Annual Accounts 2014

ENGINEERING

Financial Statements
ENGINEERING INGEGNERIA INFORMATICA

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AUDITORS' REPORT
PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Engineering Ingegneria Informatica S.p.A.

1. We have audited the financial statements of Engineering Ingegneria Informatica S.p.A., which comprise the statement of financial position as of December 31, 2014, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 28, 2014.

3. In our opinion, the financial statements give a true and fair view of the financial position of Engineering Ingegneria Informatica S.p.A. as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. The Directors of Engineering Ingegneria Informatica S.p.A. are responsible for the preparation of the report on operations and the annual report on corporate governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the financial statements of Engineering Ingegneria Informatica S.p.A. as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Cherubini
Partner

Rome, Italy
March 30, 2015

This report has been translated into the English language solely for the convenience of international readers.

Directors' report to the Financial Statements at December 31, 2014

I. Corporate boards

BOARD OF DIRECTORS

The Ordinary Shareholders' Meeting of April 24, 2012 re-appointed the Board of Directors and the Ordinary Shareholders' Meeting of April 24, 2013 for the three-year period 2012-2014, reducing the number of Directors from 11 to 10; at the date of approval of the financial statements 2014 the members are:

Michele Cinaglia	Chairman
Paolo Pandozy	Chief Executive Officer
Marilena Menicucci	Director
Armando Iorio	Executive Director
Giuliano Mari	Independent Director
Dario Schlesinger	Independent Director
Alberto De Nigro	Independent Director
Massimo Porfiri	Independent Director
Christoph Sebastian Stephan Giulini*	Independent Director
Joerg Zirener*	Independent Director

* The appointment of the two Directors was resolved during the Ordinary Shareholders' Meeting held on May 15, 2014.

The so-called "one-tier" system of governance adopted by Engineering Ingegneria Informatica S.p.A. requires that the Internal Control and Risk Management Committee, established within the Board of Directors, be entirely composed of independent Directors. The Remuneration Committee, the Appointments Committee and the Committee for Transactions with Related Parties are comprised only of independent Directors.

Secretary
Luca Sabelli

LEAD INDEPENDENT DIRECTOR
Giuliano Mari

DIRECTOR IN CHARGE OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM
Paolo Pandozy

INTERNAL CONTROL AND RISK MANAGEMENT COMMITTEE
Chairman
Massimo Porfiri
Members
Alberto De Nigro
Dario Schlesinger

REMUNERATION COMMITTEE

Chairman
Giuliano Mari
Members
Massimo Porfiri
Alberto De Nigro

APPOINTMENTS COMMITTEE

Chairman
Giuliano Mari
Members
Massimo Porfiri
Dario Schlesinger

COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES

Chairman
Massimo Porfiri
Members
Alberto De Nigro
Dario Schlesinger

SUPERVISORY BOARD

Chairman
Massimo Porfiri
Members
Alberto De Nigro
Dario Schlesinger

EXECUTIVE RESPONSIBLE

Armando Iorio

INDEPENDENT AUDITORS

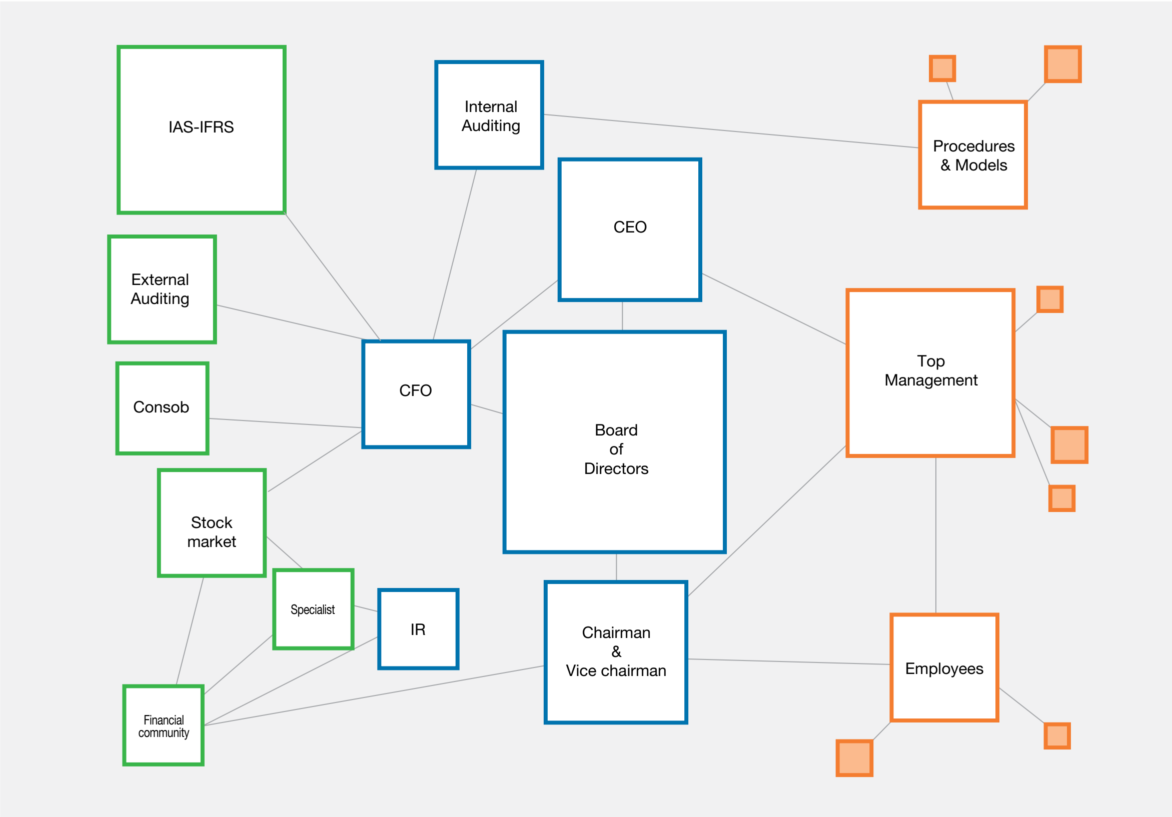
Deloitte & Touche S.p.A.

SPECIALIST

Banca IMI S.p.A.

II. Corporate Governance

In 2014, the Corporate Governance system used in Engineering Ingegneria Informatica S.p.A. continued to be in line with the principles and application criteria contained in the new edition of the self-governance code for Italian listed companies, drawn up by Borsa Italiana and published in December 2011 and subsequent amendments and integrations until January 2015, along with relevant CONSOB recommendations and international best practices more generally.
The Annual Corporate Governance Report, which describes the rules and conduct adopted by the Company to ensure the efficient and transparent operation of the governance bodies and the internal control systems, is attached to these financial statements and is also available for consultation at *www.eng.it* (under Investor Relations).



The Corporate Governance system and the Bodies and Offices are established to achieve maximum equilibrium between the needs for flexibility and timeliness in decision making, a high degree of transparency in dealings between the various centres of responsibility and the external entities, and the exact identification of roles and consequent responsibilities.
The Board of Directors, together with the Chairman, the CEO, the CFO and the General Managers represent the meeting point between the Company - comprising the personnel, models, conduct codes and performance - and external parties comprising Control and Compliance bodies and the community of Shareholders and stakeholders in general.
Engineering Ingegneria Informatica S.p.A. adopts a one-tier system, therefore, the Internal Control and Risk Management Committee - established within the Board of Directors - is only composed of independent Directors, providing the public in the Investor Relations section of the Corporate website *www.eng.it* all the documentation relating to the annual Governance report, the Code of Ethics, the organisational model, regulations, protocols and the financial statements. It is consolidated practice for the members of all the other committees recommended by the self-governance code to be independent Directors.

III. Introduction and general information on operations

INTRODUCTION

The report at December 31, 2014, which is subject to the examination of the Board of Directors and subsequently the Shareholders' Meeting, is prepared in compliance with the provisions of the Instructions to Borsa Italiana Regulations.

The financial statements at December 31, 2014 of Engineering Ingegneria Informatica S.p.A. (hereafter also called Engineering or the Company) have been prepared in compliance with the recognition and measurement criteria established under International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), in addition to the IFRIC (International Financial Reporting Interpretation Committee) and SIC (Standing Interpretation Committee) interpretations issued by the International Accounting Standards Boards and adopted by the European Commission as per the procedure set down by Article 6 of Regulation (EC) 1606/2002 of the European Parliament as subsequently modified, and in line with CONSOB Regulation no. 11971 of May 14, 1999.

The detailed description of the accounting principles, assumptions and estimates adopted is provided in the explanatory notes to the financial statements at December 31, 2014 of Engineering Ingegneria Informatica S.p.A, to which reference should be made.

This report uses a number of alternative performance indicators not provided for under IFRS accounting standards, in line with CESR recommendation 05-178b published on November 3, 2005. EBITDA (gross operating income) in particular is determined, with reference to the income statement, as operating income before amortisation and depreciation and write-downs and restructuring charges. EBIT is the operating income.

A number of estimates and assumptions were used in preparing these accounts and were consistently applied for all interim periods presented which affect the financial values reported therein. Where, based on management's best estimate, these estimates and assumptions differ in the future from the actual situation, they will be changed in the period in which the circumstances arise.

The financial statements have been prepared in accordance with the going-concern principle.
The above-stated valuations are founded on the reasonableness principle and take account of market practice, historic experience, the involvement of external consultants and market conditions.

The data relating to the net financial position is compared with the 2013 year-end.

GENERAL INFORMATION ON COMPANY OPERATIONS

Engineering, founded in Padua on June 6, 1980 and listed on the FTSE Italia STAR segment of the Italian Stock Market since December 2000, is one of the largest Italian operators in Information Technology services and is among the top 3 national operators. The business model extends into a number of sectors, including system integration, the provision of organisational consultancy and specialist services, proprietary application solutions, management applications and outsourcing.

It also operates in the outsourcing and cloud computing market through an integrated network of 4 data centres located in Italy.

The Company's market consists of medium to large customers in all primary market segments: Public Administration (central, defence and space), Finance (banks, insurance and SGR), Industry & Services, Telco & Utilities.

The Group plays a leadership role in software research, coordinating a number of national and international projects through a network of scientific partners and universities across Europe. It develops Cloud computing solutions and operates in the Open Source community.

IV. Market overview

ECONOMIC OVERVIEW

In terms of global economy, the growth rate remains positive (+3.3%), driven by the strongest western economies like the USA and Germany, while the growth of the so-called emerging countries is slowing down.

The western countries overcoming the economic crisis are expected to also drive the other countries in the Euro area, also thanks to the lower oil prices and the liquidity introduced into the system by the ECB, which activated an important Quantitative Easing (QE) plan.

Areas of concern that may jeopardise these positive prospects include the crisis in the relations with Russia and the conflict in Ukraine, the Greek situation and, finally, the fundamentalist threat regarding the Mediterranean and Libya in particular.

THE ITALIAN ECONOMY

The phase of recession of the Italian economy is expected to come to an end in the coming months, in the presence of positive signals for domestic demand, as predicted by Istat in the monthly Note on the Italian economy.

The stimulating initiatives taken by the Government and the Jobs Act in particular, together with the measure on IRAP, could allow Italy to overcome the recessionary phase. The labour market is experiencing a phase of overall stagnation. The latest figures on the workforce show essentially stable employment since the start of the year.

Istat confirms the preliminary estimates for 2014, which suggested a 0.4% drop in GDP, even though the figures in the quarterly income statements record a better growth than the previous year. After two years of recession, Italy is predicted to be growing in 2015, with a rise estimated at 0.6% (+1.3% in 2016).

THE IT SECTOR

According to NetConsulting data, the Italian ICT market ended the year 2014 with -2% compared to 2013, while in 2015 the ICT sector is expected to record an increase by one percentage point (+1% compared to the previous year).

With the other European countries innovating rapidly, Italy continues to lag behind as a consequence of the uncertain Digital Agenda, which has not expressed the expected innovation potential yet.

The new study conducted by the Digital Innovation Academy of the School of Management of the Polytechnic of Milan regarding the ICT budget of the main Italian companies shows how the ratio between the ICT budget and the turnover of companies decreased to 2.1% in 2014, compared to the previous 2.5% in 2013. Another drop is predicted also in 2015 by -1.47%, contrary to the international estimates for the ICT market.

Therefore, the general scenario is not positive yet, except for the Cloud, Big Data and Analytics services, which are in the sector in which considerable investments were made.

V. Operational overview

Investments in Research and Innovation are one of the keys to the success of the Company, which is recognised to be a reliable partner, boasting a unique mix of process expertise and technological content aligned to the best and most modern market trends.

The efficient organisation, which is focused on skill enhancement and the centralisation of the software development activities, allows important internal synergies to be achieved, thus guaranteeing the flexible and fast execution of the numerous projects the Company is involved in, with an organisational model that allows us:

- to transfer the investments in technological innovation directly to the delivery, with immediate advantages for our clients;
- to follow the growth of human and professional components;
- express expertise to create application architectures of a high standing;
- to develop in-depth knowledge of our clients' business, whether they are in the private sector or public institutions;
- to have cutting-edge technological infrastructure capable of providing a sustainable competitive advantage;
- to offer vertical solutions capable of competing on the international playing field;
- to rapidly integrate new units as a result of acquisition initiatives.

VI. Financial highlights

KEY RESULTS

(in millions of Euros)

Description	31.12.2014	31.12.2013	Change	
			Amount	%
Total revenues	**709.4**	**710.0**	**(0.6)**	**-0.1**
Net revenues	**679.4**	**688.1**	**(8.7)**	**-1.3**
EBITDA	**86.3**	**86.8**	**(0.6)**	**-0.7**
% of net revenue	12.7	12.6		
EBIT	**60.9**	**51.5**	**9.4**	**+18.2**
% of net revenue	9.0	7.5		
Net profit	**34.1**	**24.1**	**10.0**	**+41.3**
% of net revenue	5.0	3.5		
Shareholders' equity	**368.1**	**347.7**	**20.4**	**+5.9**
Net debt	**69.0**	**(2.3)**	**71.3**	**-3103.9**
% indebitamento/mezzi propri		0.7		
ROE % (N.P/N.E.)	**9.3**	**6.9**	**2.3**	**+33.5**
ROI % (EBIT/N.C.E.)	**19.7**	**14.4**	**5.3**	**+36.6**
No. of employees	**6,122**	**6,023**	**99**	**+1.6**

Total revenues came to Euro 709.4 million, substantially unchanged compared to 2013 (Euro 710 million).

Net revenues of Euro 679.4 million decreased slightly by 1.3% compared to 2013 (Euro 688.1 million), while EBITDA reached Euro 86.3 million, substantially unchanged compared to the previous year (Euro 86.8 million).

EBIT amounted to Euro 62.5 million, after depreciation, amortisation and provisions (Euro 23.7 million), recording an increase of Euro 11.1 million compared to 2013 (Euro 51.5 million).

The net profit at December 31, 2014 was Euro 35.6 million, increasing by Euro 11.1 million compared to 2013.

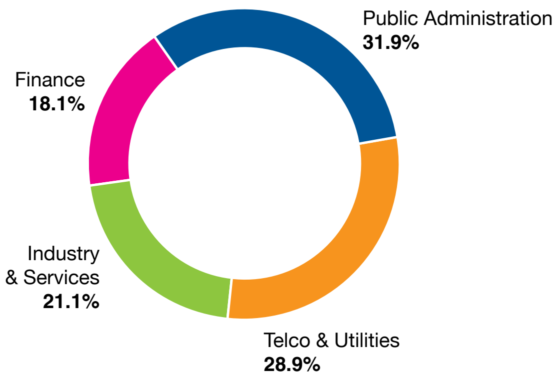
The net financial position at December 31, 2014 reached Euro 69 million compared to -2.3 million of last year. This is a very important result, which had never been reached before and was obtained by shortening the collection terms.

Revenue per market segment

The table below summaries the breakdown of revenue by market segment.

Description (Importi in euro)	31.12.2014		31.12.2013		Change
		%		%	%
Total revenues					
Finance	123,173,229	+18.1%	122,691,628	+17.8%	+0.4
Public Administration	216,289,609	+31.9%	220,940,992	+32.1%	-2.1
Industry & Services	143,574,156	+21.1%	140,288,077	+20.4%	+2.3
Telco & Utilities	196,371,773	+28.9%	204,154,010	+29.7%	-3.8
Net revenues	**679,408,767**	**+100.0%**	**688,074,708**	**+100.0%**	**-1.3**
Other revenues	29,969,727		21,879,531		+37.0
Total revenues	**709,378,494**		**709,954,239**		**-0.1**

NET REVENUES



FINANCE

The Finance market was affected by the persisting uncertainty of the European macroeconomic scenario and by the difficulties encountered by some banks in respecting the set capital requirements.

The direct consequence of this scenario for IT was that the expenditure budget became focused on items regarding the compliance with the regulatory obligations and the achievement of the objectives of efficiency and competitiveness by innovating the processes and extensively using digital technologies.

Engineering addressed the market needs by renewing its offer according to guidelines that are inspired by the digital transformation and the optimisation of process workflows and application performance.

The main results attained include:

- the transformation of the proprietary solutions in the Customer & Credit area into factors that enable process innovation in line with an omnichannel strategy by using a service logic that allows the optimisation of the customer experience and a prompt response to market changes;
- the optimisation of the proprietary Compliance & Governance solutions through the redesign of the supported processes, the structural adjustment to state-of-the-art technological platforms and the use of evolved analytics techniques;
- the evolution of the outsourcing services with a cloud computing approach;
- the support to innovative business models based on the integration between the traditional information assets and those regarding the behaviour of users on digital channels, through the integration of social networks and the use of Big Data management techniques.

In quantitative terms the year 2014 ended with results that are essentially in line with expectations; indeed, the negative effect of the budget cuts of some large clients was offset by the positive results of the numerous initiatives aimed at consolidating our asset portfolio.

In particular, the outsourcing services specialised in the Compliance & Governance and Assets Under Management areas, and the Test Factory services focusing on the Insurance area, recorded significant appreciation in the relevant market segments thanks to the quality of the mix expressed in terms of skills, proprietary solutions and technological infrastructure.

A positive contribution also came from the consolidation of the organisational model based on enhancing the expertise in the territory and the operating synergies with the Corporate expertise centres and other units in the Group.

The solid position achieved is confirmed by the fact that all the main players in the various segments of our market are included in our portfolio of clients, and by the positive booking results, also in the long-term.

PUBLIC ADMINISTRATION

Engineering confirmed its main role as technological partner of the Public Administration, in the areas of Central Governments, Local Authorities and Healthcare organisations.

This leading position became consolidated by successfully facing the challenges posed continuously by the public sector with requests to evolve the information technology systems, challenged by the increasingly strong regulatory, institutional and organisational discontinuity, in a context that is still characterised by limited budgets compared to the set objectives.

In this scenario, Engineering has based its leadership on its in-depth knowledge of Public Administration processes and organisation, thus being able to produce a very extensive portfolio of ever new applicative solutions, using the most advanced technological solutions.

A decisive role is played by the close connection with Research activities, particularly on the subject of the smart city areas, in which our leading technological position is confirmed by us being a European reference company for the Future Internet programme.

The main events occurred in 2014 with specific reference to the three areas of Central Governments, Local Authorities and Healthcare organisations are listed below:

- In the Central Government sector, Engineering confirmed its role as reference Company for the upgrading of the processes, with specific focus on social security institutions (INPS, INAIL) where it revitalised its presence through application and infrastructural services. Another important confirmation comes from the renewed trust from the Court of Auditors;

- In the area of Local Public Administration, Engineering intervened heavily in favour of Local Authorities on subjects such as administration streamlining, dematerialisation and de-certification. In this segment in particular, important institutions, such as the Emilia Romagna regional board, confirmed Engineering's primary role. Considerable impetus also came from the authorities' will to actually implement the Digital Agenda, especially on the subject of Smart Cities and Big Data.

- In the Healthcare sector, Engineering confirmed its position as reference partner for the "e-health" of the Regional Health Systems and the relevant health units. It also started the creation of the healthcare information system of the Republic of San Marino, which puts this area at the forefront inside the community of Small States. Finally, it started a process of in-depth upgrading of its application suite supporting clinical-health-social security, administrative and executive processes.

INDUSTRY & SERVICES

The service and manufacturing sector did not record signs of recovery in 2014, as it continues to be linked to an attitude of great prudence and attention to costs.

Once again it became clear how only the companies that address the international market pay great attention to innovation and constitute interesting opportunities for our offer.

In this context the Company was able to give value to the Group's offer and consolidate its position, particularly by focusing on:

- technological and application outsourcing;
- ERP system management;
- factory automation;
- transportation;
- CRM solution.

All of our clients confirmed their trust in us with regard to the first point; all the expiring outsourcing contracts were renewed during the year, with an average term of 4 years; this obviously consolidates the continuity and stability of our revenues in the medium term.

Our Cloud Computing offer was also adjusted, which will inevitably become central in the interest of the market in the coming years.

In the "ERP" sector, in addition to the traditional presence in the SAP market, a commercial action was started, dedicated to the Microsoft world, thanks to the new entry MHT, which puts together exceptional skills. In this case, the entire business strategy was reviewed on the market of SMEs, with its high potential and good future prospects.

In the "Factory automation" segment, which covers more than just the automotive area, considerable growth was recorded in the international projects; our teams were involved in all the continents to start new factories and new productions for our clients.

At the same time, a campaign was launched to expand the expertise on the subject of Transport: starting from our Italian projects for the main Transport units (Railway, Motorway, Subway and Airway), we have become the partners of large Business Associations able to compete and be awarded projects such as the creation of the Rio de Janeiro metro or the completion of metro Riyadh.

In conclusion, 2014 was a year of growth, not only for the economic indicators but also due to the ability to show innovative elements to the market, together with an organisation that is suitable to support clients from across the world, in line with the Company's strategic objectives.

TELCO & UTILITIES

TELCO

In 2014 the Telco market was affected by the decrease in the IT budget of our main client, partly offset by the good performance of the initiatives in the other market areas: contact centre, Quality Assurance and billing in particular.
The average market performance was also good, with the consolidation of our main clients and the acquisition of new market shares.
A positive trend is predicted from 2015 by aiming to evolve the offer with regard to marketing automation in particular, also consequently to the recent acquisition of WebResults, a company specialised in Cloud solutions for marketing and CRM, and network virtualisation, while the process continues to make the operating machine more efficient.

UTILITIES

2014 was an extremely positive year for Utilities.

Results were obtained on the Italian market that beat expectations thanks to an important activity of control of the client base, leading us to successfully compete for all the main initiatives. The Large Accounts were devoted considerable attention; in a stable market in terms of spending values, Engineering was able to increase and improve its presence.
A remarkable commercial effort was made in the foreign market, regarding different countries and various international initiatives, with special focus on the Brazilian market, with a series of investments aimed at product localisation and the upgrading of local support technical structures for our products.

OPERATING EXPENSES

Operating expenses decreased by about Euro 9.9 million in total compared to 2013, to be mainly attributed to the decrease in depreciation, amortisation and provisions and the drop in the service costs consequently to the rationalisation of the production facilities that, for some years now, allows us to cut down on the use of external resources, though being partly offset by the increase in Company personnel.

(in Euros)

Description	31.12.2014	31.12.2013	Change	
			Amount	%
Personnel costs	349,478,036	345,697,487	3,780,548	+1.1
Services	260,324,751	265,878,933	(5,554,182)	-2.1
Raw materials and consumables	10,486,159	9,139,253	1,346,906	+14.7
Depreciation, amort. and provisions	25,397,118	35,373,604	(9,976,487)	-28.2
Other costs	2,838,923	2,395,896	443,027	+18.5
Total operating expenses	**648,524,986**	**658,485,173**	**(9,960,188)**	**-1.5**

Specifically:

- The 1.1% increase in personnel costs is attributable to:
  - increase in workforce (59 employees)
  - increase in salaries in accordance with renewed contractual agreements and the recognition of variable plans linked to the objectives achieved.

- Service costs amount to Euro 260 million, down by -2.1% compared to 2013. The main reason for this is the decrease in external resources in areas where it was possible to increase the productivity of the Company resources.

- The increase in raw materials and consumable costs is essentially due to hardware and licences held for resale.

- The account “Depreciation, amortisation and provisions” decreased compared to the previous year, mainly due to lower provisions for future risks and the reduction in depreciation and amortisation due to the decrease in the values recorded in intangible and tangible fixed assets.

- Other costs, mainly referable to local taxes and duties, amount to Euro 2.8 million, increasing slightly compared to 2013.

OPERATING PROFIT AND NET PROFIT

Profit before taxes reached Euro 61.4 million compared to Euro 45.8 million of 2013.

(in Euros)

Description	31.12.2014	31.12.2013	Change %
Operating profit after depreciation/amortisation (EBIT)	**60,853,508**	**51,469,066**	**+18.2**
Financial income (Charges)	168,088	(5,536,315)	-103.0
Income (Charges) from investments	398,683	(76,444)	-621.5
Profit before taxes	**61,420,279**	**45,856,306**	**+33.9**
% of net revenue	+9.0%	+6.7%	
Income taxes	27,319,814	21,725,650	+25.7
Tax rate	+44.5%	+47.4%	
Net profit	**34,100,465**	**24,130,657**	**+41.3**
% of net revenue	+5.0%	+3.5%	

The net profit was Euro 34.1 million.

The tax rate of 44.5% recorded a decrease compared to the previous year (47.4%), mainly as a result of the decreased IRAP, thanks to the increase in the deductions regarding the tax amnesty.

VII. Statement of financial position

The cash flow statement presented below shows the cash flows for the Company according to the direct method. The cash flow statement is presented, as established by IAS 7, considering the assets and the liabilities of the companies acquired and/or sold and allocated to the relevant investing activity cash flow accounts. Only current cash and cash equivalents are thus shown.

(in Euros)

Description	31.12.2014	31.12.2013
Cash flow from operating activities		
Revenues from the sales of products /services - third parties	870,628,429	812,196,812
Revenues from the sales of products /services - Group	7,707,773	7,156,879
Costs for goods and services - third parties	(298,186,026)	(300,230,268)
Costs for goods and services - Group	(22,184,235)	(20,316,811)
Personnel costs	(360,066,799)	(350,926,843)
Interest received from operating activities	1,771,728	1,081,184
Interest paid for operating activities	(1,407,871)	(2,705,800)
Exchange differences	(200,151)	3,694
Income taxes	(97,015,555)	(102,316,004)
Cash pooling	(8,254,326)	3,158,745
A) Total cash flow from operating activities	**92,792,967**	**47,101,588**
Cash flow from investing activities		
Sale of tangible assets		8,649
Purchase of tangible assets	(6,170,992)	(5,841,975)
Purchase of intangible assets	(1,823,265)	(1,659,052)
Purchase of investments in subsidiaries	(1,299,571)	(25,000)
Sale of investments in subsidiaries		23,499
Purchase of business unit	(586,101)	
Purchase of other investments and securities	(11,400)	(524,326)
Sale of other investments and securities	47,246	
B) Total cash flow from investing activities	**(9,844,082)**	**(8,018,205)**
Cash flow from financing activities		
New loans	136,819,917	261,186,078
Repayment of loans	(177,471,690)	(285,661,482)
Loans disbursed to Group companies	(500,000)	(1,950,000)
Loans repaid by Group companies		160,000
Purchase of treasury shares	(1,198,329)	(20,187)
Dividends distributed	(7,971,767)	(6,479,574)
Interest paid for financing activities	(972,854)	(516,887)
C) Total cash flow from financing activities	**(52,953,519)**	**(33,282,051)**
D) = (A+B+C) Change in cash and cash equivalents	**29,995,366**	**5,801,333**
E) Cash and cash equivalents at beginning of year	**91,423,287**	**85,621,954**
F) = (D+E) Cash and cash equivalents at end of year	**121,418,653**	**91,423,287**

In detail, operating cash flows recorded a positive balance of Euro 92.8 million, in particular as a consequence of the higher collections; investment activities for Euro 9.8 million and financing activities, which recorded a negative balance of Euro 52.9 million, essentially due to the balance of repayments of the credit lines used and disbursements of medium/long-term loans and the distribution of dividends, need to be detracted from this amount. As a result, the total of these flows generates a positive change of Euro 29.9 million in cash flows, which, added to opening short-term cash and cash equivalents, posts cash and cash equivalents at year-end of Euro 121.4 million.

NET FINANCIAL POSITION

The net financial position at the end of 2014 came to Euro 69 million, an improvement of Euro 71.3 million on 2013.
The improvement in the Net Financial Position is the result of:

- quicker collections from clients in the last quarter of the year;
- the additional unfreezing of receivables due from the public administration.

Total liquidity includes, in addition to the cash and cash equivalents at year-end, also the value of treasury shares held at December 31, 2014 of Euro 7,881,062.

(in Euros)

Description	31.12.2014	31.12.2013
Cash	13,288	19,148
Other liquid assets	129,286,428	98,115,386
Cash and cash equivalents	**129,299,716**	**98,134,533**
Current financial receivables	**1,658,796**	**0**
Current bank payables	(4,437)	(77,322)
Current portion of borrowing	(9,362,664)	(76,686,642)
Other current financial payables	(7,533,099)	(5,170,063)
Current borrowing	**(16,900,200)**	**(81,934,027)**
Net current financial position	**114,058,312**	**16,200,506**
Non-current borrowing	(45,064,017)	(18,362,010)
Other non-current payables	(36,780)	(134,076)
Non-current borrowing	**(45,100,797)**	**(18,496,086)**
Net financial position	**68,957,516**	**(2,295,580)**

CENTRALISED TREASURY

The now consolidated use of cash-pooling, the appropriate management of surplus cash and the possible use of important credit lines, when needed, ensured an adequate coverage of the Group's financial needs. The cyclical trend of receipts continued once again with exposure to banks on which an annual interest rate was paid to the bank varying from 0.70% to 2.10%. In 2014 the official interest rates (see Euribor) remained at low levels, once again failing to be a benchmark for the banking system. Spreads also decreased consequently to the measures taken by the ECB and the changes in the economic and trust conditions within and outside the Euro area, reaching levels that could be defined as intermediate. In any case, the Group's excellent rating allowed it to benefit from the best conditions offered on the basis of the actual requirements and to minimise financial charges.
Cash and cash equivalents were the main and central element of financial management, compared to the previous years, due to their amount and especially starting from the second half of the year. Also in this case, ongoing communication with the various banks has allowed us to take advantage of the best conditions offered on demand deposits, sometimes much more favourable than those normally applied on the market and generally more advantageous than the proposal on complex or forward transactions, so to be preferred.

This translated into a positive result that allowed us to obtain interest income higher than interest expense in the short-term. This also confirms the Group's ability to generate cash flows that are not only sufficient to remunerate and repay the debt and the capital, but that also indicate the ability for sustainable development and are one of the objective units to measure of its performance.

During the year the subsidiaries had to cover financial commitments that exceeded their liquidity, occasionally recording slight drops in cash inflows. The cash-pooling provided them with facilitated access to the liquidity of the Parent Company at rates which could not have been achieved independently on the market. This advantage translated into the optimal allocation of financial resources within the Group and the maximised efficiency in managing the working capital.

On May 28, 2014, through Unicredit S.p.A., the disbursement of a loan was finalised for Euro 35 million granted by the European Investment Bank (EIB) to support research and development activities. Again in this sector, the same EIB had already directly disbursed another Euro 15 million on January 30, 2013 for a grand total of Euro 50 million. Both loans are at variable interest rate, parametrized with the 3-month Euro Interbank Offered Rate (Euribor) increased by a spread and calculated according to the effective days 360 divisor ratio for a term of five years, including one year of pre-amortisation, for the part directly disbursed by the EIB, and 6 years, including one year of pre-amortisation, for the part disbursed via Unicredit S.p.A., respectively. On this last tranche of Euro 35 million in particular, a rate swap contract was entered into on July 1, 2014, again with Unicredit S.p.A., to hedge against rate fluctuations. This contract transformed the variable part of the rate, 3 month Euribor base of 360 days, into a fixed rate equal to 0.56%, for a final fixed rate equal to 3.060% for the entire time of repayment of the loan. It should be noted that this important lending transaction, which is also positive in terms of image and reliability recognition, moved the timeframe for short-term indebtedness to the medium/long-term, allowing for a more balanced and flexible comprehensive financial position.

WORKING CAPITAL

The net working capital decreased by Euro 34 million compared to 2013 (-11.1%), amounting to Euro 271.5 million.
The working capital decreased by 8.8% consequently to the good performance of receipts and the optimised invoicing terms. The decrease in current liabilities is correlated to the working capital as the improved cash flows facilitated the payment phases.

(in Euros)

Description	31.12.2014	31.12.2013	Change	
			Amount	%
Current Assets				
Inventories and construction contracts	102,030,591	115,741,630	(13,711,038)	-11.8
Trade receivables	451,395,799	494,390,512	(42,994,712)	-8.7
Other current assets	46,284,583	47,259,848	(975,265)	-2.1
Total current assets	**599,710,973**	**657,391,989**	**(57,681,016)**	**-8.8**
Current liabilities				
Trade payables	(203,868,767)	(219,185,538)	15,316,771	-7.0
Other current liabilities	(124,311,372)	(132,640,555)	8,329,184	-6.3
Total current liabilities	**(328,180,139)**	**(351,826,093)**	**23,645,955**	**-6.7**
Net working capital	**271,530,835**	**305,565,896**	**(34,035,061)**	**-11.1**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

The Group statement of financial position has a highly sound structure, and is represented by the following indicators:

- a shareholders' equity/Fixed Assets ratio of 3.4x;
- a positive net financial position of Euro 69 million, which, along with the availability of short-term credit lines at advantageous market conditions, provides a great deal of flexibility and the ability to made suitable investments and sustain possible financial stress without threatening the overall capital balance;
- the net working capital reached Euro 309 million, equal to 44% of the total revenues compared to 43% of 2013.

(in Euros)

Description	31.12.2014	31.12.2013	Change	
			Amount	%
Property, plant and equipment	22,718,264	24,043,688	(1,325,425)	-5.5
Intangible assets	14,443,030	18,504,619	(4,061,589)	-21.9
Goodwill	43,648,341	43,648,341	0	0.0
Equity investments	26,066,801	21,921,830	4,144,971	+18.9
Fixed assets	**106,876,435**	**108,118,478**	**(1,242,043)**	**-1.1**
Short-term assets	599,710,973	657,391,989	(57,681,016)	-8.8
Short-term liabilities	(328,180,139)	(351,826,093)	23,645,955	-6.7
Net working capital	**271,530,835**	**305,565,896**	**(34,035,061)**	**-11.1**
Other non-current assets	14,469,096	24,533,438	(10,064,342)	-41.0
Post-employment benefits	(63,943,686)	(60,237,744)	(3,705,942)	+6.2
Other non-current liabilities	(20,205,578)	(21,251,928)	1,046,350	-4.9
Net capital employed	**308,727,101**	**356,728,139**	**(48,001,038)**	**-13.5**
Total shareholders' equity	**368,144,758**	**347,721,313**	**20,423,445**	**+5.9**
M/LT (Liquidity)/Borrowing	45,100,797	18,496,086	26,604,710	+143.8
ST (Liquidity)/Borrowing	(104,518,453)	(9,489,260)	(95,029,193)	+1,001.4
Net (Liquidity)/Borrowing	**(59,417,657)**	**9,006,826**	**(68,424,483)**	**-759.7**
Total sources	**308,727,101**	**356,728,139**	**(48,001,038)**	**-13.5**

VIII. Research and innovation activity

2014 was the year of major investments in activities for Engineering, which took part several projects at national and European level.

2014 also saw the start of a new European programme called Horizon 2020. Engineering presented about 20 significant project proposals in different research fields. Based on these proposals, 7 new research projects were approved, for financing expected at approx. Euro 4 million.

The activities linked to the Future Internet programme, and the FIWARE initiative specifically, continued and were intensified, always at European level, with the predisposition of a technological infrastructure dedicated to the initiative called FI-Lab, hosted by our Data Centers. The European Commission aims to make FIWARE the standard platform for the Internet-of-Things (IoT) and Smart Cities, inviting Engineering to form, together with other European big players (Telefonica, Orange, AtoS), a foundation that encourages its adoption in all European countries.

During the year the initiatives were intensified, which are aimed at transferring the research results immediately to the market by proposing solutions in which the innovation elements are an integral part of the offer and by increasingly involving our clients in the experimentation phase. During the year we also took part in the first European innovation tenders based on the Pre-Commercial-Procurement (PCP) model in the CyberSecurity and Healthcare sectors.

Activities continued inside our technological districts and the activities of the national clusters were started; both sets of activities are expected to be intensified in the near future, also in light of the imminent start of the new national programmes. The activities regarding the establishment of the new technological districts were also completed, which mainly involve the regions of southern Italy, and particularly Campania, Calabria and Sicily.

The new Research and Development laboratory was open in Lecce during the year, inside the new building of the DHITECH Technological District that Engineering is a founder member of; these new spaces deal with state-of-the-art technology, with the participation of various national players (AVIO, STMicroelectronics), local entities and important research institutions such as the Apulian universities and the Italian National Research Council (CNR).

Contracts were started with various Italian Universities to establish high-level scholarships, as a new form of collaboration between private companies and universities. According to this new form of contract, an employment contract for training purposes is activated, which is also a scholarship for a research doctorate, allowing young people to work at the company on research topics, with the possibility also of obtaining a PhD after three years.

Finally, it is important to underline how many research activities conducted by Engineering are also run in collaboration with various local SMEs that, by taking part in a selection process and having the specific knowhow, have helped the Group pursue the objectives set for 2014 more effectively. This approach will continue, and be possibly intensified, in 2015.

IX. Personnel

WORKFORCE AND TURNOVER

At December 31, 2014 the Company workforce (with long-term contracts) numbered 6,122. The increase, compared to December 31 of the previous year, equalled 59.

Total personnel turnover, net of intercompany transfers, included 248 new hires and 189 departures.

Some detailed figures are provided below with reference to the workforce:

- employees with degrees totalling 52.86%;
- women totalling 31.36%;
- the number of senior managers is slightly below 5%;
- employees with Super Management / Management qualifications totalling 22.8 %.

With regard to geographical location, there were no significant changes.

TRAINING

During 2014, 315 different training courses were held for the Group's employees in the classrooms of the Engineering Academy “Enrico Della Valle”. The didactic activities involved about 3,500 participations, totalling 11,700 man-days of classroom training.

Worth mentioning among the many initiatives are:

- The commitment to obtaining the Professional Certifications through the Academy designing and holding individual and group courses to achieve the dual objective of obtaining the certification and developing the operating skills of the participants. In this scenario, during 2014, 757 Group employees obtained important Certifications of a technical and methodological nature (including ITIL, Prince2, Oracle, Microsoft, SAP, IFPUG, Vmware, Cisco), many of whom directly at the Testing Center of the Academy in Ferentino.

- The IT technical Training Project, started in the second half of 2014 and which will continue in the first few months of 2015 for developers and architects from Engineering laboratories, aims to transfer the chief methodologies and techniques to design and develop software with characteristics that comply with the international application security standards.

- The Retraining Plans aiming to reconvert the professional skills of the resources specialised in IT technologies with a high risk of obsolescence towards those more requested by the market. These training actions, featuring medium/long-term didactic interventions in classrooms, were focused on the theoretical and practical component of the Oracle, Java and Microsoft. Net programming languages, involving more than 50 employees for a total of 714 man-days distributed in the offices of Siena, Rome and Naples.

- The in-depth seminars organised for Group personnel covering sales and accounting roles towards the Customers, aimed at enhancing the participants' skills on the new scenarios of the IT world such as Social Media, Cloud Computing, Mobile technologies and the respective trends and business opportunities. The classroom initiative involved more than 100 employees and managers in 2014 at the offices of Pont Saint Martin (AO), Milan and Ferentino (FR) and will include an additional 60 participants in the first few months of 2015.

- During 2014 the activities took place for the selection of the participants in the next Engineering Master in Management (MeM) that will start in the first quarter of 2015 and will mostly replicate the positive experience attained in the previous editions.

Also during 2015 the Company used the resources allocated to the inter-professional Fondimpresa and Fondirigenti funds to partially cover the costs of some training activities started at the Engineering Academy and at external training bodies. The linguistic training project supporting the Group's internationalisation process was particularly popular and involved 20 managers in individual English, French and Portuguese courses via a full immersion programme at some of the main European capital cities. The project totalled 1,600 man-days distributed over the two-year period 2013/2014.

X. Significant events during the year

The significant events are detailed below:

- On January 31, 2014, 70% of the share capital of MHT S.r.l. was purchased; in addition, the Parent Company undertook, upon acquiring the control of MHT S.r.l., to purchase the Non Controlling Interests (30%) from the minority Shareholders;

- On May 31, 2014, 100% of the share capital of XC Excellence Club S.r.l. was purchased;

- On May 5, 2014 Engineering Ingegneria Informatica S.p.A. purchased an additional 5% of the share capital of Nexen S.p.A.. With this acquisition Engineering Ingegneria Informatica S.p.A. owns 100% of the share capital;

- The Shareholders' Meeting held on May 15, 2014, resolved on distributing part of the net profit for the year, equalling Euro 8,000,000, as dividends, as Euro 0.6563 per ordinary share in circulation;

- In June 2014, at the end of a process started the previous year, a team consisting of internal resources prepared the first edition of the Corporate Social Responsibility Report 2013 – drawn up according to the G3.1 guidelines of the Global Reporting Initiative (GRI) International Standard - which represents an important milestone for the Company and an additional performance for compliance with the top standards. The volume describes and reports the activities of social, economic and environmental responsibility carried out in the last three years, following a recurrent theme deemed by the Company to have had a fundamental impact on the life of the people, in close connection with its business: the modernisation of the country, which for Engineering means the responsibility of contributing to the economic and social growth of the community, through the ability to innovate, search and invest. The Report is aimed at all the stakeholders – customers, Shareholders, suppliers, employees, industrial associations, Universities, no-profit organisations – and is an annual opportunity to report on performance, with the objective of increasing the amount of information provided every year. The publication of the new edition of the Corporate Social Responsibility Report 2014 is set for May 2015 and this time it will follow the parameters of the G4.1 guidelines of the Global Reporting Initiative (GRI).

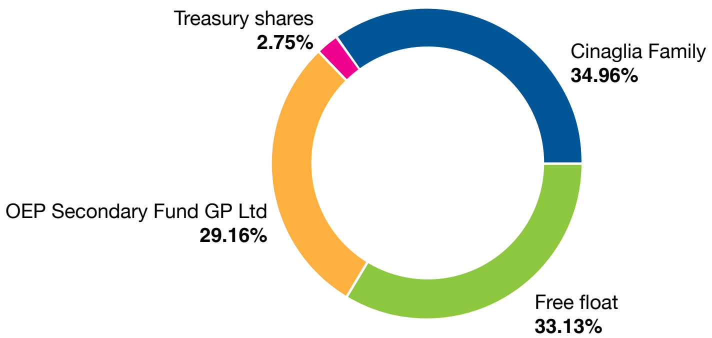
- On July 10, 2014 the dividend was paid to the Shareholders in compliance with the resolution of the Shareholders' Meeting held on May 15, 2014 for a value of Euro 8.0 million.

XI. Shareholders and share performance

SHAREHOLDERS

Engineering has been listed on the FTSE Italia STAR segment of the Italian Stock Market since December 2000. The founding family is the shareholder with the relative majority, with a share equalling 34.96%. During 2013 the fund One Equity Partner, owned directly by JP Morgan, became a shareholder by purchasing a share equalling 29.16% of the capital.
During August 2014[1] JP Morgan decided to sell the ownership of the Fund to Lexington Partners, Alpinvest Partners and Blackstone Group. In January 2015 the sale was finalised and on January 9, 2015 the change in the significant shareholding was announced to the market, which involves 29.16% of the capital owned by OEP Secondary Fund GP Ltd.
The remaining part of the shares consists of the free float equal to 33.13%, also including the holdings in Bestinver SGIIC* for 9.992% and the shares held directly by the Company for 2.75%.
At the date of this Report there are no shareholder agreements in place.

* Values based on the latest communications of the significant shareholdings from the Consob website at March 12, 2015.



KEY FIGURES 2014

Average price of the share:	Euro 44.10
Maximum price of the share:	Euro 54.05 on April 4, 2014
Minimum price of the share:	Euro 36.15 on October 10, 2014
Average volume of shares traded:	7,518 shares
Maximum volume of shares traded:	76,209 shares on March 4, 2014
Minimum volume of shares traded:	222 shares on June 10, 2014

During 2014, the share maintained an average value equal to Euro 44.10 compared to Euro 31.51 in 2013 with an average capitalisation equal to Euro 551,250,000, with average daily trading of shares equal to 7,518 shares, down compared to 14,334 shares in 2013.

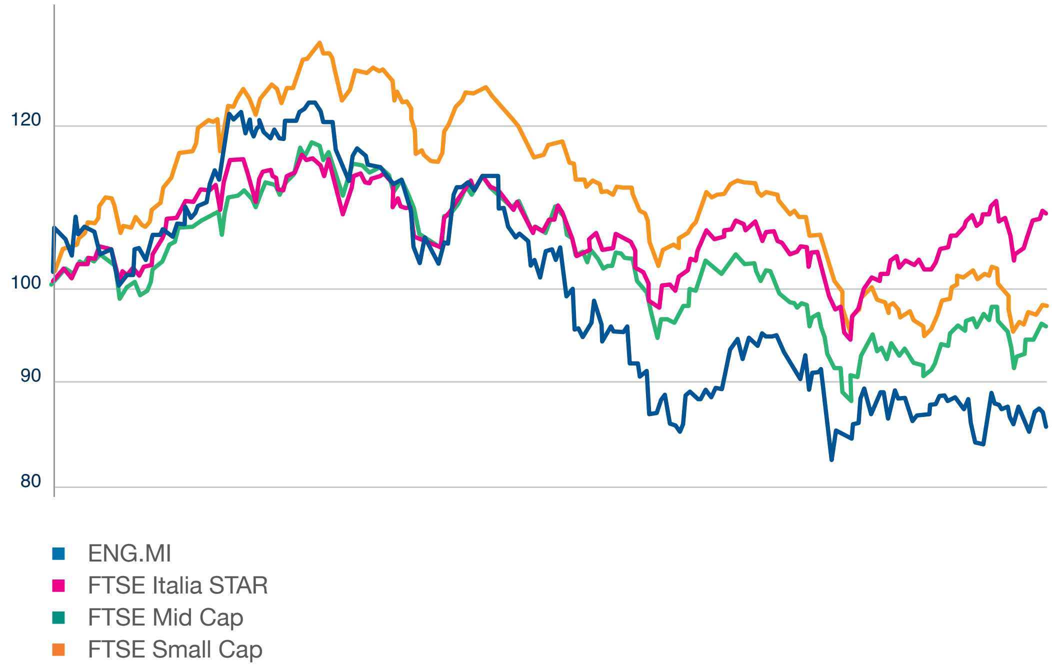
In 2014 Engineering shares recorded -14.57% at January 1, 2014 compared to the value of December 31, 2014, with the FTSE Italia STAR index recording +8.5%, unlike the two Small and Mid Cap indexes, which recorded -1.97% and 4.45% respectively.

If the comparison is made on the average values of the share, a good performance was recorded in 2014 compared to the 2013 value, with the value rising from Euro 31.51 in 2013 to Euro 44.10 in 2014, recording a positive performance of +40%.

During 2014, all 5 of the banks that have continually covered the share, with research activities and notes on the Group, Banca IMI (Specialist), Intermonte, Banca Aletti, Kepler and Akros, have never issued negative recommendations, with average target prices on average higher than Stock Market value.

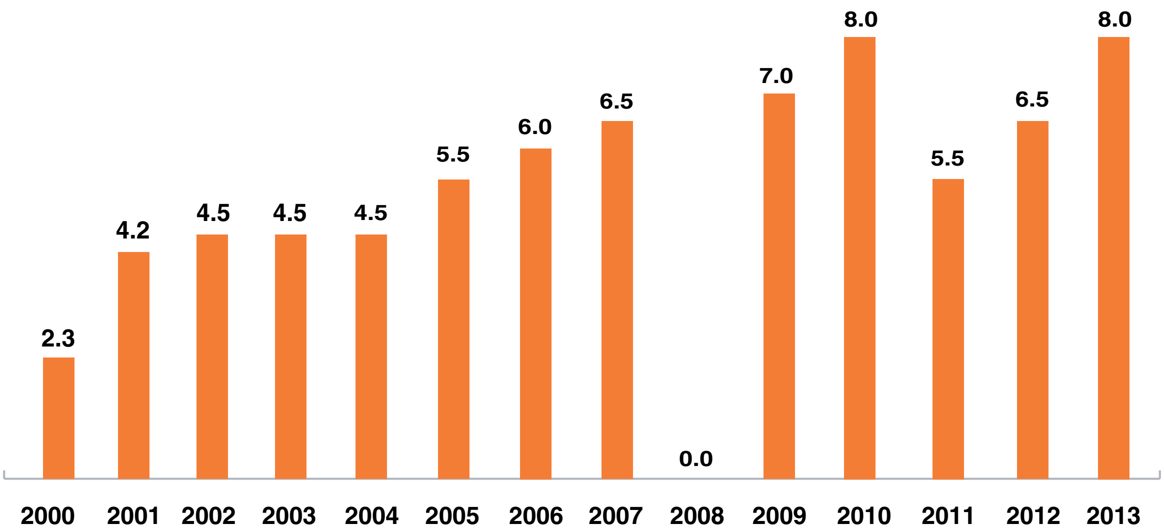
[1] Press release published on the JP Morgan website (http://investor.shareholder.com/jpmorganchase/releasedetail.cfm?ReleaseID=865583).

The Company continued its Investor Relations activities by participating in various national and international Road Shows organised by Borsa Italiana and by the leading brokers.
At the date of this report, the value of the share is Euro 49.5 per share, with a market capitalisation of Euro 618.75 million.



DIVIDENDS

The graph below shows the amount of the dividends distributed by the Group for the year of accrual from 2000 to 2014.



(in millions of Euros)

An analysis of trend of the amount of the dividend distributed shows how the Group has always followed a careful cash flow management policy; as a matter of fact, for the year 2008 it decided not to distribute a dividend because the purchase of Atos Origin Italia was being finalised in 2009, and also for the dividend regarding 2011 it decided to reduce the pay-out in light of the extraordinary charges incurred in 2012 for the personnel restructuring process.

TREASURY SHARES

On May 15, 2014, the Engineering Ingegneria Informatica S.p.A. Shareholders' Meeting voted in favour of a treasury share buy-back plan for a maximum of 2,500,000 shares, within a maximum time period of 18 (eighteen) months.
The treasury shares held at December 31, 2014 totalled 340,188 (2.72%) for a value of Euro 7,881,062, recorded as a reserve under shareholders' equity in accordance with IAS 32, at an average carrying value of Euro 23.1668 per share.
At the date of approving these financial statements, the number of treasury shares held in the portfolio by the Company amounts to 343,213 (2.74% of the Company's shares).

XII. Subsequent events to the year-end

The significant events are detailed below:

- On January 9, 2015 JP Morgan Chase & Co. sold the holding in Engineering (equal to 29.158% of the share capital and held via OEP Italy Tech Due S.r.l., already holding the significant investment in Engineering) to OEP Secondary Fund GP LTD;

- On January 28, 2015, 51% of the share capital of WebResults S.r.l., with registered office in Treviolo (BG), was acquired. Likewise the parties agreed on selling the residual 49% to Engineering Ingegneria Informatica S.p.A. in phases. The Company's entire shareholding is expected to be purchased within 60 (sixty) days from approving the Company's financial statements for the year ending December 31, 2017;

- On March 11, 2015 the Shareholders' Meeting amended the Articles of Association by increasing the number of Directors (from 11 to 13) and adjusting it to the regulatory provisions of Law 120 of July 12, 2011 concerning the balance between genders in the composition of the Bodies of Administration and Control.

XIII. Outlook

In 2015 Engineering faces the market with a significantly renewed offer that is the result of the extraordinary investments made with the aim of giving more value to the main corporate assets.

The Cloud Computing market will be the main driver, with an IaaS offer that fully enhances our data centres and our expertise in designing and governing complex architectures, as the natural evolution of our Managed Operations offer.

Cloud represents an important opportunity for Engineering to improve its role as software vendor to the sectors of finance, utilities, healthcare and local administrations. Our offer will be progressively made available in SaaS architecture on our Cloud and integrated in Cloud market platforms (e.g. Azure di MS, Salesforce.com). This large project will allow the Company to confirm its leadership in its market and will encourage the spread of our solutions in the international markets.

Engineering is one of the few companies, and certainly the only Italian company, able to successfully face this transformation, having timely invested in those components that are an integral part of an absolutely innovative offer: we boast state-of-the-art technological infrastructure, software products that lead the market, specific research activities, credibility and commercial presence.

Our expertise will allow us to accompany our clients towards Cloud with a transformation process that we will be the first to have tested on our solutions.

Thanks to our sound financial structure, 2015 will see an acceleration of our internal growth process: priority will be given to the international markets, without neglecting the opportunities offered by the Italian market in terms of expertise and specific products that integrate our offer and supplement our know-how.

Finally, 2015 will benefit from the reviewed tax regime in financial terms (elimination of the personnel costs from the IRAP taxable base) and the faster payment terms from the Public Administration.

XIV. Other information

TRANSACTIONS WITH RELATED PARTIES

Following the introduction of Consob regulation of March 12, 2010, adopted with resolution no. 17221 and subsequently amended with resolution no. 17389 of June 23, 2010 enacting provisions concerning transactions with related parties, Engineering Ingegneria Informatica S.p.A. approved through Board of Directors' resolution of November 12, 2010 the Procedure for the Identification and Carrying out of Transactions with Related Parties. No movements with related parties were recorded.

PRINCIPAL RISKS AND UNCERTAINTIES

As in all companies, risk factors which may affect company results exist and for this purpose numerous preventative actions have been put in place.
On this point, reference is made to the content of the same paragraph of the Directors' Report of the consolidated financial statements.

CONSOLIDATION

The Company does not adhere to the "National tax consolidation".

TAX AUTHORITY RELATIONS

With reference to the general audit for the purposes of direct taxes, IRAP (regional operating taxes) and VAT charged to Engineering Ingegneria Informatica S.p.A. for 2009 by the Lazio Regional Authority – Office of Large-Scale Taxpayers, it is highlighted that during the year the assessment deeds regarding the tax period 2008 and part of 2009 were defined as adhering. The assessment deed for the tax period 2010 and remaining part of the tax period 2009 was notified in December 2014, both defined in February 2015. The report on findings notified in December 2012, at the end of the audit, contained some claims that mainly concerned some entries regarding previous years, which did not have an impact worthy of assessment, and a claim for IRAP and VAT purposes relating to the reclassification of a contract that concerned the tax period 2008 and the tax periods after 2009.

XV. Conclusions and Shareholders' Meeting proposals

The net profit amounted to Euro 34,100,465.

The Board of Directors, in view of the results achieved, proposes to distribute to shareholders a dividend per share of Euro 1.64517 for a total amount of Euro 20,000,000. The dividend per share takes account of the number of treasury shares held by the Company on the evening of March 12, 2015 of 343,213. If the proposals are wholly approved by the shareholder's meeting, the net profit will be allocated as follows:

Dividend distribution to Shareholders	Euro	20,000,000
Retained earnings	Euro	14,100,465

In addition, a proposal will be made to pay the dividend from May 27, 2015 while specifying that the share will trade ex-dividend as of May 25, 2015, and the record date shall be May 26, 2015.

On behalf of the Board of Directors, Chairman Michele Cinaglia communicates that the accounts are subject to audit by the Audit Firm Deloitte & Touche S.p.A..

ATTACHMENT 3C

Equity investments of the Directors, members of the Management Control Committee, General Managers and Executives with strategic responsibility.

Name and Surname	Office	Company	No. of shares held at the end of the previous year	No. of shares acquired	No. of shares sold	No. of shares held at the end of the current year
Michele Cinaglia	Chairman	Engineering Ingegneria Informatica S.p.A.	2,874,934	26,863		2,901,797
Paolo Pandozy	Chief Executive Officer	Engineering Ingegneria Informatica S.p.A.	52,378			52,378
Dario Schlesinger	Director	Engineering Ingegneria Informatica S.p.A.	75			75
Orazio Viele	Sole Director	Engiweb Security S.r.l.	3,700			3,700
Silvano Volpe	Chief Executive Officer	Engineering Tributi S.p.A.	120			120
Armando Iorio*	Director	Engineering Ingegneria Informatica S.p.A., Nexen S.p.A., MHT S.r.l., Engineering.mo S.p.A.	100			100

* Executive Responsible for the preparation of the accounting documents of Engineering Ingegneria Informatica S.p.A..

STATEMENT OF FINANCIAL POSITION

(in Euros)

Statement of financial position - Assets	Notes	31.12.2014	31.12.2013
A) Non-current assets			
Property, plant and equipment	4	22,718,264	24,043,688
Intangible assets	5	14,443,030	18,504,619
Goodwill	6	43,648,341	43,648,341
Investments	7	26,066,801	21,921,830
Deferred tax assets	8	13,745,912	19,671,774
Other non-current assets	9	723,184	4,861,664
Total non-current assets		**121,345,531**	**132,651,915**
B) Non-current assets held for sale			
C) Current assets			
Inventories	10	52,170	79,994
Construction contracts	11	101,978,421	115,661,636
of which from related parties		9,882,275	11,269,068
Trade receivables	12	451,395,799	494,390,512
of which from related parties		109,660,066	87,044,969
Other current assets	13	46,284,583	47,259,848
Cash and cash equivalents	14	121,418,653	91,423,287
Total current assets		**721,129,627**	**748,815,276**
Total assets (A + B + C)		**842,475,158**	**881,467,192**

(in Euros)

Statement of financial position - Liabilities	Notes	31.12.2014	31.12.2013
D) Shareholders' equity			
Share capital	17	31,007,521	31,084,431
Reserves	18	211,799,788	211,799,788
Retained earnings	19	91,236,985	80,706,437
Profit/(loss) for the year		34,100,465	24,130,657
Total shareholders' equity	**16**	**368,144,758**	**347,721,313**
E) Non-current liabilities			
Non-current financial liabilities	20	45,100,797	18,496,086
Deferred tax liabilities	21	19,046,246	16,797,986
Non-current provisions for risks and charges	22	0	3,869,203
Other non-current liabilities	23	1,159,332	584,739
Post-employment benefits	24	63,943,686	60,237,744
Total non-current liabilities		**129,250,061**	**99,985,758**
F) Current liabilities			
Current financial liabilities	25	16,900,200	81,934,027
Current tax payables		119,176	
Current provisions for risks and charges	26	6,485,518	10,305,632
Other current liabilities	27	117,706,678	122,334,923
of which from related parties		1,045,099	640,117
Trade payables	28	203,868,767	219,185,538
of which from related parties		30,219,338	34,318,304
Total current liabilities		**345,080,338**	**433,760,120**
G) Total liabilities (E+F)		**474,330,400**	**533,745,878**
Total liabilities & shareholders' equity (D + G)		**842,475,158**	**881,467,192**

INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

(in Euros)

Income statement	Notes	31.12.2014	31.12.2013
A) Total revenues			
Revenues		679,408,767	688,074,708
Other revenues	31	29,969,727	21,879,531
Total revenues	30	**709,378,494**	**709,954,239**
of which related parties		32,954,723	29,095,864
B) Operating expenses			
Raw materials and consumables	33	10,486,159	9,139,253
Services	34	260,324,751	265,878,933
Personnel costs	35	349,478,036	345,697,487
Amortisation and depreciation	36	12,982,507	16,218,595
Provisions	37	12,414,610	19,155,009
Other costs	38	2,838,923	2,395,896
Total operating expenses	**32**	**648,524,986**	**658,485,173**
of which related parties		27,366,784	22,794,156
C) Operating profit (A - B)		**60,853,508**	**51,469,066**
Other financial income		3,146,078	2,152,802
Other financial charges		2,977,990	7,689,118
D) Net financial income (charges)	**39**	**168,088**	**(5,536,315)**
of which related parties		160,784	(1,541,133)
E) Income/(charges) from investments			
Income/(charges) from other investments	40	398,683	(76,444)
Total income/(charges) from investments		**398,683**	**(76,444)**
F) Profit before taxes (C + D + E)		**61,420,279**	**45,856,306**
G) Income taxes	**41**	**27,319,814**	**21,725,650**
H) Profit/(loss) from continuing operations		**34,100,465**	**24,130,657**
I) Profit from discontinued operations		**0**	
L) Profit/(loss) for the year		**34,100,465**	**24,130,657**

(in Euros)

Comprehensive income statement	Notes	31.12.2014	31.12.2013
L) Profit/ (loss) for the year		**34,100,465**	**24,130,657**
M) Other comprehensive income statement items			
Net actuarial gains/(losses) of employee defined plans		(5,974,819)	1,609,445
Tax effect related to Other profit/(loss) which will be reclassified in Profit/(loss) for the year		1,643,075	(442,597)
Total Other profit/(loss) which will not be reclassified in Profit/(loss) for the year, net of tax effect		**(4,331,744)**	**1,166,847**
N) Total Other profit/(loss) which will be reclassified in Profit/(loss) for the year			
Profit/(Loss) on cash flow hedge instruments		(242,013)	90,510
Tax effect related to Other profit/(loss) which will be reclassified in Profit/(loss) for the year		66,554	(24,890)
Total Other profit/(loss) which will be reclassified in Profit/(loss) for the year, net of tax effect		**(175,459)**	**65,620**
Total other profit/(loss), net of tax effect		**(4,507,203)**	**1,232,467**
O) Total comprehensive income for the year (L + M + N)		**29,593,261**	**25,363,124**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euros)

Description	Share capital	Reserves	Retained earnings	Profit/(loss) for the year	Group shareholders' equity
Balance at 01.01.2013	**31,084,431**	**154,237,812**	**62,467,877**	**22,266,651**	**270,056,771**
Net profit				24,130,657	24,130,657
Other net comprehensive items		0	1,232,467		1,232,467
Comprehensive profit	**0**	**0**	**1,232,467**	**24,130,657**	**25,363,124**
Allocation of profits			15,766,651	(15,766,651)	0
Dividends distributed				(6,500,000)	(6,500,000)
Incr./decr. treasury shares					
Incr./decr. share capital	0	0	0	0	0
Transactions with Shareholders	**0**	**0**	**15,766,651**	**(22,266,651)**	**(6,500,000)**
Other changes	0	57,561,976	1,239,442	0	58,801,418
Balance at 31.12.2013	**31,084,431**	**211,799,788**	**80,706,437**	**24,130,657**	**347,721,313**
Net profit				34,100,465	34,100,465
Other net comprehensive items		0	(4,507,203)		(4,507,203)
Comprehensive profit	**0**	**0**	**(4,507,203)**	**34,100,465**	**29,593,261**
Allocation of profits			16,130,657	(16,130,657)	0
Dividends distributed				(8,000,000)	(8,000,000)
Incr./decr. treasury shares	(76,911)		(1,092,906)		(1,169,816)
Incr./decr. share capital	0	0	0	0	0
Transactions with Shareholders	**(76,911)**	**0**	**15,037,751**	**(24,130,657)**	**(9,169,816)**
Other changes	0	0	(0)	0	(0)
Balance at 31.12.2014	**31,007,521**	**211,799,788**	**91,236,985**	**34,100,465**	**368,144,758**

For further details on the Shareholders' Equity, reference is made to paragraphs 16-17-18-19 herein.

CASH FLOW STATEMENT

This statement is prepared according to the direct method and shows the movements of the cash flows generated by the Company's operating, investment and financing activities.

(in Euros)

Description	31.12.2014	31.12.2013
Cash flow from operating activities		
Revenues from the sales of products /services - third parties	870,628,429	812,196,812
Revenues from the sales of products /services - Group	7,707,773	7,156,879
Costs for goods and services - third parties	(298,186,026)	(300,230,268)
Costs for goods and services - Group	(22,184,235)	(20,316,811)
Personnel costs	(360,066,799)	(350,926,843)
Interest received from operating activities	1,771,728	1,081,184
Interest paid for operating activities	(1,407,871)	(2,705,800)
Exchange differences	(200,151)	3,694
Income taxes	(97,015,555)	(102,316,004)
Cash pooling	(8,254,326)	3,158,745
A) Total cash flow from operating activities	**92,792,967**	**47,101,588**
Cash flow from investing activities		
Sale of tangible assets		8,649
Purchase of tangible assets	(6,170,992)	(5,841,975)
Purchase of intangible assets	(1,823,265)	(1,659,052)
Purchase of investments in subsidiaries	(1,299,571)	(25,000)
Sale of investments in subsidiaries		23,499
Purchase of business unit	(586,101)	
Purchase of other investments and securities	(11,400)	(524,326)
Sale of other investments and securities	47,246	
B) Total cash flow from investing activities	**(9,844,082)**	**(8,018,205)**
Cash flow from financing activities		
New loans	136,819,917	261,186,078
Repayment of loans	(177,471,690)	(285,661,482)
Loans disbursed to Group companies	(500,000)	(1,950,000)
Loans repaid by Group companies		160,000
Loans granted to third parties	(1,658,796)	
Purchase of treasury shares	(1,198,329)	(20,187)
Dividends distributed	(7,971,767)	(6,479,574)
Interest paid for financing activities	(972,854)	(516,887)
C) Total cash flow from financing activities	**(52,953,519)**	**(33,282,051)**
D) = (A+B+C) Change in cash and cash equivalents	**29,995,366**	**5,801,333**
E) Cash and cash equivalents at beginning of year	**91,423,287**	**85,621,954**
F) = (D+E) Cash and cash equivalents at end of year	**121,418,653**	**91,423,287**

NET FINANCIAL POSITION

As required by Consob communication of July 28, 2006 and in compliance with the ESMA recommendation of March 2011, we report below the breakdown of the Company net financial position.

The net financial position came to Euro 68,958 thousand, an improvement of Euro 71,253 thousand in 2013, thanks to quicker collections from clients in the last quarter of the year and the unfreezing of receivables due from the Public Administration.

Total liquidity includes, in addition to the cash and cash equivalents at year-end, also the value of treasury shares held at December 31, 2014 equal to Euro 7,881,062.

(in Euros)

Description	31.12.2014	31.12.2013
Cash	13,288	19,148
Other liquid assets	129,286,428	98,115,386
Cash and cash equivalents	**129,299,716**	**98,134,533**
Current financial receivables	1,658,796	**0**
Current bank payables	(4,437)	(77,322)
Current borrowing	(9,362,664)	(76,686,642)
Other current financial payables	(7,533,099)	(5,170,063)
Current borrowing	**(16,900,200)**	**(81,934,027)**
Net current financial position	**114,058,312**	**16,200,506**
Non-current borrowing	(45,064,017)	(18,362,010)
Other non-current payables	(36,780)	(134,076)
Non-current borrowing	**(45,100,797)**	**(18,496,086)**
Net financial position	**68,957,515**	**(2,295,580)**

Notes to the Financial Statements

1 General information

Engineering Ingegneria Informatica S.p.A., with registered office in Rome at Via San Martino della Battaglia, 56, is a primary Italian operator in Information Technology services, over multiple lines of business, including system integration, the provision of organisational consulting and specialist services, proprietary application solutions and application management.

Engineering S.p.A.'s market consists of medium to large customers in all primary market segments, including both private companies (banks, insurance firms, service industry, telecommunications and utility firms) and public bodies (local and central Public Administration).

Since December 12, 2000, Engineering has been listed on the Milan Stock Exchange and since 2004 in the FTSE Italia STAR sector (code Reuters: ENG.MI, cod. Bloomberg ENG.IM), for companies meeting the most stringent industrial and financial requirements.

The publication of the annual separate financial statements for the financial year ended December 31, 2014 was authorised by the Board of Directors on March 13, 2015, and will be presented for approval at the Shareholders' Meeting scheduled for April 24, 2015 (first call) and April 30, 2015 (second call).

1.2 SIGNIFICANT OPERATIONS

The year just ended was marked by no significant operations.

2 Basis of preparation criteria and accounting principles

These annual financial statements were prepared in accordance with International Accounting Standards (IAS-IFRS) and the related IFRIC interpretations approved by the European Commission in addition to the provisions of paragraph 3 of Article 9 of Legislative Decree no. 38 of February 28, 2005.

These financial statements are expressed in Euro and, in compliance with IAS 1 "Presentation of Financial Statements" include the statement of financial position, the income statement and the comprehensive income statement, the statement of changes in shareholders' equity, the cash flow statement and the related explanatory notes.

The principles utilised are the same as those used for the preparation of the last annual financial statements and were applied evenly, except for the IFRS and IFRIC accounting principles, amendments and constructions applicable for accounting periods beginning on January 1, 2014, as indicated in par. 3.29.

In the statement of financial position assets and liabilities are classified according to the "current/non-current" criterion with separation of assets and liabilities held-for-sale.

Current assets are those held for sale or used in the normal business operating cycle or in the twelve months following the year-end.

Current liabilities are expected to be settled in the normal operating cycle or within 12 months following the year-end.

The income statement is classified according to the nature of the costs while the cash flow statement uses the direct method.

Transactions with related parties are disclosed in the statement of financial position, the income statement and the cash flow statement.
The transactions with related parties concern subsidiaries, associated companies and Directors and Executives with strategic responsibilities. Please see paragraph 3.28.

The financial statements are accompanied by the Directors' Report prepared by the Board of Directors in compliance with Article 2428 of the Italian Civil Code, which contains more detailed information on Company operations and significant events after the year-end.

USE OF ESTIMATES AND MEASUREMENTS

The preparation of the financial statements in compliance with IFRS also requires the use of estimates and assumptions in determining the values of the assets and liabilities, costs and revenues and contingent assets and liabilities. The estimates and assumptions are based on the best information available at the reporting date and on prior experience where the book value of assets and liabilities is not easily inferable from other sources.
The items that are most influenced by estimates are construction contracts, provisions for risks and charges, revenues and the measurement of post-employment benefits and of the fair value of derivative instruments.

However, actual results could differ from those estimates. Estimates and assumptions are periodically revised and changes are immediately reflected in the income statement.

3 Accounting principles

The accounts in the financial statements are recognised on a going concern basis.
These financial statements were prepared using measurement criteria based on historical cost, with the exception of the fair value measurement of the derivative financial instrument hedging the variable interest rate risk relating to an existing loan.
The criteria adopted in the preparation of the financial statement are detailed below.

3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include assets with long-term use held for the production or supply of goods and services, to be used under lease or for administrative purposes. This definition does not include property held principally or exclusively for rental purposes or for capital appreciation or for both of these reasons ("Investment property").
Property, plant and equipment are recognised at acquisition cost. The acquisition cost is the fair value of the price paid and any other cost directly related and necessary for the correct functioning of the asset with regard to the use for which it was acquired.
The capitalisation of costs relative to the expansion, modernisation or improvement of the structural elements whether owned or leased is solely made within the limits established to be separately classified as assets or part of an asset. Financial charges incurred for the acquisition of tangible fixed assets are never capitalised.

Land, both with and without civil and industrial buildings, is recorded separately and is not depreciated as it has an indefinite useful life.
Property, plant and equipment are recorded net of the relative accumulated depreciation and any losses in value. The amount to be depreciated is comprised of the carrying amount gross of depreciation and net of write-downs. Given the uniformity of the assets included in the various fixed asset categories, the useful life by category is as follows (except in specific cases):

Category	Useful life
Land	Indefinite
Buildings	33 years
Plant and machinery	3 - 6 years
EDP	3 - 6 years
Furniture, office machinery and equipment	6 - 8 years
Motor vehicles	4 years

Property, plant and equipment are depreciated on a straight line basis over the useful estimated life of the asset which is reassessed at least at the end of each year to apply any changes.
The carrying value of a tangible fixed asset is recognised within the value limits that this asset may recover through use. Wherever evidence indicates that difficulties may exist in the recovery of the net book value, an impairment test is carried out.
Depreciation starts when the asset is available and ready for use.
At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or gain (calculated as the difference between sale price and the book value) is recorded to the income statement.

3.2 LEASING

In the case that the Company is the lessee
Lease contracts relative to activities in which the Company holds all the risks and benefits deriving from the property are classified as finance leases. Assets acquired under finance leases are recorded at cost under tangible fixed assets, and against the financial payable to the lessor and depreciated according to the nature of the individual asset.
The financial charge is incurred in the income statement for the duration of the contract. Lease contracts in which the lessor retains a significant amount of the risks and benefits deriving from the ownership are instead classified as operating leases; the lease payments are booked in the income statement on a straight-line basis for the whole duration of the contract.

In the case that the Company is the lessor
For assets leased under a finance lease contract, the current rental amount under the lease is recognised as a financial receivable. The difference between the net carrying amount and the current amount of the receivable is recognised to the income statement as financial income. Assets leased under operating lease contracts are however included in tangible or intangible fixed assets and depreciated or amortised in a similar manner to assets owned, with rental instalments recognised on a straight line basis over the duration of the contract.

3.3 INTANGIBLE ASSETS

Intangible assets, all with a definite useful life, are recorded when they are identifiable, controlled by the Company and are capable of producing future economic benefits.
Intangible assets are initially recognised at acquisition or production cost. The acquisition cost is the fair value of the price paid to acquire the asset and any other direct costs incurred to prepare the asset for use. For intangible assets generated internally, the generation of the asset is broken down into the periods of research (non-capitalised) and the period of development (capitalised). Where the two periods are indistinguishable, the entire project is considered as research and is recorded directly to the income statement.
Realised assets are amortised from the time of use or when they are sold. To date they have been classified under assets-in-progress.
Financial charges incurred to acquire an intangible fixed asset are never capitalised.

After initial recognition, intangible assets are recognised on a cost basis, net of accumulated amortisation and any impairment. Amortisation is applied on the straight-line basis over the period of expected use. Given the homogeneity of the assets included within financial statement categories, with the exception of specific significant cases, the useful lives per category are as follows:

Category	Useful life
Software	3 - 8 years
Trademarks and licenses	3 - 8 years
Other	2 - 5 years

The amortisation criteria as well as useful lives and residual values are reassessed and re-defined at least at the end of each year in order to take any significant changes into account.
The book value of an intangible asset is maintained in the accounts as long as there is evidence that this value may be recovered through asset usage. Wherever evidence indicates that difficulties may exist in the recovery of the net book value, an impairment test is carried out.

Intangible assets, all with a definite useful life, are recorded when they are identifiable, controlled by the Company and are capable of producing future economic benefits.

Software
Costs directly associated with information technology products, created internally or acquired from third parties are capitalised as intangible assets, subject to evidence of:

- the technical feasibility and intention to complete the product in order that the latter may be available for use or sale;
- the capacity to use or sell the product;
- a definition of the manner by which the product will generate probable and future economic benefits (the existence of a market for the product, or its internal use);
- the availability of adequate technical, financial and other resources for the purposes of completing the development and the use/sale of the product;
- the capacity to reliably estimate the cost attributable to intangible assets during development of the product.

Expenses for substantial updating of products are capitalised as improvements and added to the original cost of the software. Development costs that improve product performance or upgrade the product to regulatory requirements are reflected in projects created for customers and are thus expensed during the financial year in which they are incurred.

Trademarks and licenses
Costs related to the acquisition of trademarks and licences are capitalised under intangible fixed assets. The cost comprises the fair value of the price paid to acquire the right and any other direct costs incurred for its adaptation or for implementation within the operating or productive context of the entity. The period of amortisation does not exceed the lower between the useful life and the duration of the legal/contractual rights.

3.4 GOODWILL

Goodwill is the excess of an acquisition cost in comparison to the company share of the fair value of the identifiable assets and liabilities at the acquisition date.
Goodwill from the acquisition of companies for payment is not amortised and is subject to an impairment test at least once a year. For this purpose, goodwill is allocated to one or more Cash Generating Units. Potential reductions in value emerging from the impairment test are not reversed in subsequent periods.
In the case of the sale of assets (or part of an asset) of a CGU, any goodwill associated is included in the book value of the asset in order to determine the profit or loss from sale in proportion to the value of the CGU sold.
Goodwill relating to associated companies or other companies is included in the book value of these companies.

At period-end, goodwill is subject to impairment testing and adjusted for any losses. Losses are booked directly to the income statement.

For this purpose and in line with acquisitions of previous years, the different Cash Generating Units have been identified, which respect the independence criteria in the organisational structure and the independent capacity to generate cash flow, and are then measured using impairment testing.

A Current Value is determined for the relevant asset using a Discounted Cash Flow Model (DCF) based on the end of year account situation for each CGU. The Current Value is compared with the net book value and goodwill recorded in the financial statements to determine whether it is necessary to write-down the investment and record a loss in the financial statements.
Measurement methods are based on the criteria of maximum caution using capital cost parameters greater than the market average and introducing sensitivity analysis that validates maintaining goodwill value even where future scenarios are problematic.

3.5 LOSS IN VALUE OF AN ASSET (IMPAIRMENT)

A loss in value is established wherever the book value of an asset is greater than the recoverable value. Where indicators of a loss in value exist, an estimate of the recoverable value of the asset is made (impairment test) and any write-down is applied. An impairment test is carried out at least annually, irrespective of the existence of such indicators.

The recoverable value of an asset is recorded at the greater of its fair value, net of sales costs, and its usage value. The recoverable value is calculated for each individual asset, unless it is not capable of generating cash flows from continuous use sufficiently independent of cash flows generated from other assets or groups of assets, in which case the test is carried out at the level of the smallest independent Cash Generating Unit which comprises the relevant assets.

3.6 BUSINESS COMBINATIONS

In IFRS 3, business combinations are defined as “a transaction or an event in which a purchaser obtains control of one or more businesses”.
A business combination can be created through various procedures based on legal, fiscal or other motives. It may also involve the acquisition by an entity of share capital of another entity, acquisition of the net assets of another entity, undertaking of the liabilities of another entity or the acquisition of part of the net assets of another entity which, combined, establish one or more Company activities. The combination may be realised through issue of instruments representing share capital, the transfer of cash or other liquid assets or other assets, or by a combination of the above. The operation may take place between shareholders of an entity which combine or between an entity and Shareholders of another entity. It may entail the incorporation of a new entity that controls the entities taking part in the combination or net assets transferred or the restructuring of one or more of the participating entities.

The business combinations are recorded under the purchase method. This method considers that the acquisition price must be reflected in the value of the assets of the entity acquired and this allocation must be at fair value (of the assets and of the liabilities) and not of their book value. Any difference (negative) represents the goodwill (badwill).
The changes in the holding of the Parent Company in a subsidiary, which does not lead to loss of control, are recognised as capital operations. In this event, the book values of the holdings must be adjusted to reflect the changes in their relative holdings in the subsidiaries. Any difference between the adjusted value of the minority holdings and the fair value of the amount paid or received is directly recorded to shareholders’ equity and allocated to shareholders of the Parent Company.

3.7 OTHER NON-CURRENT ASSETS

Financial receivables with a due date beyond 12 months and equity investments in other companies are recorded under other non-current assets.

Investments in other companies refer to equity investments other than subsidiaries, associates and joint ventures and are entered at cost adjusted for any impairment whose effect is recognized in the income statement.

3.8 INVESTMENTS

Acquisitions are recorded at the fair value of the investment plus any directly attributable costs.
A significant and prolonged decrease in equity investment fair value below the initial booked cost is considered an objective indication of value loss.

Subsidiary companies
Subsidiaries are considered to be companies for which Engineering Ingegneria Informatica S.p.A. has the ability to directly or indirectly determine financial and operational policies and to retain rights over its benefits. Control is presumed where more than half of the effective or potentially exercisable voting rights are held at the reporting date.

Associated companies
Associated companies are defined as those in which significant influence is exercised. Such influence is presumed where more than 20% of the effective or potentially exercisable voting rights are held at the reporting date.

3.9 INVENTORIES

Inventories are assets held for sale within the normal course of business or employed or to be employed in the productive processes for sale or services.

Inventories are measured at the lower between purchase cost and the fair value. The fair value is the sales price estimated for normal activity, net of completion costs and sales expenses. Any potential write-down is eliminated in subsequent years if the reason for the write down no longer exists.

3.10 CONSTRUCTION CONTRACTS

Construction contracts concerns specific projects in the course of completion based on long-term contracts.

If the result of a project in course can be reliably estimated, the contractual revenues and costs are recorded based on the percentage of completion method (so-called cost to cost), so as to attribute the revenues and profits over the entire duration of the contract.

If the result of a project in course of completion cannot be reliably estimated, the contractual revenues are recorded for the amount of costs incurred if it is probable that such costs are recoverable.

The sum of costs incurred and the result on each project is compared with the invoices issued on account at the date of the preparation of the accounts. If the costs incurred in addition to the profits recorded (deducting losses) are greater than the invoices issued on account, the difference is recorded under current assets in the account “Construction contracts”. If the invoices on account are greater than the costs incurred plus the profits (deducting the losses), the difference is classified under current liabilities in the account “Trade payables”.

3.11 TRADE RECEIVABLES

Trade receivables are initially recognised at the fair value of future cash flows and subsequently valued at amortised cost and reduced by any potential write-downs or impairment. A financial asset is subject to impairment if there is an objective indication that one or more events occurring after the initial booking of the asset had a negative impact on the estimated future financial flows for that asset.

The objective indication that a financial asset has suffered impairment can include insolvency or failure to pay on the part of a debtor, restructuring of the debt with the company on terms that the company would not otherwise have accepted, indications of the bankruptcy of a debtor or an issuer and the non-existence of an active market for the security. These financial assets are eliminated from the financial statements when, due to their sale or settlement, the Company is no longer involved in their management, nor holds the relative risks and benefits relating to these instruments settled/sold.

3.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits on demand, other short-term financial assets with original expiry not greater than 3 months and current account overdrafts. These latter in the preparation of the statement of financial position are included under “Financial liabilities”. Cash and cash equivalents are recognised at fair value.

3.13 DISCONTINUED OPERATIONS

A discontinued operation is a company component that has been sold or is reclassified as held for sale and represents an important independent operation or geographical area of operation or a subsidiary acquired solely for the purpose of resale. An operating activity is classified as discontinued at the moment of the sale or when the conditions have been satisfied for classification in the category “Held for sale”, if prior. When an operation is classified as sold, the separate income statement and the comparative comprehensive income statement are re-determined as if the operation was discontinued at the beginning of the comparative period.

3.14 SHARE CAPITAL

Share capital consists of fully paid-up and subscribed capital. Treasury shares are recorded as a reduction of the share capital for the nominal value of the shares while the excess of the book value compared to the nominal value is recorded as a reduction of the other reserves. No profit (loss) is recorded to the income statement for the purchase, sale or cancellation of equity instruments held.

3.15 RESERVES

Reserves consist of capital and profit reserves with a specific use.

3.16 RETAINED EARNINGS/(LOSSES CARRIED FORWARD)

The “Retained earnings/(losses carried forward)” item includes the net profit of the current and previous periods which was neither distributed nor allocated to reserves (in the case of profits) or recapitalised (in the case of losses). This item also includes the transfers from other equity reserves when those reserves are no longer required as well as the effects of the recording of changes to accounting policies and material errors.

3.17 FINANCIAL LIABILITIES

Unlike derivative instruments, financial liabilities are initially booked at the fair value of collected amounts, plus of any directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest criteria. For short-term liabilities as for trade payables, the amortised cost is equal to the nominal value.

Derivative financial instruments
Derivatives recognised at fair value are designated as hedge instruments when the relationship between the derivative and the subject being hedged is formally documented and the effectiveness of the hedge, which is periodically verified, is within the limits provided for under IAS 39. For these instruments, the fair value is determined on the basis of evaluation techniques taking as reference the indicators that can be observed on the market (so-called level 2, as per IFRS 7). The report must contain the evaluation method of the efficacy of the hedging instrument to offset the exposure to changes in the fair value of the item hedged or the cash flows relating to the hedged risk, and must be highly effective for all of the years for which the hedge was designated.

The type established by the Group is a cash flow hedge in order to offset the risk of changes in interest expense for the loan covered by the hedge, converting the loan to a fixed interest rate.

The hedge was created through agreeing an interest rate swap contract, against which the Company receives an indexed variable interest rate and expiry and time periods in line with the hedged loan and paying a fixed interest rate.

The efficacy, measured periodically, is verified with the perfect hedge derivative method. Changes in the fair value of the derivative are calculated based on the methods utilised for prospective or retrospective assessment of efficacy in the hedging report and are compared with the changes in the fair value of a similar derivative instrument.
The hedging is considered effective when the differential between the changes of the fair value of the derivative and the changes of the value of the hypothetical derivative is between 80% and 125%.

The effective hedging component is recorded under other comprehensive income statement items and shareholders' equity reserve and is calculated as the lower value between the accumulated changes in hedge derivative fair value and the changes in fair value of the hypothetical derivative. The ineffective hedging component is recorded to the income statement.

3.18 EMPLOYEE BENEFITS

Short-term employee benefits
Short-term employee benefits are recorded in the income statement for the period in which the work is carried out. The Company records a liability for the amount that it expects will have to be paid in the form of profit-sharing and incentive plans when it has a current, legal or implicit obligation to make such payments as a consequence of past events and for which the obligation can be reliably estimated.

Post-employment benefits
Post-employment benefits are recorded as costs when the Company has committed, in a demonstrable way and without a realistic possibility of withdrawal, to a formal detailed plan that provides for the termination of employment before the normal retirement date or following an offer prepared to encourage voluntary redundancy. In the case of an offer prepared by the Company to encourage voluntary redundancy, the benefits owed to employees for termination of employment are recorded in the accounts as a cost if the offer is likely to be accepted, and if the number of employees, expected to accept the offer, can be reliably estimated. Benefits owed after twelve months following the closing date of the financial year are discounted.

Defined benefit plans

Post-employment benefits represent a plan of defined benefits, which are certain in terms of their existence and sum but uncertain in terms of the vesting of the post-employment benefits accrued at December 31, 2006. The liability is determined as the current value of the benefit obligation defined at the date of reporting, in compliance with Italian regulations in force, and adjusted in order to take actuarial profits/losses into account. The amount of the defined obligation is calculated and certified annually by an independent actuary based on the "Projected unit credit" method.
Actuarial gains and losses are recognised in the comprehensive income statement and recorded under Shareholders' equity on an accrual basis.

Defined contribution plans

As from January 1, 2007, the Company has participated in defined contribution pension plans by means of the payment of contributions to publicly or privately managed programs; the latter may be mandatory, contractual or voluntary. Payment of the contributions fulfils the Company's obligation to its employees. Contributions thus constitute costs for the period in which they are due.

3.19 PROVISIONS FOR RISKS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

According to IAS 37 provisions for risks concern the probable liabilities of uncertain amount and/or maturity relating to past events whose fulfilment will necessitate the use of resources.
Allocations are recognised when: a) there is a current legal or implicit obligation, which originates from a past event; b) it is probable that fulfilment of the obligation will be onerous; c) the amount of the obligation can be reliably estimated.

The amount represents the best estimates in relation to resources required for fulfilling the obligation, including legal defence charges. Where the effect of the current amount of the payment is significant, the amount of the provision is represented by the value of resources considered necessary to satisfy the obligation on maturity discounted at a nominal rate without risks. The contingent assets and liabilities (possible assets and liabilities or not recorded as the amount may not be reliably estimated) are not recorded in the financial statements. Information in this regard is provided however.

3.20 REVENUES AND COSTS

Revenue generated from the sale of goods is recognised when the typical risks and benefits of ownership are transferred to the purchaser.

Revenues and costs are recognised on the accruals basis, in so far as it is possible to reliably establish their value.

Revenues from construction contracts are recorded as described in the relevant paragraph.
Interest is recorded at the effective rate based on the accruals principle.

Costs relating to the acquisition of new knowledge or discoveries, to the study of alternative products or processes, of new techniques or models, to the design and construction of prototypes or incurred for other scientific research activities or technological development are generally considered current costs and recorded to the income statement in the year in which they are incurred.

Costs for research undertaken in order to gain new technical expertise are recorded in the income statement in the year in which they are incurred. These costs are almost entirely attributable to personnel costs.

3.21 DIVIDENDS

Dividends are recognised in the fiscal year in which they are approved by the Shareholders.

3.22 GRANTS

Grants are recognised when there is reasonable certainty that they will be received and that the conditions required for obtaining them are met.
When grants relate to cost components, they are recorded as revenues, and systematically allocated to different periods to offset the costs to which they relate.
When the grants relate to an asset, for example plant, they are recorded to the income statement under revenues rather than as an adjusted item of the book value of the asset for which it was obtained. Subsequently the useful life of the asset for which it was granted is taken into account using the deferral technique.
Public grants drawn down as compensation of expenses and costs already incurred or with the intention to provide immediate financial aid to the entity without which there would be future costs are recorded as income in the year in which they become payable.

3.23 DEFERRED AND CURRENT TAXES

Current income taxes for the financial year are calculated based on an estimate of taxable income in compliance with tax law provisions.

Deferred taxes are recognised with reference to the time differences between the book value of the assets and liabilities recorded in the financial statements and the corresponding values recognised for tax purposes.
Deferred tax assets are recognised for tax losses and tax credits not used and carried over, as well as the assumed time differences, insofar as there is a probable future taxable income for which the assets can be used. The value of deferred tax assets is revised at the closing date of each financial year, and reduced in the measure that it is no longer probable that the related tax benefit will be realised.

3.24 TRANSLATION OF ACCOUNTS IN FOREIGN CURRENCIES

Functional and presentation currency
The financial statement items are valued utilising the currency of the principle economic environment in which the entity operates (“functional currency”).

Operations and balances
Currency operations are translated into the presentation currency by using the exchange rate effective on the transaction date. Exchange gains and losses from the settlement of these transactions and the conversion of monetary assets and liabilities in foreign currencies at the date of preparation of the accounts are recorded to the income statement.

3.25 CHANGE OF ACCOUNTING PRINCIPLES, ERRORS AND CHANGE OF ESTIMATES

Changes in accounting principles
Accounting principles are changed from one year to the next only where the change is required by a Standard or if it contributes to providing more reliable and significant information about the effects of transactions on financial standing, as well as on the economic results or cash flows, of the entity. The changes to accounting principles are recorded retrospectively with the recording of the effect to shareholders’ equity of the first of the period presented; the comparative information is restated accordingly. The prospective approach is made only when it is impractical to reconstruct the comparative information. The application of a new or amended accounting standard is accounted for in accordance with the requirements of the standard. If the standard does not provide for transition procedures, the change is booked in accordance with the method described in the previous paragraph.

Correction of errors from previous periods
In the case of significant errors, the same method that is used for changes in accounting standards illustrated in the previous paragraph is applied. In the case of non-significant errors, these are accounted for in the income statement in the period in which they are noted.

Changes in accounting estimates
Changes in accounting estimates are recognised and are booked to the income statement in the period in which the change occurs, so long as the change only affects this period; where the change also affects future periods, the changes are booked in both the period in which the change occurs and in the future period.

3.26 RISK AND CAPITAL MANAGEMENT

The Company's risk management policies aim at identifying and analysing risks to which the Company is exposed, establishing appropriate limits and controls and monitoring risks with respect to those limits. These policies and the related systems are regularly revised to reflect any variations in market conditions and Group activities. For information on Risk Management, see paragraph XVI of the Group Directors' Report.

Maximum credit risk exposure for Engineering Ingegneria Informatica S.p.A. is examined in more detail in paragraph 12 of this document.
With reference to liquidity risk, defined as difficulty in fulfilling obligations related to financial liabilities settled in cash or through another financial asset, the Company provides, where possible, for sufficient funds (via centralised management of the Group treasury) to fulfil its obligations upon maturity both under normal conditions and in the event of financial difficulty, without having to incur excessive charges or risk damaging its reputation. A detailed analysis of the due dates for financial liabilities is contained in paragraph 20 of this note.

The Board of Directors provides for a high level of capital management policies in order to maintain trust among investors, creditors and the market, allowing for future development. The Board also monitors capital returns, understood as the result from operations compared with total shareholders' equity. Furthermore, the Board of Directors monitors the level of dividends to be distributed to holders of ordinary shares.
For details on the Company's debt/equity ratio, see paragraph VIII of the Directors' Report.

3.27 SEGMENT INFORMATION

An operating segment is a component of the Company engaged in corporate activity that generates revenue and costs and whose operating results are periodically reviewed by Management for the purpose of making decisions on the resources to allocate to the sector and evaluating the results on the basis of information contained in the financial statements. For more information, please see the explanatory notes to the financial statements.

3.28 RELATED PARTIES

Following the introduction of Consob regulation of March 12, 2010, adopted with resolution no. 17221 and subsequently amended with resolution no. 17389 of June 23, 2010 enacting provisions concerning transactions with related parties, Engineering Ingegneria Informatica S.p.A., approved through Board of Directors' resolution of November 12, 2010, with effect from January 1, 2011, the procedure for the identification and carrying out of transactions with related parties. During the financial year the Company carried out transactions with a number of related parties. All balances with related parties were determined under normal market conditions. The general conditions governing transactions with senior executives and their related parties do not appear to be any more favourable than those applied, or which may have been reasonably applied, in the event of similar transactions under normal market conditions with Executives without strategic responsibility of the same entities.

3.29 NEW IFRS AND IFRIC INTERPRETATIONS

Accounting standards, amendments and IFRS and IFRIC interpretations applied from January 1, 2014

The accounting standards adopted for the drawing up of these annual financial statements are the same as those used for the annual financial statements at December 31, 2013, with the exception of the standards and interpretations listed below:

IFRS 11 – Joint arrangements which supersedes IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly controlled entities – non monetary contributions by joint ventures

In addition to the criteria for the identification of joint control, the new standard establishes the accounting criteria for the classification of joint arrangements based on the rights and obligations of the agreements, while making a distinction between joint ventures and joint operations. According to IFRS 11, unlike the previous IAS 31, the existence of a separate vehicle is not a sufficient condition to classify a joint agreement as a joint venture. As regards joint ventures, where parties have rights only on the contractually agreed joint shareholders' equity, the standard sets forth that the only recognition method in the consolidated financial statements should be the equity method. As regards joint operations, where parties have rights on contractually agreed assets and obligations for agreed liabilities, the standard envisages that the proportionate assets, liabilities, costs and revenues, resulting from joint operations, are entered directly in the consolidated (and separate) financial statements.

In general terms, the application of IFRS 11 requires a significant level of judgement in certain corporate segments as regards the distinction between joint ventures and joint operations. The new standard is effective retrospectively from January 1, 2014.

Following the issue of IFRS 11, IAS 28 – Investments in associates was amended to include in its application, from the effective date of the standard, also for holdings in jointly controlled entities.

The adoption of the new standard had no impact on the Company financial statements.

Amendments to IAS 32 "Offsetting Financial Assets and Financial Liabilities"

The amendments to IAS 32 aimed at clarifying some offsetting criteria of financial assets and liabilities (i.e. the entity currently has a legally enforceable right to set-off the amounts recognised that the entity intends to settle with the net result, or to apply the simultaneous realisation of assets and settlement of liabilities).

The amendments are effective retrospectively from January 1, 2014.

The introduction of these amendments had no impact on the Company financial statements.

"Amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets"

The amendments aim to clarify that the additional information is to be provided around the recoverable value of the assets (including goodwill) or Cash Generating Units (CGUs), tested for impairment, when their recoverable value is based on the fair value, net of the disposal costs, only relate to assets or Cash Generating Units, for which impairment was detected or written down during the year.

In this case, the standard requires an extensive disclosure on the three-level hierarchy of fair value, including recoverable value, measurement techniques and assumptions used (in the event of level 2 or 3).

The amendments can be applied retrospectively from January 1, 2014.

The adoption of these amendments had no impact on the Company financial statements.

Amendments to IAS 39 - "Financial Instruments: Recognition and Measurement - Novation of derivatives and continuation of hedge accounting"

These changes concern the introduction of some exemptions to the hedge accounting requirements defined by IAS 39 in case an existing derivative must be replaced with a new derivative, of a specific type, that has a central counterparty (CCP) following the introduction of a new law or regulation. The amendments can be applied retrospectively from January 1, 2014. The adoption of these amendments had no impact on the Company financial statements.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet applied mandatorily and not adopted in advance by the Group

"Annual Improvements to IFRSs: 2010-2012 Cycle"
On December 12, 2013, the IASB published the "Annual Improvements to IFRSs: 2010-2012 Cycle", which includes the amendments to the standards within the annual improvement process. The main amendments involve:

- IFRS 2 Share Based Payments – Definition of vesting condition. Amendments to definitions of "vesting condition" and "market condition" were made and further definitions of "performance condition" and "service condition" (previously included in the definition "vesting condition") were added;
- IFRS 3 Business Combination – Accounting for contingent consideration. The amendment clarifies that a contingent consideration, within a business combination classified as financial asset or liability, should be remeasured at fair value at each Statement of Financial Position date and changes in fair value should be recognised in the income statement or amongst the components of the comprehensive income statement, pursuant to requirements set out by IAS 39 (or IFRS9);

- IFRS 8 Operating segments – Aggregation of operating segments. The amendments require that an entity should give information on the valuations made by management in applying the criteria of operating segment aggregation, including a description of the aggregated operating segments and economic indicators considered in determining whether such operating segments are similar;

- IFRS 8 Operating segments – Reconciliation of total of the reportable segments' assets to the entity's assets. The amendment requires the reconciliation of segment assets to total assets is to be provided solely where the total assets of the operating segments are regularly reviewed by the entity's management;

- IFRS 13 Fair Value Measurement – Short-term receivables and payables. The Basis for Conclusions was changed in order to clarify that, with the release of IFRS 13, and consequent amendments to IAS 39 and IFRS 9, the possibility to record trade receivables and payables is still effective without recognising the effects of discounting, if such effects are not material;

- IAS 16 Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization. The amendments eliminated inconsistencies in the recognition of accumulated amortisation/depreciation when a tangible or intangible asset is revalued. The requirements envisaged by amendments clarify that the gross carrying amount should be accordingly consistent with the write-up of the carrying value of assets and that the accumulated amortisation/depreciation should be equal to the difference between gross carrying amount and the carrying amount, net of recorded impairment losses;

- IAS 24 Related Parties Disclosures – Key management personnel. The standard clarifies that, if the services of key management personnel are rendered by an entity (and not a physical individual), this entity is to be considered a related party in any case.

Amendments are applicable at the latest to accounting periods beginning on or after February 1, 2015. Directors deem that the adoption of these amendments will have no material impact on the Company Financial Statements.

"Annual Improvements to IFRSs: 2011-2013 Cycle"
On December 12, 2013, the IASB published the "Annual Improvements to IFRSs: 2011-2013 Cycle", which includes the amendments to the standards within the annual improvement process.
The main amendments involve:

- IFRS 3 Business Combinations – Scope exception for joint ventures. The amendment clarifies that paragraph 2(a) of IFRS 3 excludes the formation of all the types of joint arrangements, as defined in IFRS 11, from the scope of application of IFRS 3.

- IFRS 13 Fair Value Measurement – Scope of portfolio exception (par. 52). The amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 is applicable to all agreements included within the application scope of IAS 39 (or IFRS 9), regardless of the fact that they are consistent with the definition of financial assets and liabilities supplied by IAS 32;

- IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a real estate property falls within the application scope of either IFRS 3 or IAS 40, it is necessary to refer to the special indications given in IFRS 3 or IAS 40, respectively.

Directors deem that the adoption of these amendments will have no material impact on the Company Financial Statements.

Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"

On November 21, 2013, the IASB issued some amendments to the IAS 19 - "Defined Benefit Plans: Employee Contributions", which aim at describing the contribution (related only to the service rendered by the employee during the year) paid by the employees or third parties to defined benefit plans in order to reduce the service cost for the year in which this contribution is paid. The necessity of this proposal arose with the introduction of the new IAS 19 (2011), where such contributions are to be interpreted as part of a post-employment benefit, rather than a short-time benefit and, therefore, this contribution should be apportioned along the entire service period of the employee. Amendments are applicable at the latest to accounting periods beginning on or after February 1, 2015.

Directors are currently evaluating the possible impact of the amendment on the Company financial statements.

3.30 SEASONALITY OF COMPANY OPERATIONS

The activities of the Company are not subject to seasonality.

Statement of financial position

A) Non-current assets

4 Property, plant and equipment

(in Euros)

Description	31.12.2014	31.12.2013	Change
Property, plant and equipment	22,718,264	24,043,688	(1,325,425)

The changes in property, plant and equipment in the year were as follows:

(in Euros)

Description	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in progress	Leasehold improv.	Total
Balance at 01.01.2013	**8,865,159**	**767,355**	**2,212,146**	**1,143,705**	**0**	**450,378**	**13,438,744**
Op. change from merger	0	2,148,894	9,494,987	569,132	0	776,371	12,989,383
Increase	0	461,265	3,402,931	398,595	0	347,188	4,609,979
Decrease	0	(67,333)	(1,127,705)	(188,598)	0	(27,059)	(1,410,694)
Decrease in acc. depreciation	0	67,333	1,094,667	188,449	0	27,059	1,377,507
Depreciation	(294,399)	(628,034)	(5,198,271)	(518,645)	0	(321,882)	(6,961,231)
Balance at 31.12.2013	**8,570,760**	**2,749,481**	**9,878,756**	**1,592,637**	**0**	**1,252,054**	**24,043,688**
Increase	166,800	1,486,095	2,998,259	717,721	0	128,611	5,497,486
Decrease	0	(21,649)	(270,428)	(35,791)	0	(78,220)	(406,088)
Increase in acc. depreciation	0	(11,265)	0	0	0	0	(11,265)
Decrease in acc. depreciation	0	19,141	261,995	32,454	0	25,190	338,780
Depreciation	(294,957)	(625,918)	(4,745,781)	(427,797)	0	(649,886)	(6,744,338)
Balance at 31.12.2014	**8,442,604**	**3,595,884**	**8,122,802**	**1,879,224**	**0**	**677,749**	**22,718,264**

All property, plant and equipment are operational and effectively utilised in company operations and no obsolete assets of significant value or requiring replacement in the short-term, which were not depreciated exist.

The increases were substantially due to asset purchases carried out in 2014 and decreases from the sale of obsolete assets. The increase in the provision, as shown in the table, refers to the reclassification of an asset.

The “Land and buildings” item reported an increase of Euro 166,800 due to the purchase of a land at the Enrico della Valle Academy.

The increase in “Plant and machinery”, equal to Euro 1,486,095, relates to the installation of new air conditioning and cooling systems in the Data Centres and telecommunication plants in some offices of the Company.

The increase in “Industrial and commercial equipment”, equal to Euro 2,998,259, relates to the purchase of hardware for internal use while the decreases, equal to Euro 270,428, net of the related accumulated depreciation of Euro 261,995, are due to scrapping and/or donation of obsolete and/or fully depreciated computers.

The increase in “Other assets”, amounting to Euro 717,721, refers to the purchase of furniture and furnishings. The decrease is due to the disposal of obsolete furniture.

The increase in “Leasehold improvements”, equal to Euro 128,611, is due to minor restructuring on leased offices.

5 Intangible assets

(in Euros)

Description	31.12.2014	31.12.2013	Change
Intangible assets	14,443,030	18,504,619	(4,061,589)

The changes in intangible assets are detailed as follows:

(in Euros)

Description	Development costs	Industrial patents and intellectual property	Conc., licences and trademarks	Assets in progress	Other assets	Total
Balance at 01.01.2013	**603,800**	**3,561,163**	**104**	**0**	**4,976,193**	**9,141,261**
Op. change from merger	0	10,486,971	0	200,000	698,822	11,385,794
Increase	0	2,031,112	0	0	5,403,817	7,434,929
Decrease	0	0	0	(200,000)	0	(200,000)
Amortisation	(301,900)	(6,256,253)	(104)	0	(2,699,107)	(9,257,364)
Balance at 31.12.2013	**301,900**	**9,822,994**	**(0)**	**0**	**8,379,725**	**18,504,619**
Increase	0	1,347,185	0	829,394	0	2,176,579
Amortisation	(301,900)	(3,308,835)	0	0	(2,627,433)	(6,238,169)
Balance at 31.12.2014	**0**	**7,861,344**	**0**	**829,394**	**5,752,292**	**14,443,030**

Intangible assets increased by Euro 2,176,579, due to the purchase of software programmes (Euro 1,347,185) and the securitisation of development costs for the new payroll system on SAP architecture (Euro 829,394).
Other assets which, less amortisation accrued over the year, remained substantially unchanged, primarily relate to allocations of goodwill made over the previous years, as recognised upon acquisition of the business units of the companies Opera 21 and Software E Sistemi Avanzati S.p.A. ("S.E.S.A. Business Unit"). The determination of the value recorded under fixed assets was made through an estimate, performed, in the reference years, with the help of an independent expert, of the fair value of the assets, in accordance with IFRS 3R, based on assumptions considered reasonable and realistic on the basis of information available at the date of acquisition of control. The measurement at fair value of assets and liabilities of the aforesaid BUs resulted in the identification of (i) the "Outstanding contract portfolio" and (ii) the customer relationship. The residual period of amortisation is three years.

The average residual amortisation period is as follows:

(in Euros)

Description	Amortisation, remaining years	Remaining Amount
Industrial patents and intellectual property	5	7,861,344
Total industrial patents and intellectual property		**7,861,344**
Other assets	3	5,752,292
Total other assets		**5,752,292**
Total intangible assets		**13,613,636**

6 Goodwill

(in Euros)

Description	31.12.2014	31.12.2013	Change
Goodwill	43,648,341	43,648,341	-

Goodwill is allocated to Cash Generating Units that benefit from synergies resulting from the acquisition, which generated the goodwill itself.

The balance of the account Goodwill is allocated to the various sectors of the Company:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Goodwill Finance	21,603,000	21,603,000	0
Goodwill Public Administration	2,169,000	2,169,000	0
Goodwill Telco & Media	6,833,340	6,833,340	0
Goodwill Energy & Utilities	13,043,000	13,043,000	0
Total	**43,648,341**	**43,648,341**	**0**

The value of goodwill at December 31, 2014, disclosed in the statement of financial position, amounted to Euro 43,648,341 and remained unchanged with respect to 2013.

An analysis of the total value of goodwill was made as per IAS 36 and IFRS 3 revised; the value of the goodwill at December 31, 2014, tested for impairment, was Euro 43,648,341.

Based on the tests carried out according to the methods described above and according to special modalities described hereunder, the aggregate value of the goodwill tested for impairment was deemed as adequately supported in terms of expected economic results and related cash flows.

There is no evidence at the present date for the Company to proceed with any write-down.

The goodwill was tested at individual CGU level, identifying these as independent Cash Generating Units.

As to the definition of CGU, in line with 2013, reference is made to:

- characteristics of the business;
- the operating regulations and market rules for each CGU;
- the technical and management organisation and structure of the Group;
- management reporting monitoring criteria and instruments.

It should be noted, if still necessary, that the recoverable value of the CGU's was prudently estimated and in compliance with the relevant accounting standard and in line with IFRS measurement practices.

For the identification of the recoverable value – the "value in use" of the CGU – obtained through discounting, of the cash flows (DCF Model) extrapolated from the four year business plans (2015-2018) drawn up by the management of the divisions and approved by the Board of Directors, the following elements were considered:

a) estimates of future cash flows generated by the entity;
b) expected possible changes in these cash flows in terms of the amount and time periods;
c) cost of money, comprising the current market risk-free rate of interest;
d) cost to assume the risk related to implicit uncertainty in the management of the CGU;
e) other risk factors concerning the operations of a specific market and changes over time.

The parameters utilised for discounting the cash flows and the Terminal Value under the DCF model illustrated above were as follows:

- Risk free rate equal to the gross yield of BTP 5 years sold on January 29, 2015 > 0.89%
- Risk premium equal to market Equity Risk Premium > 7.7%
- Cost of debt equal to the average debt (long and short-term) of the Group > 0.81%
- Beta unlevered, equal to 1
- LTG, equal to 0.5%

For WAAC equal to 8.59%.

Expected future cash flows include a Terminal Value used to estimate the future results beyond the time period explicitly considered. The component of the Terminal Value was in any case limited to a maximum of 70% of the total sum of the discounted "free cash flow" and the Terminal Value itself.

7 Investments

(in Euros)

Description	31.12.2014	31.12.2013	Change
Investments	26,066,801	21,921,830	4,144,971

CHANGES IN INVESTMENTS

(in Euros)

Investments in	Value at 31.12.2013	Exchange difference effect	Increase	Decrease	Write-downs	Value at 31.12.2014
In subsidiary companies	21,757,907		4,196,571	(10,000)	0	25,944,478
In associated companies	163,923		8,400	(47,246)	(2,754)	122,323
Total	**21,921,830**	**-**	**4,204,971**	**(57,246)**	**(2,754)**	**26,066,801**

a) Subsidiaries

(in Euros)

	Value at 31.12.2013	Increase	Decrease	Write-downs	Value at 31.12.2014
Engineering Tributi S.p.A.	10,000,000				10,000,000
OverIT S.p.A.	1,297,893				1,297,893
Nexen S.p.A.	3,267,533	380,000			3,647,533
Engineering Sardegna S.r.l.	20,000				20,000
Engineering International Inc.	7				7
Engineering do Brasil Ltda	6,455,973				6,455,973
Engineering.mo S.p.A.	1				1
MHT S.r.l.		3,616,571			3,616,571
Engineering Excellence Center S.r.l.		200,000			200,000
Sisev	195,000				195,000
Setesi in liquidation	10,000		(10,000)		
Engineering Belgium	61,500				61,500
Engiweb Security S.r.l.	450,000				450,000
Total	**21,757,907**	**4,196,571**	**(10,000)**		**25,944,478**

Equity investments in subsidiaries increased by a total of Euro 4,196,571, due to the acquisition of 70% shares in the investee MHT S.r.l. (Euro 3,616,571), the 100% acquisition of the investee Engineering Excellence Center S.r.l. (Euro 200,000) and a further 5% acquisition in the equity investment in Nexen S.p.A., thus reaching 100% holding (Euro 380,000).
As regards the equity investment in MHT S.r.l., the Company, in fact, when acquiring its control of MHT, signed a forward agreement with minority shareholders with reference to the Non Controlling Interests, equal to 30%.

The subsidiary Setesi S.r.l. concluded the liquidation process, by approving and depositing the liquidation financial statements.

International accounting standards, and IAS 36 in particular, establish the rules that an entity must follow to ensure that its assets are recognised at a value not greater than their recoverable value.
Firstly, it is necessary to establish, at the end of each year, whether indications exist to suggest that an asset may have undergone impairment. If such indications exist, the entity must estimate the recoverable value of the asset.

The indications that may suggest that an asset has undergone impairment are:

1. from internal sources (for example, obsolescence or physical deterioration of an asset);
2. from external sources to the entity (for example, significant decrease in the market value of the asset, changes in the technological, market, economic or regulatory environment in which the company operates or in the market in which it carries out operations).

It is should be noted that, due to the occurrence of a negative difference between the pro-quota Shareholders' Equity and the corresponding book value of Engineering Sardegna S.r.l. and Engiweb Security S.r.l., the Company conducted impairment tests on the value of these equity investments.

The identification of the Enterprise value (from which the net financial position is deducted to determine the Equity Value of the related companies) was obtained through discounting the cash flows (DCF Model) extrapolated from the four year business plans drawn up by the management and approved by the Board of Directors. Moreover, in the impairment test the following parameters were taken into account:
- Risk free rate equal to the gross yield of BTP 5 years sold on January 29, 2015 > 0.89%
- Risk premium equal to market Equity Risk Premium > 7.7%
- Cost of debt equal to the average debt (long and short-term) of the Group > 0.81%
- Beta unlevered, equal to 1
- LTG, equal to 0.5%

For WAAC equal to 8.59%.

Based on test performed, consistently with provisions set out by IAS 36, the value of the equity investments in question was deemed as adequately supported in terms of expected economic results and related cash flows.

Moreover, as regards the negative differential between the book value of the equity investment in MHT S.r.l. and the corresponding Shareholders' Equity, the same must be valued taking account of the fact that the company in question was acquired during the current year and the related purchase price of the interests, equal to 70%, is adequately supported by a fairness opinion drawn up at the acquisition date. The positive outcome in 2014, at both operating level and net result level, should be also considered.

Lastly, as regards the negative differential between the book value of the equity investment in Engineering Excellence Center S.r.l. and the corresponding Shareholders' Equity, the same must be valued taking account of the fact that the company in question was acquired during the current year. Moreover, the positive outcome for 2014 should be considered.

Investments in subsidiaries are detailed as follows:

(in Euros)

	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value at 31.12.2014	%
Engineering Sardegna S.r.l.	Cagliari	3,009,025	3,106,384	20,000	(97,359)	1,077,191	(139,985)	20,000	+100
Engineering Tributi S.p.A.	Trento	43,018,879	28,008,902	10,000,000	15,009,976	24,890,572	34,298	10,000,000	+100
Engiweb Security S.r.l.	Trento	3,956,370	4,053,256	50,000	(96,887)	947,935	(330,383)	450,000	+100
Nexen S.p.A.	Padua	7,697,320	3,117,933	1,500,000	4,579,387	7,228,534	224,114	3,647,533	+100
OverIT S.p.A.	Fiume V. (PN)	19,327,812	10,459,123	98,800	8,868,689	22,037,973	1,869,236	1,297,893	+95
Sicilia e-Servizi Venture S.c.r.l.	Palermo	107,633,404	105,876,344	300,000	1,757,060	4,610,009	(872,159)	195,000	+65
Engineering do Brasil	Sao Paulo (Brazil)	36,828,941	23,252,141	8,012,550	13,576,800	57,938,283	4,184,018	6,455,973	+75
Engineering International Belgium S.A.	Brussels	9,013,282	7,688,378	61,500	1,324,905	17,536,318	442,295	61,500	+100
Engineering International Inc.	Delaware (USA)	2,596,454	2,230,104	8	366,350	2,708,910	344,229	7	+100
Engineering.mo	Pont Saint Martin (AO)	71,462,758	41,298,484	1,000,000	30,164,273	51,998,151	2,867,925	1	+100
MHT	Lancenigo (TV)	7,927,204	5,557,425	52,000	2,369,779	11,132,142	666,543	3,616,571	+70
Engineering Excellence Center S.r.l.	Rome	640,942	619,742	10,000	21,201	817,317	25,136	200,000	+100

(in Euros)

	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value at 31.12.2013	%
EngO S.p.A. in liquidazione	Rome	612,810	4,748,520	1,300,000	(4,135,710)	766,996	(447,136)		+100
Engineering Sardegna S.r.l.	Cagliari	2,296,647	2,227,358	20,000	69,289	1,162,474	(72,844)	20,000	+100
Engineering Tributi S.p.A.	Trento	41,229,020	26,150,267	10,000,000	15,078,752	21,897,453	504,727	10,000,000	+100
Engiweb Security S.r.l.	Trento	3,955,776	3,684,753	50,000	271,023	1,339,261	10,424	450,000	+100
Nexen S.p.A.	Padua	8,331,570	3,916,664	1,500,000	4,414,906	7,850,810	(341,383)	3,267,533	+95
OverIT S.p.A.	Fiume V. (PN)	16,025,361	8,978,411	98,800	7,046,951	19,016,352	1,546,935	1,297,893	+95
Sicilia e-Servizi Venture S.c.r.l.	Palermo	107,104,507	104,475,289	300,000	2,629,218	19,492,116	(481,906)	195,000	+65
Setesi S.r.l. in liquidazione	Palermo	450,316	116,070	10,000	334,246	310,827	178,770	10,000	+100
Engineering do Brasil	Sao Paulo (Brazil)	27,441,032	18,028,261	7,921,789	9,412,771	47,382,141	18,683	6,455,973	+75
Engineering International Belgium S.A.	Brussels	3,620,563	2,737,953	61,500	882,610	7,731,728	123,583	61,500	+100
Engineering International Inc.	Delaware (USA)	7		7	7			7	+100
Engineering.mo	Pont Saint Martin (AO)	87,414,697	60,109,987	1,000,000	27,304,710	69,796,913	(41,010,633)	1	+100

Note: The companies 100% controlled, EngO S.p.A. in liquidation and Setesi S.r.l. in liquidation, in November 2014 approved the liquidation final financial statements.

c) Associated companies

(in Euros)

	Value at 31.12.2013	Increase	Decrease	Write-downs	Value at 31.12.2014
Consorzio Engbas Servizi Globali	25,000				25,000
CENTO-6 S.c.a.r.l.	5,000				5,000
Si Lab - Calabria S.c.a.r.l.	1,800	5,400			7,200
Si Lab - Sicilia S.c.a.r.l.	3,525				3,525
Consorzio Sirio	78,598				78,598
Consorzio Sanimed Group		3,000			3,000
In Italia - Il Consorzio dell'Informatica Italiana	50,000		(47,246)	(2,754)	
Total	**163,923**	**8,400**	**(47,246)**	**(2,754)**	**122,323**

Associated companies reported a decrease of Euro 50,000 due to the liquidation of the company "In Italia - Consorzio dell'Informatica Italiana", which recorded a loss of Euro 2,754. The difference was entirely recovered and collected.

The increase of Euro 8,400 is due to the payment made to Consorzio Silab-Calabria S.c.a.r.l. (Euro 5,400) and the purchase of 25% of Consorzio Sanimed Group (Euro 3,000).

Investments in associated companies are as follows:

(in Euros)

	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value at 31.12.2014	%
Consorzio Engbas Servizi Globali	Florence	49,420	6	50,000	49,414		(1,619)	25,000	50
CENTO-6 S.c.a.r.l.	Milan	5,248	4,040	20,000	1,208		(2,913)	5,000	25
Si Lab - Calabria S.c.a.r.l.	Rende	29,127	2,090	30,000	27,037		(2,964)	7,200	24
Consorzio Sirio	Palermo	310,869	156,222	5,000	154,647	19,921	(553)	78,598	49
Si Lab - Sicilia S.c.a.r.l.	Palermo	30,323	323	30,000	30,000			3,525	24
Consorzio Sanimed Group								3,000	25

(in Euros)

	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value at 31.12.2013	%
Consorzio Engbas Servizi Globali	Florence	51,672	6	50,000	51,666		(865)	25,000	+50
In Italia - Il Consorzio dell'informatica	Rome	195,026	446	200,000	194,580		96	50,000	+25
CENTO-6 S.c.a.r.l.	Milan	4,606	484	20,000	4,121		(6,623)	5,000	+25
Si Lab - Calabria S.c.a.r.l.	Rende			30,000				1,800	+24
Consorzio Sirio	Palermo	796,805	656,394	5,000	140,411	66,949	(5,820)	78,598	+49
Si Lab - Sicilia S.c.a.r.l.	Palermo	30,323	323	30,000	30,000			3,525	+24

Note: The figures refer to the latest approved financial statements.

d) Companies under indirect control

(in Euros)

	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	%
Engi da Argentina S.A.	Buenos Aires	6,509,649	6,446,949	4,866	62,700	2,995,694	49,113	+67.5

8 Deferred tax assets

(in Euros)

Description	31.12.2014	31.12.2013	Change
Deferred tax assets	13,745,912	19,671,774	(5,925,861)

The calculation of deferred tax assets was carried out through critically evaluating the existence of future recoverability requisites of these assets. They are calculated at the current rates (27.5% for IRES and based on regional rates for IRAP) and recorded in the entries shown in the table hereunder:

(in Euros)

Description	31.12.2014		31.12.2013	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Prov. employee bonus	1,422,484	391,183	3,250,000	893,750
IAS amortisations	4,488,546	1,234,350	4,123,792	1,134,043
Goodwill	165,587	51,994	379,173	119,060
Directors' fees	1,042,181	286,600	639,867	175,963
Derivative fair value	260,032	71,509	18,019	4,955
Doubtful debt provision	19,184,758	5,275,808	16,253,299	4,469,658
Provisions for risks	6,033,845	1,894,627	3,680,307	1,155,616
Leaving incentives	3,435,656	944,805	5,559,275	1,528,801
Tax losses			29,928,170	8,230,247
Adjustments for IFRS	12,723	3,995	12,723	3,995
Adjustments for IFRS IAS 19	11,300,167	3,107,546	5,325,348	1,464,471
Other	1,758,161	483,494	1,786,241	491,216
Total	**49,104,139**	**13,745,912**	**70,956,214**	**19,671,774**

Changes in deferred tax assets are detailed below:

(in Euros)

Description	
Balance at 01.01.2013	**3,009,304**
Op. change from merger	24,326,419
Increase	5,286,704
Decrease	(12,950,654)
Balance at 31.12.2013	**19,671,774**
Increase	5,246,674
Decrease	(11,172,536)
Balance at 31.12.2014	**13,745,912**

The decrease for the year is mainly attributable to the utilisation of deferred tax assets to offset tax losses, while the increase is ascribable to adjustments for the valuation of the post-employment benefits according to provisions set out by IAS 19 and allocations of provisions for risks.

9 Other non-current assets

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other non-current assets	723,184	4,861,664	(4,138,480)

The balances are comprised of:

(in Euros)

Description	31.12.2014	31.12.2013	Change
In other companies	395,487	535,645	(140,158)
Non-current financial assets	327,697	4,326,019	(3,998,322)
Total	**723,184**	**4,861,664**	**(4,138,480)**

a) Investments in other companies

Equity investments in other companies decreased by Euro 143,158 due to write-downs of shares shown in the table for which, based on the information available to us, investments made are not recoverable:

(in Euros)

Equity investments in other companies	Value at 31.12.2013	Increase	Decrease	Write-downs	Value at 31.12.2014
Banca Popolare di Credito e Servizi	7,747				7,747
Comitato Prom. B.Ca dell'Urbe	6,197				6,197
Banca Credito Cooperativo Roma	1,033				1,033
Terzo Millennio S.r.l.	1,033				1,033
Consorzio Foodnet	700				700
Global Riviera	1,314				1,314
Tecnoalimenti S.c.p.a.	65,832				65,832
Gene. S.I. S.c.r.l.	396				396
Dhitech Distretto Tecnologico High-Tech S.c.a.r.l.	36,314				36,314
Consorzio E.O.S.	2,000				2,000
Distretto Tecnol.Micro E Nanosistemi S.c.r.l.	34,683				34,683
Wimatica S.c.a.r.l. (Da Esel)	6,000				6,000
S.I.R.E. S.p.A.	15,000				15,000
Consorzio Cefriel	43,512				43,512
Consorzio Abi Lab	1,000				1,000
Consorzio Co.Di.Log	1,000				1,000
Partecipazione Ce.R.T.A.	360				360
Consorzio B.R.A.I.N.	4,500				4,500
Consorzio Arechi Ricerca	5,000				5,000
Consorzio Health Innovation Hub	3,000				3,000
EIT ICT LAbs Trento	2,000				2,000
Ehealthnet S.c.a.r.l.	10,800				10,800
Roma Capitale Investments Foundation	10,000				10,000
Partec.Cons. Cuea	7,747				7,747
Partec.Cons. Appel	1,033				1,033
Partecip.Cf Pro (AO)	1,833				1,833
Distretto Ligure Delle Tecnologie Marine S.c.a.r.l.	20,000				20,000
Distretto Tecnologico Campania Bioscience S.c.a.r.l.	20,000				20,000
CAF ITALIA 2000 S.r.l	260				260
M2Q S.c.a.r.l.		3,000			3,000
Seta S.r.l.	82,192				82,192
Servizi Previdenziali S.p.A.	101,918			(101,918)	
Konow Ghange S.r.l.	15,488			(15,488)	
Consorzio Fastigi	10,919			(10,919)	
Meridionale Innovazione Trasporti S.c.a.r.l.	400			(400)	
Editrice D.U.E.M.I.L.A Soc. Coop. A.r.l.	10,000			(10,000)	
Partecip Elea	40			(40)	
Partec.Cons.Oikos	26			(26)	
Partec.Cons. Idroelettrica	50			(50)	
Partec.Cons. Kit-Key	52			(52)	
Partec.Cons. Idroenergia	516			(516)	
Consorzio Cifte	3,749			(3,749)	
Totale	**535,645**	**3,000**		**(143,158)**	**395,487**

ENGINEERING INGEGNERIA INFORMATICA

b) Non-current financial assets

(in Euros)

Description	31.12.2014	31.12.2013	Change
Tax receivables	-	3,554,801	(3,554,801)
Security deposits	327,697	342,761	(15,064)
Others	-	428,457	(428,457)
Total	**327,697**	**4,326,019**	**(3,998,322)**

Non-current financial assets recorded a substantial change by effect of the reclassification that involved the non-current provision for risks, entirely written down to reflect the correct realisable value of receivables.

The item "Tax receivables", equal to Euro 3,554,801, relates to taxes paid abroad for transactions invoiced in Brazil, Greece, and Argentina. It was entirely written-down in light of the probable risk of insolvency within the expected due terms, which, for regulations in force, are eight years. These receivables incurred in 2008, before the tax consolidation regime. For a better disclosure in the financial statements, the amount already allocated in past years under provisions for risks and charges was reclassified in the current year - by offsetting the receivables in question.

Security deposits relate to non-current financial assets on rented real estate properties and sundry utilities.

The change in item "Other" is related to a bond loan that, during the year, was redeemed in the amount of Euro 125 thousand. The residual amount was however entirely netted by the amount allocated in the previous years under item "Provision for risks and charges" to cover the insolvency risk due to the critical position of the Issuer.

C) Current assets

10 Inventories

(in Euros)

Description	31.12.2014	31.12.2013	Change
Inventories	52,170	79,994	(27,824)

Inventories refer to user licences for software products held for resale to customers.

11 Construction contracts

(in Euros)

Description	31.12.2014	31.12.2013	Change
Construction contracts	101,978,421	115,661,636	(13,683,214)

The composition of construction contracts and related changes is shown below:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Opening construction contracts	115,661,636	94,560,141	21,101,495
Opening construction contracts from incorporated companies		41,493,844	(41,493,844)
Adjustments in work in progress	(3,520,688)	(79,332)	(3,441,356)
Opening construction contracts cancelled by inc. companies		(6,596,765)	6,596,765
Costs incurred plus profits booked according to percentage completion net of losses	284,735,449	286,255,503	(1,520,054)
Invoicing progress of work	(294,897,976)	(299,971,755)	5,073,779
Total	**101,978,421**	**115,661,636**	**(13,683,214)**

Construction contracts concern projects in the course of completion based on long-term contracts. They include adjustments for projects for which critical issues emerged as regards possible realisable value. The related amount is the best estimate made based on the current information available to us.

12 Trade receivables

(in Euros)

Description	31.12.2014	31.12.2013	Change
Trade receivables	451,395,799	494,390,512	(42,994,712)

Trade receivables at December 31, 2014 are as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Customers	336,096,467	401,291,873	(65,195,406)
Subsidiaries	109,660,066	87,044,969	22,615,097
Others	5,639,266	6,053,669	(414,403)
Total	**451,395,799**	**494,390,512**	**(42,994,712)**

a) Customers

(in Euros)

Description	31.12.2014	31.12.2013	Change
Receivables on invoices issued	304,792,541	366,714,030	(61,921,489)
of which overdue	128,851,304	167,288,130	(38,436,826)
Invoices to be issued	55,064,212	54,578,393	485,820
Credit notes to be issued	(211,780)	(361,968)	150,188
Doubtful debt provision	(22,174,065)	(18,099,261)	(4,074,804)
Provision for interest in arrears	(1,374,441)	(1,539,321)	164,879
Total	**336,096,467**	**401,291,873**	**(65,195,406)**

Receivables from customers, net of the doubtful debt provision (Euro 23,549 thousand), amounted to Euro 336,096 thousand.

The doubtful debt provision increased by Euro 7,438 thousand, to adjust the provision to the expected realisable value of receivables. The provision was utilised, in the amount of Euro 3,363 thousand, as a result of the settlement of some legal disputes whose risks had been allocated in previous years.

The Provision for interest in arrears decreased by Euro 165 thousand, mainly due to the collection of invoices and, marginally, the issue of credit notes.

Overdue receivables by sector are shown in the following table:

(in Euros)

Description	Days falling due					Total at 31.12.2014
	30	60	90	120	over 120	
Public Administration	11,722,567	7,718,920	5,172,424	3,252,576	35,884,594	63,751,081
Finance	3,673,971	2,512,818	656,959	409,525	3,314,880	10,568,152
Industry & Services	14,026,654	4,070,774	1,462,035	542,234	11,556,523	31,658,220
Telco & Utilities	7,117,375	3,883,105	1,956,705	3,412,340	6,504,327	22,873,851
Total	**36,540,566**	**18,185,617**	**9,248,123**	**7,616,674**	**57,260,324**	**128,851,304**

(in Euros)

Description	Days falling due					Total at 31.12.20143
	30	60	90	120	over 120	
Public Administration	10,957,975	9,019,017	4,995,702	4,901,683	49,576,205	79,450,582
Finance	6,649,512	1,756,808	760,978	1,857,270	3,135,469	14,160,037
Industry & Services	12,676,154	6,945,870	1,640,918	1,891,655	16,814,968	39,969,565
Telco & Utilities	11,194,662	2,927,313	7,622,390	1,449,618	10,513,963	33,707,947
Total	**41,478,303**	**20,649,009**	**15,019,988**	**10,100,226**	**80,040,605**	**167,288,130**

The level of overdue receivables clearly improved on all market segments. As regards the overdue amounts related to the previous year, amounts collected reported a 23% average decrease, equal to Euro 38.4 million. The higher contribution mainly relates to the “Public Administration” sector (-41%), the “Telco & Utilities” sector (-28%), the “Industry” sector (-22%) and the “Finance” sector (-9%).
Receivables past due beyond 120 days decreased the most, from Euro 80 million to 57.2 million. The above is mainly related to the collection of receivables that were doubtful for bureaucratic reasons in previous years and were settled during the year.
It is confirmed that no insolvency risks are reported except for the amount allocated to the doubtful debt provision after a careful analysis of exposures related to each single customer.

b) Subsidiaries

These receivables refer to the following:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Receivables on invoices issued	71,640,561	62,765,347	8,875,215
Invoices to be issued	24,540,304	16,438,944	8,101,360
Cash Pooling	12,143,313	9,115,269	3,028,044
Doubtful debt provision	-	(4,245,863)	4,245,863
Credit notes to be issued	(26,666)	(29,552)	2,885
Loans receivable	1,109,979	2,859,979	(1,750,000)
Others	252,575	140,845	111,730
Total	**109,660,066**	**87,044,969**	**22,615,097**

For further details reference should be made to paragraph 43 of the present notes “Transactions with related parties”, where a list of subsidiaries and related receivables by type and amount is included.

Receivables at December 31, 2014 from the company Sicilia e-Servizi Venture S.c.r.l., in liquidation, equal to Euro 57,494,382 (net of the doubtful debt provision), in addition to Euro 8,107,012, were related to the IT activities connected with the building of an integrated IT platform for the Sicilian Region within specifications and provisions set out in the convention signed between the Sicilian Region, Sicilia e-Servizi S.p.A. and Sicilia e-Servizi Venture S.c.r.l. in liquidation (“SISEV”), on May 21, 2007 and expired on December 22, 2013.

As regards SISEV receivables, no specific critical issues or formal claims related to the correct execution of services and good quality of products delivered were highlighted by Sicilia e-Servizi S.p.A. and/or the Sicilian Region.

It should be however noted that, in the mutual interest, on October 9, 2012 the Sicilian Region and Sicilia e-Servizi S.p.A. signed an “Agreement” which regulates the repayment of SISEV receivable, indicating the final repayment date at December 31, 2013. Moreover, this agreement outlined that the Sicily Region was undertaking to carry out controls and provide Sicilia e-Servizi S.p.A. with all the technical and economic means, so as the latter would have been able to correctly fulfil its obligations, and envisaged that, while executing the agreement, such obligations would have been undertaken by SISEV. As already highlighted in the explanatory notes to the financial statements at December 31, 2013, however, Sicilia e-Servizi S.p.A. and the Sicilian Region fulfilled their obligations only partially as to the receivable refunding plan, as envisaged by the agreement, although no objections were arisen with respect to the correct execution and quality of services rendered.

On December 22, 2013, upon expiration of the Framework Agreement, the Regional Administration asked the company SISEV, as aforesaid, to guarantee its services.

Given Sicilia e-Servizi S.p.A.’s failure to pay, SISEV filed a petition for an order of payment before the Court of Palermo. Sicilia e-Servizi then asked and, on October 2, 2013, obtained the interim enforcement of the order for payment for an amount of Euro 93,163,203. After the transfer by SISEV of the entire shareholding to the Sicilian Region, Sicilia e-Servizi S.p.A. unjustifiably left the lawsuit started by the previous Director to obtain the payment of the aforesaid amount from the Sicilian Region.

Therefore, to safeguard its rights, on July 18, 2014 SISEV applied for a distraint order over all receivables from the Sicilian Region to Sicilia e-Servizi S.p.A., up to the entire amounts receivable accrued by the company. On November 10, 2014, the Court of Palermo rejected SISEV’s request while underlying that “given that, besides Sicilia e-Servizi S.p.A., also the Sicilian Region (via its accountant general), an undoubtedly solvent entity, is directly committed with respect to Sicilia e-Servizi Venture S.c.r.l. -... Omitted ... there is no urgency (periculum in mora) ...”. In other words, the Judge reported no credit risk, while highlighting the “guarantor” role played by the Sicilian Region in favour of SISEV.

In the last two months of 2014, with the new office of Councillor Responsible for Balance, the dialogue with SISEV, the Sicilian Region and Sicilia e-Servizi was re-opened to find an amicable settlement of the outstanding issues and, in particular, the issue related to the payment of services rendered by SISEV to Sicilia e-Servizi and the Sicilian Region after the expiration of the Framework Convention, and the issue related to the payment of the large amount receivables due.

At the same time, Sicilia e-Servizi provided for the payment to SISEV of a total amount of Euro 3,841,328.

With respect to the aforesaid request, SISEV continued and still continues to render the aforesaid services on a reduced basis and with the exclusive intent to avert the total interruption of the essential services to citizens. This availability was granted against a renewed positive willingness expressed by the Sicilian Region and Sicilia e-Servizi S.p.A. to fulfil their obligations and in particular the payment of the large amount, as well as to formalise the services rendered by the company after the expiration of the Framework Convention. This positive attitude was also expressed during the meetings held at the Prefecture of Palermo on February 1 and May 29, 2014. On February 1, 2014, in fact, the parties (Sicilian Region, SISE and SISEV) were summoned by the prefect of Palermo. During the meeting the representative of the Sicily Region confirmed their willingness to reschedule the receivable refunding plan, as envisaged in the agreement signed on October 9, 2012. As regards the formalisation of services rendered by SISEV after the expiration of the Framework Convention, meetings are being held to finalise the new agreement, including the aforesaid payment plan, but also, with letter dated February 27, 2015, the Chief of the Office for the Coordination Activities of IT Systems of the Sicilian Region renewed the invitation to SISEV not to interrupt the services rendered and highlighted that the services already rendered and those to be rendered will be paid to SISEV.

Given the correctness of credit lines and the correct execution of services, after acknowledging the request of the Regional Administration that the company continues rendering its services regardless of the expiration of the Framework Agreement, and based on the willingness confirmed by the representative of the Sicily Region to re-schedule the receivables refunding plan, as envisaged in the agreement of October 9, 2012, based on the legal actions brought in, given the "guarantor" role played by the Sicilian Region, also highlighted by the Court of Palermo to exclude the alleged periculum mora, and further information available, after hearing the legal adviser, receivables and works in progress recognised in the financial statements are to be deemed valid and payable.

c) Other

(in Euros)

Description	31.12.2014	31.12.2013	Change
Prepayments	1,451,502	1,775,041	(323,538)
Others	4,187,764	4,278,628	(90,865)
Total	**5,639,266**	**6,053,669**	**(414,403)**

Receivables due from others refer to costs accruing in the future and are mainly composed of rentals, insurance policies, software package maintenance costs, usage licenses.

13 Other current assets

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other current assets	46,284,583	47,259,848	(975,265)

The other current assets are broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Current financial assets	13,417,556	14,816,723	(1,399,166)
Others	32,867,027	32,443,125	423,901
Total	**46,284,583**	**47,259,848**	**(975,265)**

a) Current financial assets

Current financial assets are broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Tax receivables	12,709,906	14,563,780	(1,853,874)
Social security institutions	707,650	252,943	454,707
Total	**13,417,556**	**14,816,723**	**(1,399,166)**

The tax receivables relate to:
- for Euro 7,565,096 to the request, lodged in 2012, for repayment of the higher IRES income tax paid on personnel not deducted for IRAP purposes in the period 2007-2011, based on Article 2, paragraph 1-*quater*, of Legislative Decree 201/2011;
- for Euro 1,504,449 to IRES and IRAP tax credits. The amount is the difference between advanced payments and withholdings applied, and tax provisions calculated at December 31, 2014;
- for Euro 2,785,116 for receivables for taxes paid abroad;
- for Euro 55,516 for receivables from Equitalia, pledges related to third parties, our customers, to secure pending payment of taxes. This receivable is reported net of the insolvency risk, equal to Euro 177,991, which was recorded, until last year, under item "Non-current provisions for risks" and reclassified this year in reduction of the specific receivable;
- for Euro 799,729 related to receivables from the Inland Revenue Office for recoverable VAT.

Receivables from Social Security Institutions relate to:
- the payment of the INAIL advance payment for 2015 (Euro 427,044);
- INPS receivables to be recovered over future years (Euro 280,606).

b) Others

The "Others" item includes:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Applied research grants	30,641,474	31,282,572	(641,098)
Prepaid expenses	20,709	8,300	12,409
Others	2,204,843	1,152,253	1,052,590
Total	**32,867,027**	**32,443,125**	**423,901**

Receivables for applied research grants are receivables yet to be paid relating to projects financed by National Public Authorities and by the European Union.

14 Cash and cash equivalents

(in Euros)

Description	31.12.2014	31.12.2013	Change
Cash and cash equivalents	121,418,653	91,423,287	29,995,366

The balance includes cash and cash equivalents and postal and bank current accounts. Bank and postal deposits are remunerated at interest rates in line with the market.

Cash and cash equivalents consist of the following:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Bank and postal deposits	121,405,365	91,404,139	30,001,226
Bank and postal deposits	13,288	19,148	(5,859)
Total	**121,418,653**	**91,423,287**	**29,995,366**

Cash and cash equivalents include Euro 6.2 million of escrow accounts related to payments made in advance to the European Community for research activities. Under net financial position, amounts were deducted from item “Other current financial payables”.

15 Breakdown of financial instrument assets by category

The classification of the Company financial instruments by category, according to provisions set out by IAS 39, is reported below.

(in Euros)

Items at 31.12.2014	Assets valued at FV in P&L	Investments held to maturity	Loans and receivables	Financial assets available-for-sale
Other non-current assets			723,184	
Trade receivables			451,395,799	
Other current assets			46,284,583	
Cash and cash equivalents			121,418,653	
Total			**619,822,219**	

(in Euros)

Items at 31.12.2013	Assets valued at FV in P&L	Investments held to maturity	Loans and receivables	Financial assets available-for-sale
Other non-current assets			4,861,664	
Trade receivables			494,390,512	
Other current assets			47,259,848	
Cash and cash equivalents			91,423,287	
Total			**637,935,311**	

D) Shareholders’ equity

16 Information on shareholders’ equity

(in Euros)

Description	31.12.2014	31.12.2013	Change
Shareholders’ equity	368,144,758	347,721,313	20,423,445

The changes are shown in the table below:

(in Euros)

Shareholders’ Equity	Value at 31.12.2013	Increase	Decrease	Value at 31.12.2014
Share capital	31,875,000	0	0	31,875,000
Treasury shares in portfolio	(790,569)	0	(76,911)	(867,479)
Share capital unpaid		0	0	
Total share capital	**31,084,431**	**0**	**(76,911)**	**31,007,521**
Legal reserve	6,375,000	0	0	6,375,000
Reserve acquisition treasury shares	87,978,827	0	0	87,978,827
Share premium reserve		0	0	
Merger reserve	116,044,240	0	0	116,044,240
Difference of exchange conversion IAS 21		0	0	
Other reserves	1,401,721	0	0	1,401,721
Total reserves	**211,799,788**	**0**	**0**	**211,799,788**
Prior years' undistributed profits	78,949,664	16,130,657	(1,092,906)	93,987,415
First-time application of IAS/IFRS	5,805,572	0	0	5,805,572
IAS 19 actuarial gains/(losses)	(4,035,735)	0	(4,331,744)	(8,367,479)
Fair value cash flow hedge reserve	(13,064)	13,064	(188,523)	(188,523)
Retained earnings	**80,706,437**	**16,143,721**	**(5,613,173)**	**91,236,985**
Profit/(loss) for the year	**24,130,657**	**34,100,465**	**(24,130,657)**	**34,100,465**
Total shareholders' equity	**347,721,313**	**50,244,185**	**(29,820,740)**	**368,144,758**

17 Share capital

The subscribed and fully paid-in share capital is Euro 31,875,000, divided into 12,500,000 shares each with a par value of Euro 2.55.

There are 340,188 treasury shares in portfolio, valued at acquisition cost, and totalling Euro 7,881,062. They are recognised for the par value as a reduction of the share capital (Euro 867,479) and for the remaining part (Euro 7,013,583) as a reduction of the retained earnings, as established by the provisions introduced by IAS 32. The average book value was Euro 21.6473 per share.

On May 15, 2014, the Engineering Ingegneria Informatica S.p.A. Shareholders’ Meeting voted in favour of a treasury share buy-back plan for a maximum of 2,500,000 shares, within a maximum time period of 18 (eighteen) months.

All issued ordinary shares are entirely paid up and there are no shares with limitations relative to the distribution of dividends, with the exception of the provisions of Article 2357 of the Italian Civil Code in relation to treasury shares.

18 Reserves

In relation to the possible utilisation and distribution of reserves, the following should be noted:

- Legal reserve:
  Euro 6,375,000 is available for the covering of losses but is not distributable.

- Reserves for the acquisition of treasury shares:
  Euro 87,978,827 neither available nor distributable.

- Merger reserve:
  Euro 116,044,240 relate to mergers of subsidiaries, occurred from 2003 to 2009 and 2013, the reserve refers to profits gained by the incorporated companies over the years before the merger:
  - Euro 54,960,814 available and distributable;
  - Euro 4,601,450 neither available nor distributable;
  - Euro 56,481,976 is available and distributable.

- Other Reserves of Euro 1,401,721 relate to:
  - Other available reserves:
    Euro 81,721 is available and distributable.
  - Special Egov research reserve:
    Euro 72,000 neither available nor distributable.
  - Special Erp Light research reserve:
    Euro 168,000 neither available nor distributable.
  - Special research reserve applied to the PIA Project:
    Euro 1,080,000 neither available nor distributable.

19 Retained earnings

Retained earnings of Euro 91,236,985 include:

- Prior years' undistributed profits of Euro 93,987,415
  Movements over the year relate to the increase for the allocation of profits, equal to Euro 16,130,657, and the decrease of Euro 1,092,906 due to the purchase of own shares.
  The reserve is available and distributable.

- First-time IAS/IFRS application of Euro 5,805,572
  The reserve is neither available nor distributable and relates to the first time application of IAS/IFRS.

- Actuarial gains/(losses) of Euro (8,367,479)
  The reserve decreased by Euro 4,331,744, net of deferred taxes due to actuarial losses.

- Fair value cash flow hedge reserve for the effective part
  The fair value cash flow hedge reserve of Euro (188,523), net of deferred taxes, comprises the change in the fair value variation of the derivative as the lower value between the cumulative fair value changes of the hedging derivative and the fair value changes of the hypothetical derivative.

E) Non-current liabilities

20 Non-current financial liabilities

(in Euros)

Description	31.12.2014	31.12.2013	Change
Non-current financial liabilities	45,100,797	18,496,086	26,604,710

Non-current financial liabilities refer to borrowings from lenders and other current financial liabilities:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Borrowings from lenders	45,064,017	18,362,010	26,702,006
Other non-current financial liabilities	36,780	134,076	(97,296)
Total	**45,100,797**	**18,496,086**	**26,604,710**

Borrowing from lenders at December 31, 2014 is as follows:

(in Euros)

Lender	Year of maturity	Interest rate	Within 1 year	Over 1 year	Over 5 years
Attività prod.Mcc/Ex Esel	2016	0,790000	106,954	107,799	
Attività prod.MCC/irm&m	2015	0,960000	295,550		
Miur Prog.4452IC/5 Locosp	2015	0,250000	26,861		
Svil. Econ. Pia E-Gov	2015	0,740000	104,914		
Svil. Econ. Pia E-Gov	2018	0,740000	85,792	580,627	
Svil. Econ. Pia Ex Engisud	2016	0,960000	219,875	221,986	
Svil. Econ. Pia Odcdn	2018	0,740000	171,324	521,617	
Svil. Econ. Pia Sinim	2018	0,740000	197,556	601,484	
Miur Prog. 13473/1 Bbkit	2015	1,000000	126,152		
Miur Prog. 3354/E/1 Eureka	2016	0,250000	84,166	168,964	
Miur Prog. 6636/1 Siege	2017	0,250000	272,697	1,097,622	
Miur Prog. 691/1 Chat	2015	0,250000	163,189		
Bei/Serapis N. 82199	2018	Euribor 3m/360+1,99100	3,750,000	9,375,000	
Unicredit/Bei 4459191	2020	Euribor 3m/360+2,50000	3,500,000	31,500,000	3,500,000
Miur Prog. 1084 WISE	2016	0,250000	114,883	230,628	
Miur Prog. 28953 Foodsys	2019	0,500000	142,751	578,185	
Miur Prog 28953 Foodsys	2019	3,150000		80,104	
Total			**9,362,664**	**45,064,017**	**3,500,000**

Borrowings from lenders totalled Euro 54,426,681, of which Euro 45,064,017 are loans due beyond 12 months and Euro 9,362,664 for loans due within 12 months recorded as current financial liabilities.

The contracts related to the two variable rate loans granted by the European Investment Bank (EIB) to support research and development activities amount to Euro 15 million paid in a direct credit line on January 30, 2013 and to Euro 35 million through Unicredit S.p.A. on May 28, 2014. They envisage the fulfilment of some financial obligations. Notwithstanding some financial obligations in addition to those required by relevant laws in relation to public disclosure by the issuer of financial instruments and its controllers, Engineering Ingegneria Informatica S.p.A. committed itself that the following financial parameters be complied with:

- as regards the loan granted by the European Investment Bank (EIB):
  - Net financial debt/EBITDA not higher than 2.0 (two);
  - Debt Service Cover Ratio (DSCR), not lower than 5.0 (five);

- as regards the loan granted by Unicredit S.p.A.:
  - Net financial debt/EBITDA lower than 2.2 (two point two);
  - EBITDA/Net financial charges higher than 5.0 (five).

The financial covenants are revised twice a year with reference to the consolidated financial statements and the consolidated half-year report.
Failure to observe the financial parameters, unless restored within the 30 (thirty) following business days, may give the banks the right to withdrawal as per Article 1845 of the Civil Code and to exercise the right to recover all amounts covered by the agreement.
All covenants stipulated in the agreement have been fulfilled at December 31, 2014.
As regards the loan of Euro 35 million granted through Unicredit S.p.A., an Interest Rate Swap contract was signed on July 1, 2014 to hedge interest rate fluctuations. The use of the derivative allowed for the changing of the variable portion of the interest rate, 3-month Euribor, 360 days, in a fixed interest rate equal to 0.56% for the entire duration of the loan redemption.
All the other loans indicated above are at a subsidised fixed rate and are always linked to the development of research projects. The LOCOSP loan contract envisages the compliance with a parameter (net financial charges/sales not higher than 8%), which had been complied with by the Company.

The other non-current financial liabilities are as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Derivative (cash flow hedge)	260,032	18,019	242,013
Security deposits	115,750	115,750	-
Value of financial debt at amortised cost	(339,002)	307	(339,309)
Total	**36,780**	**134,076**	**(97,296)**

The “Other current liabilities” account includes the effective component of the hedge (Interest Rate Swap) and is calculated as the lower value between the accumulated changes in hedge derivative fair value and the changes in fair value of the hypothetical derivative and recorded in a shareholders’ equity reserve.

21 Deferred tax liabilities

(in Euros)

Description	31.12.2014	31.12.2013	Change
Deferred tax liabilities	19,046,246	16,797,986	2,248,260

Deferred tax liabilities, calculated at the current rates (27.5% for IRES and base on regional rates for IRAP), have been calculated on the following items:

(in Euros)

Description	31.12.2014		31.12.2013	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Goodwill	8,171,624	2,565,890	7,309,845	2,295,291
Research grants	2,790,526	876,225	4,600,199	1,444,462
Research grants, IRES tax only	52,356,645	14,398,078	42,894,239	11,795,915
Real estate leases	1,284,786	403,423	1,327,361	416,791
IFRS adjustments	2,547,431	799,893	2,666,283	836,836
Other	8,717	2,737	27,679	8,691
Total	**67,159,730**	**19,046,246**	**58,825,606**	**16,797,986**

Movements in deferred tax liabilities are illustrated below:

(in Euros)

Description	
Balance at 01.01.2013	**13,757,871**
Op. change from merger	1,740,155
Increase	4,506,909
Decrease	(3,206,949)
Balance at 31.12.2013	**16,797,986**
Increase	7,448,334
Decrease	(5,200,075)
Balance at 31.12.2014	**19,046,246**

22 Non-current provision for risks and charges

(in Euros)

Description	31.12.2014	31.12.2013	Change
Non-current provisions for risks and charges	-	3,869,203	(3,869,203)

Movements of the non-current provision for risks and charges.

(in Euros)

Description	
Balance at 01.01.2013	
Op. change from merger	3,695,825
Increase	963,457
Decrease	(790,079)
Balance at 31.12.2013	**3,869,203**
Increase	-
Decrease	(3,869,203)
Balance at 31.12.2014	**-**

The decrease is due to the reclassification from “Non-current provision for risks and charges” to “Non-current financial assets”. The amounts allocated in previous years to hedge the probable risk of non-recoverability of tax receivables related to duties paid abroad and to the insolvency risk of the bond loan, recognised in the assets, were reclassified in direct reduction of the specific items, as described in paragraph 9 and 13 herein.

23 Other non-current liabilities

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other non-current liabilities	1,159,332	584,739	574,594

The change reported in item “Other non-current liabilities” is related to payables for a non-competition agreement signed with the top management.

24 Post-employment benefits

(in Euros)

Description	31.12.2014	31.12.2013	Change
Post-employment benefits	63,943,686	60,237,744	3,705,942

Due to the introduction of Law no. 296 of December 27, 2006 and subsequent decrees and regulations issued at the beginning of 2007 Post-employment benefits from January 1, 2007 changed from a “defined benefit plan” to a “defined contribution plan” as a consequence of the application of differing accounting treatment of post-employment benefits accrued before or after December 31, 2006.

Post-employment benefits, accrued after January 1, 2007, represent a “defined contribution plan”. Periodically the Company pays post-employment benefits accrued to a separate entity (e.g. INPS and/or a Fund) with the payment fulfilling obligations toward employees. For accounting purposes, it is included under other contributions, as post-employment benefit matured is recorded as a cost in the period with the payable recognised under short-term payables.

Post-employment benefits accrued up to December 31, 2006 continue to represent a “defined benefit plan” which is more certain in terms of their existence and sum, but uncertain in terms of manifestation.
The total amount of the benefit obligation is calculated and certified on an annual basis by an independent actuary by using the “Projected Unit Credit” method.
A summary of the actuarial assumptions adopted in measuring Post-employment benefits is provided below:

Financial Assumptions:

- future annual rates of inflation were set according to the average rates of inflation in Italy in recent years, based on ISTAT data;
- annual revaluation of existing provisions and subsequent payments fixed, as established by regulations at 75% of the inflation rate plus 1.50% net of taxes;
- the annual discount rate was established as variable from 0.18% to 2.98 % and was deducted adopting a rate curve combining the effective yield rates movements of the Euro Bonds of primary companies with AA rating or higher.

Demographic assumptions:

- to evaluate length of employment with the Company, the “Tavola di permanenza nella posizione di attivo” RG48 (a table for company service length prepared by the Italian Treasury Department based on data for those born in 1948) was used, selected, projected and separated by gender, supplemented with the probability of additional reasons for departure (resignations, advances which are a financial-based cause for leaving, measurable in terms of probability).

The following table show the absolute and relative changes in liabilities measured according to IAS 19 (DBO), while assuming a 10% negative or positive change in the revaluation and/or discounting rates.

(in Euros)

Description		Discounting				
		-10%		100%		+10%
	-10%	63,773	568	63,205	(556)	62,649
		(749)	(170)	(738)	(1,294)	(727)
Infla	100%	64,522	579	63,943	(567)	63,376
		761	1,340	750	171	738
	+10%	65,283	590	64,693	(579)	64,114

Description		Discounting				
		-10%		100%		+10%
	-10%	99.73%	+0.89%	+98.85%	-0.87%	+97.98%
		-1.17%	-0.27%	-1.15%	-2.02%	-1.14%
Infla	100%	+100.91%	+0.91%	+100.00%	-0.89%	+99.11%
		+1.19%	+2.10%	+1.17%	+0.27%	+1.15%
	+10%	+102.10%	+0.92%	+101.17%	-0.91%	+100.27%

Actuarial profits and losses are recognised under shareholders’ equity on an accrual basis, while interest cost was recognised in the income statement under financial charges.

Changes are detailed below:

(in Euros)

Description	
Balance at 01.01.2013	**33,838,240**
Change in open balance for merger	29,708,772
Provisions	17,298,226
Amounts paid to social security institutions + INPS	(16,857,196)
Actuarial profits/(losses)	(1,609,445)
Benefits paid	(2,087,075)
Transfer payables of Group business units/subsidiaries	(53,778)
Balance at 31.12.2013	**60,237,744**
Provisions	16,466,569
Amounts paid to social security institutions + INPS	(17,026,758)
Actuarial profits/(losses)	5,974,819
Benefits paid	(1,789,054)
Indemnities on acquisition of Group business unit/subsidiaries	80,365
Balance at 31.12.2014	**63,943,686**

Note: the “Accruals” item comprises the interest cost for an amount equal to Euro 255,006.

F) Current liabilities

25 Current financial liabilities

(in Euros)

Description	31.12.2014	31.12.2013	Change
Current financial liabilities	16,900,200	81,934,027	(65,033,827)

Current financial liabilities amount to Euro 16,900,200 and primarily relate to:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Lenders	9,362,664	76,686,642	(67,323,978)
Bank payables	4,437	77,322	(72,884)
Other current financial liabilities	7,533,099	5,170,063	2,363,035
Total	**16,900,200**	**81,934,027**	**(65,033,827)**

Payables to lenders amounted to Euro 9,362,664 and relate to the short-term portion of payables to lenders for which reference is made to paragraph 20 “Non-current financial liabilities”.
Financial payables with a duration shorter than six months, outstanding at December 31, 2013, were entirely repaid, as shown by the change of Euro 67 million.

The amounts due to banks relate to:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Bank overdrafts	4,437	77,322	(72,884)
Total	**4,437**	**77,322**	**(72,884)**

Other current financial liabilities relate to:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other grants	7,533,099	5,170,063	2,363,035
Total	**7,533,099**	**5,170,063**	**2,363,035**

“Other grants” relate to amounts received for research projects to be reversed to other Partner subjects.

26 Current provisions for risks and charges

(in Euros)

Description	31.12.2014	31.12.2013	Change
Current provisions for risks and charges	6,485,518	10,305,632	(3,820,114)

The current provision for risks and charges is broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Provisions for risks and charges	4,957,377	9,567,300	(4,609,923)
Provision for losses on projects	1,528,141	738,332	789,809
Total	**6,485,518**	**10,305,632**	**(3,820,114)**

The Current provision for risks and charges, equal to total Euro 6,486, covers both risks of special projects (Euro 1,528 thousand), and risks linked to early leaves of employees (Euro 3,436 thousand) and other risks amounting to around Euro 1,522 thousand, of which Euro 840 thousand relate to the tax dispute that arose as a result of the assessment visit that took place in 2012 by the General Management of the Inland Revenue office.

The changes in the current provisions for risks and charges during the periods in question are as follows:

(in Euros)

Description	
Balance at 01.01.2013	**2,904,782**
Op. change from merger	43,527
Increase	8,633,823
Decrease	(1,276,500)
Balance at 31.12.2013	**10,305,632**
Increase	1,165,949
Decrease	(4,986,063)
Balance at 31.12.2014	**6,485,518**

The decrease relates to the utilisation of allocations made in previous years, due to their occurrence.

The increase is due to the adjustment of the provision to cover probable future charges, which will have to be borne, and especially refers to projects where some critical issues emerged.

The allocated amount is the best estimate made based on the current information available to the Company.

27 Other current liabilities

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other current liabilities	117,706,678	122,334,923	(4,628,245)

This item is broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Directors and Statutory Auditors	1,045,099	640,117	404,981
Consultants	123,688	74,003	49,685
Acquisition of business unit	225,518	920,619	(695,101)
Withholding taxes	174,651	202,465	(27,814)
Tax payables	34,457,468	38,016,521	(3,559,052)
Due to RTI partners	808,776	301,864	506,912
Social security institutions	13,905,974	13,847,998	57,976
Others	4,458,600	7,026,374	(2,567,773)
Employees	59,764,388	55,464,386	4,300,003
Partners for research projects	2,482,330	5,157,920	(2,675,590)
Accrued m/l loan interest	145,650	189,345	(43,696)
Other accruals	-	372,815	(372,815)
Deferred income	114,535	120,496	(5,961)
Total	**117,706,678**	**122,334,923**	**(4,628,245)**

The total change of Euro 4,628 thousand is positive and reflects the aggregate reduction of payables, as shown in the table, compared to the previous year.

The most relevant increasing item of Euro 4,300 thousand relates to amounts due to employees and it is primarily due to a higher allocation of commissions connected with the achievement of corporate targets and unused holidays and leave entitlements.

Detail of tax payables:

(in Euros)

Description	31.12.2014	31.12.2013	Change
VAT	13,464,383	15,545,264	(2,080,880)
Suspended VAT	12,153,250	13,775,588	(1,622,337)
IRPEF	8,839,834	8,695,404	144,430
Other	-	266	(266)
Total	**34,457,468**	**38,016,521**	**(3,559,052)**

28 Trade payables

(in Euros)

Description	31.12.2014	31.12.2013	Change
Trade payables	203,868,767	219,185,538	(15,316,771)

The balance at December 31, 2014 is broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Suppliers	138,322,868	152,793,835	(14,470,967)
Subsidiaries	30,219,338	34,318,303	(4,098,965)
Others	35,326,561	32,073,400	3,253,161
Total	**203,868,767**	**219,185,538**	**(15,316,771)**

a) Suppliers

(in Euros)

Description	31.12.2014	31.12.2013	Change
Due to Italian suppliers	103,664,160	115,096,943	(11,432,783)
Due to foreign suppliers	4,149,247	6,345,458	(2,196,211)
Invoices to be received	30,707,332	32,309,900	(1,602,568)
Credit notes to be received	(197,871)	(958,467)	760,596
Total	**138,322,868**	**152,793,835**	**(14,470,967)**

The positive change reflects a total decrease of payables to suppliers due to the reduced use of external resources and the reduction in applied fees.

b) Subsidiaries

(in Euros)

Description	31.12.2014	31.12.2013	Change
Invoices to be received	9,931,976	11,806,194	(1,874,218)
Invoices received	20,290,354	17,283,433	3,006,921
Credit notes to be received	(14,772)		(14,772)
Deferred income	11,781	2,394	9,387
Cash Pooling	-	5,226,282	(5,226,282)
Total	**30,219,338**	**34,318,303**	**(4,098,965)**

The change in cash pooling payables relates to the subsidiary Engineering Managed Operation S.p.A. that, at December 31, 2014, reported an amount payable to the Parent Company.

c) Others

(in Euros)

Description	31.12.2014	31.12.2013	Change
Advances for future work	35,326,561	32,073,400	3,253,161
Total	**35,326,561**	**32,073,400**	**3,253,161**

29 Breakdown of financial instrument liabilities by category

The classification of the Company financial instruments by category according to that established by IAS 39 is reported below:

(in Euros)

Items at 31.12.2014	Liabilities valued at FV in P&L	Liabilities relating to hedging instruments	Liabilities recorded at amortised cost
Non-current financial liabilities		260,032	44,840,765
Other non-current liabilities			1,159,332
Current financial liabilities			16,900,200
Other current liabilities			117,706,678
Trade payables			203,868,767
Total	**0**	**260,032**	**384,475,742**

(in Euros)

Items at 31.12.2013	Liabilities valued at FV in P&L	Liabilities relating to hedging instruments	Liabilities recorded at amortised cost
Non-current financial liabilities		18,019	18,478,067
Other non-current liabilities			584,739
Current financial liabilities			81,934,027
Other current liabilities			122,334,923
Trade payables			219,185,538
Total	**0**	**18,019**	**442,517,294**

In order to comply with the disclosure requirements established by IFRS 7 relating to the fair value reported in the table above, these concern level 2, as described in detail in the paragraph 3.17 "Derivative financial instruments".

Income statement

A) Total revenues

(in Euros)

Description	31.12.2014	31.12.2013	Change
Total revenues	709,378,494	709,954,239	(575,745)

30 Total revenues

(in Euros)

Description	31.12.2014	31.12.2013	Change
Revenues from sales and service	689,599,117	701,850,723	(12,251,606)
Cgs. finished products and construction contracts	(10,190,350)	(13,776,016)	3,585,665
Other revenues	29,969,727	21,879,531	8,090,195
Total	**709,378,494**	**709,954,239**	**(575,745)**

For further information on the component items, reference should be made to the Directors' Report.

31 Other revenues

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other revenues	29,969,727	21,879,531	8,090,195

The breakdown of Other revenues is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Grants	16,996,797	13,234,210	3,762,587
Other income	8,463,347	6,200,731	2,262,616
Other income from subsidiaries	4,509,583	2,444,591	2,064,992
Total	**29,969,727**	**21,879,531**	**8,090,195**

Other revenues refer mainly to grants for research projects financed by national bodies and by the European Community, up due to higher investments in research. For further information, reference should be made to paragraph IX of the Directors' Report.

The "Other revenues" item relates to revenues of various types, including the re-invoicing of fringe benefits to employees for company cars and contingent assets for the so-called "figurative credit" acknowledged by the Italy-Brazil agreement on receivables for taxes paid abroad.

"Other income from subsidiaries" is mainly due to invoices of general expenses, up compared to the previous year due to the entrance of new subsidiaries, especially of the company Engineering Managed Operation S.p.A..

B) Operating expenses

32 Operating expenses

(in Euros)

Description	31.12.2014	31.12.2013	Change
Operating expenses	648,524,986	658,485,173	(9,960,188)

The breakdown of operating expenses is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Raw materials and consumables	10,486,159	9,139,253	1,346,906
Services	260,324,751	265,878,933	(5,554,182)
Personnel costs	349,478,036	345,697,487	3,780,548
Amortisation and depreciation	12,982,507	16,218,595	(3,236,088)
Provisions	12,414,610	19,155,009	(6,740,399)
Other costs	2,838,923	2,395,896	443,027
Total	**648,524,986**	**658,485,173**	**(9,960,188)**

33 Raw materials and consumables

(in Euros)

Description	31.12.2014	31.12.2013	Change
Raw materials and consumables	10,486,159	9,139,253	1,346,906

Below is a breakdown of costs for raw materials and consumables:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Hardware	4,599,445	3,522,757	1,076,687
Software	5,499,978	5,165,678	334,301
Consumables	386,736	450,818	(64,082)
Total	**10,486,159**	**9,139,253**	**1,346,906**

34 Service costs

(in Euros)

Description	31.12.2014	31.12.2013	Change
Services	260,324,751	265,878,933	(5,554,182)

Service costs include the following:

(in Euros)

Description	31.12.2014	31.12.2013	Change
EDP purchases, services and data lines	3,269,318	3,348,427	(79,110)
Insurance	2,754,749	2,725,442	29,306
Bank charges and commissions	940,362	598,861	341,501
Technical support and consultancy	146,065,873	156,113,778	(10,047,905)
Consultancy from subsidiaries	22,768,817	21,514,901	1,253,916
Legal and administrative consultancy	1,597,093	1,883,514	(286,421)
Training and refresher courses	2,106,168	2,161,556	(55,389)
Consultants	2,692,664	2,102,358	590,306
Cost of corporate boards	1,756,741	1,463,418	293,323
Building rental	9,737,857	11,296,858	(1,559,001)
Maintenance of property, plant and equip. and intangible assets	19,099,206	18,953,658	145,547
Canteen and other personnel expenses	5,510,505	5,292,282	218,223
Automotive expenses	10,220,995	10,606,091	(385,096)
Hardware and software rental	3,008,131	1,997,035	1,011,097
Services from subsidiaries	3,621,300	999,309	2,621,991
Maintenance and security services	2,911,684	2,664,101	247,583
Advertising and sales rep. expenses	968,114	867,879	100,235
Travel costs	12,716,223	12,827,179	(110,957)
Postage and shipping expenses	862,997	1,095,335	(232,338)
Utilities	7,446,213	6,888,388	557,826
Other	269,740	478,561	(208,821)
Total	**260,324,751**	**265,878,933**	**(5,554,182)**

The main change is attributable to item "Technical support and consultancy", down due to less use of external resources in fields where productivity of internal resources was increased.

The negative change in rentals is due to savings resulting from the re-negotiation of the contract related to the Assago office, after leaving a portion of the building, as well as the shutting-up of two offices in Bologna.

The following table shows the remuneration paid to the Independent Auditors of these financial statements, in accordance with Article 149-*duodecies* of the Consolidated Law on Finance.

(in Euros)

Service	Provider	Beneficiary	Fees
Audit	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	260,000

Note: fee is net of Consob contribution and expenses.

35 Personnel costs

(in Euros)

Description	31.12.2014	31.12.2013	Change
Personnel costs	349,478,036	345,697,487	3,780,548

Personnel costs consist of:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Salaries and wages	260,013,701	255,066,099	4,947,601
Social security expenses	71,943,612	70,282,008	1,661,605
Post-employment benefits	16,211,563	16,793,026	(581,463)
Restructuring and reorganising personnel	157,227	3,537,038	(3,379,811)
Other personnel costs	1,151,933	19,316	1,132,617
Total	**349,478,036**	**345,697,487**	**3,780,548**

The increase in item “Salaries and wages” is primarily related to contractual remuneration increases and one-off bonuses.

The item “Other personnel costs” include the recognition of Euro 852,000 for a non-competition agreement signed with the top management and that will be developed over the next 5 years, as shown in paragraph 23 herein.

Data on the average staff number are shown hereunder:

(unità)

Description	31.12.2014	31.12.2013	Change
Executives	294	291	3
Managers	1,360	1,319	41
Other employees	4,418	4,467	(49)
Total	**6,072**	**6,077**	**(5)**

For further information reference should be made to paragraph X of the 2014 Directors’ Report.

36 Amortisation and Depreciation

(in Euros)

Description	31.12.2014	31.12.2013	Change
Amortisation and depreciation	12,982,507	16,218,595	(3,236,088)

The breakdown is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Depreciation of property, plant and equip.	6,744,338	6,961,231	(216,892)
Amortisation of intangible assets	6,238,169	9,257,364	(3,019,196)
Total	**12,982,507**	**16,218,595**	**(3,236,088)**

37 Provisions and write-downs

(in Euros)

Description	31.12.2014	31.12.2013	Change
Provisions	12,414,610	19,155,009	(6,740,399)

The breakdown is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Doubtful debt provision	11,248,662	9,467,369	1,781,292
Risk provision	1,165,949	9,676,612	(8,510,663)
Provision for interest in arrears	-	11,028	(11,028)
Total	**12,414,610**	**19,155,009**	**(6,740,399)**

The allocation to the doubtful debt provision was made to adjust receivables to their expected realisable value and includes Euro 3,520 thousand to adjustments of construction contracts (paragraph 11 herein).
The allocation of Euro 1,165 thousand to the provision for losses on projects was made with respect to probable future charges which will be incurred mainly on projects in which difficulties have arisen.

Amounts recognised in the financial statements are the best estimates and assumptions based on the best information available at the reporting date.

38 Other costs

(in Euros)

Description	31.12.2014	31.12.2013	Change
Other costs	2,838,923	2,395,896	443,027

Other costs are broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Dues and subscriptions	440,890	537,947	(97,057)
Taxes	1,146,958	1,074,099	72,859
Gifts and donations	191,028	145,370	45,657
Charges for social causes	369,962	210,309	159,653
Other	690,086	428,170	261,915
Total	**2,838,923**	**2,395,896**	**443,027**

39 Financial income/(charges)

(in Euros)

Description	31.12.2014	31.12.2013	Change
Financial income/(charges)	168,088	(5,536,315)	5,704,403

Financial income is broken down as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Interest income	3,003,859	2,095,826	908,033
Other income	142,219	56,976	85,243
Total	**3,146,078**	**2,152,802**	**993,276**

Interest income relate to bank interest for bank current accounts, interest in arrears acknowledged by our customers and interest in subsidiaries which use the cash pooling (Paragraph 43 “Transactions with related parties”).

Financial charges consist of:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Interest expense	2,937,482	4,888,679	(1,951,196)
Other	40,508	2,800,439	(2,759,931)
Total	**2,977,990**	**7,689,118**	**(4,711,127)**

Interest expenses are mainly due to loans described in paragraph 20 herein, and include also financial charges resulting from post-employment benefits (IAS 19) and equal to Euro 255,006.
The positive change of Euro 1,951 thousand in “interest expense” is related to the reduced short-term financial exposure for the year. Short-term loans, amounting to around Euro 67 million, were repaid to Lenders (paragraph 25 herein).
The positive change of Euro 2,759 thousand is due to the exchange rate difference, not applied on foreign receivables.

40 Income/(charges) from investments

(in Euros)

Description	31.12.2014	31.12.2013	Change
Income/(charges) from investments	398,683	(76,444)	475,127

The breakdown is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Gains on equity investments	544,085		544,085
Write-down of equity investments	(145,912)	(76,444)	(69,468)
Non-recurring income (charges)	510		510
Total	**398,683**	**(76,444)**	**475,127**

The capital gain results from the liquidation of two investees EngO S.p.A. (in liquidation) and Setesi S.p.A. (in liquidation), which approved the final liquidation financial statements.

Write-downs relate to companies classified under “Equity investments in other companies”, for which a write-down was required as the investment is not recoverable.
Details are shown in the table in paragraph 9.

41 Taxes

(in Euros)

Description	31.12.2014	31.12.2013	Change
Taxes	27,319,814	21,725,650	5,594,164

The breakdown of taxes is as follows:

(in Euros)

Description	31.12.2014	31.12.2013	Change
Current	17,436,064	13,229,228	4,206,836
Deferred	9,883,750	8,496,422	1,387,328
Total	**27,319,814**	**21,725,650**	**5,594,164**

Reconciliation between the theoretical and effective IRES tax rate is shown below:

(in Euros)

	31.12.2014		31.12.2013	
Profit/(loss) before taxes	**61,420,279**		**45,856,306**	
Ordinary rate applied	**16,890,577**	**+27.5%**	**12,610,484**	**+27.5%**
Income taxable in prior years	4,348,333	+7.1%	2,143,272	+4.67%
Income not taxable	(6,069,069)	-9.9%	(4,286,661)	-9.35%
Expenses not deductible	5,084,113	+8.3%	6,902,736	+15.05%
Deductible expenses not charged to income statement	(6,823,545)	-11.1%	(4,699,361)	-10.25%
Utilisation of previous years tax losses	(8,179,188)	-13.3%	(10,673,180)	-23.28%
Total assessable IRES	**19,095,341**		**7,262,875**	
Tax / tax rate	**5,251,219**	**+27.5%**	**1,997,291**	**+27.5%**

Deferred taxes were calculated taking into consideration the accumulated sum of all temporary differences based on the average expected rate for successive tax periods when these differences will reverse.
For details of the temporary differences determining the deferred taxes, please see paragraphs 8 “Deferred tax assets” and 21 “Deferred tax liabilities” herein.

42 Other information

COMMITMENTS UNDERTAKEN

The table below contains information regarding the commitments assumed by the Company:

(in Euros)

Description	31.12.2014
Third party sureties	206,247,096
Bank sureties in favour of other companies	4,244,147
Bid Bonds and Performance Bonds	2,074,645
Total commitments assumed	**212,565,888**

It is noted that, upon acquisition of 70% of the subsidiary MHT S.r.l., the Company committed itself to subscribe the remaining 30% of the Company’s share capital to be paid up in two instalments. The value of the aforesaid commitment is currently estimated in Euro 3,363 thousand.

OPERATING LEASES

The operating leases principally concern rental contracts for transport vehicles.

(in Euros)

Description	31.12.2014	31.12.2013
Liability remaining at 1 January	13,804,440	7,931,565
Op. change from merger	-	6,801,399
Amount of contracts agreed in year	11,428,107	7,652,553
Amount of fees paid in year	(9,947,936)	(8,581,077)
Amount of fees still due	**15,284,611**	**13,804,440**

(in Euros)

Description	31.12.2014	31.12.2013
Within 1 year	6,770,048	7,046,768
Over 1 year	8,514,563	6,757,672
Over 5 years		
Total	**15,284,611**	**13,804,440**

43 Transactions with related parties

During the year transactions were carried out with related parties under normal market conditions. These transactions refer to commercial activities carried out on behalf of leading clients that have produced profitability in line with normal activities.

The table below summarises both the commercial and financial operations relating to the use of cash pooling:

(in Euros)

Description	Revenues	Costs	Financial income (and charges)	Trade receivables	Trade payables	Receivables Cash Pooling	Payables Cash Pooling
EngO S.p.A. in liquidation		796,500	38,746				
Engineering Sardegna S.r.l.	427,888	656,786	33,335	497,056	2,132,557	2,392,599	
Engineering Tributi S.p.A	3,903,451	1,269,532	121,050	9,134,627	1,388,609	5,729,219	
Engiweb Security S.r.l.	43,761	845,636	49,411	743,710	2,245,351	2,454,999	
Nexen S.p.A.	895,422	3,068,073		526,615	2,823,409		
OverIT S.p.A.	175,205	16,188,406		259,979	12,002,202		
Sicilia e-Servizi Venture	3,706,624	4,858		65,601,394	32,226		
Engineering do Brasil	7,677,584	234,391		9,044,173	3,779,393		
Eng. International Belgium SA	7,924,315	228,174		5,951,880	170,562		
Engineering International Inc.	1,456,137		1,557	1,667,895			
Engineering.mo S.p.A.	5,228,140	3,376,737	(84,044)	7,690,955	4,713,357	1,566,495	
Engi da Argentina SA	1,432,382			5,725,529			
MHT S.r.l.	70,000	411,536		233,190	682,200		
Engineering Excellence Center S.r.l.	13,816	286,154	729	322,026	249,473		
Total	**32,954,723**	**27,366,784**	**160,784**	**107,399,028**	**30,219,338**	**12,143,313**	

Work in progress is included in the Trade Receivables account.

In addition to figures shown in the table above, the Company granted a loan to the minority shareholder of the subsidiary Engineering do Brasil amounting to Euro 1,659 thousand.

Information on remuneration of members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

For a breakdown of the remuneration of members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities, reference should be made to the specific tables in the Remuneration Report.

No transactions were undertaken with Executives with strategic responsibilities and their related parties during the year. In relation to the stability pact in place with some senior managers, reference should be made to paragraph 28 herein.

**Declaration of the Financial Statements of Engineering Ingegneria Informatica S.p.A.
at December 31, 2014 in accordance with Article 81 *ter* of CONSOB Regulation no. 11971 of May 14, 1999, as amended**

- The undersigned Paolo Pandozy, as Chief Executive Officer, and Armando Iorio, Executive Responsible for the preparation of the corporate accounting documents of the Engineering Group, affirm, and also in consideration of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:
  - the adequacy of the information on Company operations
  - the application of the administrative and accounting procedures for the preparation of the financial statements of Engineering Ingegneria Informatica S.p.A. for the year ended December 31, 2014.
- It is also noted that:

  2.1 The financial statements of Engineering Ingegneria Informatica S.p.A. at December 31, 2014:
  - were prepared in accordance with international accounting standards (IFRS), recognised in the European Union pursuant to EU regulation no. 1606/2002 of the European Parliament and Council of July 19, 2002;
  - correspond to the underlying accounting documents and records;
  - provide a true and correct representation of the balance sheet, financial situation and result for the year of the Issuer.

  2.2. The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the Issuer together with a description of the principal risks and uncertainties to which it is exposed.

Rome, March 13, 2015

The Chief Executive Officer	Executive Responsible for the preparation of the accounting documents
Paolo Pandozy	Armando Iorio

Corporate Governance and ownership structure report

pursuant to Art. 123 *bis* of the Consolidated Law on Finance
One-Tier Control and Administration Model

Issuer: Engineering Ingegneria Informatica S.p.A.
Website: *www.eng.it*

Year: 2014
Date of approval of the Report: March 13, 2015

Glossary

Code: the Self-Governance Code of listed companies approved in March 2006 (lastly amended in December 2011) by the Corporate Governance Committee and issued by Borsa Italiana S.p.A..

Civ. Code: the Italian Civil Code.

Board: the Issuer's Board of Directors.

Issuer: the Issuer of listed shares to which the Report refers.

Engineering: Engineering Ingegneria Informatica S.p.A..

Year: the corporate financial year to which the Report refers.

Stock Exchange Instructions: the Instructions to the Regulations for Markets organised and managed by Borsa Italiana S.p.A..

Stock Exchange Regulations: the Regulations for Markets organised and managed by Borsa Italiana S.p.A..

Consob Issuer Regulations: the Issuers' Regulations issued by Consob resolution no. 11971 of 1999.

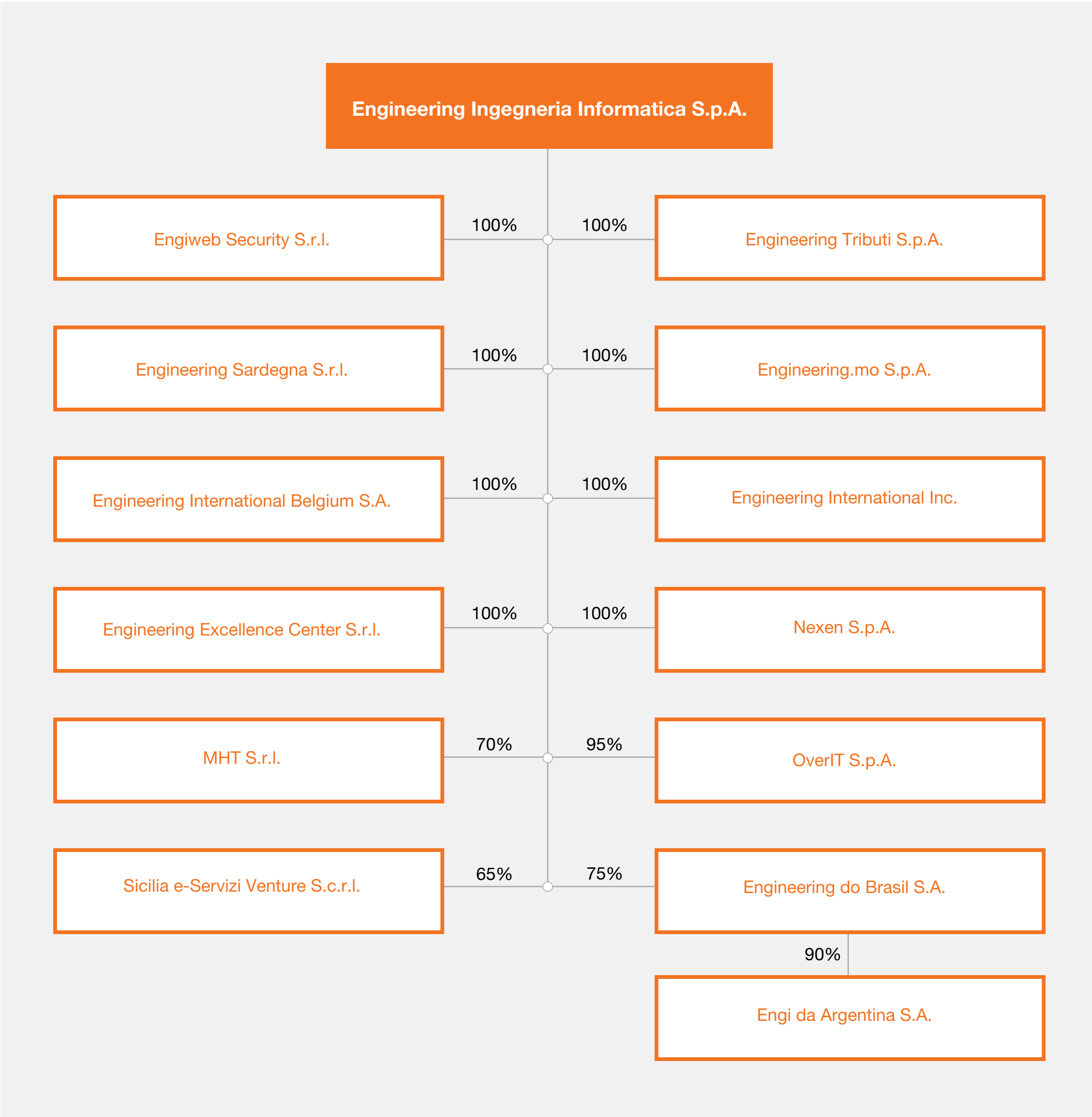
Consob Market regulations: the Market Regulations issued by Consob resolution no. 16191 of 2007.

Report: the corporate governance report that companies need to prepared in accordance with Articles 123-*bis* of the Consolidated Law on Finance, 89-*bis* of Consob Issuers' Regulations and Article IA.2.6 of the Instructions to the Italian Stock Exchange Regulations.

CLF: Legislative Decree no. 58 of February 24, 1998 as subsequently modified (Consolidated Law on Finance)

1 Company profile

The Issuer, with registered office in Rome - Via San Martino della Battaglia no. 56, Tax Code 00967720285 and VAT Number 05724831002, Rome Company Registration no. 00967720285 and R.E.A. RM no. 531128 heads a group composed of 15 companies structured as follows:



Engineering Ingegneria Informatica S.p.A. (hereafter the "Issuer" and/or the "Company") has adopted a Corporate Governance model that is in line with the principles in the Code, with the aim of guaranteeing correct and transparent information on the Company while creating value for the Shareholders.

The Company's Corporate Governance system is an organised and homogenous set of rules of conduct regarding both the organisational structure and the relations with Shareholders, in compliance with the latest Governance standards and, as specified, the principles and application criteria recommended by the Self-Governance Code.

The Issuer is organised according to the one-tier control and administration model[1] which requires the following as corporate bodies: the Shareholders' Meeting, Board of Directors, appointed by the Shareholders' Meeting and the Management Control Committee, appointed by the Board of Directors from its members and comprising the audit body.

Governance also includes the internal control system, the Organisation, management and control model pursuant to Article 6 of Legislative Decree no. 231/2001 and the structure of the powers and delegations, as illustrated below.

The Issuer currently holds a share of over 7% in the Italian IT services and technology market with a core business represented by System and Business Integration and Outsourcing.

The Issuer's mission is to develop processes and business models with the support of technologies. The three levers the Issuer uses to support the change of complex organizations include providing consultation on business processes and creation of integrated architecture and services.

2 Information on the ownership structure (as per Article 123-*bis* paragraph 1, CLF)

At the date of adoption of this Report it is noted that:

a) Share capital structure
The share capital fully subscribed and paid-in amounts to Euro 31,875,000.00, broken down into 12,500,000 ordinary shares of a nominal value of Euro 2.55 each.
The shares cannot be split, are registered and issued in dematerialised form, in the centralised clearing system managed by Monte Titoli S.p.A..
Each ordinary share of the Issuer grants the right to one vote in Ordinary and Extraordinary Shareholders' Meetings, as well as the other administrative rights envisaged by the applicable provisions of law and the Articles of Association.
At December 31, 2014 no other categories of shares existed.
The structure of share capital is shown in Table no. 1 attached to this Report.

b) Restrictions on the transfer of securities
There are no restrictions on the transfer of securities.

c) Significant shareholdings
At December 31, 2014, the significant investments in the Issuer's share capital resulting from notices made according with Article 120 of the CLF are those indicated and shown in Table 1 attached to this Report.

Shareholder	Direct Shareholder	% of ordinary share capital	% of voting share capital
OEP Secondary Fund GP LTD	Oep Italy High Tech Due S.r.l.	29.158	29.974
Michele Cinaglia	Michele Cinaglia	23.214	23.864
Marilena Menicucci	Marilena Menicucci	11.970	12.305
Bestinver Gestion, SGIIC, S.A.	Bestinver Gestion, SGIIC, S.A.	8.096	8.323
Treasury Shares of Engineering Ingegneria Informatica S.p.A.	Treasury Shares of Engineering Ingegneria Informatica S.p.A.	2.722	0

d) Securities which confer special rights
There are no securities which give special control rights.

1 The one-tier governance system is regulated by Articles 2409.16 to 2409.19 of the Italian Civil Code and, for listed companies, Articles 147.b and subsequent of the CLF.

e) Employee shareholdings: method of exercise of voting rights
There are no employee shareholder investment schemes (e.g. stock option plans), nor are there any mechanisms for exercising voting rights for employees who are also Shareholders, when the right is not directly exercised by the Shareholders.

f) Restrictions on voting rights
There are no restrictions on voting rights.

g) Shareholder agreements
The Issuer is not aware of agreements between Shareholders in accordance with Article 122 of the CLF.
There are no specific procedures other than those provided for by law or the Articles of Association to change the Articles of Association.

h) Change of control clauses and provisions of the Articles of Association concerning Public Purchase Offer
The Issuer and some of its subsidiaries have some significant contracts in place that, in the event of change of control of the Company and/or its subsidiaries, gives the other contracting party the right to withdraw. However, the termination of the contract is not solely dependent on the event of the change in control of the Company.
At the date of adoption of this Report, the Issuer did not avail of the exceptions to the passivity rule established by Article 104, paragraphs 1 and 2 of the CLF; in addition the Articles of Association of the Issuer do not provide for the application of the neutralisation rules established by Article 104-*bis*, paragraphs 1 and 2 of the CLF.

i) Powers to increase the share capital and authorisation of buy-back programme
The Board of the Issuer does not have the power to increase the share capital as per Article 2433 of the Italian Civil Code nor to issue financial instruments.

The Shareholders' Meeting of the Issuer on May 15, 2014 authorised the purchase of treasury shares as per Article 2357 of the Italian Civil Code establishing that (i) a maximum total number of shares may be acquired (including treasury shares in portfolio) of 2,500,000 ordinary shares within the limits of 20% of the share capital and not above the amount of shares, in relation to the acquisition price, in the available reserve "for purchase of treasury shares" and that (ii) the unitary purchase price is: (a) not less than the amount of the arithmetic average of official prices (according to the definition of Article 4.1.12 of the Stock Exchange Regulation) of the last 10 calendar days before the acquisition day, decreased by 20% and (b) not greater than the same amount of the arithmetic average of the aforesaid official prices of the last 10 calendar days before the acquisition day, increased by 20%.

The Shareholders' Meeting granted mandates to Michele Cinaglia, Paolo Pandozy and Armando Iorio, independently, to: establish all the means and terms, executive and accessory, for the completion of the purchase and sale of the treasury shares considered.
At December 31, 2014 treasury shares in the portfolio of Engineering numbered 343,213, equal to 2.746% of the share capital.
For further information, reference should be made to the minutes of the above-mentioned Shareholders' Meeting downloadable on the website *www.eng.it* in the Shareholders' Meetings Section.

l) Direction and co-ordination activities (as per Article 2497 et. seq. of the Italian Civil Code)
The issuer is not subject to management and co-ordination pursuant to Art. 2497 and subsequent of the Italian Civil Code.

* * * * *

The information required in accordance with Article 123-*bis*, first paragraph, letter (i) is contained in the Remuneration Report published in accordance with Article 123-*ter* of the CLF to which reference should be made; (ii) the information required by Article 123-*bis*, first paragraph, letter (l) is illustrated in the section of the Report on the Board of Directors (Section 4.1).

3 Compliance

The Issuer complies with the Self-Governance Code promoted by Borsa Italiana S.p.A. and accessible on the website *www.borsaitaliana.it* under the terms described in this Report, with the necessary adaptations due to adoption of the one-tier administration and audit system.

Where the Issuer has decided to deviate from certain principles or application criteria, it has provided justification thereof in the corresponding section of this Report. The Issuer, nor its strategic subsidiaries, are subject to laws in force outside Italy which affect the corporate governance structures of the Issuer.

4 Board of Directors

4.1 APPOINTMENT AND REPLACEMENT

Pursuant to Article 14 of the Articles of Association, as last amended by the Extraordinary Shareholders' Meeting of March 11, 2015, the administration and control of the Company are exercised respectively by the Board of Directors and by a Management Control Committee formed within the Board of Directors pursuant to Article 2409-*sexiesdecies* et. seq. of the Italian Civil Code.
Article 15 of the Company Articles of Association establishes that the Issuer shall be governed by a Board of Directors including a minimum of 7 (seven) members and a maximum of 13 (thirteen) members. In consideration of the fact that the Issuer belongs to the STAR segment, in the appointment and replacement of the corporate boards the provisions of Article 2.2.3 of the Stock Market Regulation are considered.

The Ordinary Shareholders' Meeting shall decide the term of office on appointment, which cannot exceed three years, which shall terminate at the date of the Shareholders' Meeting called to approve the financial statements relating to the last year of office.

The Directors are elected based on slates presented by Shareholders. Shareholders which, individually or together with others, hold the amount of shares required by the applicable regulation Article 144-*quarter* and for the Issuer 2.5%, have the right to present slates.
The slates must be filed at the registered office of the Company at least 25 days before that fixed for the Shareholders' Meeting called to resolve upon their nomination and will be made available to the public at the registered office and on the internet site of the Company and through the other methods established by Consob regulation at least 21 days before the Shareholders' Meeting. Each slate must contain a maximum of 11 candidates, listed by progressive numbering.

At least one third of the candidates on each slate, with rounding to the higher number only in the case of a fractioned number with decimal higher than 5, must be independent in accordance with Article 2399, first paragraph of the Italian Civil Code.

At least 3 candidates on each slate, two of which listed as the first two candidates on the slate, must be considered independent, professional and in good standing in accordance with Article 22 of the Articles of Association. Each slate must specifically indicate the candidates considered independent in accordance with the above provisions.

Furthermore, the slates that have a number of candidates equal to or higher than three must include candidates of a different gender, in accordance with the indications in the notice of convocation of the Meeting, so as to ensure that the composition of the Board complies with the pro tempore provisions in force with regard to the balance between genders.

All those with the right to vote may vote on only one slate and the vote will automatically regard all candidates indicated, without the possibility to change, add or exclude candidates. Shareholders related to each other in any way may vote on only one slate.

The Directors elected shall be: (i) candidates on the slate which has obtained the highest number of votes, in a number equal to the total directors to be appointed less one, in progressive order in which they are listed on the slate; (ii) the first candidate on the slate that has obtained the second highest number of votes who meets the requirements to hold office on the Control Committee.

If the slate which obtained the second highest number of votes does not achieve a percentage of votes at least equal to half of that required for the presentation of the slates, the first candidate listed on the slate will not be appointed and the entire Board of Directors will be elected from the first slate by number of votes according to progressive number by which the candidates are listed.

If only one slate is presented, the entire Board of Directors will be elected from the only slate according to progressive numbering by which the candidates are indicated.

If, as the outcome of the voting and operations above, the pro tempore regulations on the balance between genders are not complied with, the candidates of the most represented gender, elected last according to the progressive order of the slate that came first in terms of votes, shall become invalidated in a number that is needed to ensure compliance with the requirements, and be replaced by the first candidates of the less represented gender not elected from the same slate and according to the progressive order. If this procedure does not ensure the results specified above, the Meeting integrates the board with the legal majority after the presentation of the candidates of the less represented gender, so as to ensure that the requirement is satisfied.

For all that is not established here, reference should be made to the Articles of Association.

The Board of Directors' meeting of November 14, 2013 resolved not to adopt a plan for the succession of Executive Directors, specifically considering the structure of the management, the powers delegated and the related distribution of responsibilities which, in any event, would enable company business to correctly continue. Given its strategic relevance, this issue is constantly monitored by the Board.

4.2 COMPOSITION

The Board of Directors was appointed with Shareholders' Meeting resolution of April 24, 2012 and its mandate will conclude with the approval of the financial statements at December 31, 2014.

All members of the Board were taken from a single slate submitted, according to the terms and procedures set out by the Articles of Association and by law, by Shareholders Michele Cinaglia and Marilena Menicucci at the time holding shares representing 34.969% of the Issuer's share capital. The slate was approved by 71.93% of the share capital present, with three shareholders voting against, for a total of 5,155 shares, equal to 0.04% of the share capital, with two shareholders abstaining, for a total of 6 shares, equal to 0.00005% of the share capital. All the Directors included on said slate were thus elected (Massimo Porfiri, Dario Schlesinger, Alberto De Nigro, Michele Cinaglia, Rosario Amodeo, Tommaso Amodeo, Paolo Pandozy, Costanza Amodeo, Marilena Menicucci, Armando Iorio, Giuliano Mari).

Subsequently, with effect from January 31, 2013, the Executive Director Costanza Amodeo, General Director of Communications & Marketing, resigned as a Director of the Board and from all other offices held in the Company.

Moreover, on March 31, 2013, Rosario Amodeo resigned as Executive Vice Chairman and on August 8, 2013 he resigned as Director, with immediate effect.
Also on August 8, 2013, Tommaso Amodeo resigned as Director, with immediate effect.

During the year, the Board of Directors did not co-opt new Directors, reserving that decision to the Board of Directors' meeting of March 14, 2014, which, pursuant to Article 2386 of the Italian Civil Code, co-opted Christoph Sebastian Stephan Giulini and Joerg Zirener.

The Shareholders' meeting of May 15, 2014 subsequently appointed the two co-opted Directors, Christoph Sebastian Stephan Giulini and Joerg Zirener, whose term will expire, together with the Directors in office at the time of their appointment, at the time of the Meeting held to approve the financial statements at December 31, 2014.

Directors Giulini and Zirener, based on the statements made by them and the assessment carried out by the Board of Directors at the time of the co-optation and verified by the Company, satisfy all the independence, integrity and professionalism requirements established by law, the Articles of Association and the Self-Governance Code.

Thus, refer to Table 2 attached to this Report for the composition of the Board of Directors in office at December 31, 2014.

* * * * *

Summarised information is reported below on the personal and professional background of the members of the Board of Directors of the Company currently in office.

Michele Cinaglia
Degree in Electrical Engineering from the University of Pisa. He joined Olivetti GE in 1968 and Sperry Univac in 1970, first in Florence and later Padua, as director of the branch for the Tre Venezie region. In 1975 he became Managing Director of Cerved, an information technology company of the Chambers of Commerce. In 1980 Cerved Engineering was established out of Cerved (60%), Cinaglia and Abati, Cerved's Technical Director (40%). With a management buy-out transaction in 1985, he took over the majority shareholding from Cerved, and Cerved Engineering changed to Engineering Ingegneria Informatica, of which he is the Chairman.
He is currently the Chairman of the Board of Directors of Engineering Ingegneria Informatica S.p.A. and the subsidiary company Engineering.mo S.p.A..

Paolo Pandozy
Born in Anzio (RM) on August 19, 1950, he graduated with a degree in Electronic Engineering from the University of Rome and began his career in the technical division of Siemens Data in 1975. He joined Cerved in 1981 as technical manager of the Rome office. He transferred to Engineering in 1984 where he remained until June 1990, holding the position of Sales Director for the territory of central-southern Italy.
After a three year period as managing director of Metelliana, an equity investment of the Engineering Group, at the beginning of 1993 he returned to the Roman office of the Parent Company.
He has been a Director of Engineering since April 28, 2005, and currently holds the office of Chief Executive Officer of Engineering Ingegneria Informatica S.p.A. and Engineering.mo S.p.A., in addition to being a Director in companies in which Engineering has minority holdings.

Marilena Menicucci
Born in Perugia, she received an Honours degree with maximum points at the city's University, where she was a scholar for two years, following and teaching the philosophical ideas of her mentor Aldo Capitini.
On moving to Padua she combined her teaching activities with journalism, writing for the city's newspaper "Il Mattino."
She was part of the superintendence working group and undertook an experiment on the integration of handicapped children in primary schools, "La sarta argentina", published by Valore Scuola.
She won an entrance exam for the Research, Experimentation and Modernisation Research Institute at Venice and contributed to important magazine such as Riforma Della Scuola, Educazione e Scuola, Psichiatria, Rocca, Proiezioni and Noi Donne. After the transfer to Rome she stopped her teaching activities to dedicate herself completely to writing and journalism, contributing to agencies, magazines and the leading Italian newspapers: Corriere della sera, Messaggero and Paese Sera.
She has published: five essays: Educazione e Igiene mentale (1971), Handicappato! (1981), L'altra capitale (1995), the above-stated La sarta argentina (1998) and L'Educativo creativo (2001), as well as five poetry compilations: Descrizioni d'amore (1978), La lucciolata (1997), La carne dell'anima (1999), Dentro la giungla che sono (2003) and Nel paese di San benedetto (2008), three stories: Kalè Kalè, storia di un'adozione (2002), Il rosario delle nonne-Incontro con il femminile (2003), and La maestra e lo scolaro (2006), Editori Riuniti, and two testimonies: Memorie di lavoro e di vita (2007), La colonia-dal ventennio fascista al secondo dopoguerra (2010) Ed. Futura, Pro loco Mugnano-Perugia.
She has been a Director of Engineering Ingegneria Informatica S.p.A. since April 24, 2012.

Armando Iorio
He has been a Director of Engineering since April 24, 2012. He holds a Degree in Economic Science from the University of Naples and began his professional career at Avir in 1979. After a brief period as Chief Financial Officer of an Investee Company of the Engineering Group, he joined the Parent Company Engineering Ingegneria Informatica where he held a number of increasingly senior roles.
In 2006, he was appointed the Executive Responsible for the preparation of the accounting documents of the Company Engineering Ingegneria Informatica S.p.A..
Today he is CFO of the Engineering Group, Director of Nexen S.p.A., Engineering.mo S.p.A. and Engineering Exellence Center S.p.A..

Dario Schlesinger
He has been a Director of Engineering since April 21, 2006. He earned a degree from L. Bocconi University; he is a Certified Accountant and Auditor and operates his own practice of CPAs and Auditors. In this capacity he has acted as Auditor, Board Member, Liquidator, Internal Auditor, Technical Consultant and Official Receiver. He has been a representative or a consultant for multinational or large-scale financial intermediaries and asset management companies and a member of the Commission for Creditor Protection Proceedings of the Association of Certified Accountants of Milan. Lastly, he leads seminars and speaks in professional conferences on tax and corporate issues. He currently holds offices in government-owned and/or medium and large enterprises: Engineering Ingegneria Informatica S.p.A.; Ver Capital SGR S.p.A.; Quadrivio SGR S.p.A.; Quadrivio Capital SGR S.p.A.; B.I.P. – Business Integration Partners S.p.A..

Alberto De Nigro
He has been a Director of Engineering since April 21, 2006. With a degree in Economics and Business from La Sapienza University in Rome, he is registered in Rome as a Certified Accountant and a Certified Auditor. He is a partner at Legalitax Studio Legale e Tributario with offices in Rome, Milan, Padua and Venice.
His professional activity largely involves corporate and tax issues surrounding restructuring, acquisition and merger transactions by national and international corporate groups. He continues to hold offices such as Board Member, Auditor, Internal Auditor and Liquidator for companies, including those with shares traded on regulated markets. He is the Chairman of the Board of Auditors of the Italian National Olympic Committee (CONI) and a member of the International Tax Commission of the Association of Certified Accountants of Rome.

Massimo Porfiri
He has been a Director of Engineering since April 21, 2006. He graduated with a degree in Economics and Business from La Sapienza University in Rome and practiced the profession of accountant until 1987 at Studio Palandri in Rome. He became a partner in Studio Muci & Associati in 1987. He specialises in tax issues and is a consultant of the Italian Episcopal Conference. He is an internal auditor for many national companies in the sectors of healthcare, publishing, and design and construction of large oil and gas facilities.
He is a member of the Board of Directors of several religious organisations, with specific reference to the communications sector, and is an Auditor of Università Cattolica del Sacro Cuore and of Policlinico Gemelli.

Giuliano Mari
He has been a Director of Engineering since April 21, 2005. He graduated in Chemical Engineering at La Sapienza University of Rome in 1968; he acquired expertise as an analyst and credit risk assessor at the Inspectorate Service of IMI. In 1986 he became the head of the Credit Department of IMI, first with reference to the SME sector and afterwards for the large manufacturing and service companies. From 1992 to 1995 he was the head of the Corporate Finance Department of IMI, entrusted by IRI and Eni with the advisory for privatisations through trade sale and for the corporate and financial restructuring plans.
In the same period he was the Chief Executive Officer of Sige Investimenti, the investment bank of the IMI group.
In 1995 he moved to the Merchant Banking division of IMI, which he headed until 1999, when he became the Chief Executive Officer and Director General of Nuova Holding SANPAOLOIMI (now IMI Investimenti), a company that manages all non-financial investments of the SANPAOLOIMI Group.
From 1999 to 2002 he was the Chief Executive Officer and Director General of IMI Investimenti; from 2003 to 2005, Director General of Cofiri.
Since 2009 he has been the Chairman of the Board of Directors of Assietta Private Equity SGR and a Director of Atlantia S.p.A.; as part of this Board, Chairman of the Control, Risk and Corporate Governance Committee,

Chairman of the Committee for Transactions with Related parties and Director in charge of the Internal Control System.

Christoph Sebastian Stephan Giulini

He has been a Director of Engineering since May 15, 2014. He holds a degree in engineering, having attended a course with specialisation in management and technology, from the Karlsruhe university in Germany.

He covers and has covered positions in the following companies: from 1999 to 2003 Ascena AG, a German company leading in the recruitment of IT personnel, as Director and main representative for private equity investments. From 2006 to 2011 Sud-Chemie AG, a multinational company in the chemical sector, as Vice Chairman of the Supervisory Board, Chairman of the Board of Auditors, Member of the Investment Committee, Member of the Committee for Innovation and Member of the Committee for Human Resources. From 2007 to 2013 Schoeller Arca Systems BV, a European company leading in the manufacture and supply of reusable plastic containers, where he was a Member of the Supervisory Committee and Intermediary Chairman, Chairman of the Board of Auditors and the Committee for Human Resources.

Since 2001 he has been the Chief Executive Officer and co-founder of One Equity Partners in Frankfurt, Germany. The Company is engaged in the search for, finalisation, development and management of private equity transactions and investments.

Joerg Zirener

He has been a Director of Engineering since May 15, 2014. He obtained a Kaufmann diploma, equivalent to an MBA, from the European Business School and subsequently attained a PhD in “Business Administration” from the Europa Universitat Viadrina, Frankfurt, with dissertation on: reorganisation of bankrupt companies.

From 2008 to 2011 he was an Alternate Member of the Supervisory Board of Sud-Chemie AG of Munich, a multinational company operating in the chemical sector.

Since 2010 he has been a Member of the Steering Committee of the company Library Solutions in Amsterdam. The company leads the market of “end-to-end” automated solutions for libraries. He is also a Member of the Supervisory Board and the Strategic/Remuneration Committee as well as the Chairman of the Board of Auditors of Smartrac N.V. in Amsterdam. The company is a leader in the development and production of RFID inserts.

Since November 2010 he has been a Member of the Supervisory Board and the Board of Auditors of the company Duropack GmbH in Vienna. This is a company leading in the manufacture of corrugated cardboard in south-eastern Europe.

From November 2010 to December 2013 he was a Member of the Supervisory Board of the Board of Auditors of the company Constantia Flexbles GmbH in Vienna, a global group leading in the flexible packaging sector.

Since November 2006 he has been Chief Executive Officer and a Partner of One Equity Partners in Frankfurt, a company specialised in the search for, finalisation, development and management of Private Equity transactions/investments.

With reference to Article 1 section 3 of the code and taking into account the current commitments of the Issuer’s Directors and the nature of such commitments, the Board decided to limit the maximum number of director or audit offices to 15 in other traded companies, financial, banking or insurance companies or those of significant size which can be considered compatible with an effective performance of the role of Director for the Issuer. The limits set by Article 22 of the Articles of Association as well as Article 148-*bis* of CLF and Article 144-*terdecies* of the Consob Issuers’ Regulation are exclusively applied for the members of the Management Control Committee.

For the purposes of the information required by Article 1, paragraph 2 of the Code, the offices of director or internal auditor held in 2014 by the Board Members of the Issuer in other companies of the Engineering Group and/or listed companies, in financial, banking or insurance companies or companies of a significant size are listed below:

i. Michele Cinaglia is the Chairman of the Board of Directors and Chief Executive Officer of Engineering.mo S.p.A..
ii. Paolo Pandozy is the Chief Executive Officer of Engineering Ingegneria Informatica S.p.A. and Engineering.mo S.p.A..
iii. Giuliano Mari is the Chairman of the Board of Directors of Assietta Private Equity SGR and a Director of Atlantia S.p.A..
iv. Alberto De Nigro is the Chairman of the Board of Auditors of the Italian National Olympic Committee (CONI) and a member of the International Tax Commission of the Association of Certified Accountants of Rome.
v. Massimo Porfiri is a member of the Board of Directors of several religious organisations, with specific

reference to the communications sector, and is an Auditor of Università Cattolica del Sacro Cuore and of Policlinico Gemelli.

vi. Dario Schlesinger is the Chairman of the Board of Statutory Auditors of Quadrivio SGR S.p.A., Statutory Auditor of Ver Capital SGR S.p.A.. He holds offices also in Quadrivio Capital SGR S.p.A..

vii. Armando Iorio is a Director of Engineering Ingegneria Informatica S.p.A.. and Engineering.mo S.p.A..

viii. Joerg Zirener is the Chief Executive Officer and a Partner of One Equity Partners in Frankfurt, a member of the Steering Committee of Library Solutions in Amsterdam; a Member of the Supervisory Board and the Strategic/Remuneration Committee as well as the Chairman of the Board of Auditors of Smartrac N.V. in Amsterdam; a Member of the Supervisory Board and the Board of Auditors of Duropack GmbH in Vienna.

ix. Christoph Sebastian Stephan Giulini is the Chief Executive Officer and co-founder of One Equity Partners in Frankfurt, Germany.

The Chairman supported the participation of the Directors, after their appointment and during their term, in initiatives aimed at providing them with suitable knowledge of the business sector the Company is engaged in, of the Company performance and its development and of the reference regulatory framework (Application criterion 2.C.2). In consideration of the composition of the Board, which comprises people specialised in the ITC sector boasting over twenty years of experience in the IT segment, the principle is applied in particular through discussions and follow-up meetings with the management, with the assistance of the other (3) Executive Directors who are managers and/or Executives of the Company.

4.3 OPERATION OF THE BOARD OF DIRECTORS

The Board meets at least quarterly. There were 6 (six) Meetings in the course of 2014. The average duration of the Meetings was 2 hours, and no external parties attended the Board Meetings with the exception of the Head of the Corporate Affairs Department and other Senior Managers or professionals invited to attend the Board concerning specific matters on the Agenda.
It is the duty of the Chairman to provide directors with the background documentation for the matters to be discussed during the meetings and the necessary information, generally in advance, so that they may make informed decisions. At the meeting of November 14, 2013, the Board decided to create a specific reserved area on the website, which can be securely accessed using encryption only by members of the Board of Directors and the Board secretary, to provide access to the related information documents, generally no later than three days prior to the Board meeting. On the invitation of the Chairman of the Board, non-Board members may attend meetings and in particular the Heads of Departments reporting on matters on the Agenda.
The Board of Directors have scheduled six (6) meetings for 2015. In consideration of the duties of the Board of Directors and business requirements, further Board meetings are expected to take place, although no dates have yet been fixed. At March 13, 2015, 3 Meetings have been held, including the one held on that same day.
The percentage attendance of the individual members at the Meetings is shown in Table no. 2, attached to this Report.

4.4 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is invested with the broadest powers for ordinary and extraordinary management of the Issuer and, namely, they are conferred all the powers for pursuing the corporate aims which are not reserved for the Shareholders' Meeting by law.

Art. 17 of the Articles of Association provides that the following powers, in addition to those duties, which by law may not be delegated, be reserved for the Board of Directors:
- creation of general management policies;
- except for the remit of the Shareholders' Meeting, remuneration of board members invested with particular assignments approved by the Management Control Committee and determination of any remuneration for the Management Control Committee (in addition to the one due to them as Directors), and for the entire board if the Shareholders Meeting has so voted, between the single board members;

- the creation of committees and commissions upon determination of the competencies, powers and operational methods;
- the appointment, revocation, determination of the term of office and any remuneration for the Executive Responsible for the preparation of the accounting documents;
- approval of operations of significant economic, capital and financial impact, in relation to transactions with related parties.

In compliance with the Self-Governance Code, the Board shall specifically:
(i) examine and approve strategic, business and financial plans of the Issuer and the Group, with specific attention to budgets, monitoring and implementation thereof,
(ii) assess the adequacy of the organisational, administrative and accounting structure, with special reference to the internal control and risk management system iii) assess the general performance of operations and examine and approve in advance the transactions of the Issuer and its subsidiaries which have a significant strategic, economic, equity or financial impact for the Issuer. The Board is also in charge of defining the Issuer's corporate governance system and defining the Group structure.

With regard to transactions with related parties, in 2011 the Board adopted the "Guidelines for identification and performance of significant and related-party transactions" (see part 13 of the Report for more information).

In the meeting of March 11, 2014 the Board assessed the general organisational, administrative and accounting structure, with particular reference to the internal auditing system and the management of risks, deeming it to be substantially adequate in consideration of the Company's characteristics and the risk profile assumed, compatible with the corporate objectives and effective. This assessment was based on the audits carried out by the Management Control Committee (also acting as Control and Risk Committee) and the Internal Audit Department, as well as based on the activities carried out by the Executive Director in charge of supervising the operation of the internal control and risk management system.

Again in the meeting of March 11, 2014 the Board defined the nature and level of risk compatible with the strategic objectives of the Issuer, looking for possible updates and/or developments in the risk profile also compared to the outcome of the previous assessment.

The Board monitors the general performance of operations, taking into account, the information received from the executive boards, as well as periodically comparing the results with the budgets.

For this purpose the Chairman and the Chief Executive Officer report to the Board and the Internal Control and Risk Management Committee at the first useful meeting, and within the deadlines established by law and the Articles of Association, on the most significant economic, financial and equity transactions they have performed for the Issuer.

4.5 BOARD EVALUATION

In line with international best practices and the provisions of the Self-Governance Code to which the Issuer adheres, the Board of Directors conducts an annual overall assessment of its size, composition and operation and those of its committees. In order to ensure the objectivity of the process, in line with the responsibilities attributed to the Board and with the recommendations of the Self-Governance Code, the Appointments Committee undertakes the preliminary assessment in the self-assessment process. The Board Review is undertaken by means of written interview, through a series of questions in a self-assessment questionnaire sent to each Director, whose replies are analysed and assessed by the Appointments Committee, which then reports to the Board.
In the meeting of March 11, 2014, the Board conducted an overall assessment of its size, composition, and operation, which were assessed positively. Specifically, for the purpose of the assessment, the following were taken into consideration:

the ratio of the number of members of the board to the number of Independent Directors, the skills and professional expertise represented and the scope of the powers granted to the Chairman and the Chief Executive Officer.

Also in relation to the size, composition and operation of the committees, the Board deemed their number and composition to be adequate, as these Committees are all composed of Independent Directors. Specifically, the Board noted that since the start of their operations, the Committees have made a significant contribution to the Board in terms of analyses as well as contents of the issues they are respectively assigned.
The Board, in consideration of the expiry of its term, deemed it appropriate to give
some indications on the characteristics and requirements, above all professional, that the new Board should have, wishing for a prevailing presence of managers with experience in the IT sector, while maintaining the need to ensure the complementarity of skills and professional background, to allow for an in-depth study of all the topics on the agenda and a suitable composition of the board committees. The Board has invited the Shareholders to make sure that the candidates have time available to prepare for and take part in the Board and Committee meetings as well as in some informal meetings with the other Directors. Finally, the Board underlined once again how important it is to have a suitable number of independent and non-executive members, also in consideration of the one-tier system adopted by the Company.
In carrying out the above activities, the Board did not use the assistance of consultants.

The Shareholders' Meeting, in dealing with any organisational requirements, did not authorise any general or specific competitor agreements as per Article 2390 of the Italian Civil Code.

4.6 EXECUTIVE BOARDS

Chairman and Chief Executive Officer
During its meeting of April 24, 2012 the Board of Directors granted Michele Cinaglia the broadest powers of ordinary and extraordinary management, with the exclusion of those matters which, by law or by Articles of Association provisions cannot be delegated and are reserved for the Board of Directors or the Shareholders' Meeting. The Chief Executive Officer Paolo Pandozy is attributed the widest powers for the ordinary and extraordinary management of the Issuer through conferment of specific powers on August 3, 2012, which re-determined the remit and extent of the original powers conferred through special power of attorney, which therefore is revoked.

Finally, the Appointments Committee after having evaluated the significant commitment which involves and will involve, increasingly in the future, the management of the Engineering Group, considered it appropriate to concentrate all of the operating powers for the ordinary and extraordinary management in the Chief Executive Officer Paolo Pandozy, with the exception of significant corporate operations which will require the joint management of the CEO and the Chairman, Michele Cinaglia.

More specifically, the Chief Executive Officer is therefore conferred all powers of ordinary and extraordinary administration, with single signature, with the exception of those that may not be conferred in accordance with law or Company Articles of Association, or which are reserved for the Board of Directors or the Shareholders' Meeting and with the exception of the following deeds and category of deeds for which the Chief Executive Officer acts with joint signature with that of the Chairman: (i) purchase, sell, exchange, transfer, contribute to companies property, companies or business units; (ii) purchase, sell, exchange, transfer shares, securities or units of companies, associations, groups, consortiums, or other relative rights; (iii) establish secured guarantees on the assets of the Company which would require the recording of a lien and/or mortgage on the Company's assets.

The Chairman is not the controlling shareholder of the Issuer.

Mr. Paolo Pandozy as Chief Executive Officer is the principal manager responsible for the management of the Issuer.

The Executive Bodies report to the Board on the activities undertaken in relation to the powers conferred on a quarterly basis, and in 2014, the Chairman and Chief Executive Officer reported accurately on the activities undertaken and the exercise of the powers conferred to them on a quarterly basis.

As far as the Issuer is aware there are no interlocking directorships.

4.7 OTHER EXECUTIVE DIRECTORS

Another Executive Director in the reference year is Mr Armando Iorio, Chief Financial Officer of the Company.

4.8 INDEPENDENT DIRECTORS

The current Board of Directors includes 6 (six) Directors that meet independence requirements:

- Giuliano Mari (Lead Independent Director, Chairman of the Remuneration Committee and Chairman of the Appointments Committee).
- Massimo Porfiri (Chairman of the Internal Control and Risk Management Committee, member of the Remuneration Committee, member of the Appointments Committee and Chairman of the Committee for Transactions with Related Parties).
- Dario Schlesinger (member of the Internal Control and Risk Management Committee, member of the Appointments Committee and member of the Committee for Transactions with Related Parties).
- Alberto De Nigro (member of the Internal Control and Risk Management Committee, member of the Remuneration Committee and member of the Committee for Transactions with Related Parties).
- Christopher Sebastian Stephan Giulini (Director).
- Joerg Zirener (Director).

The Independent Directors make up the Remuneration Committee and the Internal Control and Risk Management Committee, the Committee for the Transactions with Related Parties, as well as the Appointments Committee. The Non-Executive, Independent Directors meet the requirements of independence set out in Art. 3 of the Code and Art. 148, paragraph 3b) and 3c), of the Consolidated Law on Finance, as each of these:

a) does not directly or indirectly, including via subsidiaries, an intermediary company or person, control the Issuer nor is capable of exercising a notable influence on it;
b) does not directly or indirectly participate in a shareholders' agreement through which one or more persons can exercise control or a notable influence over the Issuer;
c) is not, or has not been in the previous three financial years, a representative of the Issuer, of a subsidiary having strategic significance or of a company under shared control with the Issuer, or of a company or an entity that, including with others through a shareholders' agreement, controls the Issuer or is capable of exercising a notable influence over it;
d) does not have, and has not had in the previous year, directly or indirectly (for example, through subsidiary companies or companies in which they hold significant positions, or as a partner of a professional firm or a consulting firm) a significant commercial, financial or professional relationship:
- with the Issuer, a subsidiary, or with some relevant members;
- with persons who, including via a shareholders' agreement, control the Issuer or – in the case of a company or entity – with the relative representative;

e) is not, and has not been in the previous three years, an employee of one of the above parties; does not receive, and has not received in the previous three years, from the Issuer or a subsidiary or Parent Company a significant additional remuneration other than the "fixed" fee of Non-Executive Director of the issuer, including participation in incentive plans linked to company performance, including share-based plans;
f) was not a Director of the Issuer for more than nine years of the past twelve years;
g) is not an Executive Director in another company in which an executive director of the Issuer is a Director;
h) is not a Shareholder or Director of a company or of an entity belonging to the network of the auditors of the Issuer;
i) is not a close family member in a situation described in the previous points.

The Board of Directors periodically verifies the holding and continuity of the independence of the independent members. In particular, the Board of Directors, on the renewal of office, verified on April 24, 2012, the independence of these Directors and reported to the market their assessment in accordance with the press release pursuant to Article 144-*novies* of the Regulation.

The independence of the Directors is assessed at least once a year.

The Board uses all the parameters set out by the Code to identify executive, non-executive and independent directors.

Under the procedure followed by the Board in verifying independence, the existence of the requirement is declared by the Director when the slate is submitted and again when the appointment is accepted, and is evaluated by the Board of Directors in the first meeting following the appointment. The Independent Director also undertakes to immediately report to the Board of Directors failure to meet the requirement, so that necessary measures may be taken. Following appointment the Board of Directors again asks for a declaration of independence from Directors once a year and verifies the independence requirements are met, as recommended in Article 3.4 of the Code.

On March 11, 2014, during its annual verification, the Board examined whether said Non-Executive Directors met the independence requirements.

The Management Control Committee positively verified the correct application of the criteria and procedures adopted by the Board to evaluate the independence of its members.

During the financial year the Independent Directors met three times without the other Directors to discuss the future prospects of the Issuer including extraordinary acquisition transactions.
It should also be noted that the Independent Directors undertook to continue to meet the independence requirements for the term of their offices and to resign in the event that they are no longer independent.

4.9 LEAD INDEPENDENT DIRECTOR

The Board has appointed Giuliano Mari as Lead Independent Director, which is a point of reference and coordination of queries and contributions from Non-Executive Directors and, in particular, Independent Directors.

5 Treatment of corporate information

The Company has long had a procedure for internal management and external communication of documents and information relating to the Issuer, in particular price sensitive information. The procedure was modified and updated on November 14, 2013.

This procedure covers the roles, responsibilities and operative methods of managing price sensitive information and the methods of informing the public in compliance with the law.

Members of company bodies, managers, employees and consultants of Engineering and its subsidiaries, who have access to price sensitive information, are required to observe this procedure.

The Issuer has adopted a register of all persons with access to price sensitive information (pursuant to Article 152-*bis* of Consob Issuers' Regulation) and follows the procedure set down in the CLF (Article 114, paragraph 7) and by Consob in relation to notification of transactions of Engineering shares executed by relevant persons (insider trading).

6 Internal committees

A Remuneration Committee, Internal Control and Risk Management Committee and a Committee for the Management and Approval of Procedures with Related Parties, as well as the Appointments Committee, have been established within the Board.

7 Appointments committee

The Appointments Committee was set up on April 24, 2012. The Committee is composed of three Non-Executive and Independent Directors as follows: Chairman Giuliano Mari, members Massimo Porfiri and Dario Schlesinger.

The work of the Committee is co-ordinated by the Chairman Giuliano Mari.

The Appointments Committee, in line with the provisions of the Code, makes selections and proposals to the Board concerning the appointment of Directors, including Independent Directors, formulates proposals concerning the size of the Board and its composition, assesses the balance of skills, know-how and professional experience in the Board of Directors and periodically examines the structure, size, composition and results of the Board, also assessing the expertise of individual Directors.

During the year the Committee met 3 (three) times, with an average duration of 2 hours and the members of the Committee attended all meetings.

For the current year, the Committee has scheduled 8 (eight) meetings, of which 1 (one) meeting already held before the approval of the present Report, which included the participation of non-Committee members.

For further information relating to the functioning and the Committee Meetings, reference should be made to Table no. 2 attached to the present Report.

8 Remuneration committee

The Board set up the Remuneration Committee with board resolution of April 24, 2012. The Committee is composed of three Non-Executive and Independent Directors as follows: Giuliano Mari, Massimo Porfiri and Alberto De Nigro, all with adequate accounting and financial knowledge.

During the year, the Remuneration Committee met 8 (eight) times. The minutes of Committee meetings were regularly taken and the work was co-ordinated by the Chairman Giuliano Mari. The attendance of the individual members at the meetings, the average duration of meetings and the number of meetings scheduled are shown in Table no. 2 attached to the present Report.
To perform its functions, the Remuneration Committee had access to the information and Company functions needed to carry out its work as well as the assistance of external consultants, within the conditions established by the Board.

The Remuneration Committee is assigned to:

- periodically evaluate the adequacy, the overall compliance and the application of the general remuneration policy of Executive Directors, other Directors with particular offices and Executives with strategic responsibilities, utilising for this latter issue the information provided by the Chief Executive Officers and draws up for the Board of Directors related proposals;
- present proposals to the Board of Directors on the remuneration of Executive Directors and other Directors holding particular offices as well as establish the performance objectives related to the variable component

of this remuneration; monitor the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance objectives.

The Committee does not utilise external consultants; in any case the Committee has the faculty to use the services of a consultant in order to obtain information on market practices concerning remuneration policies, preliminarily verifying that they do not relate to situations in which independence of judgment is compromised.

No financial resources have been earmarked for the Remuneration Committee seeing as the latter avails itself, to carry out its role, of the Issuer's corporate resources and structures.
No parties, other than the Directors who are members of the committee, attended the Remuneration Committee meetings.

For that not established in the current document, reference is made to the Remuneration Report published as per Article 123-*ter* of the CLF.

9 Remuneration of directors

For the information pursuant to this section, reference is made to the Remuneration Report as per Article 123-*ter* of the CLF, made available to the public at the registered office of the Issuer and on its website (*www.eng.it.* in the section Investor Relations/Governance/Reports and procedures).

In addition to that reported in the Remuneration Report, to which reference should be made, it should be noted that the incentive mechanisms for the Internal Audit Manager and of the Executive Responsible of the preparation of the accounting documents are in line with the responsibilities assigned.

10 Control and risk committee

The Control and Risk Committee is composed of three members, Massimo Porfiri (Chairman), Alberto De Nigro and Dario Schlesinger, all independent and all possessing experience in accounting and financial matters; they also carry out the functions of the Management Control Committee required by the Italian Civil Code. This overlapping of roles – suggested for companies with a one-tier system by Article 12 section 2 b) of the Code – is due initially to the configuration and structure of the one-tier system audit body and the Board's desire to avoid the dual presence of two similar bodies within the Board, which could undermine efficiency and organisation following the introduction of Article 19 of Legislative Decree 39/2010, attributing however further supervisory duties in relation to IT and auditing processes.
Therefore each time the Management Control Committee meets, it also performs the functions and checks of the Control and Risk Committee. For this reason, separate minutes are not taken for the meetings of the Control and Risk Committee.

No non-members attended the Committee meetings, with the exception of the Chief Executive Officer, the Executive Responsible for the preparation of the accounting documents of the Issuer and the Internal Control Manager on the invitation of the Committee and in relation to individual matters on the Agenda. The Committee assists the Board of Directors in carrying out the duties appointed by the Board in relation to internal control and has the ability to access the information and the corporate offices necessary for the carrying out of its duties.

With reference to these functions, it is important to note that the Committee performed an evaluation on the correct use of the accounting standards and their uniformity with the purposes of preparing the consolidated financial statements for 2014 with Deloitte & Touche S.p.A. and the Executive Responsible for the preparation of the corporate accounting documents.

At the request of the Executive Director in charge of supervising the operation of the internal control system, the Committee issues opinions on specific aspects relating to the identification of the main corporate risks as well as the design, implementation and management of the internal control system, examines the work plan prepared by the internal control managers as well as the periodic reports prepared by them. The Committee reports to the Board at least every six-months, at the time of approval of the financial statements and the half-yearly financial statements, on the activities carried out as well as the adequacy of the internal control and risk management system.

The Committee for the Management and Approval of Procedures with Related Parties, appointed by the Board of Directors in the meeting of April 24, 2012, comprises three Non-Executive, Independent Directors: Massimo Porfiri (Chairman), Alberto De Nigro and Dario Schlesinger. At the Board of Directors meeting of November 12, 2010, the Board, following approval of the Committee, approved the procedure for transactions with related parties.

The Committee carries out the duties established by Consob regulation no. 17221 concerning transactions with related parties.

11 Internal control and risk management system

The Issuer's Internal Control and Risk Management System is intended as all of the processes aimed at protecting the effectiveness and efficiency in running Company operations, the reliability of financial information, the compliance with applicable laws and safeguarding of Company assets.

The Board is responsible for internal control and risk management, by periodically auditing the actual operation of the system, also guaranteeing that the main Company risks are identified and adequately managed.

In this task the Board is assisted by the Management Control Committee which, as described above, also performs the functions of the Internal Audit Committee required by the Code.

Specifically, after hearing the opinion of the Control and Risk Committee, the Board of Directors:

- defines the guidelines of the internal control and risk management system, so that the main risks pertaining to the Issuer and its subsidiaries are correctly identified, and adequately measured, managed and monitored, also determining the level of compatibility of said risks with company management in line with the strategic objectives identified. In this regard, in the meeting of March 11, 2014 the Board of Directors acknowledged the compatibility of the main risks relating to the strategic objectives of the Issuer with Company management in line with said objectives;
- assesses, at least annually, the adequacy of the internal control and risk management system with the characteristics of the business and the risk profile assumed as well as the effectiveness of said system. In the meeting of March 11, 2014 the Board of Directors expressed a positive assessment on the subject;
- approves, at least annually, the work plan prepared by the Audit Manager, having heard the opinion of the Management Control Committee and the Executive Director in charge of supervising the operation of the internal control and risk management system. In this regard, again in the Meeting of March 11, 2014, the Board of Directors approved the audit plan for the same year;
- assesses, having heard the opinion of the Management Control Committee, the results provided by the audit firm in its management letter, if sent.

Lastly, based on a proposal by the Executive Director in charge of supervising the operation of the internal control and risk management system and having obtained the favourable opinion of the Control and Risk Committee, also acting as the Management Control Committee, the Board of Directors appoints and revokes the Audit Manager, defines his/her remuneration in line with Company policies and ensures that the interest party has adequate resources to execute his/her responsibilities.

The Management Control Committee in its report to the Board judged the Issuer's internal audit situation to be adequate.

Reference should be made to Attachment 1 for an overview of the main characteristics of the risk management and internal control systems adopted and implemented by the Issuer as well as, specifically, to the internal control system adopted in relation to the financial reporting process, and to the Directors' Report Section 16 "Principal risks and uncertainties" for further information on the risks identified.

11.1 DIRECTOR IN CHARGE OF SUPERVISING THE OPERATION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

To comply with the provisions of Article 7.P.3 of the Code, the Board has appointed Paolo Pandozy as Executive Director in charge of supervising the operation of the internal control and risk management system.

The Executive Director in charge of supervising the operation of the internal control system:

- identifies the principal Company risks, periodically presenting them to the Board;
- adapts the system to the dynamics of the operating conditions and legal and regulatory framework;
- proposes to the Board the appointment, removal and remuneration of the internal audit manager;
- receives the reports prepared by the Internal Audit Department and all the reports on audits conducted during the year;
- receives the periodic reports prepared by the Supervisory Board (pursuant to Legislative Decree 231/2001);
- exchanges information with the Internal Control and Risk Management Committee and reports on problems and critical issues arising.

11.2 INTERNAL AUDIT MANAGER

The Board, based on a suggestion from the Executive Director in charge of supervising the operation of the internal control and risk management system, and after hearing the opinion of the Control and Risk Committee acting as Management Committee: (i) has appointed Amilcare Cazzato, previous head of the internal audit body, as person in charge of internal auditing and (ii) has defined the remuneration of the person in charge of internal auditing in line with corporate policies.

The Internal Audit Manager: hierarchically reports to the Board, has no operational responsibilities and is authorised, as well as all the members of his function, to access the information necessary for the carrying out of his assigned duties, with regard to the Company and its subsidiaries.

The audits conducted by Internal Audit on the operations and suitability of the internal control and risk management system, including the reliability of IT systems for financial reporting, were conducted in compliance with a plan approved by the Board and based on a structured analysis and priority ranking of risks.

The Internal Audit function had suitable financial resources available for the activity it performed during the financial year, which were also used to avail of external professionals for specialised consulting required during the assignments.
During the year, the Internal Audit Manager periodically drew up reports on his activities, containing the main results and an opinion on the method used for risk management, compliance with the set plans for reducing risks and the substantial suitability of the internal control system to ensure an acceptable overall risk profile. These reports were forwarded to the Control and Risk Committee, also acting as the Management Committee, and the Chief Executive Officer.
The Internal Audit function, overall or in relation to operational segments, was not awarded to external parties.

11.3 ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

The Issuer and its principal subsidiaries adopted an "Organisation and Management model" pursuant to Legislative Decree 231/2001.
As known, Legislative Decree 231/01 ("Governance on administrative responsibility of legal persons, of companies and of associations even without legal identify" of June 8, 2001) sanctions the principle for which Legal Entities will respond, in the manner and terms indicated, to offenses committed by personnel of the enterprise, in the interest of or to the advantage of the enterprise, concerning offenses specifically indicated in the Decree.

Legislative Decree 231/2001 therefore incorporated the principle in which also "legal persons" respond directly to offenses committed, in their interest or to their advantage, by persons operating professionally within their organisation.

The scope of the offenses within the Decree has been progressively enlarged over the years, requiring a periodic revision of the model and of the protocols (controls) implemented by the Company in order to ensure compliance of the various activities, and aimed at preventing the commission of such offenses.
The Company has consistently updated the organisation model approved by the Supervisory Board (SB), whose existence is sanctioned by the Decree:

The approach undertaken for the definition of the organisation and management model is as follows:

- identification of the risks of commission of offences to which the Company is exposed. In particular, this has required a careful technical/legal analysis of the offenses outlined by the Decree;
- recognition of what could be the manner and circumstances in which one or more persons, operating within the organisation of the Company, could undertake illegal conduct;
- surveying of the processes and sub-processes of the Company where it is easier to commit illegal conduct and of the parties and/or departments most exposed or susceptible to the risk of committing offenses;
- evaluation of the effective risks (of an offense-predicate) to which the Company is exposed, and of the processes, and parties and departments susceptible to these risks;
- analysis of the level of "risk protection" offered by the Company's existing rules and procedures;
- where this protection was lacking (or was considered insufficient), these were updated and a new version of the procedures issued, as considered appropriate to protect the specific risk.

The "Organisation and management model, as per Legislative Decree 231/2001" is available on the Issuer's website *www.eng.it* in the Investor Relations/Download Center/Corporate Governance section.

11.4 INDEPENDENT AUDITORS

The Issuer's auditing activity is assigned to Deloitte&Touche S.p.A..
The Shareholders' Meeting is responsible for the appointment of an auditing company, which carries out periodic checks on regular bookkeeping, from the list of companies registered with the Consob; the Shareholders' Meeting also determines the amount of remuneration.
The current audit company Deloitte&Touche S.p.A. was appointed by the Shareholders' Meeting of April 24, 2012 and ends with the approval of the financial statements at December 31, 2020.

11.5 EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF THE ACCOUNTING DOCUMENTS

Armando Iorio, Chief Financial Officer of the Engineering Group and of the Issuer, covers the role of Executive Responsible for the preparation of the accounting and Company documents, appointed by the Board of Directors on April 24, 2012 and until the expiration of the current Board of Directors at December 31, 2014.

In accordance with Article 17 of the Articles of Association, the Executive Responsible for the preparation of the accounting documents is appointed by the Board, which verifies that such person possesses the following professional requirements: (i) university degree or secondary school diploma and (ii) at least three years of experience in management in the administrative or finance area at a listed company or at a joint stock company with shareholders' equity not less than Euro 5 million and with a significant turnover.

At the time of appointment the Board granted the Executive Responsible for the preparation of the accounting documents with the powers and means listed below: (i) attendance at Board meetings and the possibility of speaking at any time with the Administrative and Control Bodies, including with reference to other Group companies; (ii) power to propose to the boards of subsidiaries that responsibility for preparing accounting documents be granted to its managers or middle management, indicating their functions and powers; (iii) approval of Company procedures which have an impact on the financial statements, including consolidated, and documents subject to certification; (iv) participation in the design of information technology systems which may have an impact on the economic, equity and financial situation, including consolidated, of the Issuer; (v) exercise of audits on the aforesaid systems and procedures and right to propose structural changes to the elements of the internal auditing system which are considered inadequate; (vi) use of the internal auditing function and use of the information technology systems for control purposes; (vii) organisation of an adequate structure for his own area of activity, using internally available resources and, if necessary obtaining them through outsourcing.

11.6 COORDINATION OF THE PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Internal Control and Risk Management system principally involves:

- the Board of Directors which undertakes, in addition to a directional role, an evaluation on the adequacy of the system;
- the Executive Director in charge of the internal control and risk management system;
- the Control and Risk Committee, composed of 3 Independent Directors, with the responsibility to support, with adequate preparatory activity, the evaluations and decisions of the Board of Directors relating to the internal control and risk management system;
- the Internal Audit Manager, appointed to verify if the internal control and risk management system is functional and adequate;
- the General Directors of the Production Divisions and General Management of the Company, as involved in the control and risk management activities of the Company.

The General Directors of the divisions report directly to the Director responsible for the internal control system; the exchange of information is undertaken in an informal but continual manner.

The Internal Audit Department undertakes continuous control activities during the year, carrying out numerous verifications on production orders and on the business systems. The verifications are carried out in order to ensure compliance with protocols contained in the Company's procedures by the Parent Company and the subsidiaries, in order to guarantee:

- the reliability and integrity of accounting, financial and operating information;
- the efficiency of the operations;
- the safeguarding of the company's assets;
- the conformity with law, regulations and contracts;
- the timely identification of any risks;
- the operation and growth of the organisational structure.

The coordination of the activities and information principally takes place through Internal Audit, which:

- reports in the Audit minutes the principal findings and issues arising; the minutes are sent to all the hierarchical structures relating to the departments audited, and are made available to the Control and Risk Committee and the Supervisory Board (as per Legislative Decree 231/01);
- participates in the meetings of the Supervisory Board and the Control and Risk Committee, and at these meetings provides information on the internal control and risk management system;
- prepares an annual report, containing the information on the auditing activities undertaken and an evaluation on the overall internal control and risk management, taken from the data obtained during the year;
- periodically meets with the Executive Responsible for the preparation of accounting information in order to evaluate any specific aspects relating to the internal control and risk management system.

12 Directors interests and transactions with related parties

Transactions with significant and related parties, including those executed through subsidiaries, respect the criteria of substantial and procedural fairness and comply with Consob Regulation no. 17221 concerning transactions with related parties and Procedures adopted by the Issuer at the Board of Directors' meeting of November 12, 2010, available on the website *www.eng.it* section Investor Relations/Corporate Governance.

The Procedure adopted by the Issuer defines:
a) the criteria to identify transactions with related parties;
b) the general rules and principles of behaviour relating to such transactions;
c) the general criteria for the identification of insignificant/significant transactions under the applicable regulations;
d) the governance of the manner of execution, of approval and communication of insignificant/significant transactions with related parties;
e) market notification and confidentiality requirements.

Under the procedure, the Board of Directors is duly informed about the nature, operational procedures, times and conditions (including economic conditions) of the above transactions. The procedure allows the Board to evaluate, also having heard the opinion of a specially constituted Committee, the interests and motivations behind a given transaction and any risks for the Issuer or its subsidiaries relating to the above contracts with significant and related parties.

For the definition of transactions with related parties the Board refers to the principles set out in the Procedure. In 2014 the Issuer did not complete any transactions with related parties which were required to be reported under the terms of Article 71-*bis*, of the Consob Issuers' Regulation.

The Board complies with the regulations established by law (including Articles 2381, 2391 of the Italian Civil Code and 150 of the CLF) and Company Articles of Association (Article 17) concerning potential directors' conflicts of interests in decision making or in entering into contracts, including in compliance with the conduct and notification obligations, generally requiring that Directors declare any potential conflict at the first suitable sitting of the Board.

If a Director of the Issuer holds an interest and/or on behalf of third parties by being on the board of a subsidiary, the information related to transactions which are part of normal operations of the Group are given in a general and concise manner.

13 Appointment of the Management Audit Committee

The members of the Management Control Committee are Directors of the Issuer and therefore they are elected with the slate system described in part 2 letter h) of the present Report.

Article 22 of the Articles of Association governs the appointment of the Management Control Committee (according to the above-mentioned rules) as well as the independence, integrity and professionalism, which its members must possess.
After appointment of the Board, it elects the Management Control Committee from its members having the necessary requirements and in compliance with the Articles of Association. In particular the Board appoints as member of the Control Committee the Director from the slate that obtained the second highest number of votes, pursuant to Article 15 of the Articles of Association; the mentioned Director is also appointed Chairman of the Control Committee.

The members of the Management Control Committee are Massimo Porfiri (Chairman), Dario Schlesinger and Alberto De Nigro. These are three Independent Directors who meet the other requirements requested by law and the Articles of Association to be part of this control body.

The Committee was appointed on April 24, 2012 and remains in office until approval of the financial statements at December 31, 2014.
The Management Control Committee substantially performs all of the functions of the Board of Statutory Auditors of a listed Company. It is required to monitor the adequacy of the Issuer's organisational structure, internal control system and administrative and auditing system as well as its suitability and to correctly represent operating events; the committee also performs additional duties assigned to it by the Board of Directors, in particular with reference to relations with parties in charge of auditing accounts. Lastly, the Management Control Committee supervises the procedures for enacting corporate governance rules required by the code of conduct which the Company declares it complies with, and the adequacy of directives given by the listed company to subsidiaries related to communication obligations to the public for price-sensitive information.

The legal and Code requirements applicable to auditors shall also apply, insofar as compatible, to the Internal Control and Risk Management Committee members.

There were 10 (ten) meetings of the Management Audit committee during the financial year and minutes were regularly taken. The minutes report on the activities undertaken during the period. As reported in part 11, the Management Control Committee also performs the function of the Control and Risk Committee, without the need for separate and specific meetings.

Reference should be made to Table no. 3 attached to this Report for the attendance of the members at the meetings.

See part 4 of this Report for the personal and professional profiles of the Internal Control and Risk Management Committee members.

There were no changes in the composition of the Management Control Committee as of the closing date of the year.

14 Relations with Shareholders

The Board of Directors acts to provide Shareholders with relevant documents and information in a timely fashion.

For this purpose, the Company's website has a section dedicated to Corporate Governance, through which the public can be constantly updated concerning important Company news and events for Shareholders. In particular in the Investor Relations section the documents which by law must be made available to the public can be downloaded, also in accordance with Article 125-*quater* of the CLF. Both sections are easily accessed from the homepage *www.eng.it*.

Engineering also uses its representatives to ensure continuous dialogue with the market, in compliance with the laws and regulations on the circulation of price-sensitive information and the procedures for circulating

confidential information. Corporate procedures and conduct are designed to avoid information imbalances and to ensure that each investor or potential investor has the right to receive the same information to make informed investment decisions.
For this purpose, when publishing annual, half-yearly and quarterly data, the Company organizes conference calls with institutional investors and financial analysts, while Shareholders and potential Shareholders are informed of any action or decision that may have a significant impact on their investments. The Company also ensures that its website (*www.eng.it*-Investor Relations) contains the press releases and payment notices of the Company relating to the exercise of rights on shares issued, as well as the documents relating to Shareholders' Meetings or made available to the public. The above actions are designed to inform Shareholders and investors about issues that affect them. The Company also encourages qualified experts and journalists to participate in Shareholders' Meetings.

The head of Engineering's Investor Relations division Marco Cabisto is responsible for managing relations with institutional investors.

15 Shareholders' Meetings

In accordance with the Articles of Association, Shareholders' Meetings are called with a notice published on the Company's website, in a national newspaper and with the other methods established by the applicable regulation. The Company also makes the documents relating to the agenda available to the public by filing the documents at the registered office, forwarding them via SDIR-NIS, publishing them on the Company website and sending them to the storage mechanism "1info".

The first and second call of Ordinary Shareholders' Meetings is convened and makes resolutions by favourable vote of Shareholders representing more than half of the share capital.

Holders of voting shares may attend the Shareholders' Meeting provided they have proven their rights by producing a declaration, issued by the intermediary authorised to maintain the book of accounts, that their shares were deposited in dematerialised form with the centralised clearing system at least two business days prior to the Shareholders' Meeting and filing the declaration with the Company accordingly and in compliance with the law. Those with the right to vote may send to the Issuer before each Shareholders' Meeting, questions via e-mail to the dedicated e-mail address (*assemblee@eng.it*); each person with the right to vote has the right to take the floor at the Shareholders' Meeting and to request inclusion, if pertinent, in the Shareholders' Meeting minutes. The Issuer also decided to identify on occasion a representative which the holders of the right to vote may confer proxy (the format is available on the site *www.eng.it*).

The operations of the Shareholders' Meeting is regulated by Article 8 of the Articles of Association and by the Shareholders' Meeting Regulation adopted by the Issuer, available on the site of the Issuer *www.eng.it* in the Investor Relations/Corporate Governance section.

During the Shareholders' Meetings, the Board reports on the activities carried out and scheduled, and has endeavoured to ensure Shareholders have adequate information regarding the necessary elements so that they could take informed decisions pertaining to the authority of the Shareholders' Meeting.

In order to reduce limits and constraints that may hinder attendance at Shareholders' Meetings and the exercise of voting rights by Shareholders, Article 8 of the Articles of Association allows for directors to provide in the notice of convocation, that the Shareholders' Meeting may take place via telecommunication media, with an indication of the locations connected by the Issuers, in which holders of voting rights can take part.

As regards changes in the shareholding structure, referring to Chapter 2 above and Table 1 containing information on Shareholders, it is noted that on August 8, 2013 OEP Italy High Tech Due S.r.l., a company belonging to the JP Morgan Chase & Co Group, acquired 29.158% of the Issuer's share capital. Rosario Amodeo sold 33,989 shares, his entire shareholding, equal to 0.271% of the share capital, while Tommaso Amodeo sold 1,805,406 shares, equal to 14.443% of the share capital and Costanza Amodeo sold 1,805,406 shares, equal to 14.443% of the share capital.

16 Additional corporate governance practices

There are no additional practices relating to Corporate Governance.

17 Changes since year-end

There have been no changes in the Corporate Governance structure since year-end.

ATTACHMENTS
Attachment 1: "Main characteristics of existing risk management and internal audit systems used in relation to the financial reporting process" in accordance with Article 123-*bis*, section 2.b) of the Consolidated Law on Finance.

TABLES
Table 1: Information on ownership structure
Table 2: Structure of the Board of Directors and Committees
Table 3: Structure of the Internal Control and Risk Management Committee

Rome, March 13, 2015

For the Board of Directors
The Chairman
Michele Cinaglia

Attachment 1

Main characteristics of the Internal Control and Risk Management System in relation to the financial disclosure process

INTRODUCTION

The Internal Control and Risk Management System and its purposes
In line with proven governance best practices, the Internal Control and Risk Management System (ICRMS) of the Company can be defined as the range of processes and actions designed to provide reasonable assurance in relation to the achievement of certain fundamental objectives:

- effectiveness and efficiency of management activities (including in relation to safeguarding shareholders' equity);
- assurance, accuracy, reliability and timeliness of operational information, in particular information inherent to the financial statements;
- compliance of Company behaviour with applicable laws and regulations.

The Board of Directors (BoD) is responsible for the adequacy of the ICRMS, which appoints a Management Control Committee (which also acts as the Control and Risk Committee).
In line with principle 7.P.3 (i) of the Self-Governance Code issued by the Corporate Governance Committee - Code published on the website of Borsa Italiana and adopted by Engineering Ingegneria Informatica S.p.A. - the Board of Directors appointed Paolo Pandozy (Chief Executive Officer of the Parent Company) as "Director in charge of the Internal Control and Risk Management System" (hereafter, in short: "ICRMS Director in charge").
In compliance with criterion 7.C.1 of the above mentioned Self-Governance Code the Board, on the proposal of the ICRMS Director appointed, with the prior favourable approval of the Control and Risk Committee, appointed the Internal Audit Manager, operating under the Auditing and Quality management at Group level.
The Internal Audit function provides the Board, the Management Control Committee and the ICRMS Director in charge with adequate information to support their roles in relation to the ICRMS.

The following can be added to the initial definition of the Internal Control and Risk Management System:

- the internal control and risk management activities consist of a range of well-coordinated actions concerning Company management as a whole;
- the internal control and risk management system is based on procedural elements, organisational structures, technical and IT supports, and above all on the individuals who effectively implement the controls;
- even an adequate control system can only provide reasonable assurance and not absolute assurance as to the achievement of Company goals;
- only after an adequate risk analysis is it possible to design and implement the range of controls capable of reducing risk probabilities and, where possible, limiting their impact.

Framework adopted for the management of the Internal Control and Risk Management System

Determining the adequacy or otherwise of the procedures and related controls requires the preliminary identification of a framework that takes account of all elements related to the Internal Control and Risk Management System. The ICRMS objectives identified in the preceding paragraph are in line with the contents of the report by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO), a universally proven framework for the design and assessment of risk management and control systems adopted by companies.

As known, the Committee of Sponsoring Organizations of the Treadway Commission has issued a new version of the framework called “CoSO 2013” (or also “CoSO III”), specifying that any formal declaration of compliance with the framework produced after December 15, 2014 must refer to the new CoSO 2013 version of the framework.

The schematic representation of CoSO 2013 is the same as the previous version: a sort of “logo” of the same framework, a cube that with its three dimensions identifies:

1) the three types of objectives of an ICRMS: operating, reporting and compliance objectives;
2) the sphere of relevance of the various objectives: the entire Enterprise, a Division, an Organisational Unit or a Function;
3) the five fundamental components of the control system:
   A) control environment
   B) risk assessment
   C) control activity
   D) communication and information system
   E) monitoring activities.

For an internal control system to be effective according to the framework, providing reasonable assurance of the attainment of the main corporate objectives, all of the five fundamental components listed above must be:

- present;
- operational;
- operating in an integrated manner with each other.

The satisfaction of these three requirements is assessed by the Management of the Company. Supporting these assessment activities, the new version of the framework introduces the most important change (compared to the previous one): 17 principles are defined, each associated to one of the five components of the control system.

The new version of the framework, with the objective of making the conformity assessment above simpler and more reliable, requires the verification that each of the 17 principles is:

- present, i.e. included in the design of the Internal Control System;
- operational, i.e. it operates effectively.

In light of the brief reference made above to the changes introduced by the Committee, Engineering – Ingegneria Informatica S.p.A., which for many years now has adopted the CoSO framework for the management of its ICRMS, in order to reconfirm its compliance with the highest reference standards, during 2014 implemented a process of adjustment of its ICRMS to the new version of the framework issued with CoSO 2013.

This adjustment process (to which only a brief reference is made in this document) comprised a progressive assessment of the level of satisfactory application of each of the 17 principles that characterise the CoSO 2013, where “satisfactory application” means the contextual check that a certain Principle is both “present” and “operational”.

This process, run by a purposely established Senior Manager group of the Company, has led to the progressive introduction (or in some cases the simple updating) of internal controls and rules that proved useful to guarantee a more effective application of certain principles, with contextual reduction of the exposure to specific risks.

At the end, the Senior Manager group mentioned above, carried out an overall assessment aimed at establishing whether, in light of the evidence, the Company can declare its Internal Control and Risk Management System to be compliant with the new version of the CoSO 2013 framework.
This final assessment phase was carried out in the context of a global Risk Assessment activity, having the entire Company as "scope" and duly considering the risks relating to financial reporting, also in terms of consolidated financial statements.

At the end of the assessment, a "satisfactory application" was found for all the principles, thus concluding that the Internal Control and Risk Management System of Engineering complies with the new version of the CoSO 2013 framework.

SUMMARY COMMENTS ON THE APPLICATION OF THE ENGINEERING ICRMS FRAMEWORK

As mentioned, Engineering Ingegneria Informatica S.p.A. adopted CoSO 2013 for the management of its Internal Control and Risk Management System. Application of the framework entails the full involvement of the whole Engineering organization. Below is a brief summary of the main participants and activities that are significant for the various framework components.

Control environment
The Executive Management and all Top Management play a key role in this component.
A large number of elements require the attention of Top Management in relation to the control environment, including the management (or, where necessary, redefinition) of organisational structures, with emphasis on accountability; intervention in training programmes; updating of the Internal Information System; and continuous support for the Internal Audit function, to name but a few.
It should be noted that in recent years Executive and Top Management of the Parent Company have promoted the progressive integration of the various Group companies, thereby creating:

- increasingly centralized provision of Services;
- internal procedures applied throughout most of the Group companies;
- an increasingly shared information system, with uniform management of data, applications and controls applied.

In addition to references to ethical principles and behaviour regulations repeatedly emphasized by managers during internal meetings, it should be noted that as of February 13, 2004 the Engineering Board of Directors approved and published the Engineering Group Code of Ethics, which has been continuously updated over the years and has become an integral and substantial part of the Management and Organisational Model as per Legislative Decree 231/01 adopted by Engineering.

Evaluation of risks
The key role is most certainly undertaken by the ICRMS Director in charge. A key role is also played by the Board of Directors, as a whole, and by Company Managers belonging to:

- Administration, Finance and Control General Management, the head of which is appointed Executive Responsible for the preparation of accounting documents as per Law 262/2005 (the Executive Responsible);
- Personnel and Organisation General Management;
- Corporate Communications and Image Department;
- Sales and Marketing General Management.

Engineering management is constantly active in this area, including in the areas of top-down dissemination of corporate objectives and risk identification, assessment and management, as evidenced by the many updates and improvements throughout the year to Group internal procedures, such as systems for the delegation of powers.

Control activity

It is more difficult to identify individual “key” roles for these components, since control activity is:

- intrinsic and systematic at an operational process level;
- conducted continuously be medium-high level management and by the Auditing and Quality Division (AQD).

The Internal Audit function and, on the whole, the AQD play a particularly important role for this component in Engineering. The annual planning for checks performed by the AQD Auditors are all-encompassing through all O.U.s in all Group companies: production structures, commercial structures, accounting and administration structures, etc.

It should also be noted that in Engineering Group many controls are implemented within the IT applications supporting many macro-processes: Accounts Receivable, Accounts Payable, Analytical and General Accounting Management, Personnel Management, Internal Information System Access Management, to name but a few.

Communication and information system

For this component, it should be noted that traditionally in Engineering internal communication between people belonging to different hierarchical levels is free and often informal, in the sense that it is not influenced by the position of the correspondents within the Company (or each individual’s level of responsibility). This is significant because it objectively facilitates the mutual exchange of information, particularly in terms of indicating misstatements, anomalies and, potentially fraud (which is relevant in this context).

More generally, the extensive network of channels available to Group employees, based on a continuously expanding and improving technological infrastructure, is widely used to exchange updated and timely information that must drive an effective Internal Control and Risk Management System.

Monitoring activities

A number of individuals in Engineering play a role in this component:

- The ICRMS Director in charge and, also within the Board, the Management Control Committee;
- the Top Management and in particular the Executive Responsible;
- the Auditing and Quality Division (AQD);
- the Supervisory Body (as per Legislative Decree 231/01).

Each operates within the context of their own legal/institutional function, according to their individual level of independence and autonomy.

In addition to the above, other external individuals may be called upon to carry out assessments and monitoring in certain Group companies: this refers to Certification and Assessment Bodies that have issued certification: ISO 9001, Nato AQAP 2110/160, ISO 27001, CMMi Dev Lev. 3, ISO 14001, ISO 20000-1.

In this framework component, the role of the AQD may be defined as topologically central, in the sense that its activities to verify the effective application of Company procedures and, more generally, on the “watertightness” of the ICRMS, generated information flows that were made available to all other participants listed above.

Description of the main characteristics of the Internal Control and Risk Management System in place in relation to the financial disclosure process

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM PHASES

Audit objectives

With specific reference to financial reporting, a “risk” is identified as a possible event whose occurrence could compromise the fulfilment of ICRMS objectives, i.e. assurance, accuracy, reliability and timeliness of financial reporting.

In other words, the purpose of the ICRMS is to ensure that the financial reporting process satisfies the following objectives or “assertions” associated with each item in the financial statements:

- *Existence and allocation*: the assets and liabilities exist and the book entries represent actual events;
- *Completeness*: all the transactions and events are effectively recorded, without omissions;
- *Rights and obligations*: the Company owns, or controls, the rights on the assets and the liabilities are actual company obligations;
- *Measurement and recognition*: the assets, liabilities and shareholders’ equity are entered in the financial statements at an appropriate value and all value or classification adjustments are correctly recorded according to proper, generally accepted, accounting standards;
- *Presentation and reporting*: the economic and financial information is presented and described in an adequate manner; reporting is complete and clearly expressed.

Risk identification

In accordance with Law 262/2005, the Executive Responsible at Engineering Ingegneria Informatica S.p.A. (responsibility conferred to the CFO) prepared the adequate administrative and accounting procedures for the preparation of the financial statements for the year and the consolidated financial statements, as well as the procedures for issuing all other communications of a financial nature.

These procedures provide for their internal controls, not limited solely to accounting issues connected with the closure process alone, but extended to those processes that precede the preparation of the financial statements; processes (known as transactional processes) that involve operative Company functions that participate in the phases preceding the accounting cycle. This is particularly relevant for Engineering Group, where integrated IT systems are widely used, which mean the control of the correctness and completeness of accounting data takes place increasingly distant from book entry and increasingly nearer to the origin of the underlying transaction.

For a description of the procedures adopted by the Engineering Group to identify risks affecting financial reporting, please refer to the approach outlined in the Organisation and Management Model as per Law 262/05.

Assessment of risks related to financial reporting

For each risk identified in the preceding phase, an assessment of the importance of the risk is expressed.

This assessment is formulated, on a qualitative level, according to scale with five levels: from “very low” to “very high”.

This risk assessment is essentially based on the financial statement item corresponding to the risk-related process/sub-process, since the applicable controls are not considered in this phase.

Control system implemented against risks

Prior to the phases described in this document, the Executive Responsible considers, for each risk identified and assessed, the controls effectively implemented to mitigate the risk. For this purpose existing Company procedures are analyzed to verify whether or not the controls in place are appropriate for the specific risk. Where the risk control is found to be insufficient, the control is adjusted and the Company procedures for the relative process are updated.

Assessment of controls implemented to counter identified risks

This is the "monitoring" phase of the ICRMS and consists mainly of ongoing supervision and assessment of the effectiveness and efficiency of the Internal Control and Risk Management System.
The AQD Auditors:

- plan the individual checks, gathering prior to meeting the representatives of the Organisational Unit[1] under audit all information necessary to:
  - define sensitive ongoing activities and processes and progress data;
  - map a framework of risks affecting the O.U., drawing also on any evidence from previous audits;
- carry out at the O.U. a direct examination of the operating processes, adopting adequate sampling techniques and conducting interviews with the Managers of the processes/subprocesses checked;
- analyse the evidence using checklists that cover:
  - the risk/control matrix for administrative/accounting processes;
  - company procedures that provide a detailed description of the controls;
  - the applicable laws and regulations, particularly the Engineering Group Code of Ethics;
- prepare an audit report detailing (in addition to a summary of the checks performed):
  - non-conformities identified in the processes studied (classified in order of severity);
  - residual risks deemed unacceptable due to the shortcomings in the design and/or application of the relevant controls;
  - (with regard to non-conformity) the corrective actions agreed with the Representatives following the checks;
- send the report to the Chief Executive Officer, the Manager in Charge and the Managers of the audited O.U.

Reporting to Management

Management receives ongoing updates of the adequacy and functioning of the ICRMS.
The AQD, which manages a database of information acquired through auditor checks at Group O.U.s, is a primary source of information.
At least twice a year, the AQD Manager sends a summary report on the checks made during the period, any non-conformity and the principal corrective actions agreed with the Representatives to the ICRMS Director in charge of the Parent Company (appointed by the Board). In certain circumstances, the AQD Manager also sends the audit reports he considers particularly significant. The Committee and the Director in charge in turn inform the AQD Manager of any important elements relating to control activity.

In addition, the AQD and the Executive Responsible work closely together. With particular reference to financial reporting, any significant problems identified by the Auditors are usually directly discussed by the AQD and Executive Responsible in order to assess the dimensions of the misstatement or irregularity, its causes and the size of the related risk to enable the Executive Responsible to prepare an assessment in appropriate ICRMS improvements. Conversely, when the Executive Responsible becomes aware of specific risk situations, the Executive usually involves the AQD, which updates the annual audit programme on the basis of the new needs. In addition, the AQD Manager attends meetings of the Supervisory Body (in accordance with Legislative Decree 231/01). At Supervisory Body meetings (held approximately every forty days), the entire Body is informed of the principal problems identified during O.U. visits, including those relating to proper management of data contributing to the financial statements.

[1] Of the Parent Company or other Group companies.

Roles and functions involved in the Internal Control and Risk Management System

A large number of people within the Group are involved in ensuring the effectiveness and efficiency of the ICRMS.

The corporate procedures, the Organisation and Management Control Models adopted (as per Law 262/05 and Legislative Decree 231/01) and the resolutions of the Administrative Bodies set out precise roles and functions in relation to ICRMS management.

The following persons and structures are involved:

- Structure Divisions: the O.U.s appointed to conduct 1st level operation controls. “Process owners” operate within these divisions (responsible for correct process running). Report to Divisions of the Parent Company and subsidiaries.
- Executive Responsible: the prerogatives attributed to the Executive Responsible (of the Parent Company and, where identified and competent, subsidiaries) are exclusive with regard to administrative/accounting procedures and for all procedures that affect the preparation of the financial statements and documents subject to certification by law.
- Personnel and Organisation General Management Division: the involvement of the General Management in relation to Company procedures is particularly important for implementing controls (complementary to those defined by the Executive Responsible) and for revising documents that describe said controls. It is a centralized structure at a Group level.
- Management Control Committee (also comprising the Control and Risk Committee): a Parent Company Body.
- ICRMS Director in charge: an Executive Director of the Parent Company.
- AQD: a centralized structure at Group level.

(N.B.: In the table below, “P” indicates a primary role and “X” indicates non-primary involvement).

Person/Structure	Design/ implementation/ audit of ICRMS controls	Verify adequacy of control design	Verify effective operation of the controls	Monitoring of the ICRMS	Updating documents which outline ICRMS (operational activities)
Structure divisions	X		P		
Executive Responsible	P	X	X	X	
Personnel and Organisation General Management Division	P	X	X	X	P
Management Control Committee				P	
ICRMS Director appointed	P	P		X	
AQD		P	P	P	X

1. Additional Corporate Governance practices

It should be noted that the auditing activity, at Group level, performed by the Auditing and Quality Division (AQD) in 2014, together with the updating to the Organisation and Management Models (as per Legislative Decree 231/01) amounted to 1,787 work-days. In the same year 245 audits were carried out in the Group.
122 non-conformities (or irregularities) were identified and classified under two distinct levels of severity, with an average of 0.49 non-conformities per single audit.

The AQD Auditor team used specific checklists designed to take account of the most common and significant risks.

The database managed by the AQD documents AQD activities throughout the calendar year and allows for statistical processing including:

- the amount of “revenue” subject to auditing (the revenue sum of orders subject to checks during the year’s audits);
- comparative analysis of the conformity level identified through auditing in the audited Organisational Unit’s business area.

The AQD, at the time of defining the annual audit plan, uses an algorithm that:

- based on the seriousness assigned to the various types of risks identified within the Group;
- taking account of the specific risk exposure which characterises the various Group departments provides an evaluation criteria on the appropriateness of this annual plan in relation to the Company risks and, in general, in relation to the objectives of the ICRMS.

Table no. 1: Information on the ownership structure

Share capital structure

	No. of shares	% of share capital	Listed (with market indicated)/ not listed	Rights and obligations
Ordinary shares	12,500,000	100	Electronic Equity Market MI	-
Multiple voting shares	-	-	-	-
Shares with limited voting right	-	-	-	-
Shares without voting right	-	-	-	-
Other	-	-	-	-

Other financial instruments (attributing the right to subscribe for newly issued shares)

	Listed (with market indicated)/not listed	No. of instruments in circulation	Category of shares servicing the conversion/exercise	No. of shares servicing the conversion/ exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

Significant shareholdings

Shareholder	Direct shareholder	% of ordinary share capital	% of voting share capital
OEP Secondary Fund GP LTD	Oep Italy High Tech Due S.r.l.	29.158	29.974
Michele Cinaglia	Michele Cinaglia	23.214	23.864
Marilena Menicucci	Marilena Menicucci	11.970	12.305
Bestinver Gestion, SGIIC, S.A.	Bestinver Gestion, SGIIC, S.A.	8.096	8.323
Treasury shares of Engineering Ingegneria Informatica S.p.A.	Treasury shares of Engineering Ingegneria Informatica S.p.A.	2.722	0

Table no. 2: Structure of the Board of Directors and Committees

Board of Directors

Office	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Exec.
Chairman	Michele Cinaglia	1941	06.06.1980	24.04.2012	31.12.2014	M	YES
Chief Executive Officer	Paolo Pandozy◊	1950	29.04.2005	24.04.2012	31.12.2014	M	YES
Director	Marilena Menicucci	1948	24.04.2012	24.04.2012	31.12.2014	M	
Director	Armando Iorio	1957	24.04.2012	24.04.2012	31.12.2014	M	YES
Director	Dario Schlesinger •	1960	21.04.2006	24.04.2012	31.12.2014	M	
Director	Alberto De Nigro •	1958	21.04.2006	24.04.2012	31.12.2014	M	
Director	Massimo Porfiri •	1956	21.04.2006	24.04.2012	31.12.2014	M	
Director	Giuliano Mari °	1945	21.04.2005	24.04.2012	31.12.2014	M	
Director	Christoph Sebastian Stephan Giulini	1966	15.05.2014	15.05.2014	31.12.2014	M	
Director	Joerg Zirener	1972	15.05.2014	15.05.2014	31.12.2014	M	
No. of meetings held during the reference year:							

Specify the quorum required for the presentation of the slates by the minorities for the election of one or more members (as per Article 147-ter CLF): 2.50%

- • This symbol indicates the Director in charge of the internal control and risk management system.
- ◊ This symbol indicates the principal manager responsible for the management of the Issuer (Chief Executive Officer or CEO).
- o This symbol indicates the Lead Independent Director (LID).
- * Date of first appointment of each director means the date when the director was appointed the first time (in absolute terms) in the BoD of the Issuer.
- ** This column contains the slate each Director comes from ("M": majority slate; "m": minority slate; "BoD": slate presented by the BoD).
- *** This column indicates the number of offices of Director or Auditor covered by the subject concerned in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large-sized companies. In the Corporate Governance Report the offices are entered in full.
- (*) This column indicates the participation of the Directors in the meetings of the BoD and the Committees, respectively (specify the number of meetings attended compared to the overall number of meetings that should have been attended; e.g. 6/8; 8/8 etc.).
- (**) This column indicates the qualification of the Directors within the Committee: "C": chairman; "M": member.

Table no. 3: Structure of the Internal Control and Risk Management Committee

Office	Members	Year of birth	Date of first appointment *	In office since	In office until	Slate **	Indep. Code	Participation in the meetings of the Committee ***	No. other offices ****
Chairman	Massimo Porfiri	1956	21.04.2006	24.04.2012	31.12.2014	M	YES	10/10	23
Member	Dario Schlesinger	1960	21.04.2006	24.04.2012	31.12.2014	M	YES	10/10	12
Member	Alberto De Nigro	1958	21.04.2006	24.04.2012	31.12.2014	M	YES	10/10	13
MEMBERS DISCONTINUED DURING THE REFERENCE YEAR									
	Surname Name	-			-	-	-	-	-
Number of meetings held during the reference year: 10									
Specify the quorum required for the presentation of the slates by the minorities for the election of one or more members (as per Article 148 CLF): 2.50%									

NOTE

- * Date of first appointment of each auditor means the date when the auditor was appointed the first time (in absolute terms) in the Board of Statutory Auditors of the Issuer.
- ** This column contains the slate each Auditor comes from ("M": majority slate; "m": minority slate).
- *** This column indicates the participation of the Auditor in the meetings of the Board of Statutory Auditors (specify the number of meetings attended compared to the overall number of meetings that should have been attended; e.g. 6/8; 8/8 etc.).
- **** This column indicates the number of offices of director or auditor covered by the subject concerned pursuant to Article 148-*bis* of the CLF and the relevant implementing provisions contained in Consob Issuers' Regulations. The complete list of offices is published by Consob on its website pursuant to Article 144-*quinquiesdecies* of Consob Issuers' Regulations.

	Non-exec.	Indep. Code	Indep. CFA	No. other offices ***	(*)	Control and Risk Committee (*)	(**)	Remuneration Committee (*)	(**)	Appointments Committee (*)	(**)	Executive Committee, if any (*)	(**)
					6								
					5								
	YES				4								
					6								
	YES	YES	YES		6	10	M			3	M		
	YES	YES	YES		6	10	M	6	M				
	YES	YES	YES		6	10	C	6	M	3	M		
	YES	YES	YES		6			6	C	3	C		
	YES		YES		4								
	YES		YES		2								
				Board of Directors: 6		Control and Risk Committee: 10		Remun. Committee: 8		Appoint. Committee: 3			

Report of the Internal Control and Risk Management Committee to the Shareholders' Meeting of Engineering Ingegneria Informatica S.p.A., pursuant to Art. 153 of Lgs. Decree no. 58/98.

Dear Shareholders,

during the year ended December 31, 2014, the Internal Control and Risk Management Committee carried out supervisory activities as established by law, based also on the conduct principles of the Board of Statutory Auditors approved by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).
In line with the indications provided by Consob communication DEM/1025564 of April 6, 2001 and communication DEM/6031329 of April 7, 2006, the Committee hereby declares:

- it participated in all Shareholders' Meetings and meetings of the Board of Directors held during the year and obtained from the Executive Directors information on activities carried out and transactions of greatest economic and financial relevance conducted by the Company and its subsidiaries, verifying that said transactions conformed to the law and the By-laws and were not manifestly imprudent, risky, in potential conflict of interest, in conflict with the resolutions of the Shareholders' Meetings or such as to compromise the integrity of the shareholders' equity;
- it carried out the activities set out by the Legislative Decree no. 231/2001 in its office of Supervisory Board;
- during the year the organisation, management and control model was updated according to regulatory evolution governing the responsibility of enterprises for certain types of offences. In our role as Company's Supervisory Board, we reported on the activities undertaken in 2014, without highlighting any critical areas in the model;
- it did not identify any anomalous or unusual transactions with third parties, related parties or between Group companies, as defined by Consob communication dated July 28, 2006;
- states that, as adequately described in the Directors' Report and in the annual Corporate Governance Report, the transactions with related parties and inter-group transactions were of a normal operating nature, were of a commercial or financial character and were established to be in the interests of the Company; in this regard the undersigned members of the Internal Control and Risk Management Committee were appointed also members of the Committee for Transactions with Related Parties.
  In 2014, the Committee reports that no significant transactions for which the preparation of a disclosure document to the public is required were encountered;
- it acknowledges that the Audit Firm appointed, Deloitte & Touche S.p.A., issued its audited opinion pursuant to Article 14 of Legislative Decree no. 39 of January 27, 2010, on the statutory financial statements and consolidated financial statements at December 31, 2014 declaring that they represent in a true and fair manner the balance sheet, financial position and economic result, the change in shareholders' equity and the cash flow of the Company and of the Group;
- it supervised the audit of accounts and the independence of the Audit Firm and reported no critical issues as regards the independence of the latter. To this purpose, the Committee specifies that, during the year, tasks related to administrative-accounting activities were conferred with a remuneration not affecting the independence of the Audit Firm;
- it reports that, during the year, 10 meetings were held, in addition to having attended 6 Board of Directors' meetings and having viewed the Internal Audit inspections, evaluating the results with the Department Manager and Top Management; the actions of the Committee were included in the minutes prepared for 2014;

- it supervised, through direct observation, the gathering of information from the managers of competent Company functions and meetings with the Audit Firm, on compliance with proper administration standards;
- it is aware of and supervised, where competent, through direct observation, the gathering of information from managers of competent Company functions and meetings with the Audit Firm and the person in charge of the Internal Audit, on the adequacy of the Company's organizational structure;
- it supervised the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems; it measured and supervised the adequacy of the administration and accounting system and the reliability of the latter to correctly represent the operational facts, through direct observation, the acquisition of information from the mangers of competent company functions and meetings with the Audit Firm. In light of the above considerations, the Committee expresses an opinion on the adequacy of the internal control system of Engineering Ingegneria Informatica in its entirety, and acknowledges, in its office of Internal Audit Committee, that no critical issues must be reported to the Shareholders' Meeting.
- it assessed the consistency with instructions given to subsidiaries pursuant to Art. 114, par. 2, of Legislative Decree no. 58/98;
- it reported that, during the meetings held with the independent Audit Firm, for the reciprocal exchange of data and relevant information in accordance with Article 150, paragraph 2, of Legislative Decree 58/98, Deloitte & Touche S.p.A. confirmed the correct recording of operations and the correct keeping of the accounting records of the Company, as well as the reliability of the control system for significant procedures for the auditing of the financial statements and the financial disclosure process;
- it acknowledges that, in June 2014, the first Corporate Social Responsibility Report was prepared for 2013 according to the guidelines GR.1 of the Global Reporting Initiative (GRI) International Standard;
- it supervised on compliance with the Self-Governance Code regulations established by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. with which the Company complies, especially with the adequacy process to new provisions set out by the Code effective July 2014. In relation to this, reference is made to the annual report of the Board of Directors, prepared in accordance with Article 123-*bis* of Legislative Decree no. 58 of February 24, 1998 and the Instructions to the Regulation of Markets Organised and Managed by Borsa Italiana S.p.A. effective as of February 16, 2015;
- it acknowledges that the extraordinary financial transactions, detailed in the Directors' Report, which should be referred to for reference, were deemed as consistent with the corporate interests and carried out in compliance with applicable regulations;
- it acknowledges that it supervised the accuracy and completeness of the information provided by the Directors in their Report in relation to the facts known to the Committee through participation in the meetings with company bodies, the exercise of its supervisory rights and its powers of inspection and control;
- it acknowledges that no decisions were issued in accordance with the law for the financial year in question;
- it informs that there were no reports made pursuant to Article 2408 of the Italian Civil Code or of any kind.

In conclusion, in the course of its supervisory activity, the Committee did not identify any omissions, reprehensible actions, irregularities or significant facts that would require informing the Supervisory Authorities or mention in this Report.

Based on the above, we invite you to approve the financial statements and the Directors' Report as well as the allocation of the results of the financial year.

The mandate conferred to the Board of Directors and the Management Control Committee expired with the approval of the financial statements ended December 31, 2014. The Committee would like to thank for the trust granted by Shareholders, and the collaboration in the performance of its duties that the Committee received by the Board of Directors and the Company's employees, and invites the Shareholders' Meeting to appoint new members.

Rome, March 30, 2015

For the Internal Control and Risk Management Committee
The Chairman
Massimo Porfiri

Remuneration Report

As per Art. 123-*ter* of the Consolidated Law on Finance of Engineering Ingegneria Informatica S.p.A.
www.eng.it

1. Definitions

In this Procedure, the following terms have the following meaning:

Independent Directors: the Independent Directors, as per the Self-Governance Code, with which the Company declares compliance in accordance with Article 123-*bis*, paragraph 2 of the Consolidated Law on Finance.

Executive Directors: (a) the Executive Directors of the Issuer or of a subsidiary with strategic importance, including the related Chairmen and Vice Chairmen, when they are vested with individual powers of management or when they play a specific role in the strategies of the business; (b) Directors which hold decision-making offices within the Issuer or within a subsidiary company with strategic importance, or in the Parent Company if the appointment also concerns the Issuer.

Self-Governance Code: the Self-Governance Code prepared by the Corporate Governance Committee of Borsa Italiana S.p.A., as amended in July 2014, which the Company complies with on a voluntary basis.

Committee: the Remuneration Committee appointed by the Board of Directors of Engineering Ingegneria Informatica S.p.A. on April 24, 2012, and comprising 3 members chosen from among the Independent Directors of the Board of Directors of the Company. The current members are: Giuliano Mari (Chairman), Massimo Porfiri and Alberto De Nigro.

General Managers: the executive with decision-making tasks in a Division of the Company.

Executives with strategic responsibilities: the executives with planning, decision-making and control powers and responsibilities of the Issuer's activities.

Report: this document.

Regulation: the "Regulation enacting the provisions concerning transactions with related parties", adopted by Consob with resolution no. 17221 of March 12, 2010, as subsequently amended and supplemented.

Issuers' Regulation: the Regulation adopted with resolution no. 11791 of May 14, 1999 and subsequent integrations and amendments (the "IR").

Website: *www.eng.it.*

Company: Engineering Ingegneria Informatica S.p.A..

Articles of Association: the Articles of Association of the Company adopted on April 21, 2011.

Consolidated Law on Finance: the Legislative Decree no. 58 of February 24, 1998 ("TUF", Consolidated Law on Finance) and subsequent amendments and integrations.

* * * * *

2. Introduction

The present Report has been prepared by the Company in compliance with provisions set forth by Art. 123-*ter* of the Consolidated Law on Finance, as subsequently amended, and Art. 84-*quater* and Attachment 3A, Scheme 7-*bis* of the Issuers' Regulations, as subsequently amended, as well as Art. 6 of the Self-Governance Code.
This Report, approved by the Board of Directors, upon favourable opinion of the Committee, identifies the general terms of the remuneration policy adopted by the Company and it comprises two sections:
(i) the first section describes the policy adopted by Engineering Ingegneria Informatica S.p.A. as regards remuneration of the members of the Board of Directors, the General Managers, and the Executives with strategic responsibilities for 2015. This section is subject to the consulting vote of the Shareholders' Meeting called for the approval of the financial statements at December 31, 2014;

(ii) the second section supplies detailed information on remunerations paid to the above-mentioned subjects over the year 2014.

As envisaged by Regulation no. 17221 of March 12, 2010 concerning transactions with related parties, as enacted in the Procedure adopted by the Company, this document and its contents are not subject to procedures established in relation to transactions with related parties.

Taking account of common remuneration practices and the opinion of the Committee, the Board of Directors deems that the remuneration policy drawn up in this document is appropriate to attract, remunerate and motivate Directors and Executives holding the necessary professional skills to successfully achieve the Company's targets.

* * * * *

Section I

1. THE REMUNERATION POLICY

1. A) BOARDS AND SUBJECTS INVOLVED IN PREPARING AND APPROVING THE REMUNERATION POLICY

In the preparation and approval of the remuneration policy the following subjects were involved: Finance and Control General Department, Corporate Affairs Department, Human Resources Department, Legal Affairs Department, as well as the Committee and the Board of Directors. The Remuneration Committee annually evaluates the remuneration policy and submits a proposal to the Board of Directors regarding the Company's remuneration policy, at the latest during the meeting of the Board of Directors held to resolve on the call of the Shareholders' Meeting to approve the annual financial statements and express an opinion on Section I of the Report.

The Board of Directors evaluates and approves the remuneration policy and related Report, pursuant to Art. 123-*ter* of the Consolidated Law on Finance.

The Company's Shareholders' Meeting, called to approve the annual financial statements, pursuant to Art. 2364, paragraph 2, of the Italian Civil Code and through advisory vote, expresses a favourable or unfavourable evaluation on Section I of the remuneration policy.

Pursuant to recommendations set out by Art. 6, paragraph 5 of the Self-Governance Code, the adequacy, comprehensive consistency and implementation of the remuneration policy are periodically assessed by the Remuneration Committee.

The remuneration policy for 2015 was approved by the Remuneration Committee on March 10, 2015 and by the Board of Directors on March 11, 2015.

1. B) ROLE, COMPOSITION AND TASKS OF THE REMUNERATION COMMITTEE

The Remuneration Committee is currently entirely composed of Independent Directors, Giuliano Mari (Chairman), Massimo Porfiri and Alberto De Nigro, all with adequate accounting and financial knowledge.

The Committee is entrusted the duties and the powers as described in detail in Article 6 of the Code and by applicable legal and regulatory provisions.

In particular, this Committee is assigned the following consultative and proposal-making tasks:

a) it submits for approval the Board of Directors proposal on the remuneration on Directors and Executives with strategic responsibilities, periodically assessing the adequacy, comprehensive consistency and implementation of the policy adopted;
b) it makes proposals or expresses opinions to the Board of Directors on the remuneration of Executive Directors and other Directors with special tasks, as well as on the definition of performance targets connected with the variable component of remuneration, while monitoring the application of measures adopted by the Board itself and especially verifying the actual achievement of performance targets;
c) it evaluates the annual report on remuneration beforehand.

The Committee also supports the Chief Executive Officer and performs corporate functions aimed at making use of corporate resources at best.

The Remuneration Committee meets whenever required to correctly perform its functions and in any case always before every meeting of the Board of Directors in which the Agenda foresees issues under its competence. The Committee met six times in 2014.

The other Directors or other representatives of the Company can be invited to attend the Remuneration Committee's meetings, without vote right and provided that they have no personal interest in the issues in the Agenda.

2. INDEPENDENT EXPERTS

Independent and external experts of the Issuer have not been employed in the preparation of the remuneration policy.

3. A) AIMS OF THE REMUNERATION POLICY, PRINCIPLES UNDERLYING IT AND CHANGES WITH RESPECT TO FINANCIAL YEAR 2014

The aims and the principles under which the present Report was drawn up are those already utilised in the remunerative choices of the Company towards management. In particular, the remuneration is proposed in consideration of the interests of the Company, whose primary objective is to create value for Shareholders in the medium-long term, aligning these interests with those of the Executive Directors, the General Managers and Executives with strategic responsibilities, and connecting a portion of their remuneration to the achievement of previously set performance objectives. In particular, in order to strengthen the connection between remuneration and the Company's medium and long-term interest, the remuneration policy of these subjects is based on fixed and variable components according to the complexity of roles played and performance levels (corporate and individual); all in compliance with prior years. For the Non-Executive/Independent Directors, remuneration considers instead any involvements on one or more committees, with allocations differing based on responsibilities and appointments.

3. B) CHANGES IN THE REMUNERATION POLICY

Following the introduction of a new recommendation in the Self-Governance Code regarding the return of variable remuneration paid to Executive Directors or Directors with special tasks and/or Executives with strategic responsibilities based on figures which turned out to be undoubtedly incorrect (6.C.1 criterion, letter f)), the Company's Board of Directors that met on November 14, 2014 resolved on adopting special contract agreements, to reflect the new recommendation, and aiming at allowing that the Company receives, in whole or in part, the amounts of remuneration paid on the basis of figures which turned out to be undoubtedly incorrect (clawback provision).
Manifest incorrect figures mean the data that are used to assess whether the targets have been achieved in compliance with the various incentive plans and to which the exercise of this rights is related. The manifest error can be due to: (i) a manifest error in calculating results, which might involve the achievement of a target that would have not been achieved without the material error; (ii) an unlawful alteration of data used for the achievement of the targets; (iii) the achievement of the targets through behaviours against corporate or legal regulations.
However, it is expressly understood that, in the last two cases, the Company reserves the right to issue a claim against the subjects responsible for such actions within the manner and terms required by law.

4. POLICIES REGARDING THE FIXED AND VARIABLE COMPONENTS OF REMUNERATION AND PERFORMANCE TARGETS

Directors with special proxies (Executive Directors), as well as General Managers and Executives with strategic responsibilities receive a remuneration comprising a fixed and a variable component, the latter linked to the achievement of specific performance targets, previously set out by the Company.

The gross annual component of remuneration is determined based on skills and experience and remunerates the management according to the role played and responsibilities undertaken by the manager. In determining this remuneration component, the Company takes into account practices adopted by similar companies acting in the same sector, consistently with the characteristics of the corporate business.
The variable component must relate to the achievement of preset targets, connected with the creation of value for the Company and Shareholders.
More specifically, the variable component of remuneration is related to the achievement of both short-term and medium/long-term targets, which are set in advance, measurable and strictly connected with the creation of value.
These targets are defined by the Board of Directors, with the support of the Remuneration Committee, in compliance with the guidelines set out by the remuneration policy.

5. REMUNERATION OF DIRECTORS

The members of the Board of Directors are eligible to receive the reimbursement of expenses borne in the fulfilment of their office and a fixed remuneration, decided by the Board of Directors based on the annual gross total remuneration determined by the Shareholders' Meeting upon their appointment.

The extent of the above remuneration is proportionate to the commitment required and shall be in any case consistent with common practice in Italy regarding the members of Board of Directors of similar companies.
In particular, the remuneration of Non-Executive Directors comprises a fixed annual remuneration, which is currently the same for all Non-Executive Directors.
In relation to Directors who are assigned special tasks, or who attend Committees created within the Board of Directors, an additional fixed remuneration will be granted by the Board of Directors, in light of the greater commitment required.
As already highlighted, the remuneration policy for Executive Directors envisages that an adequate balancing between the fixed and variable components be present and that, within the latter component, a balance should be present between the short and medium-long period. Moreover, as already highlighted, on November 14, 2014 the Board of Directors resolved on adopting agreements aimed at granting the Company the right to ask for the return of remuneration variable components in the event such components are paid based on figures that turned out to be clearly incorrect (clawback provision).
Reference is made to the approval by the Shareholders' Meeting held on May 15, 2014 regarding the granting of post employment benefits to the members of the Board of Directors, in the persons appointed by the Shareholders' Meeting held on April 24, 2012 and still in office at the date of the aforesaid meeting (excluding Michele Cinaglia and Marilena Menicucci as they are also Shareholders with the relative majority) in the event of end of office or early termination of the mandate for any reason whatsoever, except in the case the mandate is revoked for just cause or voluntary resignation not determined by just cause. Resignation for just cause includes resignation following the conclusion of a corporate transaction, which involves the change in the Company's control after the disposal of shares.
This indemnity was determined in the amount equal to the annual average of the gross total remuneration accrued by each of these directors over the three years prior to the year of resignation or dismissal.

5. A) THE CHAIRMAN OF THE BOARD OF DIRECTORS
The remuneration for the Chairman comprises a fixed component and a variable one.
Remuneration granted to the Chairman includes the basic remuneration granted as member of the Board of Directors, determined according to the resolution of the Ordinary Shareholders' Meeting.
The variable component is related to the performance for the year, based on the Group EBITDA for top management, with an annual cap equal to Euro 150,000.00.
According to the resolution of the Board of Directors held on March 11, 2014, a variable component over the medium-long period is also granted, equal to 30% of the average variable incentive over the short-term actually granted in the three-year reference period, provided that, in the same period, the average EBITDA is at least higher than 5% of average EBITDA resulting from the Company's corresponding strategic plan.

5. B) CHIEF EXECUTIVE OFFICER
The remuneration of the Chief Executive Officer reflects resolutions made by the Board of Directors on April 24, 2012 for the entire office.
In addition to remuneration decided by the Shareholders' Meeting for Directors upon appointment, the remuneration comprises a fixed and a variable component. The variable component is then divided into a component over the short period and a component over the medium-long period.
Pursuant to provisions set forth by the Self-Governance Code, the fixed component must be adequate to remunerate the Chief Executive Officer in the event the variable component is not paid due to the non achievement of performance targets.
The variable component over the short period is related to the average performance of the General Managers with an annual maximum cap. A further variable remuneration, equal to 5% of the dividends distributed over the years 2014 and 2015 and related to years 2013 and 2014, is also granted.
The variable component over the medium-long term, was determined to the extent of 30% of the average variable component over the short term, actually granted in the reference three-year period, provided that, in the same period, the average EBITDA is at least higher than 5% of average EBITDA resulting from the Company's corresponding strategic plan.
For the Chief Executive Officer, special non-competition agreements are also provided for a period not shorter than 24 months from the date of resignation or dismissal, as well as agreements for the protection of information and corporate relations against a remuneration.

As already highlighted, the Shareholders' Meeting held on May 15, 2014 also approved the granting of post-employment benefits to the members of the Board of Directors appointed upon the Shareholders' Meeting of April 24, 2012 and still in office at the date of the aforesaid Shareholders' Meeting. The Chief Executive Officer is comprised amongst the members.

5. C) GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITY ("EXECUTIVES")

With reference to the Executives, remuneration envisages a fixed component and a variable one, appropriately linked to the objectives and risks of the Company. In particular, the fixed portion represents approx. two-thirds of the total remuneration, while the variable component comprises a short-term component and a medium to long-term component. The variable component over the short period depends on the achievement of targets related to the annual performance of each single division. After reaching the fixed targets, the entire variable component of remuneration is paid (the granting of the variable portion is however subordinated to the achievement of at least 50% of preset targets). Cases of over-performance are remunerated with an extra remuneration, not exceeding in any case 35% of the variable component granted. Lastly, it should be specified that 40% of the aforementioned variable component of remuneration is paid in the form of participation to the profit for the year, upon resolution of the Shareholders' Meeting.

As regards the variable component over the medium-long period, the Company resolved on the payment of a remuneration equal 30% of the average variable component over the short period, actually granted in the reference three-year period, provided that, in the same period, the average EBITDA is at least higher than 5% of average EBITDA resulting from the Company's corresponding strategic plan.

It is also noted that, on November 14, 2013 the Board of Directors approved the integration to the remuneration of Executives and General Managers with the granting of supplementary indemnity according to indemnities set out by the labour contract for managers in the industrial sector, in the event of advanced termination of the employment relationship. The lump-sum indemnity to be granted was determined to the extent of three times the total average annual remuneration (intended as the average of the last three years of payments including fixed and variable annual remuneration).

Two-year non-competition agreements were provided for all General Managers, effective on the date of resignation or dismissal for any reason whatsoever.

5. D) NON-EXECUTIVE DIRECTORS

As shown in the paragraphs above, the remuneration of Non-Executive Directors is only fixed (resolution of the Ordinary Shareholders' Meeting as per Art. 2389, paragraph 1, Italian Civil Code). Directors, who are also members of one or more committees within the Board of Directors, are eligible to receive a supplementary remuneration decided by the Board upon proposal of the Remuneration Committee, acting also as Management Committee.

The remuneration of such Directors is therefore only fixed, as per resolution of the Ordinary Shareholders' Meeting upon appointment. No variable component is envisaged.

All Directors, who are also members of one or more committees created within the Board of Directors, are eligible of an additional component of remuneration, as decided by the Board itself, and upon proposal of the Remuneration Committee, in compliance with provisions set out by Art. 6.P.2 of the Self-Governance Code.

As already highlighted, the Shareholders' Meeting held on May 15, 2014 approved the granting of post-employment benefits to the members of the Board of Directors appointed by the Shareholders' Meeting of April 24, 2012 and still in office at the date of the aforesaid Shareholders' Meeting.

6. POLICY ON NON-MONETARY BENEFITS

In relation to non-monetary benefits, the Issuer provides to Executive Directors and Senior Managers a Company vehicle. In relation to the healthcare institutions FASI and ASSIDAI, the Issuer covers 100% of the membership fees for Executives.

7. EVALUATION CRITERIA OF RESULTS

The Remuneration Committee supervises the application of resolutions adopted by the Board of Directors as regards remunerations, also checking the actual achievement of performance targets, to which the variable component of remuneration of executive Directors and Executives with strategic responsibilities is linked. The Company does not provide for the allocation of shares, options, other financial instruments or other variable remuneration components other than those listed above and therefore does not establish criteria for the evaluation of the performance objectives in this case.

8. INFORMATION ON THE CONSISTENCY OF THE REMUNERATION POLICY WITH THE COMPANY'S INTERESTS

As already mentioned, the Company is implementing a remuneration policy aimed at aligning the top management targets with the priority of creating value for shareholders over the medium-long period. Incentive-based instruments used are focused on creating top management loyalty to the Company and linking their remuneration to corporate successful achievements.

The remuneration policy applied, in fact, while implementing the established practices to date, has contributed and will contribute to the continuity of the corporate performance guaranteeing a low turnover of managers and decreasing discontinuity risk.

9. VESTING PERIOD OF RIGHTS AND POSSIBLE SYSTEMS OF DEFERRED PAYMENT

The short-term variable portion of remuneration, irrespective of parameters or of the total or partial achievement of targets guaranteeing the relative provision, considers the fiscal year from January 1 to December 31. The short-term variable component of remuneration matures therefore year by year, while the payment takes place by August 31 of the subsequent year, following the approval of the financial statements of the year concerned. The medium-long term variable component matures instead at the end of the three-year reference period, and is granted in the year of approval of the financial statements related to the third year of the period concerned.

10. INFORMATION ON POSSIBLE PROVISIONS FOR THE MAINTENANCE IN PORTFOLIO OF FINANCIAL INSTRUMENTS AFTER THEIR ACQUISITION

The Company, in line with that stated in the previous item 7), does not provide for the maintenance in portfolio of financial instruments after their acquisition, with indication of the maintenance periods and the criteria utilised for the determination of these periods.

11. POLICY RELATED TO TREATMENTS ENVISAGED IN CASE OF RESIGNATION FROM THE OFFICE OR TERMINATION OF THE EMPLOYMENT RELATIONSHIP

As regards post-employment benefits and treatments in the event of termination of the employment relationship, reference is made to provisions set out in item 5) above.

12. INFORMATION ON ANY INSURANCE, SOCIAL SECURITY OR PENSION COVERAGE, OTHER THAN COMPULSORY COVERAGE

No insurance, welfare, social security or pension coverage other than coverage provided for by law or collective labour contracts is provided. The Company in general, also in accordance with its obligations, applies improved conditions on the legal minimums terms.

13. REMUNERATION POLICY FOR INDEPENDENT DIRECTORS AND FOR THE ATTENDANCE TO COMMITTEES AND/OR THE PERFORMANCE OF SPECIAL OFFICES

As already described in paragraph 5), the Company grants a fixed remuneration equal to all members of the Board of Directors. The amount of this remuneration is increased for Directors who attend the Committees created within the Board, or are assigned special tasks, in light of the greater commitment required for such offices.

14. REFERENCE PARAMETERS IN DEFINING THE REMUNERATION POLICY

This remuneration policy was not established based on remuneration policies of other companies as a benchmark.

Section II

1. A REPRESENTATION OF EACH ITEM COMPRISING THE REMUNERATION

The elements and the items, which comprise the remuneration of the members of the Board of Directors and the Executives, as well as the practices implemented in relation to the reimbursement of expenses, non-monetary benefits and post-employment benefits for the current year are consistent with the Company's policy approved in the previous year and in line with the principles described in Section I herein, to which reference should be made.

1. B REMUNERATION PAID IN 2014 OF ALL TYPES AND FORMS BY THE COMPANY AND BY THE SUBSIDIARIES AND ASSOCIATED COMPANIES

See Tables attached.

1. C INFORMATION ON SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND CONTROL BOARDS, GENERAL MANAGERS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

See Tables attached.

Engineering Ingegneria Informatica S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(A) Name and Surname	(B) Office	(C) Period of office	(D) Expiry of office	(1) Fixed remuneration
Michele Cinaglia	Chairman	2014	31.12.2014	500,000
Paolo Pandozy	Chief Executive Officer	2014	31.12.2014	331,000
Dario Schlesinger*	Director	2014	31.12.2014	25,000
Massimo Porfiri*	Director	2014	31.12.2014	25,000
Alberto De Nigro*	Director	2014	31.12.2014	25,000
Marilena Menicucci	Director	2014	31.12.2014	25,000
Giuliano Mari*	Director	2014	31.12.2014	25,000
Armando Iorio	Director	2014	31.12.2014	25,000
Christian Stephan Sebastian Giulini	Director	2014	31.12.2014	25,000
Joerg Zirener	Director	2014	31.12.2014	25,000
(III) Total				**1,031,000**

* Massimo Porfiri — Chairman of the Internal Control and Risk Management Committee and the Committee for Transactions with Related Parties; Chairman of the Supervisory Board; member of the Remuneration and Appointments Committees.

* Dario Schlesinger — Member of the Internal Control and Risk Management and Appointments Committees, the Committee for Transactions with Related Parties and the Supervisory Board.

* Alberto De Nigro — Member of the Internal Control and Risk Management and Remuneration Committees, the Committee for Transactions with Related Parties and the Supervisory Board.

* Giuliano Mari — Chairman of the Remuneration and Appointments Committees.

(in Euros)

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for attending committees	Variable remuneration non equity		Non-monetary benefits	Other	Total	Fair Value of equity remuneration	Post-employment benefits
	Bonuses and other incentives	Profit-participation					
	150,000		8,612		658,612		
	752,314		9,307		1,092,621		
35,000					60,000		
60,000					85,000		
35,000					60,000		
					25,000		
10,000					35,000		
			8,017		33,017		
					25,000		
					25,000		
140,000	**902,314**	**-**	**25,936**	**-**	**2,099,250**	**-**	**-**

Engineering Ingegneria Informatica S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(A) Name and Surname	(B) Office	(C) Period of office	(D) Expiry of office	(1) Fixed remuneration
Alfredo Belsito	Industry and Services General Manager			203,375.05
Dario Buttitta	Public Administration and Healthcare General Manager			204,906.37
Vincenzo Tartuferi	Utilities and Telco General Manager			205,194.94
Orazio Viele	Technique, Innovation and Research General Manager			204,678.50
Giuseppe Bosco	Manager Operations General Manager			101,472.43
Giuseppina Volpi	Finance General Manager			181,420.27
Armando Iorio	CFO and Executive Responsible for the preparation of the accounting documents			205,035.48
(III) Total				**1,306,083.84**
(I) Remuneration in the Company charged to prepare the financial statements				
(II) Remuneration from subsidiaries and associates				

(in Euros)

(2) Remuneration for attending committees	(3) Variable remuneration non equity	(4) Non-monetary benefits	(5) Other	(6) Total	(7) Fair Value of equity remuneration	(8) Post-employment benefits
		8,113.74		211,488.79		
		25,393.18		230,299.55		
		24,154.76		229,349.70		
		1,724.65		206,403.15		
		16,356.49		117,828.92		
		17,991.12		199,411.39		
		921.55		205,957.03		
		94,655.49		**1,400,738.53**		

Nexen S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(A) Name and Surname	(B) Office	(C) Period of office	(D) Expiry of office	(1) Fixed remuneration
Alberto de Nigro	Director - Control Committee	Financial Statements 2014	Approval of the financial statements 2014	1,000
Massimo Porfiri	Director - Control Committee	Financial Statements 2014	Approval of the financial statements 2014	1,000
Alfredo Belsito	Director	Financial Statements 2014	Approval of the financial statements 2014	1,000
Armando Iorio	Director	Financial Statements 2014	Approval of the financial statements 2014	1,000
Vincenzo Tartuferi	Chief Executive Officer	Financial Statements 2014	Approval of the financial statements 2014	1,000
Giuseppina Volpi	Chairman of the Board of Directors	Financial Statements 2014	Approval of the financial statements 2014	1,000
Dario Buttitta	Director	Financial Statements 2014	Approval of the financial statements 2014	1,000
Ilaria Casiraghi	Auditor	Financial Statements 2014	Approval of the financial statements 2014	8,000
Mario Tosello	Supervisory Board	Financial Statements 2014	Until revocation	5,000
Spartaco Pichi	Supervisory Board	Financial Statements 2014	Until revocation	-
Pierluigi Pluviano	Supervisory Board	Financial Statements 2014	Until revocation	-
(I) Remuneration in the Company charged to prepare the financial statements				20,000
(II) Remuneration from subsidiaries and associates				
(III) Total				**20,000**

(in Euros)

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for committee participation	Variable remuneration non equity		Non-monetary benefits	Other	Total	Fair Value of equity remuneration	Post-employment benefits
	Bonuses and other incentives	Profit sharing					
10,000					11,000		
10,000					11,000		
					1,000		
					1,000		
					1,000		
					1,000		
					1,000		
					8,000		
					5,000		
					-		
					-		
20,000	-	-	-	-	40,000	-	-
20,000	**-**	**-**	**-**	**-**	**40,000**	**-**	**-**

Engineering Tributi S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(A) Name and Surname	(B) Office	(C) Period of office	(D) Expiry of office	(1) Fixed remuneration
Gianfranco Rossato	Chairman Director	01.01.2014 - 31.12.2014 28.04.2014 - 31.12.2014	Approval of the financial statements 2016	
Silvano Volpe	Chief Executive Officer Director	01.01.2014 - 31.12.2014 28.04.2014 - 31.12.2014	Approval of the financial statements 2016	
Dario Buttitta	Director	01.01.2014 - 31.12.2014	Approval of the financial statements 2016	
Sergio Torri	Chairman of the Board of Statutory Auditors	01.01.2014 - 31.12.2014	Approval of the financial statements 2016	13,502
Luigi Capoccetta	Standing Auditor	01.01.2014 - 28.04.2014	Approval of the financial statements 2016	3,052
Gerardo De Dilectis	Standing Auditor	28.04.2014 - 31.12.2014	Approval of the financial statements 2016	6,104
Massimo Porfiri	Standing Auditor	01.01.2014 - 31.12.2014	Approval of the financial statements 2016	9,156
Stefano Bortone	Chairman of Supervisory Board	01.01.2014 - 31.12.2014	Until revocation	20,000
Spartaco Pichi	Supervisory Board	01.01.2014 - 31.12.2014	Until revocation	
Amilcare Cazzato	Supervisory Board	01.01.2014 - 31.12.2014	Until revocation	
(I) Remuneration in the Company charged to prepare the financial statements				**51,814**
(II) Remuneration from subsidiaries and associates				
(III) Total				**51,814**

(in Euros)

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for committee participation	Variable remuneration non equity		Non-monetary benefits	Other	Total	Fair Value of equity remuneration	Post-employment benefits
	Bonuses and other incentives	Profit sharing					
					13,502		
					3,052		
					6,104		
					9,156		
					20,000		
-	-	-	-	-	**51,814**	-	-
-	**-**	**-**	**-**	**-**	**51,814**	**-**	**-**

OverIT S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(A) Name and Surname	(B) Office	(C) Period of office	(D) Expiry of office	(1) Fixed remuneration
Pieraldo Casini	Chairman	2014	Approval of the financial statements 2015	-
Marco Zanuttini	Chief Executive Officer	2014	Approval of the financial statements 2015	199,170
Vincenzo Tartuferi	Director	2014	Approval of the financial statements 2015	-
Dario Schlesinger	Board of Statutory Auditors	2014	Approval of the financial statements 2016	16,259
Marco Carlin	Board of Statutory Auditors	2014	Approval of the financial statements 2016	11,620
Claudio Giunta	Board of Statutory Auditors	2014	Approval of the financial statements 2016	11,620
Ilaria Casiraghi	Auditor	2014	2016	9,000
(I) Remuneration in the Company charged to prepare the financial statements				**247,669**
(II) Remuneration from subsidiaries and associates				
(III) Total				**247,669**

(in Euros)

(2)	(3)		(4)	(5)	(6)	(7)	(8)
Remuneration for attending committees	Variable remuneration non equity		Non-monetary benefits	Other	Total	Fair Value of equity remuneration	Post-employment benefits
	Bonuses and other incentives	Profit sharing					
-	-	-	-	-	-	-	-
-	-	-	-	47,879	247,049	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	16,259	-	-
-	-	-	-	-	11,620	-	-
-	-	-	-	-	11,620	-	-
-					9,000	-	-
-	-	-	-	**47,879**	**295,548**	-	-
-	**-**	**-**	**-**	**47,879**	**295,548**	**-**	**-**

Engineering.mo S.p.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(in Euros)

Name and Surname	Office	Period of office	Expiry of office	Fixed remuneration	Total
Michele Cinaglia	Chairman of the Board of Directors Director	In office at 31.12.2013	Approval of the financial statements 2015	5,000	5,000
Paolo Pandozy	Director	In office at 31.12.2013	Approval of the financial statements 2015	83,000	83,000
Armando Iorio	Director	In office at 31.12.2013	Approval of the financial statements 2015	3,000	3,000
Alberto De Nigro	Chairman of the Board of Statutory Auditors - Standing Auditor	In office at 31.12.2013	Approval of the financial statements 2015	8,000	8,000
Massimo Porfiri	Standing Auditor	In office at 31.12.2013	Approval of the financial statements 2015	6,000	6,000
Dario Schlesinger	Standing Auditor	In office at 31.12.2013	Approval of the financial statements 2015	6,000	6,000
(I) Remuneration in the Company charged to prepare the financial statements				**111,000**	**111,000**
(II) Remuneration from subsidiaries and associates					
(III) Total				**111,000**	**111,000**

Engineering do Brasil S.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(in Euros)

Name and Surname	Office	Period of office	Expiry of office	Fixed remuneration	Total
Eugenio Petrucci	Chairman of the Board of Directors Director	01.08.2014	01.08.2015	10,683	10,683
Fernando Raul Mieli	Vice Chairman	01.08.2014	01.08.2015	10,568	10,568
Fabio Buccioli	Director	01.08.2014	01.08.2015	10,484	10,484
Tommaso Leonetti Di Santo Jenni	Director	01.08.2014	01.08.2015	10,484	10,484
Michele Cinaglia	Director	01.08.2014	01.08.2015	-	-
(I) Remuneration in the Company charged to prepare the financial statements				**42,218**	**42,218**
(II) Remuneration from subsidiaries and associates					
(III) Total				**42,218**	**42,218**

Engi da Argentina S.A.

Remuneration of the members of the Board of Directors and Control Boards, General Managers and other Executives with strategic responsibilities.

(in Euros)

Name and Surname	Office	Period of office	Expiry of office	Fixed remuneration	Total
Eugenio Petrucci	Chairman	01.03.2014	01.03.2015	-	-
Carlos Jorge Schulz	Vice Chairman	01.03.2014	01.03.2015	6,320	6,320
Antonio Succu	Director	01.03.2014	01.03.2015	-	-
(I) Remuneration in the Company charged to prepare the financial statements				**6,320**	**6,320**
(II) Remuneration from subsidiaries and associates					
(III) Total				**6,320**	**6,320**

Scheme no. 7-ter

TABLE 1: Shares held by members of the Board of Directors, Control Boards and General Managers.

(in Euros)

Name and Surname	Office	Company	Number of shares held at the end of the previous year	Number of shares acquired	Number of shares sold	Number of shares held at the end of the year
Michele Cinaglia	Chairman	Engineering Ingegneria Informatica S.p.A.	2,874,934	26,863		2,901,797
Paolo Pandozy	Chief Executive Officer	Engineering Ingegneria Informatica S.p.A.	52,378			52,378
Dario Schlesinger	Director	Engineering Ingegneria Informatica S.p.A.	75			75
Orazio Viele	Sole Director	Engiweb Security S.r.l.	3,700			3,700
Silvano Volpe	Chief Executive Officer	Engineering Tributi S.p.A.	600			600
Armando Iorio*	Director	Engineering Ingegneria Informatica S.p.A., Nexen S.p.A., MHT S.r.l., Engineering.mo S.p.A.	100			100

* Executive Responsible for the preparation of the accounting documents of Engineering Ingegneria Informatica S.p.A..

Engineering Ingegneria Informatica S.p.A.

2.b Remuneration paid in 2014 of all types and forms by the Company and by subsidiaries and associates.

TABLE 3B: Monetary incentive plans for the members of the Board of Directors, the General Managers and other Executives with strategic responsibilities.

(in Euros)

A	B	C	(2)			(3)			(4)
Name and Surname	Office	Plan	Bonus for the year			Prior year bonus			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Issuable/ Issued	Deferred	Period	No longer issuable	Issuable/ Issued	Still deferred	
Alfredo Belsito	Industry and Services General Manager		110,957				128,536		
Dario Buttitta	Public Administration and Healthcare General Manager		110,957				123,725		
Giuseppina Volpi	Finance General Manager		89,822				91,751		
Armando Iorio	CFO and Executive Responsible for the preparation of the accounting documents		-				117,860		
Vincenzo Tartuferi	Utilities and Telco General Manager		110,957				88,359		
Orazio Viele	Technique, Innovation and Research General Manager		73,971				72,742		
Giuseppe Bosco	Managed Operation General Manager		42,269				43,200		
(III) Total			**538,933**				**666,173**		

Resolutions of the Shareholders' Meeting

The Ordinary Shareholders' Meeting, held on April 24, 2015 resolved:

Item 1) on the agenda:

1. to approve the financial statements at December 31, 2014 of Engineering Ingegneria Informatica S.p.A., consisting of the Statement of Financial Position, the Income Statement, the Explanatory notes and annexes, as presented by the Board of Directors as a whole and as individual entries and, consequently, inter alia:

    1.1 to approve the account entry by profit or loss, including staff costs, for the amount of Euro 7,976,732.00 (quota of the profits not allocated for distribution) as acknowledgement of the results achieved for the employees and in observance of the new International Accounting Standards;

    1.2 and, whereas the balance sheet at December 31, 2014 showed a net income of Euro 34,100,465.00 (net also compared to the staff costs referred to in point 1.1) to:
    - distribute the part of net income amounting to Euro 20,000,000.00 as dividends, at a rate of Euro 1.64517 per ordinary share in circulation on the day prior to that of the Board of Directors of March 13, 2015;
    - to allocate of the remaining part of the financial year net profit of Euro 14,100,465.00 to the reserve fund for non-distributed profits;
    - to allocate any rounding up/down of amounts carried out during payments to the reserve fund for non-distributed profits;
    - to pay the dividend as of May 27, 2015; the stock will trade ex-dividend as of May 25, 2015;

Item 2) on the agenda:

2.1 to set the number of components of the Board of Directors to 10;

2.2 to determine the duration in office of the Board of Directors for a period of 3 years (2015, 2016 and 2017) and that is, until the approval of the financial statements for the year 2017;

2.3 to appoint a new Board of Directors of the Company in the persons of Messrs:
Michele Cinaglia, (born in Lisciano Niccone (PG) on 27.05.1941, Tax Code CNGMHL41E27E613I);
Alberto de Nigro, (born in Rome on 01.07.1958, Tax Code DNGLRT58L01H501O);
Gabriella Egidi, (born in Rome on 28.05.1970, Tax Code GDEGRL70E68H501T);
Armando Iorio, (born in Naples, on 13.02.1957, Tax Code RIORND57B13F839N);
Giuliano Mari, (born in Terracina (LT) on 21.06.1945, Tax Code MRAGLN45H21L120C);
Marilena Menicucci, (born in Perugia on 06.11.1948, Tax Code MNCMLN48S46G478Y);
Paolo Pandozy, (born in Anzio (RM) on 19. 08.1950, Tax Code PNDPLA50M19A323H);
Massimo Porfiri, (born in Rome on 18.07.1956, Tax Code PRFMSM56L18H501C);
Dario Schlesinger, (born in Rome on 23.05.1960, Tax Code SCHDRA60E23H501R);
Joerg Zirener, (born in Dusseldorf (Germany) on 05.10.1972, Tax Code ZRNJRG72R05Z112Y);

2.4 to appoint Joerg Zirener as Chairman of the Management and Risk Control Committee for the years 2015, 2016 and 2017 with term of office expiring on the approval of the financial statements for the year 2017.

2.5 to set in favour of the Board of Directors, and for the three-year term of office, the total annual gross remuneration of Euro 225,000.00 to be divided between the various members, with the exception of the Chairman of the Board of Directors, and to reimburse any costs necessary for the performance of the mandate with the presentation of supporting documentation; it being understood that the additional compensation in favour of the members of the Board of Directors holding particular offices will be determined by the Board of Directors, after consulting the Remuneration Committee, and stating that this amount does not include the remuneration due to Directors holding special offices nor those of the members of the committees and, in particular, the Management and Risk Control Committee, the Remuneration Committee, the Nomination Committee and the Related Party Committee; concurrently, confirming the decision taken by the Shareholders' Meeting of May 15, 2014 relative to granting an end of mandate indemnity to each member of the administrative body, in the persons appointed by the Shareholders' Meeting of April 24, 2012 and reconfirmed on today's date (with the exclusion of Michele Cinaglia and Marilena Menicucci).

Item 3) on the agenda:

3.1 to appoint Michele Cinaglia as Chairman of the Board of Directors.

Item 4) on the agenda:

1. to revoke, for the non-executed part, the previous resolutions to authorise the purchase and sale of treasury shares approved by the Shareholders' Meeting on May 15, 2014 with effect from the date of approval of the draft resolutions referred to in paragraphs 2 and 3 below;

2. to authorise within the meaning and for the purposes of Article 2357 of the Italian Civil Code, for a period of eighteen months from today's date, April 24, 2015, the Board of Directors and on its behalf Messrs. Michele Cinaglia, Paolo Pandozy and Armando Iorio, jointly and severally, with proper graduality, to purchase ordinary Company shares as follows:

   2.1 shares can be purchased up to a maximum total number (including Treasury shares in the portfolio at today's date) of number 2,500,000 ordinary shares and, in any case, within the limit of one fifth of the share capital and not more than the number of shares covered at the purchase price, in the special reserve available "for treasury share purchases" discussed below;
   2.2 the unit purchase price shall: (a) not be lower than the arithmetic average of official prices (as defined in Article 4.1.12 of the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A.) of the last 10 calendar days prior the day of purchase, decreased by 20% and (b) not be higher than the same arithmetic average of official prices of the last 10 calendar days prior the day of purchase, increased by 20%;
   2.3 the purchase must be made through public purchase or swap offer pursuant to point a) of Article 144-*bis* of Consob Regulation number 11971/99, and subsequent amendments or on the market for the purposes of point b) of Article 144-*bis* of Consob Regulation number 11971/99, as amended, in compliance with the requirements of Article 132 of Legislative Decree number 58 of February 24, 1998 and in accordance with the operational procedures laid down in the Regulation of Borsa Italiana S.p.A., and therefore, in compliance with the equal treatment of all shareholders;
   2.4 purchases shall be made within the limit of distributable profits and available reserves shown in the latest approved financial statements;

3. to authorise, pursuant to and in accordance with Article 2357-*ter* of the Italian Civil Code, the Board of Directors and on its behalf Messrs. Michele Cinaglia, Paolo Pandozy and Armando Iorio, jointly and severally, with the right to appoint special attorneys or specialised intermediaries, to arrange and/or sell at any time - even after the expiry of the period of validity of the purchase authorisation – and without time limits, in whole or in part and in one or more stages, Treasury shares in the portfolio and in compliance with both national and EU statutory forms and regulations in force at the time of the operation and within terms consistent with one or more of the objectives of the entire operation and with the power to determine the terms, procedures and conditions as deemed appropriate at the time; in particular, and without limitation, the aforementioned parties will be allowed to dispose of treasury shares purchased as follows:

   3.1 for sales on the market, even in blocks, or within the terms determined by the Board of Directors, in the latter case, subject to the unit price or unit transfer value of shares not being lower than the average purchase price;
   3.2 as payment for exchanges of shares purchased or to be purchased by the Company, or in any case for underwriting, transfer, or any other act of disposal of Treasury shares carried out within the framework of acquisitions of shareholdings or of implementing projects of strategic or industrial importance, or in the context of defining any agreements with strategic partners or other extraordinary finance transactions involving the allotment or disposal of Treasury shares (such as, but not limited to, mergers, demergers, issuing convertible bonds or cum warrants, etc.) in accordance with the conditions established by the Board of Directors and after deliberation of the same;
   3.3 in the case of assignments to Directors, employees or consultants of the Company and/or its subsidiaries under any incentive compensation plan approved by the Board of Directors or in the context of free share allocation plans to shareholders, at unit prices to be determined with reference to the average price of Engineering shares calculated in the last 10 (ten) stock trading days preceding the day of

attribution or also free of charge as deemed appropriate;
3.4 for attribution to shareholders under any free share allocation plans;

4. to give mandate to the Board of Directors and on its behalf to Michele Cinaglia, Paolo Pandozy and Armando Iorio jointly and severally, so that:

   4.1 they may establish all the executive and accessory procedures and terms for the purpose of the full conclusion of purchase and sale operations of the aforementioned treasury shares;
   4.2 they may fully implement, also by appointing special attorneys or specialised intermediaries, the transactions covered by this resolution, fulfilling any requirements of the relevant authorities and carrying out appropriate evaluations and audits as required and providing for all related obligations, requirements and formalities, nothing excluded.

Item 5) on the agenda:

5.1 in favour of the Policy adopted by the Company with reference to the Remuneration of members of the Administrative Bodies, General Managers and Executives with strategic responsibilities with reference to the 2015 financial year, as outlined in Section I of the Remuneration Policy Report.

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