business; in particular, the Company during the year completed the works for the construction of the new organic sector, which until 31 December 2013 led to complex investments of over 4,000 thousand Euros.

The changes in the previous year are represented below:

Historical cost	31/12/2011	Increase	Other movements	Disposals	31/12/2012
Lands and buildings	3,226	23	0	0	3,249
Plants and machinery	21,987	405	46	0	22,438
Commercial and industrial equipment	4,806	256	0	(7)	5,055
Other tangible assets	27	26	0	0	53
Current tangible assets and advances	2,628	1,480	(46)	0	4,062
Overall total	32,674	2,190	0	(7)	34,857



Amortisations	31/12/2011	Amortisation	Other movements	Disposals	31/12/2012
Lands and buildings	2,480	129	0	0	2,609
Plants and machinery	17,472	1,062	0	0	18,534
Commercial and industrial equipment	3,925	333	0	(1)	4,257
Other tangible assets	14	7	0	0	21
Current tangible assets and advances	0	0	0	0	0
Overall total	23,891	1,531	0	(1)	25,421

Net worth	31/12/2011	Increase/Transfers	Other movements	Amortisation	31/12/2012
Lands and buildings	746	23	0	129	640
Plants and machinery	4,516	405	46	1,062	3,905
Commercial and industrial equipment	881	250	0	333	798
Other tangible assets	13	26	0	7	32
Current tangible assets and advances	2,628	1,480	(46)	0	4,062
Overall total	8,784	2,184	0	1,531	9,437

(2) Property investments

Description	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Casei Gerola Area	17.410	0	17.410	17.410
Total	17.410	0	17.410	17.410

This item refers to the former sugar factory located in the municipality of Casei Gerola (PV), occupying an area of about 404,300 square meters, purchased in 2009, for a total price of 17 million Euros in addition to charges and taxes, from the Company Iniziative Oltrepò S.r.l. later incorporated into the company Ecoitalia S.r.l., the Ambienthesis Group through a temporary grouping of companies, had simultaneously obtained a contract for the reclamation works of the subsoil alone and one for the demolition and remediation of the property complex.

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

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

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

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

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

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

Ambienthesis, successor to Equitalia a result of the merger of the latter, reconciled and settled the civil and administrative disputes, committing to assign, sell and retransfer to Finbieticola a portion of the Property of a hundred thousand square meters (equal to n. 10 hectares) located in front of the provincial road n. 206 Voghera Novara and, laterally, south on Provincial Road to Alzano Scrivia, taking also the obligation to carry out directly the activities of monitoring of groundwater and of the banks of the lagoon tanks. So far the operations of fractionation of the Property have not yet been completed and given that the Parties are still in the process of verifying and sharing the most tax-efficient ways to proceed with the relegation of a portion of the property to Finbieticola, an agreement was reached on the need to prepare and deposit with the relevant financial administration bodies an interpretive ruling for the possible subjection of the transaction to the VAT with a concurrent extension of the term.

(3) Goodwill

Description	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Merger goodwill	20,848	12,000	8,848	20,848
Total	20,848	12,000	8,848	20,848

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

As a result of the merger, formerly described, in the separate financial statements of Ambienthesis S.p.A. it has also emerged the goodwill arising from the acquisition of Co.gi.ri. S.r.l. and Ecoitalia S.r.l. respectively for 4,541

thousand Euros and 4,307 thousand Euros within the limits of the same goodwill charges made in the Group's consolidated financial statements (principle of continuity of values).

The total goodwill recorded in the separate financial statements amounts to 20,848 thousand Euros. As prescribed by IAS 36, the goodwill, being an intangible asset with an indefinite life is not subject to systematic amortization but is tested, at least annually, for recoverability (impairment test). With reference to above mentioned goodwill the estimates of the recoverable value are attributable to the notion of value in use, estimated on the basis of cash flows generated by the business unit to which the goodwill refers to (cash generating unit environment).

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

- Explicit period of the business plan: 3 years (2014/2016)
- Growth rate "g": 1.00%;
- WACC: a weighted average WACC of 5,4%. has been used

The recoverable amount determined on the basis of the expected cash flows was higher than the book value of goodwill.

It is reported that we also proceeded to operate several "sensitivity analysis" assuming an increase of 1% in the WACC while keeping the other conditions unchanged or, alternatively, assuming a decrease in the growth rate "g" while keeping the other conditions unchanged. In both cases no impairment losses have been reported.

During the previous year the goodwill had not had changes:

Description	31/12/2012	31/12/2011	Variation
Goodwill	12,000	12,000	0
Total	12,000	12,000	0

(4) Intangible assets

Intangible assets are allocated in the assets showing a balance of 30 thousand Euros.

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

Historical cost	31/12/2012	Mmerger impact	Increase	Other movements	Disposals	31/12/2013
Industrial patents and intellectual property rights	110	0	0	(107)	0	3
Concessions, licences, trademarks and similar rights	462	119	11	105	0	697
Current fixed assets and advances	0	5	0	0	0	5
Other intangible assets	155	11	0	0	0	166
Overall total	727	135	11	(2)	0	871

Amortisations	31/12/2012	Mmerger impact	Amortisation	Other movements	Disposals	31/12/2013
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Industrial patents and intellectual property rights	110	0	0	(107)	0	3
Concessions, licences, trademarks and similar rights	444	99	25	105	0	673
Current fixed assets and advances	0	0	0	0	0	0
Other intangible assets	155	8	2	0	0	165
Overall total	709	107	27	(2)	0	841

Net worth	31/12/2012	Mmerger impact	In-crease/(t ransfer)	Other move-ments	Amorti-ti-sation	31/12/2013
Industrial patents and intellectual property rights	0	0	0	0	0	0
Concessions, licences, trademarks and similar rights	18	20	11	0	25	24
Current fixed assets and advances	0	5	0	0	0	5
Other intangible assets	0	3	0	0	2	1
Overall total	18	28	11	0	27	30

The previous year had instead the following changes:

Historical cost	31/12/2011	Increase	Other movements	Disposals	31/12/2012
Industrial patents and intellectual property rights	110	0	0	0	110
Concessions, licences, trademarks and similar rights	453	9	0	0	462
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	155	0	0	0	155
Overall total	718	9	0	0	727

Amortisations	31/12/2011	Amortis.	Other movements	Disposals	31/12/2012
Industrial patents and intellectual property rights	109	1	0	0	110
Concessions, licences, trademarks and similar rights	433	11	0	0	444
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	155	0	0	0	155
Overall total	697	12	0	0	709

Net worth	31/12/2011	Increase/(Disposals)	Other mov.	Amort.	31/12/2012
Industrial patents and intellectual property rights	1	0	0	1	0
Concessions, licences, trademarks and similar rights	20	9	0	11	18
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Overall total	21	9	0	12	18

(5) investments

Description	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Interests in subsidiaries	12,636	41,066	(28,430)	11,399
Interests in related companies	3,133	723	2,410	3,133
Total	15,769	41,789	(26,020)	14,532

Investments held by the company as of December 31, 2013 are budgeted for a total of 15,769 thousand Euros. The composition and movements of the individual items, which are particularly affected by the merger by incorporation already discussed, are detailed in the following tables:

Descrizione	31/12/2012	Merger impact	Increase	Decrease	31/12/2013
- Blu Ambiente Srl	129	(129)	0	0	0
- Cogiri Srl	5,000	(5,000)	0	0	0
- Ecoitalia Srl	26,547	(26,547)	0	0	0
- Valdastico immobiliare Srl	9,622	0	0	0	9,622
- (Valdastico immobiliare Srl depreciation provision)	(5,542)	0	(280)	0	(5,822)
- SI Green UK Ltd	817	0	0	0	817
- (SI Green UK Ltd depreciation provision)	(817)	0	0	0	(817)
- La Torrazza Srl	6,844	1,026	0	0	7,870
- (La Torrazza Srl depreciation provision)	(1,534)	0	0	1,534	0
- Tekna Srl	5	(5)	0	0	0
- (Tekna Srl depreciation provision)	(5)	5	0	0	0
- Bioagritalia Srl	0	966	0	0	966
- Green Piemonte Srl	0	243	25	0	268
- (Green Piemonte Srl depreciation provision)	0	(226)	(42)	0	(268)
Total	41,066	(29,667)	(297)	1,534	12,636

Movements in equity investments are mostly attributable to the merger operation that involved Ambienthesis and some subsidiaries, as described above.

Following this merger transaction, Ambienthesis has recorded as its asset the additional shareholding in La Torrazza S.r.l. (20%), formerly held by Ecoitalia S.r.l., thus becoming the sole shareholder. In addition, by incorporating Ecoitalia S.r.l., Ambienthesis also has direct control of Bioagritalia S.r.l. and Green Piemonte S.r.l.

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

Company name	Headquarters	Share capital	Equity	income	Interest %	Value
Valdastico Imm. Srl	Segrate - via Cassanese 45	100	150	(403)	100%	3.800
SI Green UK Ltd	Swansea (UK), 5 New Mill Court	625	(2,954)	(466)	100%	0
La Torrazza Srl	Segrate - via Cassanese 45	90	1,148	413	100%	7,870
Bioagritalia Srl	Segrate - via Cassanese 45	99	589	70	70%	966
Green Piemonte Srl	Segrate - via Cassanese 45	40	19	(23)	100%	0
Totale						12,636

Data on equity and operating results of the company refer to the date of December 31, 2013, unless otherwise indicated.

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

Following are the consequent results of the impairment tests performed:

La Torrazza S.r.l. has a legal right to operate a landfill for non-hazardous waste. After obtaining the authorization, the subsidiary initiated a technical, administrative and commercial process to maximize the commercial exploitation of authorized volumes. The Directors in connection with the preparation of these financial statements on the basis of economic plan made available by the subsidiary, that is based on the operating period of the landfill, have subjected to recoverability testing the investment in the subsidiary. The book value was compared with the value in use, calculated using a post-tax discount rate identified in the WACC equal to 5.4%.

The impairment test results conducted on the subsidiary have allowed the recovery of the cost of the same with the consequent reversal of the impairment recorded previously.

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

In the UK, following the government's environmental policy, which aims at discouraging transfers of waste to landfills, and the crisis that is affecting, more specifically, the field of land reclamation and disposal in the areas where the landfill of SI Green UK is located, the current conditions make it more difficult to develop "waste management initiatives". In light of the above, management has evaluated alternative ways to recover the investment made. SI Green UK owns, as known, a very extensive area, located in Morrision. The area intended for the landfill, in fact, covers 5,4 ha; the surrounding areas, also owned by the company, cover more than 8 hectares and are located close to residential areas that provide an interesting urban development.

This is why a project of a developer in Cardiff (Edenstone Ltd), owner of a small adjacent area, has been taken into account. The proposal consists of jointly developing a real estate project that would provide for the construction of about 250 two-family units in the areas property of SI Green UK, using his property for access and traffic flow. There are ongoing claims to the local authorities in order to obtain permission to make the land a building area. Following extensive investigations with the various competent Authorities, Wales National Resources (the former Environmental Agency), the Swansea Council and the Government of Wales we proceeded to sign an agreement with the Edenstone Developer, aimed at activating the procedure for amending the regulatory plan and for the Grant of License to build.

The authorization procedure provides for the possibility of having, by December 2014, the variant of the regulatory plan and in the first months of 2015 the new permit to build. Having obtained this, we will proceed to the negotiation phase for the sale of the land to the Constructors concerned.

The recoverable value has therefore been determined by comparing the book value recorded in the Financial Statements with the Fair Value, net of selling costs of the owned area, that was determined with the help of an appraisal by an independent expert, assuming to have obtained the authorizations to make the same a buildable area. The Impairment test did not show any impairment losses to be recognized in the financial statements at December 31, 2013.

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

The carrying value of the investment was compared to the fair value, net of the sale of the investment costs, mainly represented by the value of the company's building. The building's fair value was determined with the support of an appraisal by an independent expert. The Impairment test has highlighted, also considering the criticality of the real estate market as a whole, an additional Impairment loss over the previous year, for which the Company has recorded a write-down of the Investment, amounting to 280 thousand Euros charged to the Income Statement.

Investments in associated companies:

Following is the composition of the investments in associated companies:

description	31/12/2012	Merger impact	Increase	Decrease	31/12/2013
Daisy S.r.l.	0	2,410	0	0	2,410
Barricalla S.p.A.	723	0	0	0	723
Totali	723	2,410	0	0	3,133

During the year, the Company achieved a direct 50% stake in Daisy S.r.l. as a consequence of the incorporation of Ecoitalia S.r.l ..

The company Daisy S.r.l. owns an area for which there is an authorization to the realization of a new landfill for non-hazardous waste.

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

The book value of the investment of 2,410 thousand euro is the value attributed to the same in the last consolidated financial statements of the Group prior to the date of the accounting effect of the merger.

The Directors, when preparing the present financial statements, on the basis of the economic plan made available by the company, which refers to the period of operation of the landfill, have tested the investment in the subsidiary for recoverability. The recoverable amount was determined by reference to the value in use, calculated using a post-tax discount rate identified at WACC of 5.4%. The impairment test did not show impairment losses to be accounted for in the financial statements at December 31, 2013.

The table below shows the data relating to investments in Daisy S.r.l. and Barricalla S.p.A. :

Company name	Headquarters	Share capital	Equity	Income	Investment %	Value
Daisy S.r.l.	Via delle Mammole - Modugno (BA)	100	4,826	(124)	50%	2,410
Barricalla S.p.A.	C.so Marconi, 10 - Turin	40	5,198	2,562	35%	723
					Total	3,133

(6) Other financial assets



Description	31/12/2013	31/12/2012	Variation	Proforma	
				31/12/2012	
<i>Financial receivables towards subsidiaries</i>					
- SI Green UK Ltd	6,562	6,121	441	6,121	
Total	6,562	6,121	441	6,121	

The amount of Euros 6,562 thousand (GBP 6,195 thousand) relates to loans made to the subsidiary SI Green UK Ltd which, as of 2011, were subject to interest at 2% per annum (see also the contents of paragraph 5 above).

(7) Deferred tax assets

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

Description	31/12/2012	Merger impact	Increase	decre- mento	31/12/2013	Variation
Doubtful receivables provision	128	0	0	0	128	0
Termination benefit advance and other effects	25	0	0	0	25	0
Reportable tax loss	0	0	2,944	0	2,944	2,944
Directors' pay	22	200	50	0	272	250
Non competence expenses	0	216	0	(38)	178	178
Fund on risk and charges provision	0	280	0	(74)	206	206
Non-perceived interests	133	0	0	(66)	67	(66)
Doubtful receivables on interest assets	500	93	0	0	593	93
Doubtful property investments	808	789	2,994	(178)	4,413	3,605

Deferred taxes had such movement:

Description	31/12/2012	Effetto fusione	incre- mento	decre- mento	31/12/2013	Varia- zione
Doubtful receivables provision	36	0	0	0	36	0
Termination benefit advance and other effects	7	0	0	0	7	0
Reportable tax loss	0	0	809	0	809	809
Directors' pay	6	55	14	0	75	69
Non competence expenses	0	68	0	(12)	56	56
Fund on risk and charges provision	0	77	0	(20)	57	57
Non-perceived interests	34	0	0	(18)	16	(18)
Doubtful receivables on interest assets	139	26	0	0	165	26
Doubtful property investments	222	226	823	(50)	1,221	999

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



solidation charges".

Changes in the previous years have been as follow :

Description	31/12/2011	Increase	Decrease	31/12/2012	Variation
Doubtful receivables provision	32	4	0	36	4
Termination benefit provision	0	7	0	7	7
Representation expenses	1	0	(1)	0	(1)
Directors' pay	6	0	0	6	0
Maintenance and repairation	53	0	(19)	34	(19)
Doubtful receivables on interest assets	82	57	0	139	57
Total	174	68	(20)	222	48

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

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

Deferred tax assets have been recognized, as there is reasonable certainty that in the coming years there will be a taxable income not less than the amount of the differences that will be reversed.

Deferred tax assets had the following overall variation during the year:

Description	Total
Deferred tax recorded in equity	(13)
Deferred tax use in income statement	(50)
Deferred tax in financial year	836
Merger impact	226
Total	999

(8) Other assets

Other non-current assets, equal to 385 thousand Euros, are as follows:

Description	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Pre-paid expenses	338	205	133	205
Deposits	47	30	17	30
Total	385	235	150	235

CURRENT ASSETS

(9) Inventory

Description	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
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Raw ancillary and consumables materials	9	13	(4)	166
Total	9	13	(4)	166

The inventories included amongst current assets amount to 9 thousand Euros.

(10) Trade Receivables

Description	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Italy	21,825	16,342	5,483	23,303
Group	34,038	20,700	13,338	32,028
Total	55,863	37,042	18,821	55,331

Trade receivables included in current assets amount to 55,863 thousand Euros and are all due within 12 months from the balance sheet date.

The amount of 20,974 thousand Euros due from the related TR Estate Due S.r.l. is recorded among the Group's trade receivables and it refers to amounts accrued as at 31 December 2013 for the contract named "Ex Sisas", in relation to the enforcement activities of the safety works, reclamation and redevelopment already mentioned in the Management Report.

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

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

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

Last 31 January 2012 TR Estate Due S.r.l. did not make the first payment as outlined above and agreed on, and sent a communication on January 30, 2012, asking to Ambienthesis S.p.A. to refrain from requesting payments expiring on 31 January 2012, proposing to meet payments already promised in the short term, i.e. from June 2012.

TR Estate Due S.r.l. did not make the payment scheduled for June 2012 and Ambienthesis S.p.A. was made aware of the correspondence between the Lombardy Region and TR Estate Due Srl that revealed the existence of transactional negotiations with respect to the reclamation of the "ex Sisas" area and in which it is indicated, among other things, the willingness of the Administrations involved to come to an amicable solution within a short time.

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

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

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

The Directors, even though wishing the forthcoming conclusion of the above-mentioned actions, having not yet recovered their credit, in order to carry out any necessary act to protect the assets of the Ambienthesis Group, have, as mentioned above, continued the necessary, contractual and non-contractual recovery operations, both against TR Estate Due Srl, and the public administration as well as all the others who, with their behavior, have contributed to the delay suffered today by Ambienthesis Group in obtaining the payment of the fee for the works performed. The lawsuit introduced and registered in the register of civil affairs of the Court of Milan will probably be defined within the current year.

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

Among the trade receivables, recorded for 2,673 thousand Euros, there is the credit of Ecoitalia S.r.l. (now merged into Ambienthesis S.p.A.) towards the Presidency of the Council of Ministers in reference to which it is reported that the distraint at the Treasury of the State has been successful and that the judge of the execution of the Tribunal of Rome has set the hearing on 21 May.

The Advocacy's opposition to enforceability has already been rejected.

With regard to the prospects for collecting the sum under consideration - for 4,206 thousand Euros, plus accrued interest since November 2013 - it is plausible that at the end of May the Judge of the Execution will merely refresh

the crediting, ordering the allocation of the sums already set aside at the Bank of Italy.

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

Description	31/12/2012	Merger impact	Use	Financial year provision	31/12/2013	Variation
Doubtful receivables provision	(650)	(446)	0	0	(1,096)	(446)
Totali	(650)	(446)	0	0	(1,096)	(446)

(11) Current tax assets

Current tax assets amount to 750 thousand Euros.

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

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

Tax receivables	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012	
Regional business tax receivables		281	763	(482)	763
Reimbursement regional tax receivables		332	258	74	332
Corporate income tax		137	118	19	194
Total		750	1.139	(389)	1.289

(12) Financial receivables and other financial assets

The financial receivables and other financial assets, all subject to interest and due from related parties, amounting to 5,606 thousand Euros had the following composition:

Payer	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
-				
<u>Parent companies</u>				
- Blue holding S.p.A.	146	0	146	143
<u>Subsidiaries</u>				
- Green Piemonte	73	0	73	84
- SI Green UK	15	9	6	9
- Valdastico immobiliare	4.333	3.102	1.231	3.102
- Cogiri	0	638	(638)	0
- Ecoitalia	0	2.048	(2.048)	0
- Blu Ambiente	0	120	(120)	0
<u>Related companies</u>				
- SPS S.r.l.	80	0	80	80
- SPS doubtful provision	(80)	0	(80)	(80)
- Daisy s.r.l.	1.658	0	1.658	1.656



Total	6.225	5.917	308	4.994
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It is believed that the book value is well represented by the credit's fair value.

(13) Other assets

Other current assets amount to 968 thousand Euros and are composed as follows:

Other short-term assets	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Different receivables towards Orbassano municipality	950	0	950	0
Receivables to employees due to advances	4	7	(3)	7
INAIL advances	4	0	4	0
Advances to suppliers	171	82	89	82
Receivables due to tax consolidation	76	380	(304)	31
Different receivables	1	0	1	6
VAT receivable	1,539	137	1,402	1,892
CEE receivable VAT (12 months)	6	0	6	12
Accrued income	935	278	657	1,258
Total	3,686	884	2,802	3,288

Among the "other assets" there is a receivable from the Municipality of Orbassano (TO) for an amount of 950 thousand Euros.

The claim was included following the decision of the Court of Cassation - Civil Division - with reference to the dispute that the company faced with the Municipality of Orbassano in relation to the contribution to the Municipality under art. 16 L.R. Piedmont no. 18/1986. The Court, deciding on the appeal filed by the Company and pursuant to the decision of the Constitutional Court no. 280/2011, accepted it by declaring the decision of the Municipal Council of Orbassano unlawful, ordering it to return the amount collected on that basis, plus the legal interests of the claim. In the preparation of this financial report, Ambienthesis then recorded this claim and the related non-recurring income of this contribution, amounting to 785 thousand Euros (written off as "other operating costs and provisions") plus interest not Recurring costs of 165 thousand Euros. This entry in the income statement for the financial year had a positive effect, net of taxes of 658 thousand Euros.

The receivables for tax consolidation represent the amounts that the Company must receive from its consolidated as part of the subsequent transfers to the adherence to the Group taxation system as per former Articles 117 et seq of the Income Tax Code. Prepaid expenses relate to costs already incurred but pertaining to future periods, including insurance policies, rental fees and costs for intra-group services.

(14) Cash and cash equivalents

Description	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Profit bank accounts	372	322	50	333
Cash	12	12	0	16
Total	384	334	50	349



Le disponibilità liquide ed equivalenti di 384 migliaia di euro comprendono attività finanziarie esigibili a vista.

(15) Non-current assets held for sale

Name	31/12/2013	31/12/2012	Variation	Proforma	
				31/12/2012	
Cascina Ovi	2,824	0	2,824		2,824
Total	2,824	0	2,824		2,824

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

The Directors, acknowledging that the non-transfer is due only to deferrals attributable to the perspective buyer, also on the basis of the arrangements reached with the perspective buyer and confirming the willingness to sell the aforesaid complex, that the sale will be made within end of 2014.

NET FINANCIAL POSITION

Changes in the net financial position are shown in the following chart:

NET FINANCIAL POSITION <i>in thousands of Euros</i>	31.12.2013	OF WHICH RELATED PARTIES	31.12.2012	OF WHICH RELATED PARTIES	31.12.2012 PROFORMA	OF WHICH RELATED PARTIES
	A. Cash	12	0	12	0	16
B. Other cash equivalent	372	0	322	0	333	0
C. Bonds held for trading	0	0	0	0	0	0
D. Cash (A) + (B) + (C)	384	0	334	0	349	0
E. Current financial receivables	6,225	6,225	5,917	5,917	4,994	4,994
F. Current bank payables	(12,599)	0	(6,708)	0	(9,077)	0
G. Current portion of non-current payables	(1,795)	0	(3,000)	0	(3,321)	0
H. Other current financial payables	(718)	0	(251)	0	(350)	0
I. Current financial payables (F) + (G) + (H)	(15,112)	0	(9,959)	0	(12,748)	0
J. Net current financial payables (I) - (E) - (D)	(8,503)	6,225	(3,708)	5,917	(7,405)	4,994
K. Non current bank payables	(1,179)	0	0	0	(1,474)	0
L. Bonds issued	0	0	0	0	0	0
M. Other non-current financial payables	(73)	0	0	0	(127)	0
N. Non-current financial payables (K) + (L) + (M)	(1,252)	0	0	0	(1,601)	0
O. Net financial payables (J) + (N)	(9,755)	6,225	(3,708)	5,917	(9,006)	4,994

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

Also worth mentioning is the next installment of credit from Ecoitalia S.r.l. (Now Ambienthesis S.p.A.) to the Presidency of the Council of Ministers regarding the "jolly Red" position: the seizure by the Treasury of the State has in fact succeeded.

With regard to the prospects for collecting the sum under consideration - for 4,206 thousand Euros, plus accrued interest since November 2013 - it is plausible that at the end of May the Judge of the Execution will merely refresh the crediting, ordering the allocation of the sums already set aside at the Bank of Italy.

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

The increase in the net financial position compared to the previous year was also due to the merger transaction which involved the transfer of financial liabilities to the credit institutions entered in the financial statements of the incorporated companies (see pro forma column at December 31, 2012). The Directors, in the arrears of the cash receipts of receivables from T.R. Estate Due S.r.l. (Reclamation "Ex Sisas"), are operating, since last year, in order to increase the availability of resources including forms of supply from the banking system.

FINANCIAL RISK MANAGEMENT

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

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

Ambienthesis SpA balance sheet					
As at 31.12.15 in thousands of Euros	Income state- ment fair value	Loans and re- ceivables	Depreciated liability	IAS 17	Total
NON CURRENT ASSETS					
Other financial assets		6,562			6,562
CURRENT ASSETS					
Trade receiva- bles		55,863			55,863
Cash and cash		384			384



equivalents					
Financial receivables and other financial assets		6,225			6,225
TOTAL ASSETS		69,034			69,034
NON-CURRENT LIABILITIES					
Long-term financial liabilities			1,179		1,179
CURRENT LIABILITIES					
Short-term financial liabilities	125		13,265		13,265
Short-term portion of long term financial liabilities			1,795		1,795
Other liabilities					
Trade payables			37,013		37,013
TOTAL LIABILITIES	125		53,252		53,377

Fair value – modelli di calcolo utilizzati

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

Separate balance sheet	31.12.2013			31.12.2012		
	Current portion book value	Non-current portion book value	Fair value	Current portion book value	Non-current portion book value	Fair value
Derivative financial instruments	(53)	(73)	(126)	(72)		(72)



Banco popolare Ambienthesis				(72)		(72)
Banco popolare Ambienthesis	(53)	(73)	(126)			
Loans	(1,796)	(1,179)	(3,009)	(3,000)		(3,000)
Banco popolare Ambienthesis	(1,500)		(1,500)			
Banco popolare Ambienthesis	(295)	(1,179)	(1,509)	(3,000)		(3,000)

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

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

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

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

Financial characteristics of financial liabilities and derivative instruments

Separated balance sheet	Characteristics					
	Original notional value	Notional value as at 31.12.13	Expiring	Duration	Payment	Paid rate
Derivative financial instruments						
Banco Popolare	4,000,000	1,437,179	30.09.18	144 months	Quarterly (31-3, 30-6, 30-9, 31,12)	4,15%
Loans						
Banco popolare	11,800,000	1,500,000	11/07/2013*	60 months	Biannual (11-1, 11-7)	3 months Euribor average +1%
Banco popolare	11,800,000	1,474,327	2/10/2018	144 months	Quarterly(31-3, 30-6, 30-9, 31-12)	

Separated balance sheet	characteristics					
	Original notional value	Notional value as at 31.12.14	Expiring	Duration	Payment	Paid rate
Derivative financial instruments						

Banco Popolare	15,000,000	3,000,000	11/07/2013	60 months	Quarterly (11-1, 11-4, 11-7, 11-10)	4,90%
Loans						
Banco popolare	15,000,000	3,000,000	11.07.13	60 months	Biannual (11-1, 11-7)	3 months Euribor average +1%

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

. Type of financial risks

Interest rate risk

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

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

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

Sensitivity analysis

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

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



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

separated balance sheet as at 31.12.2013	Profit or loss		Equity	
	+25 bps	-25bps	+25bps	-25bps
Derivative financial instruments	14	(13)	10	(9)
Banco Popolare – Ambienthesis SpA				
Banco Popolare – Ambienthesis SpA	14	(13)		
Loans	(8)	8	(6)	6
Banco Popolare – Ambienthesis SpA	(4)	4		
Banco Popolare – Ambienthesis SpA	(4)	4		
TOTAL	6	(5)	4	(3)

separated balance sheet as at 31.12.2013	Profit or loss		Equity	
	+25 bps	-25bps	+25bps	-25bps
Derivative financial instruments	14	(13)	10	(9)
Banco Popolare – Ambienthesis SpA				
Banco Popolare – Ambienthesis SpA	14	(13)		
Loans	(8)	8	(6)	6
Banco Popolare – Ambienthesis SpA	(4)	4		
Banco Popolare – Ambienthesis SpA	(4)	4		
TOTAL	6	(5)	4	(3)

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

Liquidity risk

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

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

The Group's financial management is largely centralized at Ambienthesis S.p.A. that, according to established practices inspired by prudence and protection of stakeholders, negotiates credit lines with the banking system and exerts a constant monitoring of the financial flows of the individual Group companies.

As part of its ordinary operations, the Group generates sufficient sources of liquidity with which to meet the cash requirements and its strictly financial obligations; these sources are derived from the profitability of the business and the compliance with payment conditions, which timing of collection are subject to constant monitoring. The Group's liquidity needs stemming from industrial and real estate investments is instead covered by financial transactions of purpose, and therefore are negotiated in the medium/long term, with financial counterparties of high credit standing.

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

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

- the cash flows are not discounted;
- the cash flows are recognized in the time band of reference according to the first due date provided by contractual arrangements (worst case scenario);
- all instruments held at the year-end date, for which payments were already contractually designated are included; future commitments planned but not yet recognized in the balance sheet are not included;
- if the amount payable is not fixed (e.g. future interest payments), the financial liability is measured at market conditions at the reporting date;
- the cash flows also include the interest that the Group will pay until maturity of the debt, recorded at the date of the balance sheet.

separate balance sheet as at 31.12.2013	contract financial flows	6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Trade payables	(37,013)	(37,013)						
Derived financial instruments	(126)	(27)	(25)	(38)	(23)	(11)	(2)	-



Loans	(3,039)	(407)	(1,405)	(309)	(310)	(307)	(301)	-
Banco popolare	(1,500)	(250)	(1,250)			-	-	-
Banco popolare	(1,539)	(157)	(155)	(309)	(310)	(307)	(301)	
Short-term financial liabilities	(13,264)	(13,264)						
Total	(53,442)	(50,711)	(1,430)	(347)	(333)	(318)	(303)	-

separate balance sheet as at 31.12.2012	contract financial flows	6 months	6-12 months	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Trade payables	(24,044)	(24,044)						
Derived financial instruments	(72)	(54)	(18)				-	-
Banco Popolare	(72)	(54)	(18)				-	-
Loans	(3,027)	(1,519)	(1,518)				-	-
Banco popolare	(3,027)	(1,519)	(1,518)					
Short-term financial liabilities	(3,240)	(3,240)						
Total	(30,383)	(28,857)	(1,526)				-	-

Alla data del 31 dicembre 2013 la Società aveva a disposizione linee di credito bancarie per 17.770 migliaia di euro quasi interamente utilizzate e linee di fattorizzazione del credito per 4.000 migliaia di euro utilizzate per 659 migliaia di euro.

Credit risk

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

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

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

addition, the short intervals of the progress of works allows the Group to systematically monitor the possible risk of the customer's credit.

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

There are no particular seasonal trends of credit exposure.

The following table summarizes the balances of trade receivables:

Separate balance sheet as at 31.12.2013	Balance	Expiring	0-30 days	31-60 days	61-180 days	181-365 days	More than 365 days	Individual impairments
Environment division	55,863	43,444	1,696	1,253	2,648	2,201	5,717	(1,096)
Total trade receivables	55,863	43,444	1,696	1,253	2,648	2,201	5,717	(1,096)

Separate balance sheet as at 31.12.2012	Balance	Expiring	0-30 days	31-60 days	61-180 days	181-365 days	More than 365 days	Individual impairments
Environment division	37,042	31,152	378	201	1,879	1,387	2,695	(650)
Total trade receivables	37,042	31,152	378	201	1,879	1,387	2,695	(650)

The total value of guarantees granted by third parties, mainly in the form of bank sureties, in the face of the outstanding payables to third parties amounts to 696 thousand Euros at December 31, 2013 (62 thousand Euros at 31 December 2012).

(16) EQUITY

The following chart shows the composition of the equity of the Company as at 31 December 2013 amounting to 84,988 thousand Euros:

Equity items	31/12/2013	31/12/2012	Variation
Share capital	48,204	48,204	0
Share premium provision	24,547	24,547	0
Legal reserve	1,733	1,733	0
FTA reserves	(279)	(279)	0
Extra-ordinary reserve	335	335	0



Translation reserve	147	273	(126)
Actuarial profit/(loss) provision IAS 19 R	(26)	(44)	18
Net merger difference	9,299	0	9,299
Previous financial year profit/(loss)	4,579	7,117	(2,538)
Treasury shares provision	(2,564)	(2,564)	0
Financial year income	(987)	(2,538)	1,551
Totale	84,988	76,784	8,204

The "Net merger difference" for a total of € 9,299 thousand refers to the merger of certain subsidiaries as described above and is gross of the effect on the application of IAS 19 revised (a negative effect of € 16 thousand Euro), entered under "IAS 19R actuarial gains / losses (losses)".

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

Voci del patrimonio netto	31/12/2013	Apporti dei soci	Utile	Altra natura
Share capital	48,204	21,783	10,513	15,908
Premium share provision	24,547	24,547	0	0
Legal reserve	1,733	0	1,733	0
FTA reserve	(279)	0	0	(279)
Extra-ordinary reserve	335	0	335	0
Translation reserve	147	0	0	147
Actuarial profit/(loss) reserve IAS 19R	(26)	0	0	(26)
Net merger difference	9,299	0	9,299	0
Previous financial year profit/(loss)	4,579	0	4,579	0
Treasury shares reserve	(2,564)	0	(2,564)	0
Total	85,975	46,330	23,895	15,750

Voci del patrimonio netto	distribuibile	Distribuibile con vincoli	Non distribuibile	Copertura perdite	Altri utilizzi
Share capital	0	0	48,204	0	0
Premium share provision	0	24,547	0	0	0
Legal reserve	0	0	1,733	0	0
Extra-ordinary reserve	335	0	0	0	0
Translation reserve	0	0	147	0	0
Net merger difference	9,299	0	0	0	0
Previous years profit/(loss)	4,579	0	0	(2,538)	0
Total	14,213	24,547	50,084	(2,538)	0

As of 1 January, 2013 the share capital consisted of 92,700,000 ordinary shares with a value of 48,204 thousand Euros; at 31 December 2013 the share capital is unchanged and therefore consists of 92,700,000 ordinary shares with a value of 48,204 thousand Euros.

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

The legal reserve can only be used to cover losses.

As at 31 December 2013, the Company holds no. 4,635,173 treasury shares (equal to 5% of share capital) with a

total value of 2,564 thousand euros. The purchase was made pursuant to art. 2357 and 2357 ter c.c. As well as pursuant to Art. 132 of Legislative Decree 58/1998.

NON-CURRENT LIABILITIES

(17) Long-term financial liabilities

	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Long-term financial liabilities	1,252	0	1,252	1,601
Total	1,252	0	1,252	1,601

The item, entirely from the incorporation of Ecoitalia s.r.l., includes medium and long-term payables to banks amounting to 1,179 thousand Euros and the long-term portion of the fair value of interest rate swaps.

Passività finanziarie a lungo termine	Oltre 12 mesi	Oltre 5 anni	Totale	Proforma 31/12/2012
Banco Popolare (former Ecoitalia Srl)	1,179	0	1,179	1,474
Fair Value derivati IRS	73	0	73	127
Total	1,252	0	1,252	1,601

The amount of 1,179 thousand Euros consists of the portion due after twelve months from the date of these financial statements of the loan granted by Banco Popolare in the form of a credit line for a maximum amount of 11,800 thousand Euros aimed at the construction/renovation of the Cascina Ovi real estate complex in Segrate with a duration of 150 months, quarterly installments, average 3 months Euribor rate plus 90 percentage points (0.90%) and expiring on October 2, 2018.

The loan agreement does not require compliance with covenants.

This item includes, finally, the long-term share of the fair value of the interest rate swap contract (73 thousand Euros) signed by Ambientthesis S.p.A. in order to achieve adequate risk hedge of the interest rate arising from the payment of a floating interest rate on the loan agreement.

(18) Provisions for risks and charges

Risks and charges provisions	31/12/2012	Merger impact	Fund	Use	31/12/2013	Variation
Future risks and charges provision	97	124	0	(97)	124	27
Total	97	124	0	(97)	124	27

Provisions for risks and charges are recorded under non-current liabilities for a total of 124 thousand Euros and refer to tax litigation at 31 December 2013.

Provisions for risks and charges are costs and charges of a certain nature and of a certain or probable nature that are unlimited at the end of the financial year or at the date of occurrence.

Guarantees, sureties, endorsements and commitments

The amount of 53 million Euros (58 million Euros in 2012) mainly relates to guarantees given in favour of the Ministry of Environment and other public organizations in respect to waste export permits (cross-border notifications) and, to a certain extent, for the operation of the plants.

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

Other risks:

Tax assessments

With reference to some general audits by the Revenue Agency, with regard to the Company Ambienthesis S.p.A. and to the incorporated Ecoitalia S.r.l. and Blu Ambiente S.r.l. please note the following:

- the assessment regarding **Ambienthesis S.p.A.**, started on 4.11.2009, involved direct taxes for the years 1.10.04 - 30.09.05, 1.10.05 - 30.09.06, 1.10.06 - 31.12.06, and the VAT relating to the calendar year 2005 e 2006. On 16.12.2010 the company received the related report. On April 20, 2011, the Company received verbal minutes for 2007-2008-2009 for both direct taxes and VAT.

With regard to the minutes in question, on 6/9 2011 tax assessments for the following periods have been received:

1. 01-10-2004 / 30-09-2005 corporate income tax (IRES) and regional business tax (IRAP)
2. 01-10-2005 / 30-09-2006 corporate income tax (IRES) and regional business tax (IRAP)
3. 01-10-2006 / 31-12-2006 corporate income tax (IRES) and regional business tax (IRAP) and 2006 VAT
4. 2005 VAT
5. 2007 corporate income tax (IRES) and regional business tax (IRAP) and VAT
6. 2008 corporate income tax (IRES) and regional business tax (IRAP) and VAT
7. 2009 corporate income tax (IRES) and regional business tax (IRAP) and VAT

The Company has appealed against those assessments.

On 21.5.2012 The Company obtained the suspension of the recovery of the contested appeals.

Considering the number of years and the amount of documentation to be treated the Milan Provincial Tax Commission, where the disputes for all of these years will be analysed, has decided to make more hearings.

On December 9, 2013, the Tax Commission decided to appoint a CTU who will have to verify the reliability of the records made by the Office regarding the Company's accounting reliability. The final hearing, except for the extensions requested by CTU, will be on 23.6.2014.

Also from the minutes of the finding notified on 16.12.2010 there was a notice of assessment for omissions held in 2006, a notice of assessment with related sanctions, and a separate seizure.

Against these 3 last notices, the Company has appealed.

On April 26, 2012, the Company obtained the suspension of the recurring collection of appeal even for the above three notices.

Also for the aforementioned three disputes, the Milan Tax Commission appointed the CTU for the same purpose and final hearing on 23 June 2014.

Finally, the Company, for all the acts mentioned above, have been notified no. 3 tax notices, pending judgment. Although the collection was suspended, the Company proceeded to sue them for their own defects. These disputes will be resolved at the relevant hearing together with all the proceedings on 23 June 2014.

- the audit of Ecoitalia Srl, which began on 4 November 2009, concerned direct taxes for the years 1.10.04 - 30.09.05, 1.10.05 - 30.09.06, 1.10.06 - 31.12.06, 2007 and Year 2008 and VAT for the calendar year 2005, 2006, 2007 and 2008. On 16 December 2010, the company received the minutes of the report.

On April 7, 2011, the company received a verbal report for the year 2009 both for direct taxes and VAT.

Concerning the verbal proceedings in question, on 28 and 29 July 2011 notices of assessment for the following periods were received :

1. 01-10-2004 / 30-09-2005 Ires and Irap
2. 01-10-2005 / 30-09-2006 Ires and Irap
3. 01-10-2006 / 31-12-2006 Ires, Irap and 2006 VAT
4. 2005 VAT
5. 2007 Ires, Irap and VAT

On March 28, 2012 it was instead sent a notice concerning IRES, IRAP and VAT for the year 2009.

Against those notices, the company appealed.

On 14 November 2012, the company obtained the suspension of the recovery of the contested appeals.

Considering the number of years and the amount of documentation to be treated the Milan Provincial Tax Commission, where the disputes for all of these years will be analysed, has decided to make more hearings.

On December 9, 2013, the Tax Commission decided to appoint a CTU who will have to verify the reliability of the records made by the Office regarding the Company's accounting reliability. The final hearing, except for the extensions requested by CTU, will be on 23.6.2014.

Finally, the Company, for all the acts mentioned above, have been notified no. 3 tax notices, pending judgment. Although the collection was suspended, the Company proceeded to sue them for their own defects.

These disputes will be resolved at the relevant hearing together with all the proceedings on 23 June 2014.

On 27.06.2013 it was notified an assessment for the year 2008.

Such annuity is merged into the process relating to previous years and therefore will also be subject to examination of CTU with final hearing on 23.06.2014.

For this annuity, however, the suspension of the collection pending judgment has not been granted by decree because of the automatic locking of the collection of 180 days currently provided by the standard.

- the audit of Blu Ambiente Srl, which began on 4.11.2009, related to direct taxes relative to the years 1.10.04 - 30.09.05, 1.10.05 - 30.09.06, 1.10.06 - 31.12.06, Year 2007, year 2008 and until 4.11.2009 and VAT for the calendar year 2004, 2005, 2006, 2007, 2008 and until 4.11.2009. On 16.12.2010 the company received the notice of assessment.

Regarding the verbal proceedings in question, on 25 October 2011, notices of assessment for the following periods were received:

1. 2004 VAT
2. 01-10-2004 / 30-09-2005 Ires and Irap



3. 01-10-2005 / 30-09-2006 Ires and Irap
4. 01-10-2006 / 31-12-2006 Ires, Irap ed 2006 VAT
5. 2005 VAT
6. 2007 Ires, Irap and VAT

On 14 January 2013, the Milan Tax Commission fully accepted the appeals of the applicant by annulling all the notices of assessment notified.

The office appealed, the company filed a lawsuit, and on 8 April 2014, the dispute should have been discussed, but the hearing was postponed to 20.06.2014.

The notice of assessment for the year 2008 has also been notified; The company has appealed and the dispute is scheduled for 14 April 2014

As is well known, the most significant part of the allegations raised by the Revenue Agency is based on the relevance of a series of costs incurred by the above mentioned companies to activities that the same revenue agency qualifies as related to environmental offenses. The directors, supported by their own defensive team, feel that the Revenue Agency's argument is entirely unfounded, since the companies, in the face of the work they were commissioned, set themselves as mere material executives, on the basis of documented authorizations issued by the responsible public bodies/organs. It is worth noting, however, that the companies, in connection with criminal investigations, have never been the subject of any measure of the Judicial Authority.

As already stated in the financial statements as at 31 December 2012, the Company, given that there are valid arguments in defense of the notes contained in the notice of assessment, as confirmed by its defensive team, assisting it in the disputes in question, considered not to make any provision in the budget.

Assessment notice

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

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

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

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

The Regional Tax Commission of Milan rejected the appeal of the Office thus confirming the decision at first instance in favour of the Company. The Office has appealed to the Court of Cassation and Ambienthesis S.p.A. appeared before judgment. We are now waiting for the date of the judicial hearing.

(19) Provision for employee benefits

	31/12/2013	31/12/2012	Variazione	Proforma 31/12/2012
Termination benefit provision	1,088	578	510	1,084
Total	1,088	578	510	1,084

The following table shows the movements on the termination benefit during the year, also showing the effects of applying IAS 19 to the Provision at 31 December 2013.

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

Termination benefit provision	31/12/2013	31/12/2012	Variazione
Former financial year provision	578	517	61
Incorporate former year provision	506	0	506
Amount accrued and recorded in the income statement	331	166	165
Advances, liquidations	(34)	(25)	(9)
Transfer to supplementary pension provisions	(225)	(191)	(34)
IAS 19R actuarial item	(47)	68	(115)
Re-evaluation of termination benefit substitute tax	(3)	(3)	0
Discounting	(18)	46	(64)
Total	1.088	578	510

The severance indemnities are recognized as non-current liabilities totaling 1,088 thousand Euros.

The procedure for determining the Company's obligation with respect to employees was carried out by an independent actuary; the termination benefit in accordance with IAS 19 was carried out "ad personam" and on the existing employees, which means that analytical calculations were made on each employee in force in AmbientHesis Group at the assessment date, regardless of the future work force.

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

Discount rate

As stated in paragraph 78 of the IAS 19, the discount rate used to calculate the present value of the obligation was derived from the IBOXX Corporate A from the index Iboxx Corporate A with duration 7-10 detected at the measurement date. To this end it was decided the performance with a duration comparable to the duration of the collective of the evaluated employees.

For the year 2013, a constant annual rate of 2.77% was used (instead, a rate of 2.40% was used for the year 2012).

With regard to the determination of the discount rate, it should be noted that from the valuations adopted to the 2011 financial statements, which refer to AA bonds with a minimum AA rating, taking into account the volatility shown by the reference indices, at the basis of these evaluations, for the purpose of revaluations applied in 2013,

as in 2012, bonds with a minimum rating of A were taken as a reference.

If the same references for the 2011 financial statements were maintained, the difference would not have been significant.

Inflation

A constant annual average rate of 2% was assumed for evaluations.

Annual rate of increase of the termination benefits.

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

Mortality

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

Disability

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

Retirement requirements

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

Frequency rate of advances on termination benefit

The annual frequency of access to the right is taken to the extent of 3.00%.

Frequency of early exit (turnover)

According to the Company historical experience, has been derived annual frequencies of turnover equal to 8%.

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

sensitivity analysis: hypotheses evaluation							
Company	Turnover rate		Inflation rate		Discounting rate		
	31/12/2013	+ 1% - 1%	+ 1/4 % - 1/4 %	+ 1/4 % - 1/4 %			
Employees' benefits provision	1,088,130	1,087,085 1,089,294	1,101,500 1,075,016	1,070,343 1,106,468			

The service cost for year 2014 amounts to zero while the duration is to 7,1 years.

(20) Deferred tax liabilities

	31/12/2013	31/12/2012	Variazione	Proforma 31/12/2012
	Deferred tax provision	1,200	123	1,077
Total	1,200	123	1,077	1,300

The deferred tax provision amounting to 1,200 thousand Euros, reflects allocation of taxes for positive components charged to the income statement, but taxable in future years.

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

Description	31/12/2012	Effetto fusione	incremento	decremento	31/12/2013	Variazione
Interests	446	333	0	0	779	333
Leasing	0	3,462	0	(322)	3,140	3,140
Total	446	3,795	0	(322)	3,919	3,473

Deferred taxes had the following changes:

Description	31/12/2012	Merger impact	Increase	Decrease	31/12/2013	Variazione
Interests	123	91	0	0	214	91
Leasing	0	1,086	0	(100)	986	986
Total	123	1,177	0	(100)	1,200	1,077

The change of last year had instead been as follows:

Description	31/12/2012	Increase	Decrease	31/12/2013	Variation
Interests deferred tax provision	123	0	0	123	0
Termination benefit deferred tax provision	28	0	(28)	0	(28)
Total	151	0	(28)	123	(28)

The considered regional business tax (IRES) rate was 27.5%, while the income tax (IRAP) rate considered was 3.9%.

Current liabilities

(21) Short-term financial liabilities

Short-term financial liabilities				Proforma
	31/12/2013	31/12/2012	Variation	31/12/2012
Short-term bank liabilities	12,599	6,708	5,891	9,035
Debts to factoring companies	659	179	480	179
IRS derivatives fair value	53	72	(19)	213
Financial debts towards other group companies	6	0	6	0
Total	13,317	6,959	6,358	9,427

Short-term financial liabilities of € 13,317 thousand (€ 6,959 thousand at December 31, 2012) consist of bank payables of € 12,599 thousand, of payables to factoring companies for 659 thousand Euros and of the Fair Value of the derived contract signed for hedging purposes for a total of 53 thousand Euros.

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

Medium- long-term payables towards banks				Proforma
	31/12/2013	31/12/2012	Variation	31/12/2012
Banco Popolare (former Ecoitalia S.r.l.)	295	-	295	321
Banco Popolare	1,500	3,000	(1,500)	3,000
Total	1,795	3,000	(1,205)	3,321

This item includes short-term portions of payables to banks in the medium and long term totaling 288 thousand



Euros. The amount is composed as follows:

- Banco Popolare loan - former Ecoitalia S.r.l. now Ambienthesis S.p.A.: it represents the amount due within the next 12 months of a maximum credit line of 11,800 thousand Euros aimed at the construction / renovation of the property complex of Cascina Ovi in Segrate (MI) with a duration of 150 months, quarterly installment, average 3-month Euribor plus 90 percentage points (0.90%) and maturing on 2 October 2018.
- Financing Banco Popolare - Ambienthesis S.p.A. : refers to a loan granted in favor of Ambienthesis S.p.A. For a total amount of 15,000 thousand Euros, with a duration of 60 months, a half-year installment, an average rate of 3 months Euribor plus 100 percentage points (1%) with an original maturity on July 2013. The maturity of the loan was postponed through monthly installments beginning in May 2014, whose last maturity is expected for the month of October 2014.

Such loan contracts do not plan to comply with covenants.

(23) Trade payables

Payables towards suppliers	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Italy suppliers	19,260	11,552	7,708	20,466
Foreign suppliers	1,184	2,680	(1,496)	2,705
Group suppliers	16,569	9,812	6,757	11,868
Total	37,013	24,044	12,969	35,039

The payables to Italian suppliers include invoices to be received for the amount of 2,254 thousand Euros (806 thousand Euros in 2012), while those to suppliers abroad include 51 thousand Euros for invoices to be received (26 thousand Euros in 2012).

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

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

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

(24) Advances

	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Advances from clients	11	61	(50)	215
Total	11	61	(50)	215

Such advances refer to the taxable amount of invoices for advances received from customers.

(25) Other liabilities

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

Proforma

Other liabilities	31/12/2013	31/12/2012	Variazione	31/12/2012
Payables for other taxes and retentions	219	205	14	292
Payables to social security and assistance institutions	366	272	94	404
Payables to employees, auditors and directors	1,712	870	842	1,517
Payables to Orbassano municipality	1,468	1,256	212	1,119
Payables for tax consolidation	100	62	38	54
Accrued income and pre-paid expenses	1,002	840	162	827
Total	4,867	3,505	1,362	4,213

Accrued expenses and deferred income of € 1,002 thousand relate mainly to revenues related to waste management in Orbassano's platform.

Payables to employees, statutory auditors and directors refer to current liabilities for amounts outstanding for the current year and not yet settled at December 31, 2013 and to deferred pay (holidays, permits, work time reduction) matured by employees at the date Of December 31, 2013, but will be liquidated or spent in subsequent years.

There is also included a residual debt to the City of Orbassano (TO) for 1,468 thousand Euros, which a receivable towards the same amounting approximately to one million Euros partly offset, related to the contributions to be paid for the years 2009-2013.

Information on Income Statement

(26) REVENUES

Description	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Reclamations	11,821	14,235	(2,414)	14,772
Waste transport, disposal and storage	41,572	29,623	11,949	47,185
Production of electric power and biogas	531	1,182	(651)	1,182
Different performances	6,187	461	5,726	4,760
Total	60,111	45,501	14,610	67,899

Revenues showed an increase compared with last year amounting to 7,778 thousand Euros (compared to proforma data) mostly due to the reduction of waste transport and disposal activities and partly due to reclamation activity.

Specific activities are mainly composed by waste disposal and transport activities and reclamations; to a lesser extent, this item also includes revenues deriving from the production of electric power from biogas.

Different performances include performances with associates and other Group companies of which there will be a more exhaustive picture given in the note on relationships with related parties.

Below is the breakdown of the item Other revenues:

Proforma

Other revenues	31/12/2013	31/12/2012	Variation	31/12/2012
Different revenues and profit	61	0	61	0
Contingent assets	165	186	(21)	210
Cost recovery from insurance compagnie	68	17	51	20
Total	294	203	91	230

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

(27) OPERATING EXPENSES

The composition of the main items is as follow:

Operating expenses	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Purchase of raw materials, semi-finished goods and others	5,064	2,027	3,037	2,887
Services	47,838	36,643	11,195	53,893
Labour cost	5,959	4,236*	1,723	6,169
Other operating expenses and provisions	2,383	2,455	(72)	3,023
Amortisation and depreciation	2,182	1,542	640	2,196
Totali	63,426	46,903	16,523	68,168

* As a result of the amendment to IAS19, the data for the year 2012 have been restated with respect to the data already published

Follow information about the most significant items.

Purchase of raw materials, semi-finished and others

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

Purchase of raw materials, semi-finished goods and others	31/12/2013	31/12/2012	Variations	Proforma 31/12/2012
Reagents	743	603	140	713
Environment commissions	284	288	(4)	288
Subsidiary materials	2,123	0	2,123	628
Automotive materials	487	592	(105)	592
Maintainance materials	317	248	69	318
Workshop materials	5	2	3	2
Chemistry laboratory material	249	131	118	131
Services materials	38	32	6	32
Other materials	173	126	47	178
Different purchases	645	5	640	5
Total	5,064	2,027	3,037	2,887

The increase in the cost of the purchase of subsidiary materials is the counterpart of the revenues from the construction of plants of which information has been given in the commentary on revenues.

Provision of services

Service costs are summarized in the following chart:

Services	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
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Waste disposal and transport expenses	18.163	14.575	3.588	18.941
Other services	4.459	4.252	207	5.912
Operating services from group companies	13.871	10.610	3.261	18.628
Maintainance and restoration	1.412	1.312	100	1.410
Project base collaborators	0	1	(1)	0
Consulting and performances	1.795	932	863	1.357
Directors' pay and contribution	406	180	226	415
Commissions	0	2	(2)	93
Statutory auditors' pays	115	86	29	115
Vigilance tool pays	17	25	(8)	25
Promotion and advertisement expenses	89	41	48	43
Insurances	437	448	(11)	550
Services and consumptions	1.822	1.302	520	1.814
Travels and accomodations	242	241	1	363
Other services from Group companies	5.010	2.636	2.374	4.227
Total	47.838	36.643	11.195	53.893

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

Personnel costs

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

Personnel costs	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Pays	4,201	2,955	1,246	4,325
Social expenses	1,464	988	476	1,459
Termination benefit	287	191*	96	278
Other personell expenses	7	102	(95)	107
Total	5,959	4,236	1,723	6,169

* As a result of the amendment to IAS19, the data for the year 2012 have been restated with respect to the data already published

As a result of the amendment to IAS19, the data for the year 2012 have been restated with respect to the data already published, the effect on personnel costs is 68 thousand Euros, down on the "termination benefit" item.

Other operating expenses and provision

Other operating expenses and provisions	31/12/2013	31/12/2012	Variazione	Proforma
				31/12/2012
Third parties assets	1,411	1,500	(89)	1,471
Other mananaging expenses	163	139	24	226
Non-income taxes	946	435	511	945
Contingent liabilities	648	381	267	381
Doubtful receivables	(785)	0	(785)	0



Total	2,383	2,455	(72)	3,023
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The item "Other managing expenses" include overhead costs related to the company management.

Recalling what said above in note 13 to comment on "Other assets", it is recalled that in 2013 the Company recorded the non-recurring income arising as a result of the judgment of the Court of Cassation in respect of contributions paid in the past FYs to the Municipality of Orbassano, amounting to 785 thousand Euros in addition to non-recurring interests of 165 thousand Euros. Passive contingencies include the effect of a settlement agreement closed in 2013.

Amortisation and depreciation

Amortisation and depreciation	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Tangible amortisation	2,155	1,530	625	2,168
Intangible amortisation	27	12	15	28
Total	2,182	1,542	640	2,196

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

(28) Financial profit/(loss)

	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Financial revenues and expenses	(415)	(267)	148	(559)
Total	(415)	(267)	148	(559)

The following chart reports the breakdown of financial revenues and expenses.

Financial revenues mainly consist of interest income from interest-bearing loans granted to Group companies and are detailed as follows:

Financial revenues	31/12/2013	31/12/2012	Variation	Proforma 31/12/2012
Bank interest income	0	1	(1)	1
Subsidiaries interest income	194	425	(231)	245
Related companies interest income	33	0	33	0
Parent company interest income	3	0	3	0
Other interest income	170	0	170	0
Total	400	426	(26)	246

"Other interest income" includes the non-recurring interest component related to the judgment of the Court of Cassation in respect of contributions paid in years prior to the Municipality of Orbassano for 165 thousand euros, previously commented.

Financial expenses are composed as follows:



Financial expenses	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Bank account interest liabilities	403	155	248	266
Advances interest liabilities	224	154	70	154
Factoring commissions	42	93	(51)	93
Loans interest liabilities	56	94	(38)	105
Other interest liabilities	10	16	(6)	16
Termination benefit financial expenses	26	21	5	37
Related companies interest liabilities	46	12	34	12
Subsidiaries interest liabilities	0	106	(106)	0
Other group companies interest liabilities	6	0	6	0
Others	39	38	1	48
Total	852	689	163	731

Follow the breakdown of derivatives:

Derivative interests	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Derivative contracts revenues	138	174	(36)	174
Derivative contracts expenses	(102)	(178)	76	(248)
Total	36	(4)	39	(74)

(29) Profit/(loss) on investments

The following chart shows the composition of income and expenses from investments.

Profit/(loss) on investments	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012
Related companies dividends	448	434	14	434
Subsidiary dividends	51	1,300	(1,249)	56
Write-back of value of investments	1,534	0	1,534	0
Write-down of investments	(322)	(3,337)	3,015	(3,409)
Total	1,711	(1,603)	3,314	(2,919)

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

Write-back of value of investments is completely referred to the release of the investment break down held by the subsidiary La Torrazza S.r.l. already described in the commentary note regarding movements in investments.

The item write-down of investments recognises the write-down of investments in the subsidiaries Valdastico Immobiliare S.r.l. as 280 thousand Euros and Green Piemonte S.r.l. as 42 thousand Euros, already described in the previous note 5 of these explanatory notes.

(30) Income taxes

Financial year income taxes	31/12/2013	31/12/2012	Variation	Proforma
				31/12/2012



Current taxes	93	103	(10)	201
Expenses (revenues) from tax consolidation	55	(321)	376	20
Refund taxes	0	(257)	257	(329)
Advanced/(deferred) taxes	(886)	(57)*	(829)	(115)
Total	(738)	(532)	(206)	(223)

* Data restated following the application of IAS 19 Revised.

This item includes current taxes for a total of 93 thousand Euros (103 thousand Euros in 2012) and deferred taxes for a total of 886 thousand Euros (57 thousand Euros in 2012), calculated on the basis of the regulations and rates applicable at the closing date of this financial statements.

Tax consolidation charges represent the amount due by the Company to the companies associated with the tax consolidation for the transfer of tax losses from the same generated during the year.

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

Personell data

Average personell	2013 average	31/12/2013	31/12/2012	Proforma 31.12.2012
Directors	7	7	4	8
Employees	61	61	38	63
Workers	41	41	38	42
Total	109	109	80	113

At the end of the financial years, the company workforce (including absorbed companies) was composed of n. 109 employees of which: n. 7 executives, n. 61 employees and n. 41 workers.

The national labor agreements were those of Metalworkers workers Industry.

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

	2013		2012	
	Directors	Auditors	Directors	Auditors
(in thousands of Euros)				
Position payments*	341	80	160	80
Committee participation and special assignments	3	6	8	6
Pays and other benefits	225	0	235	0
Total	569	86	403	86

* Payments include the ones dispensed by absorbed companies

OTHER INFORMATION

BALANCE SHEET REPORT WITH RELATED PARTIES – CONSOB COMMUNICATION N.°

DEM/6064293 OF 28-07-2006

Relationships with related parties

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

There are no guarantees received or granted towards related parties.

The following charts report the transactions with related parties:

Company	2013 trade receivables		2012 trade receivables	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Parent company	885	-	1	-
Green Holding S.p.A.	868	-	1	-
Blue Holding S.p.A.	17	-	-	-
- Subsidiaries	2,039	-	1,125	-
La Torrazza S.r.l.	787	-	115	-
Bioagritalia S.r.l.	370	-	4	-
Green Piemonte S.r.l.	32	-	32	-
Valdastico immobiliare S.r.l.	850	-	833	-
Blu Ambiente S.r.l.	-	-	21	-
Ecoitalia S.r.l.	-	-	98	-
Cogiri S.r.l.	-	-	22	-
- Related companies	2,947	-	792	-
Barricalla S.p.A.	1,365	-	792	-
Daisy S.r.l.	1,582	-	-	-
- Other group companies	28,189	-	18,516	-
Gea S.r.l.	2,705	-	1	-
Ind.Eco S.r.l.	1,198	-	6	-
Aimeri S.p.A. in liquidation	1,408	-	903	-
Cea Engineering S.r.l.	93	-	82	-
Aimeri immobiliare S.p.A.	31	-	26	-
Concorezzo Costruzioni s.r.l.	118	-	-	-
Rea Dalmine S.p.A.	786	-	-	-
Noy Vallesina engineering S.r.l.	3	-	-	-
Noy Ambiente S.r.l.	32	-	-	-
Valeco S.r.l.	841	-	-	-
TR Estate S.r.l.	20,974	-	17,498	-
- Other related parties	394	338	415	205
Alfa Alfa S.r.l.	171	-	355	-
Plurifinance S.r.l.	223	338	60	205
Totale	34,454	338	20,849	205

Company	2013 trade payables		2012 trade payables	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Parent company	2,362	-	733	-
Green Holding S.p.A.	2,362	-	733	-



- Subsidiaries	6,738	-	3,322	-
La Torrazza S.r.l.	5,755	-	2,129	-
Bioagritalia S.r.l.	983	-	2	-
Blu Ambiente S.r.l.	-	-	270	-
Ecoitalia S.r.l.	-	-	612	-
Cogiri S.r.l.	-	-	309	-
- Related companies	5,148	-	4,702	-
Barricalla S.p.A.	5,148	-	4,702	-
- Other group companies	1,796	-	1,022	-
Gea S.r.l.	1,321	-	449	-
Ind.Eco S.r.l.	148	-	449	-
Rea Dalmine Spa	131	-	4	-
Noy Ambiente S.p.A.	188	-	120	-
T.R. Estate s.r.l.	8	-	-	-
- Other related parties	525	-	33	-
Plurifinance S.r.l.	267	-	-	-
Alfa Alfa S.r.l.	258	-	33	-
Total	16,569	-	9,812	-

Revenues

Company	2013	2012
- Parent company	208	-
Green Holding S.p.A.	205	-
Blue Holding S.p.A.	3	-
- Subsidiaries	972	2,082
La Torrazza S.r.l.	596	321
Valdastico immobiliare S.r.l.	79	15
Bioagritalia S.r.l.	176	36
Green Piemonte S.r.l.	1	-
Blu Ambiente S.r.l.	-	431
Ecoitalia S.r.l.	-	778
Sadi Poliarchitettura S.r.l.	-	52
SI Green UK	120	114
Cogiri S.r.l.	-	335
- Related companies	3,898	841
Barricalla S.p.A.	2,382	841
Daisy S.r.l.	1,516	-
- Other group companies	8,489	1,247
Gea S.r.l.	961	72
Ind.Eco S.r.l.	2,971	65
Aimeri S.p.A. in liquidazione	302	130
Aimeri immobiliare S.p.A.	-	26
Rea Dalmine Spa	2,791	-
Noy Ambiente Spa	10	-
Valeco S.r.l.	1,454	-
TR Estate S.r.l.	-	954
Total	13,567	4,170

Expenses

Company	2013	2012
- Parent company	4,769	2,337
Green Holding S.p.A.	4,769	2,337
- Subsidiaries	6,846	5,556
Blu Ambiente S.r.l.	-	461
Bioagritalia S.r.l.	539	2
La Torrazza S.r.l.	6,307	4,299
Ecoitalia S.r.l.	-	626
Cogiri S.r.l.	-	168
- Related companies	5,846	5,484
Barricalla S.p.A.	5,846	5,484
- Other Group companies	1,392	540
Gea S.r.l.	1,082	317
Ind.Eco S.r.l.	59	91
Rea Dalmine S.p.A.	142	4
Cascina Ovi S.r.l.	-	16
Noy Ambiente S.p.A.	103	58
T.R. Estate S.r.l.	6	-
Walde Ambiente S.p.A.	-	54
- Other related parties	1,088	433
Alfa Alfa S.r.l.	657	373
Plurifinance S.r.l.	431	60
Total	19,941	14,350

It is noted that the revenues and expenses expressed in the charts above include net financial revenues amounting to 177 thousand Euros at 31.12.2013 and to 308 thousand Euros at 31.12.2012.

It is specified that credit and debt positions are attributable principally to the ordinary business that takes place under normal market conditions and without recognition of favorable conditions.

Proceeds on revenues and costs with related parties give evidence of the amount of relationships and the subjects involved:

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

- BIOAGRITALIA S.r.l.: costs incurred relate to the disposal of sludge at the plant of the subsidiary. Revenues are related to contracts for the management of the subsidiary, located in Corte De 'Fratì (CR).
- SI GREEN UK LIMITED: revenues relate to interest income on financial receivables.
- LA TORRAZZA S.r.l.: the costs incurred by Ambienthesis S.p.A. refer to the disposal of hazardous and non-hazardous waste at the landfill managed by the subsidiary; revenues are related to the disposal of leachate and certain other types of waste.
- BARRICALLA S.p.A.: the costs incurred are related to the waste disposal contracts; revenues derive from the disposal of leachate by the Company and from the commission for the enhancement of third and fourth lot held by Ecoitalia S.r.l. now absorbed by Ambienthesis S.p.A..
- DAISY S.r.l.: Revenues relate to the construction of the landfill located in Barletta (BA) by the Company Ecoitalia S.r.l. now incorporated in Ambienthesis S.p.A..
- GEA S.r.l.: the costs incurred relate to non-hazardous waste disposal contracts at the landfill of Sant'Urbano (PD), as well as the purchase of biogas by Ambienthesis S.p.A.; Revenues refer to services of leachate disposal as well as technical services for the biogas management
- IND. ECO S.r.l.: The costs relate mainly to a contract for the sale of biogas to the Group, while revenues relate to a contract for the transport and disposal of leachate from the Borgo Montello (LT) landfill and to a contract of reliance for the construction, adjustment and putting into operation of the landfill of municipal solid waste and other non-hazardous waste in the municipality of Borgo Montello (LT).
- REA DALMINE S.p.A Revenues mainly refer to the withdrawal and disposal of bottom ash and slag, fly ash and solid waste from gas treatment coming from the waste to energy plant in Dalmine.
- AIMERI S.p.A. in liquidation: revenues refer to leachate disposal services from post-closure landfills
- NOY AMBIENTE S.p.A.: The costs refer to electrical engineering services aimed at checking and adjusting the electrical system at the Orbassano Platform.
- ALFA ALFA S.r.l.: The costs refer mainly to contracts for the provision of means of labor and capital goods for the remediation and securing of areas and contaminated sites, Regulation for a temporary grouping of companies and, marginally, to rental contracts for cars with or without driver.
- VALECO S.p.A.: Revenues relate to a reliance on the implementation, adjustment and commissioning of the Urban Solid Waste Landfill and other non-hazardous waste in the municipality of Pontey, Valloille (AO).
- PLURIFINANCE S.r.l.: The costs refer to rental and lease contracts as well as to the reversal of the administrator's remuneration.

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

Financial Receivables

Company	Financial receivables 31.12.2013		Financial receivables 31.12.2012	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Parent company	146	0	0	0
Green Holding S.p.A.	0	0	0	0
Blue Holding S.p.A.	146	0	0	0
- Subsidiaries	4,421	6,562	5,917	6,121
La Torrazza S.r.l.	0	0	0	0
Blu Ambiente S.r.l.	0	0	120	0
Ecoitalia S.r.l.	0	0	2,048	0
SI Green UK	15	6,562	9	6,121
Bioagritalia S.r.l.	0	0	0	0
Sadi Poliarchitettura S.r.l.	0	0	0	0
Valdastico Immobiliare S.r.l.	4,333	0	3,102	0
Green Piemonte S.r.l.	73	0	0	0
Cogiri S.r.l.	0	0	638	0
- Related companies	1,658	0	0	0
Daisy S.p.A.	1,658	0	0	0
Total	6,225	6,562	5,917	6,121

Financial payables

Company	Financial payables 31.12.2013		Financial payables 31.12.2012	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Other Group companies	6	0	0	0
Rea Dalmine S.p.A.	1	0	0	0
Noy Ambiente S.p.A.	5	0	0	0
Total	6	0	0	0

Tax consolidation

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

Subsidiaries	Receivables	Payables	Expenses	Revenues
La Torrazza S.r.l.	15	0	0	15
Bioagritalia S.r.l.	61	0	0	30
Valdastico immobiliare S.r.l.	0	97	97	0
Green Piemonte S.r.l.	0	3	3	0
Total	76	100	100	45

Data referring to the previous year are as follow:

Società controllate	Receivables	Payables	Expenses	Revenues
La Torrazza S.r.l.	0	31	28	0
Blu Ambiente S.r.l.	5	0	0	5
Ecoitalia S.r.l.	78	0	0	78
Bioagritalia S.r.l.	31	0	0	31
Smarin S.r.l.	0	6	6	0



Tekna S.r.l.	0	2	2	0
Valdastico Immobiliare S.r.l.	0	17	17	0
Green Piemonte S.r.l.	0	6	6	0
Cogiri S.r.l.	266	0	0	266
Total	380	62	59	380

Information pursuant to art. 149 - duodecies of the Consob Issuers Regulation

	Party providing the service	Recipient	Fees for the year 2013
Audit	PricewaterhouseCoopers SpA	Ambienthesis S.p.A.	114
Audit	PricewaterhouseCoopers SpA	Subsidiaries	29
Other auditing services	PricewaterhouseCoopers SpA	Ambienthesis S.p.A.	8
Other services	PricewaterhouseCoopers Advisory SpA	Ambienthesis S.p.A.	20
Total			171



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

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

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

of administrative and accounting procedures for the preparation of the consolidated financial statements during the financial year 2013.

It is also certified that the consolidated financial statements at December 31, 2013:

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

Segrate, 10 April 2014

Piergiorgio Cominetta
Managing director

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