FINANCIAL STATEMENTS
AT 31 DECEMBER 2012

SADI SERVIZI INDUSTRIALI SPA

STATEMENT OF FINANCIAL POSITION AS AT 31/12/2012

(figures in Euros)

	Notes	31/12/2012 Total	31/12/2011 Total
ASSETS			
NON-CURRENT ASSETS			
Property, plants, machinery and other fixed assets	1	9,436,732	8,783,547
Goodwill	2	12,000,000	12,000,000
Intangible assets	3	17,984	20,794
Investments	4	41,788,771	44,142,865
Other financial assets	5	6,121,242	5,248,405
Pre-paid tax assets	6	222,352	173,645
Other assets	7	234,687	23,902
Total non-current assets		**69,821,768**	**70,393,158**
CURRENT ASSETS			
Inventory	8	12,507	12,620
Trade receivables	9	37,042,023	33,233,586
Current tax assets	10	1,139,481	348,536
Financial receivables and other financial assets	11	5,917,062	17,448,547
Other assets	12	884,372	816,912
Cash and cash equivalents	13	334,019	1,531,016
Total current assets		**45,329,464**	**53,391,217**
TOTAL ASSETS		**115,151,232**	**123,784,375**

(figures in Euros)

	Notes	31/12/2012 Total	31/12/2011 Total
EQUITY AND LIABILITIES			
EQUITY	14		
Share capital		48,204,000	48,204,000
Reserves		33,731,833	32,189,194
Treasury shares		(2,564,876)	(2,564,876)
Financial year profit (loss)		(2,586,508)	2,305,294
Total equity		**76,784,449**	**80,133,612**
NON-CURRENT LIABILITIES			
Long-term financial liabilities	15	-	3,029,000
Risk and charges provisions	16	96,804	96,804
Employees benefits provision	17	577,935	516,602
Deferred tax liabilities	18	122,755	150,890
Total non-current liabilities		**797,494**	**3,793,296**
CURRENT LIABILITIES			
Short-term financial liabilities	19	6,958,665	10,922,569
Short-term portion of long-term financial liabilities	20	3,000,000	4,677,080
Trade payables	21	24,044,122	21,181,835
Advances	22	61,170	61,527
Other current liabilities	23	3,505,332	3,014,456
Total current liabilities		**37,569,289**	**39,857,467**
TOTAL EQUITY AND LIABILITIES		**115,151,232**	**123,784,375**

INCOME STATEMENT

(FIGURES IN EUROS)

	Notes	31/12/2012 Total	31/12/2011 Total
REVENUES	24		
Revenues		45,500,776	45,692,709
Other revenues		202,707	176,997
Total revenues		**45,703,483**	**45,869,706**
OPERATING EXPENSES	25		
Purchase of raw materials, semi-finished goods and others		(2,027,397)	(1,484,487)
Services		(36,642,944)	(35,893,010)
Labour cost		(4,303,972)	(3,831,505)
Other operating expenses and provisions		(2,454,590)	(1,016,974)
GROSS OPERATING MARGIN		**274,580**	**3,643,730**
Amortisation and depreciation		(1,542,410)	(1,555,694)
NET OPERATING MARGIN		**(1,267,830)**	**2,088,036**
FINANCIAL REVENUES (EXPENSES)	26		
Financial revenues		425,857	486,017
Financial expenses		(688,907)	(546,102)
Derivative instruments		(4,113)	29,192
REVENUES (EXPENSES) ON INVESTMENTS	27		
Revenues (expenses) on investments		(1,602,503)	1,118,500
PRE-TAX INCOME		**(3,137,496)**	**3,175,643**
Income tax	28	550,988	(870,349)
NET INCOME		**(2,586,508)**	**2,305,294**

COMPREHENSIVE INCOME STATEMENT
Figures in thousand euros

	31.12.2012	31.12.2011
Net worth	**(2,587)**	**2,305**
Other components of comprehensive income		
Translation differences	118	155
Tax effect related to the items of the comprehensive income	0	0
Total items of comprehensive income	***118***	***155***
Total comprehensive income	***(2,469)***	***2,460***

CASH FLOW STATEMENT

In thousands of Euros	**31.12.2012**	**31.12.2011**
Cash and cash equivalents in the balance sheet as at the beginning of the financial year	1,531	137
Initial account overdrafts	(5,325)	(875)
Short term financial receivables	17,449	16,302
INITIAL NET CASH	**13,655**	**15,564**
CASH FLOW FROM INCOME ACTIVITIES		
Pre-tax result	(3,137)	3,176
Amortisation and depreciation	1,542	1,556
Depreciation (re-evaluation) on investments	3,337	2
Investments profit	(1,734)	(1,120)
Increase (decrease) in epoyees benefits provision	61	(27)
Capital losses/(gains) on transfer of assets	6	5
Increase (decrease) in risk and charges provisions	0	0
OPERATING ASSETS CASH FLOW		
Tax paid in the financial year	(592)	(1,607)
Decrease (increase) in inventories	0	0
Decrease (increase) in trade receivables	(3,808)	3,019
- of which towards related parties	*(1,652)*	*(1,636)*
Decrease (increase) in other current assets	66	1,736
Increase (decrease) in trade payables	2,862	5,950
- of which towards related parties	*(885)*	*3,390*
Increase (decrease) in other non-financial payables	429	(2,187)
TOTAL	***(968)***	***10,503***
CASH FLOW FROM INVESTMENT ACTIVITIES		
Net investments in tangible assets	(2,190)	(3,773)
Net investments in intangible assets	(9)	0
Dividends income	1,734	1,120
(increase) decrease in investments	(982)	(122)
(Increase) decrease in other non-current available-for-sale financial assets	(761)	(647)
- of which towards related parties	*(600)*	*(645)*
TOTAL	***(2,209)***	***(3,422)***

CASH FLOW FROM FINANCING ACTIVITIES

Taking over (refund) of medium and long term loans	(4,677)	(6,229)
Distribution of dividends	(881)	(880)
Variation in other financial assets/liabilities	(5,376)	(1,881)
- of which towards related parties	*(5,382)*	*106*
Total	***(10,934)***	***(8,990)***
NET CASH FLOW	***(14,112)***	***(1,909)***
FINAL NET CASH FLOW	***(457)***	***13,655***
Cash and cash equivalents in the balance sheet as at the end of the period	334	1,531
Final account overdraft	(6,708)	(5,325)
Short-term financial receivables	5,917	17,449
FINAL NET CASH FLOW	**(457)**	**13,655**

OTHER INFORMATION

Financial expenses in the financial year	(981)	(768)

STATEMENT OF CHANGES IN SHAREHOLDERS 'EQUITY

(IN THOUSANDS OF EUROS)

	Share capital	Share premium re-serves	Legal reserve	Other reserves	Treasury shares	Result as new	Financial year in-come	Total equity
BALANCE AS AT 01.01.2011	**48.204**	**24.547**	**1.521**	**56**	**(2,564)**	**4,846**	**1,944**	**78,554**
TRANSACTIONS WITH SHAREHOLDERS								
Dividends distribution							(880)	**(880)**
Previous financial year balance			97	0		967	(1,064)	**0**
		0	**97**	**0**	**0**	**967**	**(1,944)**	**(880)**
NET RESULT							2,305	**2,305**
OTHER COMPONENTS OF COMPREHENSIVE INCOME								
Translation differences				155				**155**
COMPREHENSIVE INCOME	**0**	**0**	**0**	**155**	**0**	**0**	**2,305**	**2,460**
BALANCE AS AT 01.01.2011	**48.204**	**24.547**	**1.618**	**211**	**(2,564)**	**5,813**	**2,305**	**80,134**

	Capitale sociale	Riserva sovrapprezzo Azioni	Riserva Legale	Altre Riserve	Azioni proprie	Risultato a nuovo	Risultato esercizio	Totale Patrimonio netto
SALDI ALL'01.01.2012	**48,204**	**24,547**	**1,618**	**211**	**(2,564)**	**5,813**	**2,305**	**80,134**
OPERAZIONI CON GLI AZIONISTI								
Distribuzione dividendi							(881)	**(881)**
Risultato dell'esercizio precedente			115	0		1,309	(1,424)	**0**
	0	**0**	**115**	**0**	**0**	**1,309**	**(2,305)**	**(881)**
RISULTATO NETTO							(2,587)	**(2,587)**
ALTRE COMPONENTI DEL RISULTATO COMPLESSIVO								
Differenze di cambio da conversione				118				**118**
RISULTATO COMPLESSIVO	**0**	**0**	**0**	**118**	**0**	**0**	**(2,587)**	**(2,469)**
SALDI AL 31.12.2012	**48,204**	**24,547**	**1,733**	**329**	**(2,564)**	**7,122**	**(2,587)**	**76,784**

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

(in Euros)

	31/12/2012			31/12/2011		
ASSETS	Total	Of which related	%	Total	Of which related	%
Non-current assets	69,821,768	6,326,242	9.06%	70,393,158	5,248,405	7.46%
Current assets	45,329,464	27,146,336	59.89%	53,391,217	36,880,469	69.08%
TOTAL ASSETS	**115,151,232**			**123,784,375**		
EQUITY AND LIABILITIES						
Equity	76,784,449			80,133,612		
Non-current liabilities	797,494	0	0.00%	3,793,296	0	0.00%
Current liabilities	37,569,289	9,874,092	26.28%	39,857,467	16,078,994	40.34%
TOTAL LIABILITIES	**38,366,783**			**43,650,763**		
TOTAL EQUITY AND LIABILITIES	**115,151,232**			**123,784,375**		

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

(figures in euros)

	31/12/2012			31/12/2011		
INCOME STATEMENT	Total	Of which related	%	Total	Of which related	%
REVENUES	**45,703,483**	3,744,935	8.19%	**45,869,706**	5,390,945	11.75%
OPERATING EXPENSES						
Purchase of raw materials and services	(38,670,341)	(13,280,708)	34.34%	(37,377,497)	(15,246,728)	40.79%
Labour cost	(4,303,972)			(3,831,505)		
Other operating expenses and provisions	(2,454,590)	(952,415)	38.80%	(1,016,974)	(609,612)	59.94%
Amortisaion and depreciation	(1,542,410)			(1,555,694)		
NET OPERATING MARGIN	**(1,267,830)**			**2,088,036**		
FINANCIAL REVENUES (EXPENSES)	(267,163)	307,807	n/a	(30,893)	337,377	n/a
REVENUES (EXPENSES) ON INVESTMENTS	(1,602,503)			1,118,500		
PRE-TAX INCOME	**(3,137,496)**			**3,175,643**		
Income tax	550,988	320,682		(870,349)		
NET INCOME	**(2,586,508)**			**2,305,294**		

EXPLANATORY NOTES TO FINANCIAL STATEMENTS AS AT 31/12/2012

PREMISES

Sadi Servizi Industriali S.p.A. (Hereinafter also "Sadi" o "SSI" 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*) 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 and pursuant to 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)*

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.

The financial statements at December 31st, 2012, approved by the Ambienthesis S.p.A. Board of Directors at its meeting on 10th April 2013, 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

<u>In relation to the presentation of the financial statements, the Company made the following decisions:</u>

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 of 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 201 and approved by the European Union.

Accounting standards, amendaments and interpretations applied from 1° gennaio 2012

The following amendments, improvements and interpretations, in force from 1 January 2012, 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;

Accounting standards and amendments yet not applicable and not implemented in advance

On 12 november 2009 IASB issued standard IFRS 9 – Financial Instrument: the same standard has later been amended on 28 October 2010 and on 16 december 2011. This standard represents the first part of a process by stages that aims to replace IAS 39 entirely and introduces new criteria for the classification and valuation of financial assets and liabilities and for the elimination (derecognition) from the financial statements of financial assets . The approval process, which should enter into force on 1 January 2013, has been suspended for the time being.

On June 28, 2012, the IASB published IFRSs 10, 11 and 12 and updated IAS 27 and 28, with the aim of redesigning Group Reporting Rules. For these principles, the IASB had indicated 1 January 2013 as the date of entry into force; However, with the approval of December 11, 2012, the European Commission postponed the date of application to January 1, 2014.

IFRS 13, "Fair Value Measurement" issued May 13, 2011, will harmonize to a greater extent all the rules in this field. The new accounting standard comes into force as of 1 January 2013.

By Regulation No. 475/2012 issued by the European Commission on June 5, 2012, amendments to the IAS 19 Employee Benefits, revised by the IASB on June 16, 2011, have been approved, which include, inter alia: (i) Obligation to recognize actuarial gains and losses in the comprehensive income statement, eliminating the possibility of adopting the corridor method. Actuarial gains and losses recognized in the statement of comprehensive income are not subsequently recognized in profit or loss; And (ii) the elimination of the separate presentation of the cost component of the defined benefit liability, represented by expected return on plan assets and interest expense, and replacement with the aggregate "net interest". The new provisions are effective as of 1 January 2013.

Amendments to IAS 1, issued on 16 June 2011, will also improve the presentation of the components of the overall income statement. The new requirements are effective for annual periods beginning on July 1, 2012.

On December 11, 2012, the IASB approved amendments to IFRS 7 and IAS 32, which will enter into force on January 1, 2013 and January 1, 2014 respectively.

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 re-valuations 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%
Forniture and office machinery	12%
Electronic machinery	20%
Canteen equipment	25% - 35%
Light constructions	10%
Sewage plant	15%

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

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

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 2012 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 occurr, 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 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.

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 Companyrecognizes 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:

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	Ammort,	Altri mov,	Alienaz,	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/(transfer)	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
Totale generale	**8,784**	**2,184**	**0**	**1,531**	**9,437**

Investments equal to 2,190 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 has continued the works for the construction of the new organic sector, which until 31 December 2012 led to complex investments of over 4,000 thousand Euros

The changes in the previous year are represented below:

Historical cost	31/12/2010	Increase	Other movements	Disposals	31/12/2011
Lands and buildings	3,210	16	0	0	3,226
Plants and machinery	21,605	528	29	(175)	21,987
Commercial and industrial equipment	4,174	644	1	(13)	4,806
Other tangible assets	13	14	0	0	27
Current tangible assets and advances	82	2,576	(30)	0	2,628
Overall total	**29,084**	**3,778**	**0**	**(188)**	**32,674**

Amortisations	31/12/2010	Amortisation	Other movements	Disposals	31/12/2011
Lands and buildings	2.349	131	0	0	2.480

Plants and machinery	16,585	1,060	0	(173)	17,472
Commercial and industrial equipment	3,595	335	0	(5)	3,925
Other tangible assets	11	3	0	0	14
Current tangible assets and advances	0	0	0	0	0
Overall total	**22,540**	**1,529**	**0**	**(178)**	**23,891**

Net worth	31/12/2010	Increase/(transfer)	Other movements	Amortisation	31/12/2011
Lands and buildings	861	16	0	131	746
Plants and machinery	5,021	526	29	1,060	4,516
Commercial and industrial equipment	579	636	1	335	881
Other tangible assets	2	14	0	3	13
Current tangible assets and advances	82	2,576	(30)	0	2,628
Overall total	**6,545**	**3,768**	**0**	**1,529**	**8,784**

(2) Goodwill

Description	31/12/2012	31/12/2011	Variation
Merger goodwill SADI/SERVIZI IND.LI	12,000	12,000	0
Total	**12,000**	**12,000**	**0**

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”.

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 (2013/2015)
- Growth rate "g": 1,50%
- WACC: 5,62%.

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.

Also during the previous year the goodwill had not had changes:

Description	31/12/2011	31/12/2010	Variation
Merger goodwill SADI/SERVIZI IND.LI	12.000	12.000	0
Total	**12.000**	**12.000**	**0**

(3) Intangible assets

Intangible assets are allocated in the assets showing a balance of 18 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	31/12/2011	Increase	Other move-ments	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	Amortisation	Other move-ments	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	In-crease/(transfer)	Other move-ments	Amortisa-tion	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**

The previous year had instead the following changes:

Historical cost	31/12/2011	Increase.	Other move-ments	Disposals	31/12/2012
Industrial patents and intellectual property rights	110	0	0	0	110
Concessions, licences, trademarks and similar rights	453	0	0	0	453
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	155	0	0	0	155

Overall total	**718**	**0**	**0**	**0**	**718**

Amortisations	**31/12/2011**	**Amortisation.**	**Other move-ments**	**Disposals**	**31/12/2012**
Industrial patents and intellectual property rights	98	11	0	0	109
Concessions, licences, trademarks and similar rights	418	15	0	0	433
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	155	0	0	0	155
Overall total	**671**	**26**	**0**	**0**	**697**

Net worth	**31/12/2011**	**In-crease/(transfer)**	**Other move-ments**	**Amortisa-tion**	**31/12/2012**
Industrial patents and intellectual property rights	12	0	0	11	1
Concessions, licences, trademarks and similar rights	35	0	0	15	20
Current fixed assets and advances	0	0	0	0	0
Other intangible assets	0	0	0	0	0
Overall total	**47**	**0**	**0**	**26**	**21**

(4) Investments

Description	**31/12/2012**	**31/12/2011**	**Variation**
Interests in subsidiaries	41,066	43,420	(2,354)
Interests in related companies	723	723	0
Total	**41,789**	**44,143**	**(2,354)**

Investments held by the company as of December 31, 2012 are budgeted for a total of 41,789 thousand euros.

The composition and movements of the individual items are detailed in the following tables:

Interests in related companies:

Description	**31/12/2011**	**Increase**	**Decrease**	**31/12/2012**
- Blu Ambiente Srl	129	0	0	129
- Cogiri Srl	5,000	0	0	5,000
- Ecoitalia Srl	26,547	0	0	26,547
- Sadi Poliarchitettura Srl	4,900	982	(5,882)	0
- Valdastico Immobiliare Srl	0	5,882	(1,802)	4,080
- SI Green UK Ltd	817	0	0	817
- (SI Green UK Ltd doubtful account)	(817)	0	0	(817)
- La Torrazza Srl	6,844	0	(1,534)	5,310
- Tekna Srl	5	0	0	5

- (Tekna Srl doubtful account)	(5)	0	0	(5)
Total	**43,420**	**6,864**	**(9,218)**	**41,066**

During 2012 SSI proceeded to sell 100% of the share capital of the subsidiary Sadi Poliarchitettura Srl.

On July 3, 2012 SSI signed with Special Situations S.r.l. A sales contract covering 100% of the share capital of Sadi Poliarchitettura S.r.l . The effectiveness of the agreement in question was conditioned by the occurrence of certain conditions precedent, including the completion of the partial and proportional split of Sadi Poliarchitettura Srl. as a result of the divestiture, certain assets and liabilities destined to remain in the SSI Group, referable to the same Sadi Poliarchitettura Srl, have been transferred to a newly formed company - Valdastico Immobiliare Srl - not within the perimeter of the Operation. The split was completed on October 1, 2012 and, at the same time, the Settlement Agreement became effective.

The price agreed between the parties for the Sale is composed of:

- a fixed part of 1.00 Euro
- a variable component to be calculated on the basis of the six-months EBITDA that Sadi Poliarchitettura will have on June 30, 2013, multiplied by 5 times net of the net financial position at the same date. It should be noted that if the value [EBITDA ± NFP] should be negative or equal to zero, the balance of the price would be zero, without any price adjustment claim being formulated by the acquirer.. This component was not taken into account when preparing the Financial Statements as this variable price component is not reasonably determinable.

In addition, the Sale Agreement stipulates the conclusion of a commercial lease between Sadi Poliarchitettura Srl and Valdastico Immobiliare Srl, which deals with some properties owned by Sadi Poliarchitettura Srl before the completion of the Disposal.

The value of the investment was consistently attributed to the newly formed Valdastico Immobiliare Srl. The value of the economic capital of Sadi Poliarchitettura Srl after the split was in fact considered nil in the light of the sale price of the same amount of 1 euro .

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

figures in €/000

Company name	Headquarters	Share capital	Equity	income	Interest %	Value
Blu Ambiente Srl	Segrate - via Cassanese 45	50	1,422	24	20%	129
Cogiri Srl	Segrate - via Cassanese 45	45	944	485	100%	5,000
Ecoitalia Srl	Segrate - via Cassanese 45	5,500	27,685	(21)	100%	26,547
Valdastico Immobiliare Srl	Segrate - via Cassanese 45	100	549	(84)	100%	4,080
SI Green UK Ltd	Swansea (UK), 5 New Mill Court	625	(2,533)	(524)	100%	0
La Torrazza Srl	Segrate - via Cassanese 45	90	735	50	80%	5,310
Tekna Srl	Segrate - via Cassanese 45	10	5	(6)	15%	0
					Totale	**41,066**

Data on equity and operating results of the company refer to the date of December 31, 2012, 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:

Cogiri Srl manages a sewage plant in the province of Milan; Directors on the occasion of preparing these financial statements, based on the three-year economic plan made available by the subsidiary, 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 4,37% and a growth rate for the period after the explicit projection of 1.5%. The company also carried out "sensitivity analysis" assuming an increase in discount rates and in particular a 1% change in WACC while maintaining the other conditions unchanged and assuming a decrease in the growth rate of g by 1.0% percentage points while keeping unchanged the other conditions. In both cases no impairment losses have been reported.
Ecoitalia Srl is a company operating in the field of waste intermediation and environmental remediation; Directors when preparing the present financial statements, on the basis of the three-year financial plan made available by the subsidiary, have tested the investment in the subsidiary**.** The recoverable amount was determined by reference to the value in use, calculated using a post-tax discount rate identified in WACC of 5.54% and a growth rate for the period after the explicit projection horizon of 1.5%. The company also carried out "sensitivity analysis" assuming an increase in discount rates and in particular a 1% change in WACC while maintaining the other conditions unchanged and assuming a decrease in the growth rate of g by 1.0% percentage points while keeping unchanged the other conditions. In both cases no impairment losses have been reported.

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 statementson 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 4,55%.
The impairment test showed a loss in value such that the Company carried out an impairment of the investment amounting to € 1,534 thousand in the income statement.
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.
When preparing the present financial statements, on the basis of the business plan made available by the subsidiary, which takes into account the planned operation of the landfill, the directors have audited the recoverable amount of the investment in the shareholding including a credit of 6,121 thousand euros.
The book value was compared with the value in use, calculated using a post-tax discount rate identified in the WACC equal to 4,55%. The company also carried out "sensitivity analysis" assuming an increase in discount rates and in particular a 1% change in WACC while maintaining the other conditions unchanged. In both cases no impairment losses have been reported.

Valdastico Immobiliare S.r.l. as previously indicated, the Company was born from the divestment of the Sadi Poliarchitettura S.r.l. above commented.

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 1,802 thousand Euros charged to the Income Statement.

Investments in associated companies:

Following is the composition of the investments in associated companies:

Description	31/12/2011	Increase	Decrease	31/12/2012
Barricalla SpA	723	0	0	723
Total	**723**	**0**	**0**	**723**

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

Company name	Headquarters	Share capital	Equity	Income	Investment %	Value	Valore di carico
Barricalla SpA	Torino - Galleria San Federico 54		2.066	3.915	1.297	35%	723
						Totale	**723**

(5) Other financial assets

Description	31/12/2012	31/12/2011	Variation
Financial receivables towards subsidiaries			
- SI Green UK Ltd	6.121	5.248	873
Totali	6.121	5.248	873

The amount of Euros 6,121 thousand (GBP 5,720 thousand) relates to loans made to the subsidiary SI Green UK Ltd In support of the implementation phase of the new landfill for the total volumetry of 815,000 cubic meters. Authorized in December 2009 by resolution no. TP 3835LV by the UK Environment Agency. On these loans, starting from 2011, interest is charged at a rate of 2% per annum.

(6) Deferred tax assets

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

Description	31/12/2011	Increase	Decrease	31/12/2012	Variation
Doubtful receivables provision	115	13	0	128	13
Termination benefit provision	0	25	0	25	25

Representation expenses	0	0	0	0	0
Directors' pay	22	0	0	22	0
Mantainance and repairs	199	0	(66)	133	(66)
Doubtuf receivables on interest assets	295	205	0	500	205
Total	**631**	**243**	**(66)**	**808**	**177**

Deferred taxes had such movement:

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
Mantainance and repairs	53	0	(19)	34	(19)
Doubtuf receivables on interest assets	82	57	0	139	57
Total	**174**	**68**	**(20)**	**222**	**48**

Changes in the previous years have been as follow :

Description	31/12/2010	Increase	Decrease	31/12/2011	Variation
Doubtful receivables provision	32	0	0	32	0
Representation expenses	2	0	(1)	1	(1)
Directors' pay	6	0	0	6	0
Mantainance and repair	72	0	(19)	53	(19)
Doubtful receivables on interest assets	0	82	0	82	82
Total	**112**	**82**	**(20)**	**174**	**62**

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	0
Deferred tax use in income statement	(20)
Deferred tax in financial year	68
Total	**48**

(7) Other assets

Other non current assets, amounting to 235 thousand Euros, are composed as follows:

Description	31/12/2012	31/12/2011	Variation
Pre-paid expenses	205	0	205
Deposits	30	24	6
Total	**235**	**24**	**211**

NON CURRENT ASSETS

(8) Inventory

Description	31/12/2012	31/12/2011	Variation
Raw ancillary and consumables materials	13	13	0
Total	**13**	**13**	**0**

The inventories included amongst current assets amount to 13 thousand Euros.

(9) Trade receivables

Description	31/12/2012	31/12/2011	Variation
Italy	16,342	14,219	2,123
Group	20,700	19,015	1,685
Total	**37,042**	**33,234**	**3,808**

Trade receivables included in current assets amount to 37,042 thousand Euros and are all due within 12 months from the end of the financial year.
On December 31, 2012, the Company carried out non-recurring sale of trade receivables due to Enel Production S.p.A. for an amount not yet collected 172 thousand euros.

The amount of 17,498 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 2012 for the contract named "Ex Sisas", in relation to the enforcement activities of the safety works, reclamation and redevelopment already mentioned in the Management Report.

As it is known, TR Estate Due S.r.l. had entrusted to Sadi Servizi INdustriali 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 negli-

gible 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 Sadi; In this regard, it should be recalled that Sadi Servizi Industriali 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 Sadi Servizi Industriali 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 Sadi Servizi Industriali 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 SSI was made aware of the correspondence between the Lombardy Region and TR Estate Due Srl that revealed the exist-ence of transactional negotiations with respect to the reclamation of the "ex Sisas" area and in which it is indi-cated, among other things, the willingness of the Administrations involved to come to an amicable solution within a short time.

The TAR Lombardy (Second Sect., RG 2260/2011), after a first ruling, set the hearing for the appeal of the appeal lodged by TR Estate Due S.r.l. on October 2013 for the recovery of its credit towards the Lombardy Region (and other resilient administrations); The judgment is therefore expected by the end of 2013 and, if the claim is accepted, constitutes the legal act that would allow TR Estate Due srl to acquire the monetary provision to fulfill its obligation towards Sadi Servizi Industriali S.p.A. And to the ATI of which the latter is a parent company.
The Directors, while confident in a positive conclusion of the negotiations or in a positive outcome of the described recourse to the Lombardy TAR proposed by TR Estate Due S.r.l. Against the reminded public administrations,having not yet recovered their credit, in order to carry out any necessary act to protect its assets, have instructed appointed legals for the initiation necessary, contractual and non-contractual re-covery 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 Sadi Servizi Industriali S.p.A. in obtaining the payment of the fee for the works performed.

In the light of the above the Directors have therefore decided not to modify the evaluations made on the recoverability of the credit in question.

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

Description	31/12/2011	Use	Financial year provision	31/12/2012	Variation
Doubtful receivables provision	(552)	0	(98)	(650)	(98)
Total	**(552)**	**0**	**(98)**	**(650)**	**(98)**

(10) Current tax assets

Current tax assets amount to 1.139 thousand euros and represent, for 881 thousand euro the surplus of the payments in advance with respect to the actual tax due.

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 Dl. 201/2014) amounting to258 thousand euro. 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	31/12/2012	31/12/2011	Variation
Regional business tax receivables	763	210	553
Reimbursment regional tax receivables	258	0	258
Corporate income tax	118	139	(21)
Total	**1.139**	**349**	**790**

(11) Financial receivables and other financial assets

The financial receivables and other financial assets, all subject to interest and due from related parties, amounting to 5,917 thousand Euros had the following composition:

Debitore	31/12/2012	31/12/2011	Variazione
- Cogiri Srl	638	550	88
- Blu Ambiente Srl	120	12,619	(12,499)
- Valdastico Immobiliare Srl	3,102	0	3,102
- Sadi Poliarchitettura Srl	0	3,834	(3,834)
- Ecoitalia Srl	2,048	0	2,048
- SI Green UK Ltd	9	3	6
- Interests financial receivables	0	443	(443)
Total	**5,917**	**17,449**	**(11,532)**

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

The significant reduction compared to the previous year was due to operations aimed at rationalizing the group's financial structure, which led to the clearing of some intercompany items.

The change in the credit to Valdastico Immobiliare S.r.l. (Formerly vested in Sadi Poliarchitettura Srl and transferred for the split referred to above) is mainly related to the partial waiver of part of the financial credit, for 982 thousand euro, made to cover the subsequent loss From Sadi Poliarchitettura Srl Last year.

(12) Other assets

Other current assets amount to 884 thousand Euros and are composed as follows:

Altre attività a breve termine	31/12/2012	31/12/2011	Variazione
Different receivables	0	110	(110)
Receivables to employees due to advances	7	5	2
INAIL advances	0	2	(2)
Advances to suppliers	82	58	24
Receivables due to tax consolidation	380	30	350
VAT receivable	137	63	74
Accrued income	278	549	(271)
Total	**884**	**817**	**67**

The receivables for tax consolidation represent the amounts that the Company must receive from its consolidated as part of the subsequent transfers to the adhesion 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.

(13) Cash and cash equivalents

Description	31/12/2012	31/12/2011	Variation
Profit bank accounts	322	1.525	(1.203)
Cash	12	6	6
Total	**334**	**1.531**	**(1.197)**

Cash and cash equivalents amounted to 334 thousand Euros include financing due on demand.

The significant change in cash and cash equivalents compared to the previous year is mainly due to the ordinary operating dynamics of the year.

NET FINANCIAL POSITION

Changes in the financial position have been as follows::

NET FINANCIAL POSITION *in thousands of Euros*	31.12.2012	OF WHICH RELATED PARTIES	31.12.2011	OF WHICH RELATED PARTIES
A. Cash	12	0	6	0
B. Other cash equivalent	322	0	1,525	0
C. Bonds held for trading	0	0	0	0
D. Cash (A) + (B) + (C)	**334**	**0**	**1,531**	**0**
E. Current financial receivables	**5,917**	**5,917**	**17,449**	**17,449**

F. Current bank payables	(6,708)	0	(5,325)	0
G. Current portion of non-current payables	(3,000)	0	(4,677)	0
H. Other current financial payables	(251)	0	(5,598)	(5,381)
I. Current financial payables (F) + (G) + (H)	**(9,959)**	**0**	**(15,600)**	**(5,381)**
J. Net current financial payables (I) - (E) - (D)	**(3,708)**	**5,917**	**3,380**	**12,068**
K. Non current bank payables	0	0	(3,000)	0
L. Bonds issued	0	0	0	0
M. Other non-current financial payables	0	0	(29)	0
N. Non-current financial payables (K) + (L) + (M)	**0**	**0**	**(3,029)**	**0**
O. Net financial payables (J) + (N)	**(3,708)**	**5,917**	**351**	**12,068**

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

The NFP is also affected by investment portfolio that in the last 3-4 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 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. They are in fact pending requests for extension of credit lines both in the short and medium to long term, which, presumably during the second quarter of 2013, will find solution.

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.

SSI balance sheet					
As at 31.12.12 in thousands of Euros	Income statement fair value	Loans and receivables	Depreciated liability	IAS 17	Total
NON CURRENT ASSENTS					
Other financial assets		6,121			6,121
CURRENT ASSETS					

Trade receivables		37,042			37,042
Cash and cash equivalents		334			334
Financial receivables and other financial assets		5,917			5,917
TOTAL ASSETS		49,414			49,414
NON-CURRENT LIABILITIES					
Long-term financial liabilities					
CURRENT LIABILITIES					
Short-term financial liabilities	72		6,887		6,959
Short-term portion of long term financial liabilities			3,000		3,000
Other liabilities					
Trade payables			24,044		24,044
TOTAL LIABILITIES	72		33,931		34,003

SSI balance sheet					
As at 31.12.11 in thousands of Euros	Income statement fair value	Loans and receivables	Depreciated liability	IAS 17	Total
NON CURRENT ASSENTS					
Other financial assets		5,248			5,248
CURRENT					

ASSETS					
Trade receivables		33,234			33,234
Cash and cash equivalents		1,531			1,531
Financial receivables and other financial assets		17,449			17,449
TOTAL ASSETS		57,462			57,462
NON-CURRENT LIABILITIES					
Long-term financial liabilities	29		3,000		3,029
CURRENT LIABILITIES					
Short-term financial liabilities	217		10,706		10,923
Short-term portion of long term financial liabilities			4,677		4,677
Other liabilities					
Trade payables			21,182		21,182
TOTAL LIABILITIES	216		39,565		39,811

Fair value – used calculation models

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

Separate balance sheet	31.12.2012			31.12.2011		
	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	(72)		(72)	(217)		(246)
Banco popolare	(72)		(72)	(196)	(29)	(225)
Unicredit				(21)		
Loans	(3,000)		(3,000)	(4,677)	(3,000)	(7,800)
Unicredit				(1,677)		(1,686)
Banco popolare	(3,000)		(3,000)	(3,000)	(3,000)	(6,114)

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.

<u>Financial characteristics of financial liabilities and derivative instruments</u>

Separated balance sheet	characteristics					
	Original notional value	Notional value as at 31.12.12	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%

Separated balance sheet	characteristics					
	Original notional value	Notional value as at 31.12.11	Expiring	Duration	Payment	Paid rate
Derivative financial instruments						
Unicredit	15,000,000	1,677,081	31.05.2012	60 months	Quarterly (11-1, 11-4, 11-7, 11-10)	4,59%
Banco Popolare	15,000,000	1,677,081	31.05.2012	60 months	Quarterly (11-1, 11-4, 11-7, 11-10)	4,90%
Loans						
Unicredit	15,000,000	1,677,081	31.05.2012	60 months	Quarterly (11-1,	3 months Euri-

					11-4, 11-7, 11-10)	bor 0.91%
Banco popolare	15,000,000	6,000,000	11.07.13	60 months	Biannual (11-1, 11-7)	3 months Euribor average +1%

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 31.12.2012	Profit or loss		Equity	
	+25 bps	-25bps	+25bps	-25bps
Derivative financial instruments	11	(11)	8	(8)
Banco Popolare	11	(11)		
Loans	(10)	10	(7)	7
Banco Popolare	(10)	10		
TOTAL	1	(1)	1	(1)

separated balance sheet as at 31.12.201	Profit or loss		Equity	
	+25 bps	-25bps	+25bps	-25bps
Derivative financial instruments	37	(37)	27	(27)
Unicredit	8	(8)		
Banco Popolare	29	(29)		
Loans	(26)	26	(19)	19
Unicredit	(9)	9		
Banco Popolare	(17)	17		
TOTAL	11	(11)	8	(8)

It is noted that following the significant reduction in interest rates compared to the previous financial year, a spread rate of +/- 25 bps was used for sensitivity purposes, rather than +/- 50 bps since a shift of +/- 50 bps, would in fact have made the negative rates in the downside scenario.
Moreover, 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 31.12.2012	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)	(1,508)					
Banco popolare	(3,027)	(1,519)	(1,508)					
Short-term	(3,240)	(3,240)						

financial liabilities								
Total	(30,383)	(28,857)	(1,526)					

separate balance sheet as at 31.12.2011	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	(21,182)	(21,182)						
Derived financial instruments	(246)	(110)	(75)	(61)				
Unicredit	(21)	(21)						
Banco popolare novara	(225)	(89)	(75)	(61)				
Loans	(7,855)	(3,266)	(1,547)	(3,042)				
Unicredit	(1,692)	(1,692)						
Banco popolare	(6,163)	(1,574)	(1,547)	(3,042)				
Short-term financial liabilities	(2,281)	(2,281)						
Total	(31,564)	(26,839)	(1,622)	(3,103)				

As of December 31, 2012 the Company had available credit lines of credit for 7,570 thousand euros almost fully utilized and factoring lines of credit for 4,000 thousand Euros used for 179 thousand euros.

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 31.12.2012	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)

Separate balance sheet as at 31.12.2011	Balance	Expiring	0-30 days	31-60 days	61-180 days	181-365 days	More than 365 days	Individual impairments
Environment division	33,234	27,954	1,641	1,307	454	636	1,794	(552)
Total trade receivables	33,234	27,954	1,641	1,307	454	636	1,794	(552)

The total value of guarantees granted by third parties, mainly in the form of bank guarantees, in the face of the outstanding payables to third parties amounted to 168 thousand euro (178 thousand euro at 31 December 2011).

(14) EQUITY

The following chart shows the composition of the equity of the Company as at 31 December 2013 76,784 thousand euros:

Equity items	31/12/2012	31/12/2011	Variation
Share capital	48.204	48.204	0
Share premium provision	24.547	24.547	0
Legal reserve	1.733	1.618	115
FTA reserves	(279)	(279)	0
Extra-ordinary reserve	335	335	0
Translation reserve	273	155	118
Actuarial profit/(loss) provision IAS 19 R	(2.564)	(2.564)	0
Net merger difference	7.122	5.813	1.309
Previous financial year profit/(loss)	(2.587)	2.305	(4.892)
Total	**76.784**	**80.134**	**(3.350)**

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:

		composition		
Equity items	**31/12/2012**	**Contributions of members**	**profit**	**Other nature**
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	273	0	0	273
Treasury shares reserve	(2.564)	0	(2.564)	0
Previous financial year profit/(loss)	7.122	0	7.122	0
Total	**79.371**	**46.330**	**17.139**	**15.902**

Equity items	distributable	Distributable with limits	Non distributable
Share capital	0	0	48.204
Premium share provision	0	24.547	0
Legal reserve	0	0	1.733
Extra-ordinary reserve	335	0	0
Translation reserve	0	0	273
Previous financial year profit/(loss)	7.122	0	0
Totali	**7.457**	**24.547**	**50.210**

Alla data del 01.01.2012 il capitale sociale era costituito da 92.700.000 azioni ordinarie per un controvalore di 48.204 migliaia di euro; al 31.12.2012 il capitale sociale risulta invariato e quindi costituito da 92.700.000 azioni ordinarie per un controvalore di 48.204 migliaia di euro.

La riserva sovrapprezzo azioni è distribuibile nel limite previsto dall'art. 2431 c.c..

La riserva legale è utilizzabile esclusivamente a copertura perdite.

Alla data del 31.12.2012 la Società ha acquistato n. 4.635.173 azioni proprie (pari al 5% del capitale sociale) ad un controvalore complessivo di 2.564 migliaia di euro. L'acquisto è avvenuto ai sensi degli art. 2357 e 2357 ter c.c. nonché ai sensi dell'art.132 del D. Lgs 58/1998.

As of 1 January, 2012 the share capital consisted of 92,700,000 ordinary shares with a value of 48,204 thousand Euros; at 31 December 2012 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 2012, 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

Long-term financial liabilities amounting to € 3,029 thousand at December 31, 2012, have been completely expired during the year, or they only leave the amount that will be paid in 2013 (see note 20).

The composition at the end of last year was as follows:

Long term financial liabilities	Over 12 months	Over 5 years	Total
Banco Popolare	3.000	0	3.000
Unicredit	0	0	0
Fair Value derivati IRS	29	0	29
Totali	**3.029**	**0**	**3.029**

Banco Popolare Financing:

- type of financing: unsecured mortgage
- original amount: EUR 15,000,000
- Duration: 60 months
- installment: semi-annual
- applied rate: Euribor 3 months + 1,00% spread
- expiration: July 2013
- residual debt at 31/12/2012: 3,000 thousand euro.
- coverage: 4.90% rate.

The outstanding loan is not secured by collateral on Company assets and does not include covenants.

(16) Provisions for risks and charges

Provisions for risks and charges	31/12/2011	provision	use	31/12/2012	variation
Future risks and charges provision	97	0	0	97	0
Total	**97**	**0**	**0**	**97**	**0**

Provisions for risks and charges are recorded under non-current liabilities for a total of 97 thousand Euros and refer to tax litigation at 31 December 2012.

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 58 million Euros (77 million Euros in 2011) 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 the general assessment of the Revenue Agency, related to Sadi Servizi Industriali 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.

Finally, for the aforementioned three disputes, the hearing will be held on 1.7.2013, where issues of law related to the dispute will be discussed.

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.

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 bodiesorgans. 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 2011, 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 Sadi Servizi Industriali 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 the Company 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 the Company stating that: "the private agreement attached to the injunction should not have been taxed."

The ruling in favour of the Company was appealed by the Office. ATH appeared before judgment . Even in such a case the Company 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 the Company will appeal wthin the times provided by the regulations.

(17) Provision for employee benefits

The following table shows the movements on the termination benefit during the year, also showing the effects of applying IAS 19 to the Provisionat 31 December 2012.

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

Termination benefit provision	31/12/2012	31/12/2011	Variation
Previous year provision	517	544	(27)
Amount accrued and recorded in the income statement	234	195	39
Advances, liquidations	(25)	(47)	22
Transfer to supplementary pension provisions	(191)	(173)	(18)
Re-evaluation of termination benefit substitute tax	(3)	(3)	0
Discounting	46	1	45
Total	**578**	**517**	**61**

The severance indemnities are recognized as non-current liabilities totaling 578 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 Sadi

Servizi Industriali Spa 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 obigation was derived dall'indice 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 2012 a constant annual rate of 2.40% was used (instead, a rate of 4.25% was used for 2011).
With regard to the determination of the discount rate, it should be noted that from the valuations adopted to the previous 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 2012 bonds with a minimum rating of A were taken as a reference.
If the same references for the previous 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
Reaching the minimum requirements of 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%.

(18) Deferred tax liabilities

Deferred tax provision	**31/12/2012**	**31/12/2011**	**Variation**
Deferred tax provision	123	151	(28)

Total	**123**	**151**	**(28)**

The liabilities that gave rise to the deferred tax provision are as follows, unchanged from the previous year:

Description	31/12/2011	increase	decrease	31/12/2012	Variation
Interests	446	0	0	446	0
Termination Benefit Amendments	102	0	(102)	0	(102)
Total	**548**	**0**	**(102)**	**446**	**(102)**

Deferred taxes had the following changes:

Description	31/12/2011	increase	decrease	31/12/2012	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 change of last year had instead been as follows:

Description	31/12/2010	increase	decrease	31/12/2011	Variation
Fondo imposte differite interessi di mora	123	0	0	123	0
Fondo imposte differite T.f.r. Ias	28	0	0	28	0
Totale	**151**	**0**	**0**	**151**	**0**

The considered regional business tax (IRES) rate was 27.5%

The provision for deferred taxes, amounting to 123 thousand euros, includes provisions for taxation of positive components charged to the income statement, but taxable in subsequent years.

Current liabilities

(19) Short-term financial liabilities

Short-term financial liabilities	31/12/2012	31/12/2011	Variation
Financial liabilities towards subsidiaries	0	5.381	(5.381)
Advances account Banca Intesa Spa	3.433	3.044	389
Credito Bergamasco Spa	714	449	265
Unicredit	2.526	1.832	694
Banco Popolare	35	0	35
Debts towards/mediofactoring	179	0	179
IRS derivatives fair value	72	217	(145)
Totali	**6.959**	**10.923**	**(3.964)**

Short-term financial liabilities of € 6,959 thousand (€ 10,923 thousand at December 31, 2011) consist of bank payables of € 6,708 thousand, payables to companies of € 179 thousand and Fair Value of Derivative contract signed for hedging purposes for a total of € 72 thousand.

The interest-bearing financial debt to the subsidiary Ecoitalia S.r.l. For a total of 5,381 thousand euros was completely extinguished during the year as a result of some intercompany clearing operations aimed at rationalizing the Group's financial structure.

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

Medium- long-term payables towards banks	31/12/2012	31/12/2011	Variation
Unicredit	0	1.677	(1.677)
Banco Popolare	3.000	3.000	0
Total	**3.000**	**4.677**	**(1.677)**

The amount includes the current portion of the long-term financing for a total of € 3,000 thousand already described in the previous point (see note 15).

(21) Trade payables

Payables towards suppliers	31/12/2012	31/12/2011	Variation
Italy suppliers	11.552	8.525	3.027
Foreign suppliers	2.680	1.960	720
Group suppliers	9.812	10.697	(885)
Total	**24.044**	**21.182**	**2.862**

The payables to Italian suppliers include invoices to be received for the amount of 806 thousand euros (1,520 thousand euros 2011), while those to suppliers abroad include 26 thousand euros for invoices to be received (143 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.

(22) Advances

	31/12/2012	31/12/2011	Variation
Advances for contract work in progress	61	62	(1)
Total	**61**	**62**	**(1)**

Advance payments for work in progress are related to the invoice payable for advances received by customers.

(23) Other liabilities

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

Other liabilities	31/12/2012	31/12/2011	Variation
Payables for other taxes and retentions	205	179	26
Payables to social security and assistance institutuions	272	234	38
Payables to employees, auditors and directors	870	697	173
Payables to Orbassano municipality	1.256	917	339
Payables for tax consolidation	62	0	62
Accrued income and pre-paid expenses	840	987	(147)

Total	3.505	3.014	491

Accrued expenses and deferred income of € 840 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, 2012 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 1,256 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 2009-2012.

Information on Income Statement

(24) REVENUES

Description	31/12/2012	31/12/2011	Variation
reclamation	10.146	12.567	(2.421)
Transport and disposal services	29.606	26.446	3.160
Electricity production (biogas)	1.182	2.003	(821)
Disposal performance at subsidiaries	1.606	2.046	(440)
Disposal services by affiliated companies	841	720	121
Performance for other group companies	216	577	(361)
Waste transportation services	877	833	44
Other services	566	83	483
Laboratory analysis	140	161	(21)
Other revenues	96	8	88
Special Regional Tribute	98	104	(6)
Different performance at subsidiaries	50	56	(6)
Different performance with affiliates	0	3	(3)
various Performance with other group companies	77	86	(9)
Total	**45.501**	**45.693**	**(192)**

Below is a breakdown of other revenues:

Other revenues	31/12/2012	31/12/2011	Variation
Gains on disposal	0	2	(2)

Contingent assets	186	163	23
Cost recovery from insurance compagnie	17	12	5
Total	**203**	**177**	**26**

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

(25) OPERATING EXPENSES

The composition of the main items is as follow:

Operating expenses	31/12/2012	31/12/2011	Variation
Purchase of raw materials, semi-finished goods and others	2.027	1.484	543
Services	36.643	35.893	750
Labour cost	4.304	3.832	472
Other operating expenses and provisions	2.455	1.017	1.438
Amortisation and depreciation	1.542	1.556	(14)
Total	**46.971**	**43.782**	**3.189**

Following there is 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	31/12/2012	31/12/2011	Variation
Reagents	603	652	(49)
Environment commissions	288	71	217
Subsidiary materials	592	232	360
Automotive materials	248	211	37
Maintainance materials	2	5	(3)
Workshop materials	131	116	15
Chemistry laboratory material	32	65	(33)
Services materials	126	129	(3)
Other materials	5	3	2
Total	**2.027**	**1.484**	**543**

Provision of services

Service costs are summarized in the following chart:

Provision of services	31/12/2012	31/12/2011	Variation
Waste disposal and transport expenses	14.575	9.456	5.119
Other services	4.252	6.675	(2.423)
Operating services from subsidiaries	4.693	5.468	(775)
Operating services from reated companies	5.473	6.738	(1.265)
Operating services from group companies	444	694	(250)
Maintenance and repairs	1.312	1.518	(206)
Project collaboration workers	1	1	0
Consulting and performances	932	919	13
Directors' pay and contribution	180	146	34
Commissions	2	2	0
Statutory auditors' pays	86	186	(100)
Vigilance tool pays	25	24	1

Promotion and advertisment expenses	41	75	(34)
Insurances	448	407	41
Services and consumptions	1.302	1.085	217
Travels and accomodations	241	188	53
Other services from subsidiaries	256	235	21
Other services from parent company	2.317	2.074	243
Other services from Group companies	63	2	61
Totali	**36.643**	**35.893**	**750**

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	31/12/2012	31/12/2011	Variation
Pays	2.955	2.578	377
Social expenses	988	895	93
Termination benefit	259	174	85
Other personell expenses	102	185	(83)
Total	**4.304**	**3.832**	**472**

Other operating expenses and provision

Other operating expenses and provisions	31/12/2012	31/12/2011	Variation
Use of third party assets	547	405	142
Use of subsidiaries assets	502	209	293
Use of other group companies assets	451	401	50
Doubtful accounts	98	0	98
Non-income taxes	435	444	(9)
Subscriptions and membership fees	27	54	(27)
Other managing expenses	106	118	(12)
Contingent liabilities	283	239	44
Issuing debt for unpaid taxes	0	(860)	860
Losses	6	7	(1)
Total	**2.455**	**1.017**	**1.438**

The adjustment of costs for 860 thousand Euros in 2011 was due to the issuance of a debt related to the litigation against the City of Orbassano, since, in ruling no. 280/2011 filed on 28 October 2011, the Constitutional Court declared the art. 16 of the L.R. Piedmont no. 18/1986 as constitutionally unlawful (in the text in force at the time), for imposing on waste treatment plants operators, in contrast to Art. 23 and 119 Cost, a capital outlay outside a specific state law provision.

Ammortisation and depreciation

Amortisation and depreciation	31/12/2012	31/12/2011	Variation

Tangible amortisation	1.530	1.529	1
Intangible amortisation	12	27	(15)
Total	**1.542**	**1.556**	**(14)**

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

(26) Financial profit/(loss)

	31/12/2012	31/12/2011	Variation
Financial revenues and expenses	(267)	(31)	236
Total	**(267)**	**(31)**	**236**

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	31/12/2012	31/12/2011	Variation
Bank interest income	1	5	(4)
Subsidiaries interest income	425	443	(18)
Interest income towards customers	0	38	(38)
Total	**426**	**486**	**(60)**

Financial expenses are composed as follows:

Financial expenses	31/12/2012	31/12/2011	Variation
Bank account interest liabilities	155	107	48
Advances interest liabilities	154	0	154
Factoring commissions	93	48	45
Loans interest liabilities	94	242	(148)
Other interest liabilities	16	4	12
Termination benefit financial expenses	21	22	(1)
Related companies interest liabilities	12	0	12
Subsidiaries interest liabilities	106	105	1
Bank charges	38	18	20
Total	**689**	**546**	**143**

Below the breakdown of derivatives:

Derivative interests	31/12/2012	31/12/2011	Variation
Derivative contracts revenues	174	394	(220)
Derivative contracts expenses	(178)	(365)	187
Total	**(4)**	**29**	**(34)**

(27) Profit/(loss) on investments

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

Profit/(loss) on investments	31/12/2012	31/12/2011	Variation
Related companies dividends	434	1.120	(686)
Subsidiary dividends	1.300	0	1.300
Write-down of investments	(3.337)	(1)	(3.336)
Total	**(1.603)**	**1.119**	**(2.722)**

Dividends from associated companies refer to the investment in Barricalla S.p.A

Dividends from subsidiaries correspond to what was approved by the Extraordinary Shareholders' Meetings of December 5, 2012 of the companies Ecoitalia S.r.l. (€ 1,000 thousand) and Cogiri S.r.l. (€ 300 thousand).

The write-down of equity investments includes the write-down of investments in subsidiaries Tekna S.r.l. For 1 thousand euros, Valdastico Immobiliare S.r.l. For 1.802 thousand euros and La Torrazza S.r.l. for 1,534 thousand Euros, already described in paragraph 4 of these Explanatory Notes.

(28) Income taxes

Financial year income taxes	31/12/2012	31/12/2011	Variation
Current taxes	103	932	(829)
Expenses (revenues) from tax consolidation	(321)	0	(321)
Refund taxes	(257)	0	(257)
Advanced/(deferred) taxes	(76)	(62)	(14)
Total	**(551)**	**870**	**(1.421)**

This item includes current taxes for a total of 103 thousand Euros (932 thousand Euros in 2011) and deferred taxes totaling 76 thousand Euros (net issuance of 62 thousand Euros in 2011), calculated according to the regulations and rates applicable at the closing date of these financial statements.

On the composition of deferred tax assets, please refer to the comments made in previous paragraphs 6 and 18.

The item tax refunds refer to the income generated by the instance of IRES repayment of which information has already been given.

RECONCILIATION OF THEORETICAL TAX BURDEN AND BUDGET TAX

IRES			
Income before taxes from financial statements			(3.137)
			TAXES
Rate and theoretical tax	27,50%		(863)
Increasing variations			3.860
Decrease in dividends			(1.662)
Other decreasing variations			(180)
Taxable income			(1.120)
Loss of previous years		-	
Taxable income			(1.120)
Actual rate and tax	**9,82%**		**(308)**

Taxes of consolidated companies		**321**	
Actual IRES from tax consolidation		**13**	
Result from net operating margin plus labor cost and bad debt provision			
IRAP			
Result from net operating margin plus labor cost and bad debt provision			3.134
			TAXES
Rate and theoretical tax	3,90%		122
Increasing variations			661
decreasing variations			(6)
Tax breaks for benefits (Inail and Tax Wedge)			(1.492)
Calculation base for IRAP tax			2.297
Actual rate and tax	**2,87%**		**90**

Data on employment

Average personell	**Average 2012**	**31/12/2012**	**31/12/2011**
Directors	4	4	4
Employees	37	38	35
Workers	34	38	31
Total	75	80	70

At the end of the financial years, the company workforce no. 80 employees, of which: no. 4 directors, no. 38 employeer and no. 38 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:

	2012		*2011*	
(in thousands of Euros)	**Directors**	**Auditors**	*Directors*	*Auditors*
Position payments	*160*	*80*	*140*	*183*
Commitee partecipation and special assignments	*8*	*6*	*8*	*3*
Pays and other benefits	*235*	*0*	*192*	*0*
Total	**403**	**86**	**340**	**186**

ALTRE INFORMAZIONI

OTHER INFORMATION

BALANCE SHEET REPORT WITH RELATED PARTIES – CONSOB COMMUNICATION N.° DEM/6064293 DEL 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:

	2012 trade receivables		2011 trade receivables	
Company	**Within 12 months**	**Beyond 12 months**	**Within 12 months**	**Beyond 12 months**
- Parent Company	1	-	-	-
Green Holding S.p.A.	1	-	-	-
- Subsidiaries	**1.125**	**-**	**1.064**	**-**
La Torrazza S.r.l.	115	-	14	-
Blu Ambiente S.r.l.	21	-	8	-
Ecoitalia S.r.l.	98	-	93	-
Bioagritalia S.r.l.	4	-	4	-
Green Piemonte S.r.l.	32	-	32	-
Sadi Poliarchitettura S.r.l.	-	-	818	-
Valdastico Immobiliare S.r.l.	833	-	-	-
Cogiri S.r.l.	22	-	95	-
- Related companies	**792**	**-**	**273**	**-**
Barricalla S.p.A.	792	-	273	-
- Other group companies	**18.516**	**-**	**17.411**	**-**
Gea S.r.l.	1	-	4	-
Ind.Eco S.r.l.	6	-	-	-
Aimeri S.p.A. in liquidazione	903	-	760	-
Cea Engineering S.r.l.	82	-	81	-
Aimeri immobiliare S.p.A.	26		21	-
Rea Dalmine S.p.A.	-	-	-	-
San Martino Green Spa	-	-	-	-
Noy Ambiente S.r.l.	-	-	1	-
TR Estate Due S.r.l.	17.498	-	16.544	-
-other related parties	**415**	**205**	**654**	**-**
Alfa Alfa S.r.l.	355	-	329	-
Plurifinance S.r.l.	60	205	325	-
Total	**20.849**	**205**	**19.402**	**-**

Company	2012 trade payables		2011 trade payables	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- parent Company	**733**	-	**893**	**-**
Green Holding S.p.A.	733	-	893	-
- Subsidiaries	**3.322**	**-**	**5.332**	**-**
La Torrazza S.r.l.	2.129	-	4.870	-
Bioagritalia S.r.l.	2	-	3	-
Blu Ambiente S.r.l.	270	-	323	-
Ecoitalia S.r.l.	612	-	30	-
Cogiri S.r.l.	309	-	106	-
- Related companies	**4.702**	**-**	**2.532**	**-**
Barricalla S.p.A.	4.702	-	2.532	-
- other group companies	**1.022**	**-**	**1.560**	**-**
Gea S.r.l.	449	-	841	-
Rea Dalmine S.p.A.	4			
Ind.Eco S.r.l.	449	-	639	-
Noy Ambiente S.p.A.	120	-	72	-
Cascina Ovi S.r.l.	-	-	1	-
Walde Ambiente S.p.A.	-	-	7	-
- other related parties	**33**	**-**	**380**	**-**
Plurifinance S.r.l.	-	-	315	-
Alfa Alfa S.r.l.	33	-	65	-
Total	**9.812**	**-**	**10.697**	**-**

Revenues

Company	2012	2011
- Subsidiaries	**2.082**	**2.544**
La Torrazza S.r.l.	321	237
Blu Ambiente S.r.l.	431	719
Ecoitalia S.r.l.	778	907
Sadi Poliarchitettura S.r.l. *	52	80
Valdastico Immobiliare S.r.l.	15	-
Bioagritalia S.r.l.	36	36
SI Green UK	114	99
Cogiri S.r.l.	335	466
- Related companies	**841**	**723**
Barricalla S.p.A.	841	723
- Other companies of the group	**1.247**	**2.566**
Gea S.r.l.	72	262
Ind.Eco S.r.l.	65	73
Aimeri S.p.A. in liquidazione	130	324
Cea Engineering S.r.l.	-	3
Aimeri Immobiliare S.p.A.	26	-
TR Estate Due S.r.l.	954	1.904
Total	**4.170**	**5.833**

* Sadi Poliarchitettura Srl has been disposed of with effect from October 1, 2012

Expenses

Company	2012	2011
- SParent Company	**2.337**	**2.095**
Green Holding S.p.A.	2.337	2.095
- Subsidiaries	**5.556**	**6.018**
Blu Ambiente S.r.l.	461	282
Bioagritalia S.r.l.	2	1
La Torrazza S.r.l.	4.299	5.245
Ecoitalia S.r.l.	626	309
Cogiri S.r.l.	168	181
- related companies	**5.484**	**6.738**
Barricalla S.p.A.	5.484	6.738
- other companies of the group	**540**	**711**
Gea S.r.l.	317	571
Ind.Eco S.r.l.	91	77
Aimeri S.p.A. in liquidazione	-	2
Rea Dalmine S.p.A.	4	1
Cascina Ovi S.r.l.	16	15
Noy Ambiente S.p.A.	58	45
Walde Ambiente S.p.A.	54	-
- other related parties	**433**	**401**
Alfa Alfa S.r.l.	373	366
Plurifinance S.r.l.	60	35
Total	**14.350**	**15.963**

It is noted that the revenues and expenses expressed in the charts above include net financial revenues amounting to 308 yhousand euros as at 31.12.2012 and 337 thousand euros as at 31.12.2011.

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 Sadi Servizi Industriali 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).
- 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 'Frati (CR).
- BLU AMBIENTE S.r.l.: Costs incurred by Sadi Servizi Industriali relate to the treatment and disposal of waste from various orders and building sites; Revenues relate to the treatment and dis-

posal of hazardous and non-hazardous waste of industrial origin for subsequent dispatch to final plants as well as for interest on financial receivables.

- COGIRI S.r.l.: The costs incurred by Sadi Servizi Industriali are related to the disposal of landfill sites and the analysis of some types of samples, as well as the use of a mobile plant for the chemical-physical treatment and filtration of water; Revenues are related to sludge disposal as well as interest on financial receivables.
- ECOITALIA S.r.l.: The costs incurred by Sadi Servizi Industriali are related to the services of surveillance and supervision of certain reclamation and safe-keeping of sites as well as the use at the landfill sites of the plants owned by the subsidiary, the provision of a commercial vehicle, the construction management for the realization of new biological compartment in Orbassano, intermediation with waste disposal in GEA; Revenues are related to the disposal of leachate and some types of waste, as well as to the analysis of some types of samples.
- SI GREEN UK LIMITED: revenues relate to interest income on financial receivables.
- LA TORRAZZA S.r.l.: the costs incurred by Sadi Servizi Industriali 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 by Sadi Servizi Industriali are related to waste disposal contracts; Revenues are related to the disposal of leachate by Sadi Servizi Industriali 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 Revenues refer to services of leachate disposal as well as technical services for the biogas management
- IND. ECO SRL: The costs relate mainly to a contract for the sale of biogas to the Group, while revenues relate to a contract for the di provision of a sweeper
- AIMERI S.p.A.: in liquidation: revenues refer to leachate disposal services from post-closure landfills
- TR ESTATE DUE SRL: The amounts shown relate to the reclamation contract entrusted to the Temporary Group of Companies, of which the Company is a leader, which is already mentioned in the section on trade receivables - note 9.
- NOY AMBIENTE SPA: The costs refer to electrical engineering services aimed at checking and adjusting the electrical system at the Orbassano Platform., Engineering performance for major machines and graphic representation site of Orbassano.
- CASCINA OVI Srl: Costs relate to representation expenses incurred at the restaurant.
- ALFA ALFA SRL: The costs refer mainly to contracts for the provision of means of labor and, marginally, to rental contracts for cars with or without driver.
- PLURIFINANCE SRL: the costs relate to a lease of a building for the storage of vehicles and industrial equipment.

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 Sadi Servizi Industriali earn interest and are summarized below:

Financial Receivables

Company	Financial receivables 31.12.2012		Financial receivables 31.12.2011	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Subsidiaries	**5.918**	**6.121**	**17.479**	**5.248**
La Torrazza S.r.l.	0	0	30	
Blu Ambiente S.r.l.	120	0	12.872	0
Ecoitalia S.r.l.	2.048	0	0	0
SI Green UK	10	6.121	102	5.248
Sadi Poliarchitettura S.r.l.	0	0	3.914	0
Valdastico Immobiliare S.r.l.	3.102	0	0	0
Cogiri S.r.l.	638	0	561	0
Total	**5.918**	**6.121**	**17.479**	**5.248**

Financial Payables

Company	Financial payables 31.12.2012		Financial payables 31.12.2011	
	Within 12 months	Beyond 12 months	Within 12 months	Beyond 12 months
- Subsidiaries	**0**	**0**	**5.382**	**0**
Ecoitalia S.r.l.	0	0	5.382	0
Total	**0**	**0**	**5.382**	**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.	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
Totale	**380**	**62**	**59**	**380**

Significant non-recurring events and transactions

Note that except for the divestment and partial disposal of Sadi Poliarchitettura S.r.l., included in note 4 "Equity investments", no significant and / or non-recurring transactions were carried out during the year.

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

	Party providing the service	Recipient	Fees for the year 2012
Audit	PricewaterhouseCoopers SpA	Sadi Servizi Ind. S.p.A.	98
Audit	PricewaterhouseCoopers SpA	Controllate	67
Other auditing services	PricewaterhouseCoopers SpA	Sadi Servizi Ind. S.p.A.	23
Other services	PricewaterhouseCoopers Advisory SpA	Sadi Servizi Ind. S.p.A	20
Total			**208**

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

The undersigned Piergiorgio Cominetta, as Managing Director, and Marina Carmeci, as Manager in charge of preparing the financial reports of Sadi Servizi Industriali SpA, 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 2012.

It is also certified that the consolidated financial statements at December 31, 2012:

- 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 2013

Piergiorgio Cominetta	Marina Carmeci
Managing director	Manager in charge of preparing the financial reports