Annual Accounts 2013

2013

ENGINEERING

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Engineering Ingegneria Informatica S.p.A.
Registred Office
00185 Rome - Italy
Via San Martino della Battaglia, 56
Tax code 00967720285
VAT number 05724831002
Rome Companies' Register 00967720285
Rome Chamber of Commerce 531128
Fully paid-in share capital Euro 31,875,000
Number of shares 12,500,000

ENGINEERING

4 Shareholders' Meeting Call

The Shareholders of Engineering Ingegneria Informatica S.p.A. are called to the Shareholders' Meeting at the offices of Engineering Ingegneria Informatica S.p.A. in Ferentino (FR), via Casilina No. 246 Km 68 Casilina Nord, to be held on May 9, 2014 at the time of 11.00 am in first call, and if necessary, in second call on May 15, 2014, at the same time and place, to discuss and resolve upon the following.

AGENDA

1. Financial statements at December 31, 2013, Consolidated financial statements at December 31, 2013, Directors' Report, internal control and risk management Committee Report, Corporate Governance and Ownership Structure Report and the independent auditors Report. Resolutions thereon.
2. Proposal relating to the payment of directors' severance indemnity to the members of the board. Resolutions thereon.
3. Consultation on the Remuneration Policy for directors and senior managers with strategic responsibility pursuant to Article 123-*ter* of Legislative Decree 58/98.
4. Appointment of two Directors co-opted pursuant to Article 2386 of the Italian Civil Code. Resolutions thereon.
5. Authorisation for the purchase and utilisation of treasury shares. Resolutions thereon.

The documentation relating to the matters on the Agenda according to applicable regulations will be made available to the public at the registered office of the Company, in Rome, via San Martino della Battaglia No. 56 in accordance with law and published on the internet site of the Company *www.eng.it*. Shareholders have the right to obtain a copy of the documentation filed.

INFORMATION ON THE SHARE CAPITAL

At the date of the present call notice, the share capital of Engineering Ingegneria Informatica S.p.A. amounts to Euro 31,875,000, and comprises 12,500,000 ordinary shares of a nominal value of Euro 2.55 each.

ATTENDANCE AND REPRESENTATION AT THE SHAREHOLDERS' MEETING

In accordance with Article 83-*sexies* of Legislative Decree No. 58 of 24 February 1998, the right to participate in the Shareholders' Meeting and to exercise the right to vote are proven by a communication to the Company by an appointed intermediary keeping the accounts according to law, based on its accounting records at the end of the accounting day on the seventh trading day prior to the date set forth the Shareholders' Meeting in first call, i.e. April 29, 2014 (record date). Debits and credits to the relevant accounts subsequent to this date do not affect the right to attend and vote at the Shareholders' Meeting.
The communication from the intermediary must be received by the Company by the end of the third trading day prior to the date of the Shareholders' Meeting in first call, i.e. by May 6, 2014. The right to participate and vote shall remain valid in the event that the communications are received by the Company after the deadlines indicated herein, provided they are received prior to the start of the meeting.
Those with the right to vote may appoint a proxy in writing, in accordance with law, or electronically through a document signed in electronic form in accordance with Article 21, paragraph 2, of Legislative Decree No. 82 of 7 March 2005. In order to grant proxy, the proxy form available at the registered office or downloadable on the Company website at *www.eng.it*, Investor Relations section, may be used, where also the instructions for the notification of proxy (also in electronic form) are provided. If, for technical reasons, the proxy form may not be downloaded electronically, the form will be sent in paper form to those making such request to the Company (tel. +39 06.49201495 - +39 06.49201208, fax +39 06.4453278). Those entitled may notify the appointment of a proxy by way of registered letter with return receipt, sent to the company's registered office, or by electronic notice sent to the email address: *assemblee@eng.it*.
Submission of a copy of the proxy at the time of checking credentials for access to the meeting shall not exonerate the proxy holder from the obligation of certifying, under his/her responsibility, the compliance of the copy submitted with the original and the identity of the party granting the proxy.

Entitled parties are requested to arrive in advance of the time the meeting is called. The checking of credentials shall start at 10.30 am of May 15, 2014.

To facilitate the checking that attendees are entitled to participate in the meeting, entitled parties are requested: to transmit any proxy documentation in advance of the meeting.

INTEGRATION TO THE AGENDA

The Shareholders which, including jointly, represent at least one-fortieth of the share capital with voting rights, may request supplementation of the matters on the Agenda, indicating the further matters to be proposed or present further proposals on matters already on the Agenda. The request for supplementation must be sent within 10 (ten) days of publication of this notice, to the registered office, to the attention of the Chairman of the Board of Directors, by registered letter or through electronic communication to the e-mail address *assemblee@eng.it*. The request must be accompanied by a report on the matters proposed or on further proposals.
The declaration of ownership of shares by requesting Shareholders in addition to the shareholding necessary to request supplementation of the Agenda must be included in a specific communication drawn up by the intermediary, effective at the date of the request and addressed to *engineering@pecserviziotitoli.it*.
Note that supplementation is not permitted for those matters on which the Shareholders' Meeting passes resolutions, as prescribed by law, on proposals of the Directors or based on a plan or report prepared by the Directors, other than those indicated in Article 125-*ter*, paragraph 1 of the Financial Act. Any supplemented list of issues to be covered in the Shareholders' Meeting shall be published according to the same procedures as this Notice, at least fifteen days before the Shareholders' Meeting.

RIGHT TO ASK QUESTIONS PRIOR TO THE SHAREHOLDERS' MEETING

Shareholders may propose questions on the matters on the Agenda under the manner and terms reported on the Company's internet site, also before the Shareholders' Meeting, and, however by May 6, 2014.
Those who declare ownership of shares at April 29, 2014 have the right to obtain a reply. For these purposes, also subsequent to the question, a communication must be produced with efficacy until the above stated date by the filing intermediary declaring ownership of the shares by the requiring party, addressed to *engineering@pecserviziotitoli.it*. For the questions sent before the Shareholders' Meeting, response will be given at the latest at the meeting itself, with the faculty of the Company to provide a single response to questions with the same content.

APPOINTMENT OF NEW CO-OPTED DIRECTORS

With regard to point 4 on the Agenda, it is noted that, as per Article 15 of the Articles of Association, for the confirmation of a Director co-opted through a resolution of the Board of Directors or for the appointment of another Director replacing the one substituted in the next Shareholders' Meeting, shareholders representing at least 2.5% of the share capital with voting rights in the ordinary Shareholders' Meeting may indicate their own candidate by filing the relevant nomination at the registered office, along with a certification from the appointed intermediary which proves ownership of the stake in share capital indicated above, at least 15 days before the date of the Shareholders' Meeting in first call. If the Director leaving office was drawn from a minority slate, the shareholder representing the largest percentage of share capital in the Shareholders' Meeting and shareholders linked to this shareholder cannot vote.
The other provisions of Article 15 of the Articles of Association shall apply for the appointment of the company boards, insofar as compatible.

For all further details on the exercise of rights and for all information, Shareholders may refer to the internet site *www.eng.it*, in addition to contacting the Corporate Affairs Manager of Engineering Ingegneria Informatica S.p.A. at: +39 06.49201495 – +39 06.49201208, fax +39 06.4453278.

The Chairman of the Board of Directors
Michele Cinaglia

Letter to the Shareholders

Dear Shareholders,

in the context of an unfavourable economy in Italy, Engineering has further consolidated its role as a leading business, highly focused on innovation, providing a unique offer of new technology and a consolidated presence in all main market segments.

Ebitda for 2013 closed the year up by 8.9%, while net profit reached Euro 53 million, an increase of 25.7%.
The company achieved these results by investing in the development of infrastructure, solutions and skills of its workforce.
Our long-recognised ability to respond to the needs of businesses, create economies of scale and define internal processes that are effectively and efficiently governed is the main driver of these excellent results achieved.

The internationalisation of our business and growth in international revenues continue. We have been awarded significant orders, especially in the Brazilian Utilities market, where Engineering now has customers numbering in the double digits in all segments: from industrial automation to telecommunications, from finance to the public sector and utilities.

Our Data Centre network stands out among all of our assets due to its significant vitality and continuous importance, showing steady growth in outsourcing projects, driven by a leading-edge technology infrastructure, providing a wealth of solutions that meet the market's needs for rationalising expenditure.

The acquisition of T-Systems Italia (now Engineering.mo) is an additional step in the Group's growth in outsourcing services. The new affiliate will provide Engineering with skills and know-how in the management of complex IT systems, as well as an important portfolio of Italian and international clients which will be consistently integrated within the Group's business model and its Managed Operations offer.

In 2013, in addition to achieving results exceeding our best expectations, also through a robust liquidity injections from profits carried forward and not distributed, the foundation was laid for continued growth, capturing all the opportunities offered by the market.

With a view to innovation and differentiation, in the first few months of this year, conditions were enhanced for the purpose of expanding the offer of our solutions, including through cloud computing, to the SME market, through the acquisition of a leading company in the implementation of Microsoft CRM and ERP platforms.

We are convinced that finance is also a crucial tool for a company's growth and success. Sound finance permits a company to do things that would otherwise be impossible, as a result of objective availability of funds and the strength infused in the workforce as a result of knowing they work for a company which is highly professional as well as having its own resources for development. Therefore, as in previous years, the dividend will be low, at around 15%. Total profits not distributed and carried forward in the company since its listing have thus reached the considerable amount of over Euro 350 million.

Lastly, I would like to take this opportunity to thank institutions and clients for their trust in us, and all employees for their dedication and the high quality of their work.

The Chairman of the Board of Directors
Michele Cinaglia

Consolidated Financial Statements

ENGINEERING GROUP

Deloitte & Touche S.p.A.
Via della Camilluccia, 589/A
00135 Roma
Italia

Tel: +39 06 367491
Fax: +39 06 36749282
www.deloitte.it

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

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

1. We have audited the consolidated financial statements of Engineering Ingegneria Informatica S.p.A. and subsidiaries (the "Engineering Ingegneria Informatica Group"), which comprise the consolidated statement of financial position as of December 31, 2013, and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on March 29, 2013.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Engineering Ingegneria Informatica Group as of December 31, 2013, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. 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 consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the consolidated financial statements of Engineering Ingegneria Informatica Group as of December 31, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Cherubini
Partner

Rome, Italy
March 28, 2014

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

Directors' report on the Consolidated Financial Statements at December 31, 2013

I. Corporate boards

BOARD OF DIRECTORS

Following Ordinary Shareholders' Meeting decision of April 24, 2012 and Board of Directors decision of April 24, 2012, the Board of Directors was re-appointed for the three-year period 2012-2014, as follows:

Michele Cinaglia	Chairman
Rosario Amodeo*	Executive Vice Chairman
Tommaso Amodeo*	Vice Chairman
Paolo Pandozy	Chief Executive Officer
Costanza Amodeo*	Executive Director
Marilena Menicucci	Director
Armando Iorio	Executive Director
Giuliano Mari	Independent Director
Dario Schlesinger	Independent Director
Alberto De Nigro	Independent Director
Massimo Porfiri	Independent Director
Luca Sabelli	Secretary

* The Executive Director Costanza Amodeo resigned as a Director on January 31, 2013.
Effective from March 31, 2013, Rosario Amodeo resigned as Executive Vice Chairman, retaining the position of Director.

Effective from August 8, 2013, Directors Rosario Amodeo and Tommaso Amodeo resigned as Directors and from their offices held on the Board of Directors.

The so-called "one-tier" system of governance system adopted by Engineering Ingegneria Informatica S.p.A. requires that the internal control and risk management Committee, delegated to 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.

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

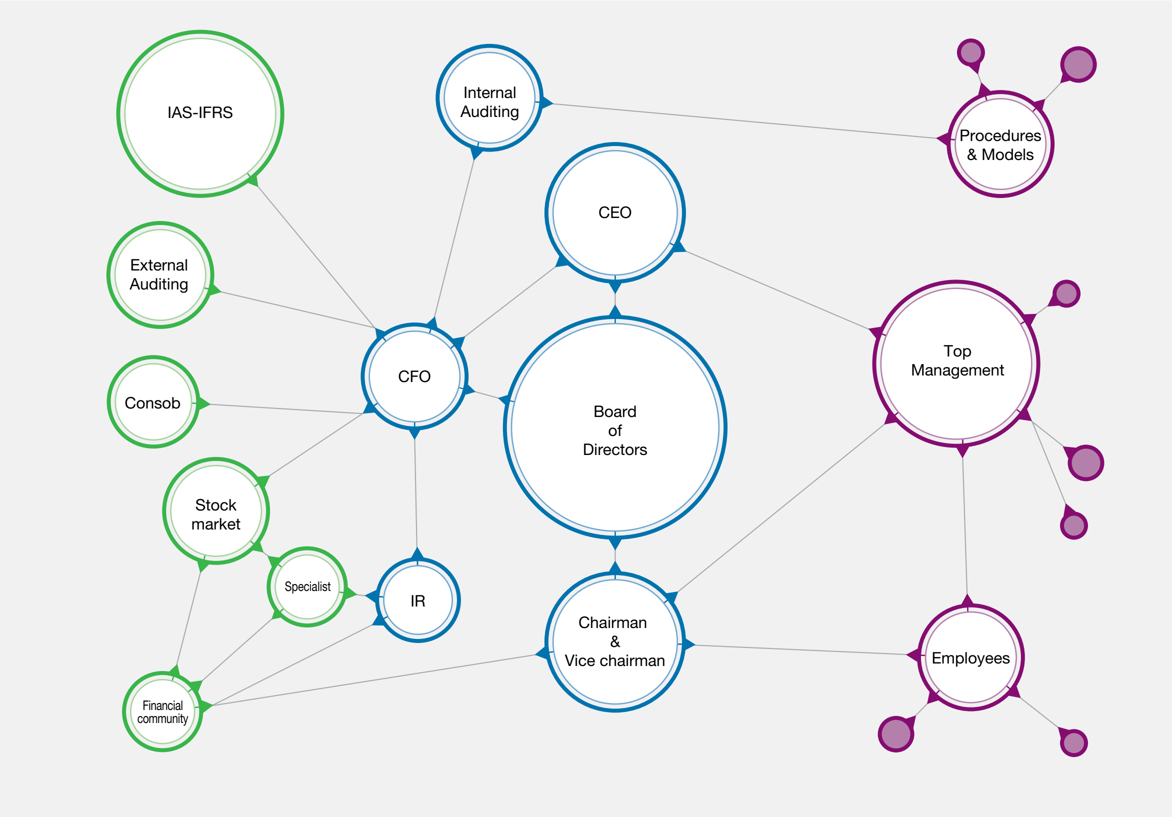
INDEPENDENT AUDITORS
Deloitte & Touche S.p.A.

SPECIALIST
Banca IMI S.p.A.

II. Corporate Governance

In 2013, the Corporate Governance system used in Engineering Ingegneria Informatica S.p.A. and in the Group companies is in line with the principles contained in the new edition of the self-governance code for Italian listed companies, drawn up by Borsa Italiana and published in December 2011, along with relevant Consob recommendations and international best practices.

The annual Corporate Governance Report, which provides a general description on the system of Corporate Governance in place at the Company, is attached to these accounts and is also available for consultation at *www.eng.it* (under Investor Relations).



The Group 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.

The Parent Company has adopted a one-tier system, therefore, the management control and risk control 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.

III. Introduction and consolidation scope

INTRODUCTION

The consolidated financial statements at December 31, 2013 of the Engineering Ingegneria Informatica Group (hereafter the Engineering Group, Engineering or simply the Group) have been prepared, as they have since 2005, 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.

The Group consolidation scope includes the holdings illustrated in the tables in the following pages. The companies included in the consolidation scope are consolidated under the line-by-line method with the exception of non-operative companies or those in liquidation, which are valued under the equity method. The accounting periods of the subsidiaries coincide with those of the Parent Company. The financial statements have been prepared in accordance with the going-concern principle.

The detailed description of the accounting principles, assumptions and estimates adopted is provided in the explanatory notes to the Engineering Group consolidated financial statements at December 31, 2013, 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 is determined, with reference to the income statement, as operating income before amortisation and depreciation and write-downs. Ebit is the operating income.

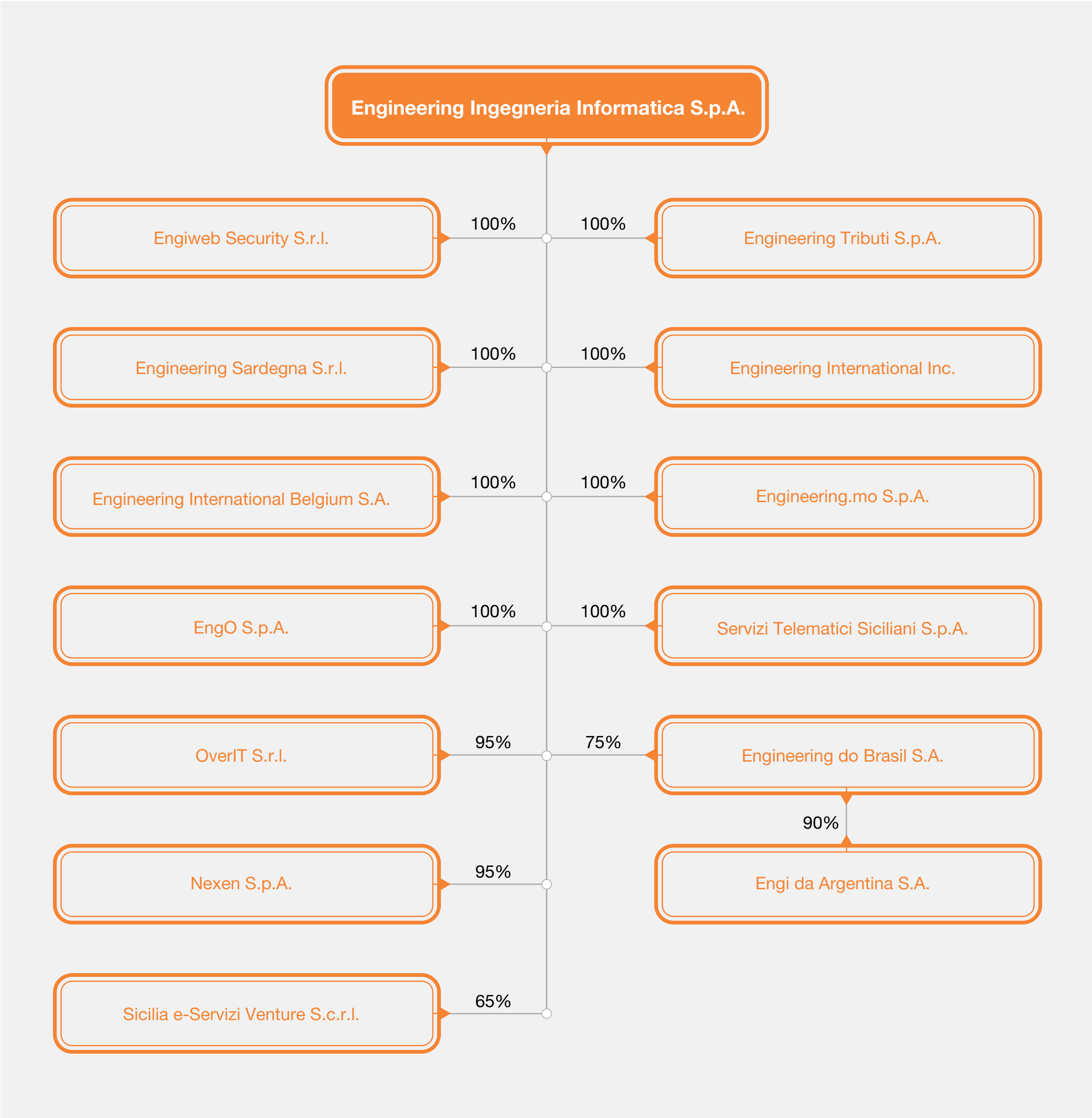
A number of estimates and assumptions were used in preparing these accounts and were consistently applied for all interim periods presented which affect the financial values reported therein. Where, based on management’s best estimate, these estimates and assumptions differ in the future from the actual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

The 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 2012 year-end.

CONSOLIDATION SCOPE

The structure of the Group at December 31, 2013 follows the implementation of a careful acquisition policy and subsequent integration processes which have resulted in the Group consisting of 13 companies (in addition to the Parent Company), upon which influence is exercised by the Parent Company Engineering Ingegneria Informatica S.p.A..

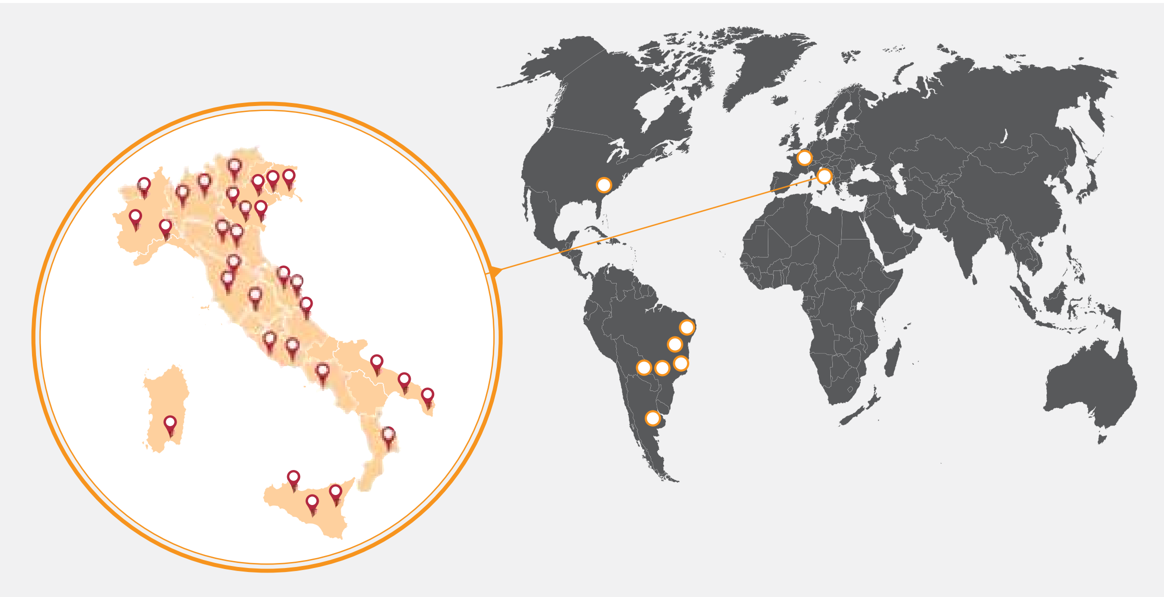


On December 31, 2013 the company Engineering.IT was merged into the Parent Company. On May 1, 2013 T-Systems Italia S.p.A. was consolidated and renamed Engineering.mo S.p.A..

Servizi Telematici Siciliani S.r.l. and EngO S.p.A. were placed in liquidation.

IV. Group activities and operations

Engineering is the leading domestic provider of integrated ICT services, products and consultancy. The Company was founded in Padua on 6 June 1980 and has been listed on the FTSE STAR segment of the Italian Stock Market since December 2000.
With approx. 7,300 employees, 40 offices throughout Italy, the Europe and Latin America and with an agent in the United States, the Group derives approx. 11% of revenues abroad and manages IT initiatives in over 20 countries with projects for the Industry, Telecommunications, Banking and Public Administration sectors. The Group operates in the outsourcing and Cloud Computing market through an integrated network of 6 data centres located in Pont St. Martin (Aosta), Turin, Padua, Vicenza, Milan and Rome, which manages approx. 300 clients with an infrastructure corresponding to the highest technological, qualitative and security standards.

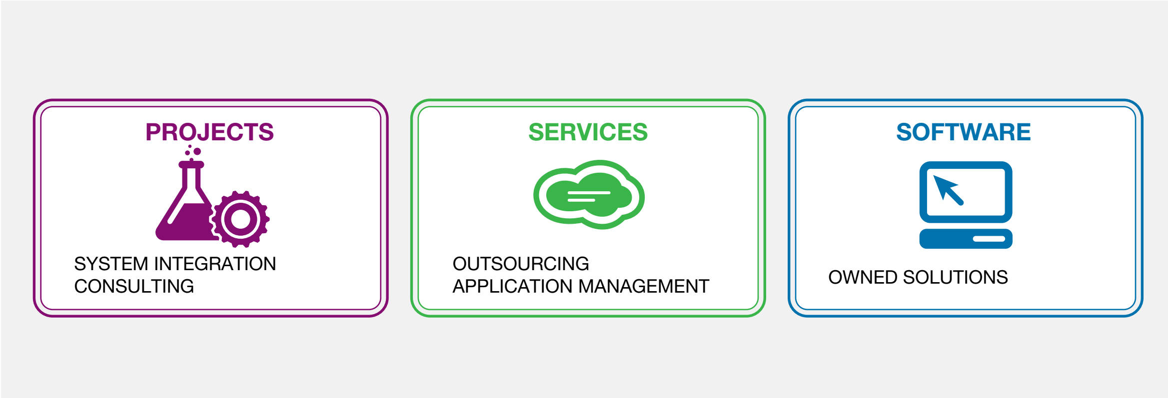


The Engineering market consists of medium-large clients, both in the private (banks, insurance companies, industry, services and telecommunications) and in the public sector (healthcare, local and central public administration and defence) to which SMEs and small municipalities have now been added, for which dedicated offers are targeted in the areas of ERP-CRM and tax collection, respectively.
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.

The Group operates in Software and IT Services, with a market share of around 7.2% in Italy and a leading position in numerous vertical sectors, due to a wide range of proprietary solutions, from banking compliance (SISBA, ELISE), to Billing and CRM for Utilities (Net@SUITE), to integrated diagnostics and administration solutions for Healthcare (AREAS), WFM systems (OverIT) and mobile platforms for Telco. In relation to system integration, application management and outsourcing, the Group's market share considerably exceeds 10%.

As a result of its business model, the Group creates tangible value in its various areas of operation, as it can meet all the needs of its existing and potential clients and define, plan and develop concretely efficiency and effective IT strategies.

AREAS OF OPERATION



V. Highlights

- Ebitda is above Euro 100 million (+8.9% on 2012), Ebitda Margin rose to 12.6%;
- the net financial position improved to Euro +39 million compared to Euro -28.6 million at the end of 2012;
- international expansion continued, with important projects commencing and strong reception of our solutions in the Utilities market in Latin America with the awarding of a long-term software and services supply contract for the municipally-owned company of Sao Paolo (SABESP). The percentage of revenues abroad grew overall, now representing around 15% of the total;
- T-Systems Italia consolidated since May 1, 2013. Reorganisation and integration process in line with expectations, and planned to be completed by the end of 2014;
- One Equity Partners entered the shareholding structure with a share of 29.2%;
- the Engineering share outperformed the benchmark indices (+68.3% year-over-year). Group capitalisation above Euro 600 million;
- objective of consolidating leadership in Italy and growth through acquisitions abroad.

VI. Market overview

ECONOMIC OVERVIEW

The Organisation for Economic Cooperation and Development estimates growth of around 3.1% in the global GDP in 2013 and of 4% in 2014.

The Euro Area is showing the lowest growth worldwide, as it has been for several years, with a generalised drop for peripheral countries, including Italy, which recorded -1.9% in 2013, a value of around Euro 1,800 billion. China, India, Central and South America, Israel and Turkey showed the highest growth rates.

Several weak but significant signs of recovery have led both international organisations and Istat to forecast that Italy will reverse its trend and come out of the recession with moderate growth in 2014, estimated at between 0.6% and 0.8%.

THE IT SECTOR

The North American (United States and Canada) ICT market has returned to significant growth: United States +4.2% and Canada +3.4%.

This is a clear sign that the crisis is effectively over in the United States, and significant investments are once again being made in ICT, which is considered a driver of overall growth of the economy.

Europe recorded more modest growth rates, which, however, show a significant reversal of the trend (+1.9%), after five years marked by negative performance.

In Italy the IT services segment declined by around 4.5% this year (source: Assintel, non-final 2013 data), repeating the trend seen in the last few years.

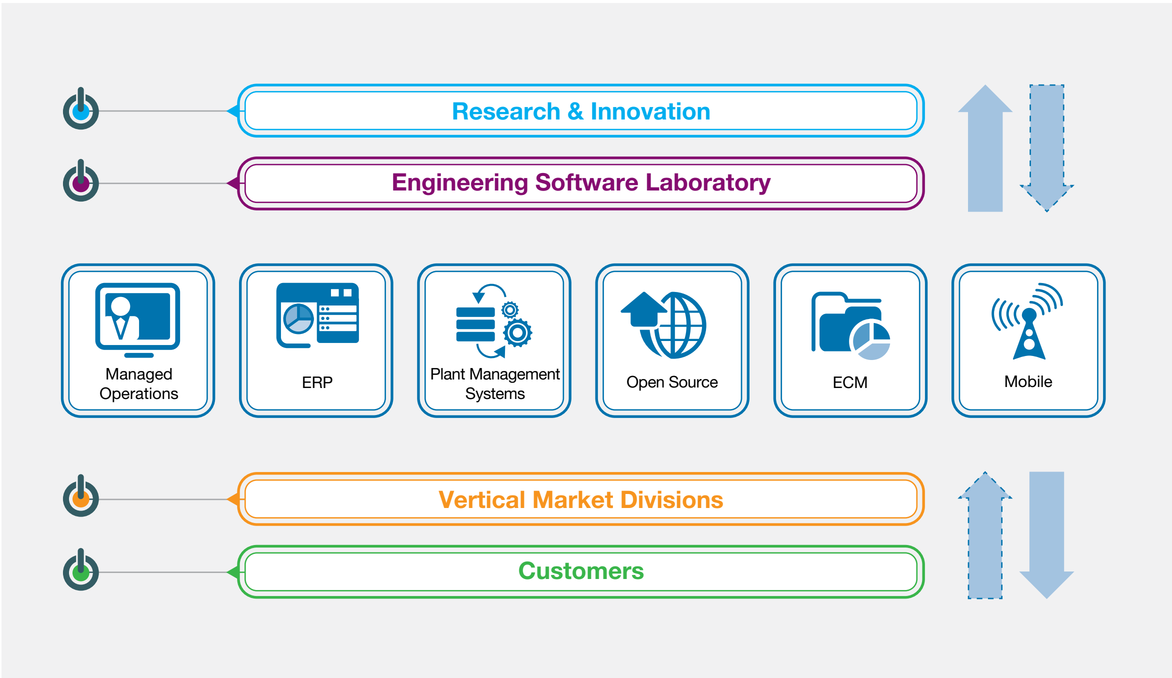
VII. Operational overview

In Italy, the strong positioning of the Group and the market trend of consolidation has made Engineering a technology and business partner to which an increasing number of businesses have entrusted the management and development of their systems.

Against the backdrop of the crisis, this positioning contributes to growth in market share, to the detriment of smaller local players as well as the global players operating in Italy, which are undergoing significant difficulties in interpreting the dynamics of a scenario where the optimum management of efficiency and complexity are fundamental factors in obtaining positive qualitative as well as economic-financial results.

The Group's internal reorganisation launched in 2012 was consolidated this year, focusing on improving skill levels and centralising the software development activities into Engineering Software Laboratory (ESL), a structure created in order to develop the utilisation of the best available technologies, uniformly establishing the highest certification standards on production and operating processes.

The structure will become the technological focal point of all the market and business structures.



Alongside System Integration, which remains the prevalent business line in the model, a gradual rise is seen in revenues generated by outsourcing contracts, services provided both through the traditional method and through Engineering's cloud platform.

The 6 Data Centres owned by the Group now manage over 300 clients, including private and public sector, medium and large companies, with turnover around Euro 150 million.

Today, the Group is the only Italian company capable of combining:

- in-depth knowledge of its clients' business, whether they are private sector or public institutions;
- cutting-edge technological infrastructure capable of providing a sustainable competitive advantage;
- expertise in complex system integration, gained from its thirty years' in business;
- a reputation as a software provider of vertical solutions capable of competing on the international playing field;
- proven ability in scouting and execution of new acquisitions and assessment of extraordinary investments.

VIII. Financial highlights

(in millions of Euros)

Description	31.12.2013	31.12.2012	Change	
			Amount	%
Operating revenues	**822.8**	**770.0**	**52.8**	**+6.9**
Net revenues	**800.1**	**754.5**	**45.6**	**+6.0**
Ebitda	**100.8**	**92.6**	**8.2**	**+8.9**
% of net revenue	12.6	12.3		
Ebit	**53.0**	**64.1**	**(11.1)**	**-17.2**
% of net revenue	6.6	8.5		
Net profit	**53.0**	**42.2**	**10.8**	**+25.7**
% of net revenue	6.6	5.6		
Shareholders' equity	**394.1**	**342.4**	**51.7**	**+15.1**
Net debt	**39.0**	**(28.6)**	**67.6**	
% Debt/equity		8.4		
ROE % (N.P/N.E.)	**13.5**	**12.3**	**1.1**	**+9.2**
ROI % (EBIT/N.C.E.)	**14.7**	**17.0**	**(2.3)**	**-13.6**
No. of employees	**7,283**	**6,844**	**439**	**+6.4**

The financial statements for 2013 show a significant improvement in all income statement and statement of financial position indicators:

- revenues amount to Euro 822.8 million (+6.9%);
- Ebitda is above Euro 100 million (+8.9%);
- net profit amounts to Euro 53.0 million (+25.7%);
- positive net financial position of Euro 39 million (Euro +67.6 million compared to Euro -28.6 million in the same period of 2012).

Among other factors, the positive performance for the year is attributable to:

1) the performance of our operations in Brazil, which have reached Euro 47.3 million, up by 57%, despite the unfavourable Euro/Real exchange rate trend which resulted in a write-down of net profit of approximately Euro 7 million;
2) the expansion of our domestic market shares, especially in the Utilities sector;
3) the posting of the badwill of Euro 33.2 million deriving from the purchase price allocation following the acquisition of T-Systems Italia S.p.A. as a non-recurring account.

Furthermore, extraordinary allocations were made to significant provisions and write-downs (Euro 27 million) for risks on projects, restructuring and the possible insolvency of several clients (specifically of the newly acquired T-Systems Italia S.p.A.).

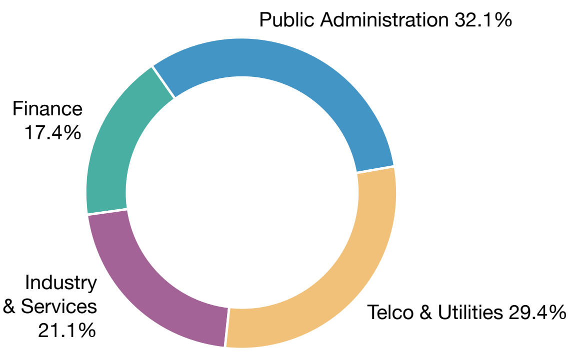
With Group shareholders' equity of over Euro 390 million, the financial structure has been strengthened further, allowing for effective, flexible operations on the market, in order to capture opportunities for growth for acquisitions in Italy and, above all, abroad.

SEGMENT REPORTING

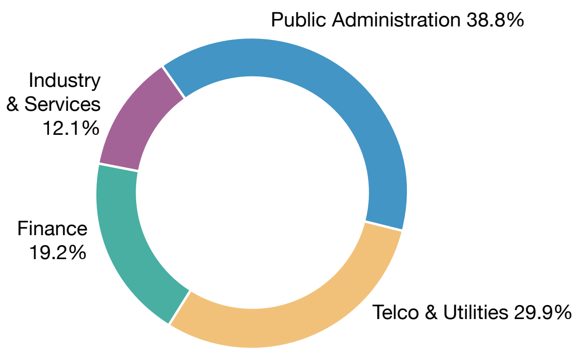
Description (in Euros)	31.12.2013	%	31.12.2012	%	Change % Yoy
Operating revenues					
Finance	139,159,644	17.4	137,311,438	18.2	+1.3
Public Administration	257,190,798	32.1	258,361,313	34.2	-0.5
Industry & Services	168,509,903	21.1	159,925,279	21.2	+5.4
Telco & Utilities	235,241,534	29.4	198,874,231	26.4	+18.3
Net revenues	**800,101,879**	**100**	**754,472,261**	**100**	**+6.0**
Other revenues	22,693,176		15,567,814		+45.8
Total operating revenue	**822,795,055**		**770,040,075**		**+6.9**

EBITDA					
Finance	19,397,810	19.2	15,060,005	16.3	+28.8
% of net revenue	13.9		11.0		
Public Administration	39,089,600	38.8	39,679,261	42.9	-1.5
% of net revenue	15.2		15.4		
Industry & Services	12,243,878	12.1	14,507,375	15.7	-15.6
% of net revenue	7.3		9.1		
Telco & Utilities	30,095,623	29.9	23,352,354	25.2	+28.9
% of net revenue	12.8		11.7		
Total Ebitda	**100,826,911**	**100**	**92,598,994**	**100**	**+8.9**
% of net revenue	12.6		12.3		

2013 Net revenues



2013 Ebitda



FINANCE

The protection of Italian banks' profitability is inevitably implemented through a careful policy of cost control. In this still complex phase for the economy, banks are having to find increasingly innovative organisational and infrastructural solutions, in order to increase the efficiency and variety of services offered, in addition to reducing costs, as mentioned.

In this scenario, IT, digitalisation and use of multiple channels are important drivers for rationalising processes and expanding the range of products and services.

During 2013, the Group acted in line with the specific characteristics of its market, promoting innovation in areas of interest for large Italian banks, while gauging and taking effective action on internal productivity and efficiency, achieving a significant increase in profitability.

The year just ended was marked by a significant set of changes to regulations, which required a considerable effort by financial institutions on compliance issues, specifically relating to Basel 3 regulations, the new regulations on European Supervision and those relating to the adoption of new accounting and tax models, areas in which Engineering is an undisputed leader with a significant market share, and has planned the launch of important projects.

The Group's sound positioning is confirmed by the fact that all the large Italian banks, leading insurance groups and an increasing number of small and medium-sized financial institutions continue to entrust their business to us, with a growing appreciation for our delivery approach and the quality of our solutions. Against a reduction in business volumes with Monte Paschi due to factors unrelated to Engineering's offer, we consolidated our presence in the rest of the large banks market, while expanding our entrance into the areas of investment management companies, investment funds and factoring.

PUBLIC ADMINISTRATION

On the strength of its position of leadership in the entire area of Public Administration, from central governments to local authorities and healthcare organisations, Engineering has successfully met the challenges of a difficult scenario, consolidating revenues and profitability despite the restrictions imposed on the budgets of the Public Administration.

Vertical expertise, along with the ability to exploit economies of scale and a portfolio of market leading proprietary solutions are the factors underlying our positioning.

The most important events include:

- Engineering confirmed its position as the leading company for the upgrading of management processes for Central Governments, with specific focus on social security institutions (INPS, INAIL) where we revitalised our presence through application and infrastructural services;
- in the area of Local Public Administration, it is important to note our Company's results in the area of taxes and tax collection (Engineering Tributi) as well as the initiatives for the Municipality of Milan for Expo 2015;
- in Healthcare, the Company confirmed its position as technology partner of hundreds of local institutions, as well as of the Ministry of Health.

INDUSTRY & SERVICES

The Industry market is still characterised by a conservative, prudent approach, as a result of the macroeconomic scenario.

That being said, it is showing a certain propensity towards greater innovation, especially in medium and large companies.

Industry is the market segment that is most receptive to outsourcing IT structures, entrusting them to a player capable of supporting the entire cycle typical of a Full Outsourcing offer: management of processing capacity, storage, security, network and application maintenance.

Following the acquisition of T-Systems Italia, Engineering increased its client base and integrated a further 3 Data Centres into its technology infrastructure, as well as high-value technological, functional and process skills and know-how.

The year featured important organic growth, mainly in the areas of Managed Operations, ERP, Mobility and Automation. Engineering is now a leader both in integrating third-party solutions (SAP and Microsoft Dynamics) and in developing and implementing proprietary software (WFM and Manufacturing Execution Systems).

Among other projects, the close partnership with the Fiat-Chrysler Group is continuing, for which we developed automation and control systems for the new production lines of Jeep and 500X models in Melfi, as well as in the Pernambuco plant in Brazil. We have also strengthened our presence in transportation sector - airlines, railways and road transport.

The extraordinary write-down of several projects inherited from the former T-Systems and the loss on several projects of our Brazilian affiliate, which all closed during 2013, had a negative impact on results.

TELCO & UTILITIES

Engineering can count on a complete suite of proprietary products (Net@SUITE), included in the Gartner Magic Quadrant as one of the most advanced CRM-Billing solutions.

This asset has also played an important role in the Group's important recognition, in Italy and internationally, seeing its positioning grow in relation to all the leading Italian operators in the sector.

Internationally, our successes in Brazil, Spain and, with the WFM Geocall product, in the South American affiliates of Enel were highly significant. These installations have consolidated the international positioning of our products and laid the foundation for further significant conquests. The countries where our most promising initiatives are being developed include Russia, Turkey, countries in North Africa and in the Gulf Area.

A negative impact on the year derived from the cancellation of important projects by our largest client in the Telco sector and the subsequent slowdown in entering into contracts for new investments, as well as the request for an arrangement from Seat, with the resulting prudential write-down of receivables.

OPERATING EXPENSES

The operating expenses increased overall by approx. Euro 63.8 million.

Specifically, personnel costs increased, partly owing to the increase in the Group workforce, which is illustrated under point XI of this Report, and partly as a result of the resources deriving from the purchase of business units at the end of 2012, which were included in the entire year 2013, as well as the entry of Engineering.mo S.p.A. into the Group (around Euro 9 million).

For Amortisation, depreciation and provisions, the change is mainly due to the allocation to doubtful account provisions (Euro 6.5 million), the partial write-down of goodwill of Dynpro and additional provisions (Euro 8.7 million). The additional provisions mainly refer to costs for future action plans relating to the reorganisation under way, approved during the year, to increase the efficiency of operating structures.

External service costs increased, but at a slower pace than the increase in revenues, which marks the positive outcome of the reorganisation process initiated in 2012. The flexibility of our operating structure is an important competitive advantage in an inflexible labour market.

(in Euros)

Description	31.12.2013	31.12.2012	Change	
			Amount	%
Personnel costs	397,120,875	364,360,690	32,760,185	+9.0
Services	304,098,476	292,933,993	11,164,483	+3.8
Raw materials and consumables	11,257,065	12,868,499	(1,611,434)	-12.5
Depreciation, amortisation and provisions	47,778,577	28,501,295	19,277,282	+67.6
Other costs	9,491,728	7,277,899	2,213,830	+30.4
Total operating expenses	**769,746,721**	**705,942,376**	**63,804,345**	**+9.0**

OPERATING PROFIT AND NET PROFIT

(in Euros)

Description	31.12.2013	31.12.2012	Change %
Operating profit after depreciation/amortisation (EBIT)	**53,048,334**	**64,097,699**	**-17.2**
Financial income (charges)	(5,752,995)	(3,675,301)	+56.5
Income (charges) from investments	33,279,041	(1,226,230)	+2,813.9
Profit before taxes	**80,574,380**	**59,196,168**	**+36.1**
% of net revenue	10.1%	7.8%	
Income taxes	27,542,134	16,991,313	+62.1
tax rate	34.2%	28.7%	
Net profit	**53,032,246**	**42,204,855**	**+25.7**
% of net revenue	6.6%	5.6%	
of which Engineering Group	53,111,085	41,430,936	
Minority interest	(78,839)	773,919	

Financial income (charges)

Financial income (charges) are represented by:

I. the balance of financial charges (around Euro 1.9 million) charged to the income statement, which reflect an average cost of debt of around 3%, and income from treasury management;
II. the negative effect of the exchange losses resulting from the depreciation of the Real against the Euro (around Euro 3.8 million).

Income (charges) from investments

The balance of Income (charges) from investments is essentially composed of the non-recurring badwill of Euro 33.2 million deriving from the purchase price allocation following the acquisition of T-Systems Italia S.p.A..

Net profit

Group net profit exceeded Euro 53.0 million, an all-time record.
This was the result of a series of extraordinary factors:

- the positive effects of the posting of badwill of Euro 33.2 million deriving from the consolidation of the acquired Engineering.mo S.p.A. under non-recurring income from investments;
- extraordinary cost items prudently allocated with a view to potential future outlays.

The combined effect of these factors resulted in profit highly exceeding the 2012 figure, which had benefited from non-recurring elements such as the deductibility, for the purposes of income taxes (IRES) of the regional income tax on production activity (IRAP) relating to personnel and similar expenses, with retroactive effect on the past 5 years.

The tax rate came to 34.2% compared to 28.7% in 2012, and this should be considered a positive change.
Note that in 2012 the amount of taxes benefited from the regulations introduced by Legislative Decree No. 201 of December 3, 2011, which also sanctioned the retroactive effect from 2007, for an amount of Euro 12.4 million.

IX. Financial position

The cash flow statement below summarises the Group cash flow movements according to the direct method, 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 shown.

(in Euros)

	Description	31.12.2013	31.12.2012
	Revenues from the sales of products/services - third parties	940,618,568	888,568,373
	Costs for goods and services - third parties	(375,895,385)	(375,408,362)
	Personnel costs	(425,981,784)	(368,493,783)
	Interest received from operating activities	1,287,293	1,249,782
	Interest paid for operating activities	(2,989,578)	(3,011,111)
	Exchange differences	964	(24,170)
	Income taxes	(116,195,462)	(101,076,317)
A)	**Total cash flow from operating activities**	**20,844,615**	**41,804,413**
	Sale of tangible assets	87,686	40,247
	Purchase of tangible assets	(6,845,936)	(7,224,003)
	Purchase of intangible assets	(1,853,297)	(2,496,887)
	Purchase of investments in subsidiaries	(83,939)	(1,660,182)
	Sale of investments in subsidiaries	23,499	0
	Purchase of business unit	154,210	(9,440,089)
	Sale of business unit	(3,845,033)	0
	Purchase of other investments and securities	(524,326)	(4,500)
	Sale of other investments and securities	2,000	0
B)	**Total cash flow from investing activities**	**(12,885,136)**	**(20,785,415)**
	New loans	291,258,074	361,058,882
	Repayment of loans	(316,629,041)	(363,888,835)
	Sale of treasury shares	0	678,880
	Purchase of treasury shares	0	(937,372)
	Dividends distributed	(6,499,761)	(5,482,121)
	Change in consolidation scope	69,210,811	1,008,582
	Interest received from financing activities	0	3,699
	Interest paid for financing activities	(517,715)	(488,459)
C)	**Total cash flow from financing activities**	**36,822,369**	**(8,046,745)**
D)	**= (A + B + C) Change in cash and cash equivalents**	**44,781,848**	**12,972,253**
E)	**Cash and cash equivalents at beginning of year**	**94,665,435**	**81,693,181**
F)	**= (D + E) Cash and cash equivalents at end of year**	**139,447,283**	**94,665,435**

In detail, operating cash flows recorded a positive balance of Euro 20.9 million, from which investing activity of Euro 12.9 million should be deducted. Financing activities recorded a positive balance of Euro 36.8 million, essentially due to the consolidation of the new subsidiary Engineering.mo S.p.A. and the balance of repayments and disbursements of loans and the distribution of dividends. As a result, the total of these flows generates a positive change of Euro 44.8 million in cash flows, which, added to opening short-term cash and cash equivalents, posts cash and cash equivalents at year-end of Euro 139.4 million.

NET FINANCIAL POSITION

The improvement in the net financial position is the result of:

- the collection of around Euro 40 million deriving from the acquisition of T-Systems Italia S.p.A.;
- quicker collections from clients in the last quarter of the year;
- an initial unfreezing of receivables due from the public administration.

(in Euros)

Description	31.12.2013	31.12.2012
Cash on hand	41,594	29,063
Other liquid assets	146,116,935	101,347,618
A) Cash and cash equivalents	**146,158,529**	**101,376,681**
B) Current financial receivables	**0**	**0**
Current bank payables	(3,753,662)	(3,698,271)
Current borrowing	(77,705,082)	(107,270,112)
Other current financial payables	(6,227,367)	(4,688,247)
C) Current borrowing	**(87,686,111)**	**(115,656,630)**
D) Net current financial position (A + B + C)	**58,472,419**	**(14,279,949)**
Non-current borrowing	(18,437,145)	(13,214,708)
Other non-current payables	(1,065,658)	(1,125,319)
E) Non-current borrowing	**(19,502,802)**	**(14,340,026)**
F) Net financial position (D + E)	**38,969,616**	**(28,619,976)**

CENTRALISED TREASURY

The use of cash pooling has for some time ensured adequate coverage of financial needs by subscribing to suitable credit lines and with appropriate management of surplus cash.

The cyclical trend of receipts continued with short-term exposure to banks on which an annual interest rate was paid to the bank varying from 2.80% to 3.10%. Also in 2013 the official interest rates (see Euribor) stood at substantially low levels, once again failing to be a benchmark for the banking system. Conversely, spreads decreased, but only slightly, therefore, they substantially remained at more or less high levels. In any event, the Group's excellent rating, ongoing dialogue and discussion with the various banks allowed us to take advantage of the best conditions offered based on real need and to keep financial charges as low as possible.

During the year, subsidiaries repeatedly had to cover financial commitments that exceeded their liquidity. 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.

WORKING CAPITAL

Working capital decreased by 4.4% in absolute value, despite the consolidation of the newly-acquired Engineering.mo S.p.A..

This result is highly significant given that the absorption of cash deriving from the growth rate of trade receivables higher than that of revenues has always been a negative structural factor in this sector.

The increase in Other current liabilities derives from the posting of provisions for risks and charges which could potentially arise shortly in a larger amount than in the previous year.

(in Euros)

Description	31.12.2013	31.12.2012	Change	
			Amount	%
Current Assets				
Inventories and construction contracts	132,308,993	143,666,208	(11,357,215)	-7.9
Trade receivables	562,207,687	518,538,751	43,668,936	+8.4
Other current assets	55,971,250	43,973,891	11,997,359	+27.3
Total current assets	**750,487,930**	**706,178,849**	**44,309,080**	**+6.3**
Current Liabilities				
Trade payables	(261,718,406)	(245,847,018)	(15,871,387)	+6.5
Other current liabilities	(181,043,809)	(138,467,536)	(42,576,273)	+30.7
Total current liabilities	**(442,762,215)**	**(384,314,554)**	**(58,447,660)**	**+15.2**
Net working capital	**307,725,715**	**321,864,295**	**(14,138,580)**	**-4.4**

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 3.9x (up compared to 3.2x in the previous year and 2.8x in 2011);
- a positive net financial position near Euro 40 million, which, along with the use of short-term credit lines with costs near 3% annually, provides the Group with a great deal of flexibility and the ability to sustain possible financial stress without threatening the overall capital balance;
- a reduction of 4.4% in working capital which, at the end of the year, amounted to 37% of the value of production (compared to 41.7% in 2012 and 37.7% in 2011).

Goodwill decreased by Euro 9.7 million, in relation to:
- the allocation of goodwill of SESA to the balance sheet for Euro 5.4 million;
- the write-down of the goodwill of Dynpro of about Euro 4 million and the concurrent impairment of Dynpro of around Euro 300 thousand, due to the average change in the EUR/BRL exchange rate.

(in Euros)

Description	31.12.2013	31.12.2012	Change	
			Amount	%
Property, plant and equipment	31,960,629	27,301,243	4,659,385	+17.1
Intangible assets	22,359,887	21,755,529	604,358	+2.8
Goodwill	48,973,445	58,724,551	(9,751,106)	-16.6
Equity investments	408,923	331,000	77,923	+23.5
Fixed assets	**103,702,883**	**108,112,323**	**(4,409,440)**	**-4.1**
Short-term assets	750,487,930	706,178,849	44,309,080	+6.3
Short-term liabilities	(442,762,215)	(384,314,554)	(58,447,660)	+15.2
Net working capital	**307,725,715**	**321,864,295**	**(14,138,580)**	**-4.4**
Other non-current assets	38,021,670	37,299,525	722,144	+1.9
Post-employment benefits	(65,009,313)	(66,576,564)	1,567,251	-2.4
Other non-current liabilities	(22,630,876)	(22,990,436)	359,560	-1.6
Net capital employed	**361,810,079**	**377,709,143**	**(15,899,064)**	**-4.2**
Shareholders' equity	390,173,058	339,777,775	50,395,283	+14.8
Minority interest shareholders' equity	3,895,391	2,600,147	1,295,245	+49.8
Total shareholders' equity	**394,068,449**	**342,377,921**	**51,690,528**	**+15.1**
M/LT (Liquidity)/Borrowing	19,502,802	14,340,026	5,162,776	+36.0
ST (Liquidity)/Borrowing	(51,761,172)	20,991,196	(72,752,368)	-346.6
(Liquidity)/Borrowing	**(32,258,370)**	**35,331,222**	**(67,589,592)**	**-191.3**
Total sources	**361,810,079**	**377,709,143**	**(15,899,064)**	**-4.2**

RECONCILIATION

The reconciliation between the financial statements at December 31, 2013 of Engineering Ingegneria Informatica S.p.A. and the Group consolidated financial statements at the same date is shown below:

(in Euros)

Description	Net profit for year	Shareholders' equity
Net profit and shareholders' equity of Engineering Ingegneria Informatica S.p.A.	24,130,657	347,721,313
Net profit and shareholders' equity of consolidated companies	(4,454,066)	67,260,628
Total	**19,676,591**	**414,981,941**
Elimination of the book value of investments in subsidiary companies and write-downs in the statutory financial statements of the Parent Company	33,015,891	(20,773,580)
Valuation of associated companies under the equity method	169,608	(10,007)
Other adjustments	170,157	(129,905)
Total consolidated profit and shareholders' equity	**53,032,246**	**394,068,449**
of which Minority Interest net (profit)/loss and shareholders' equity	(78,839)	3,895,391
Group consolidated net profit and shareholders' equity	**53,111,085**	**390,173,058**

X. Research & Innovation activity

During 2013 the Group invested a total of more than Euro 20 million in research and innovation, participating in numerous national and European programmes.

Specifically the execution plans were presented for the new Districts and Laboratories, as well as proposals concerning IT applied to various sectors: energy, healthcare, the arts, tourism and e-Government.
The consortiums created for the establishment of the new Districts and Laboratories involved collaboration with the leading scientific institutions in the country and with large industrial enterprises.

In Italy, we are involved in two projects on the issue of smart cities, one project for innovating document handling processes in the legal arena and an e-Learning project.

In 2013 the experience of the ESTRO (Engineering Society and Territory Trento Research Office) laboratory in Trento gained strength: we established partnerships with the Autonomous Province on issues such as energy, and contributed to the creation of part of the systems for the winter Universiadi International University Games held at the end of 2013, and continued participating in EIT tenders.

All of the activities illustrated demonstrate the position of leadership reached by Engineering in the area of national research on IT in various areas of application.

Internationally, the main actions were those in preparation for the launch of the new EU innovation programme Horizon 2020, with a total budget of around Euro 90 billion.

The first tender was published in December, and the first deadline is set for April 2014.
As regards other european research programmes, our most significant effort was dedicated to the areas Future Internet and Cyber Security, which have gradually become two of the Group's main areas of research.

XI. Personnel

WORKFORCE AND TURNOVER

At December 31, 2013 the Group workforce (with long-term contracts) numbered 7,283. The increase on 31 December of the previous years was 439, partly (286) resulting from the acquisition of Engineering.mo (former T-Systems Italia).

As regards the breakdown of the Group workforce at December 31, 2013, the employees of the foreign group companies numbered as follows: Engineering do Brasil - 325 (compared to 190 in the previous year), Engineering International Belgium - 17 (compared to 14 in the previous year), for a total of 342 employees.

Total personnel turnover, referring only to the Italian companies, net of intercompany transfers and irrespective of the contribution of Engineering.mo, which was previously commented on, included 339 new hires and 324 departures, numbers which substantially resulted in no change in the workforce and a very slight personnel turnover.

Employees hired under trainee contracts numbered 67. Given the moderate turnover, the structural characteristics of personnel, illustrated below, saw slight changes, primarily resulting from the acquisition of T-Systems Italia:

- employees with degrees totalling 52.7%;
- women totalling 31.5%;
- slight decrease in the number of senior managers (at 5%);
- employees with management qualifications of 22.6%.

Also with regard to geographical location, there were no significant changes, with the only exception of Vicenza, the only office of T-Systems (with 133 employees) in a location where the Group previously had no presence.

TRAINING

Training at the Academy “Enrico Della Valle” for Group personnel maintained the volumes recorded in 2013.

317 courses were provided with over 4,000 participants, for a total of around 13,500 man-days of classroom training at the Ferentino (FR), Rome, Padua and Pont Saint Martin (AO) offices.

One particularly important event was the success of the company Master’s programme MeM: Master Engineering in Management. This course achieved its goal of developing, through top-level didactic content, the professional level of about sixty highly specialised young managers, who will have increasing responsibility within the Group over the medium term. The Master’s, which included lectures from prestigious university professors and representatives from Italian industry, was broken into 12 residential training modules of three days each, and covered issues relating to human resource management, developing individual abilities and international and business economics.

Other activities included:

a) the launch of a new language training initiative to support the international expansion of the Group, involving 22 senior managers in individual full immersion English, French and Portuguese language courses in several of the main European capitals, also through the use of the resources of the inter-professional Fondirigenti fund. The project will continue throughout 2014;
b) project management courses aimed at gaining PMP® certification, with 80 project heads in the Group gaining this prestigious certificate;
c) the excellent results achieved by the ad hoc training projects for the obtainment of technical and procedural Professional Certifications (among others ITIL, Prince2, Oracle, Microsoft, SAP, IFPUG, Vmware and Cisco), resulting in 788 Group employees passing certification examinations, including at the Academy of Ferentino Testing Centre.

In 2013, the Training Department consolidated its provision of services to the external market, thanks to the acquisition, among other issues, of important orders in the Central Government sector, the world of Finance and the international market. This further confirms the high quality level of the design and implementation methodology for the training processes of the Academy of the Engineering Group.

XII. Significant events during the year

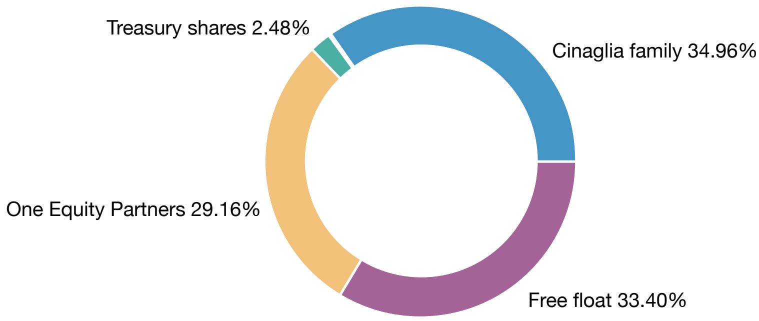
The significant events are detailed below:

- on March 12, 2013, the Extraordinary Shareholders' Meeting of EngO S.p.A. approved the liquidation of the Company;
- with effect from March 31, 2013 Rosario Amodeo resigned as Executive Vice Chairman of Engineering Ingegneria Informatica S.p.A. and as Chairman and Director of Engineering International Belgium S.A.;
- on April 30, 2013 Engineering Ingegneria Informatica S.p.A. acquired from T-Systems International GmbH 100% of the share capital of T-Systems Italia S.p.A. (now Engineering.mo S.p.A.);
- on August 8, 2013 the acquisition by Oep Italy High Tech Due S.r.l. of 3,644,801 shares held by Rosario, Costanza and Tommaso Amodeo was finalised. The shares sold by the Amodeo family amount to 29.158% of the company share capital;
- on the same date, Tommaso Amodeo resigned from the offices of director on the Boards of Directors of Engineering Ingegneria Informatica S.p.A. and Engineering International Belgium S.A.;
- effective from August 8, 2013 Rosario Amodeo resigned as a member of the Board of Directors of Engineering Ingegneria Informatica S.p.A.;
- on September 27, 2013 the Extraordinary Shareholders' Meetings of Engineering Ingegneria Informatica S.p.A. and Engineering.IT S.p.A. authorised the merger by incorporation of Engineering.IT S.p.A. into Engineering Ingegneria Informatica S.p.A.. The merger was formalised by entering into the Merger Deed on December 10, 2013;
- on September 27, 2013 the Extraordinary Shareholders' Meeting of Engineering Tributi S.p.A. voted in favour of moving the registered office from Rome to Trento;
- on December 20, 2013 the Extraordinary Shareholders' Meeting of Engineering.mo S.p.A. authorised the move of the registered office from Vicenza to Pont Saint Martin (AO).

XIII. Shareholders and share performance

SHAREHOLDERS

Engineering has been listed on the FTSE Italia STAR segment of the Italian Stock Market since December 2000.
The ownership structure still includes the founding family as the shareholder with the relative majority.
In August 2013, Costanza, Tommaso and Rosario Amodeo finalised the sale of almost all of their shares to the fund One Equity Partners, which became a shareholder with 29.16%.
The free float is partly composed of significant shareholders with Bestinver SGIIC (10%) and ING (4.5%).
No shareholder agreement exists between Shareholders.



The share price on the market in 2013 recorded an average price of Euro 31.51 per share (Euro 25.46 in 2012) for a capitalisation of Euro 393,865,740, with an average trading volume of 14,334 shares per day (increasing on 12,140 in 2012) for an average value of Euro 471,100.

KEY FIGURES 2013

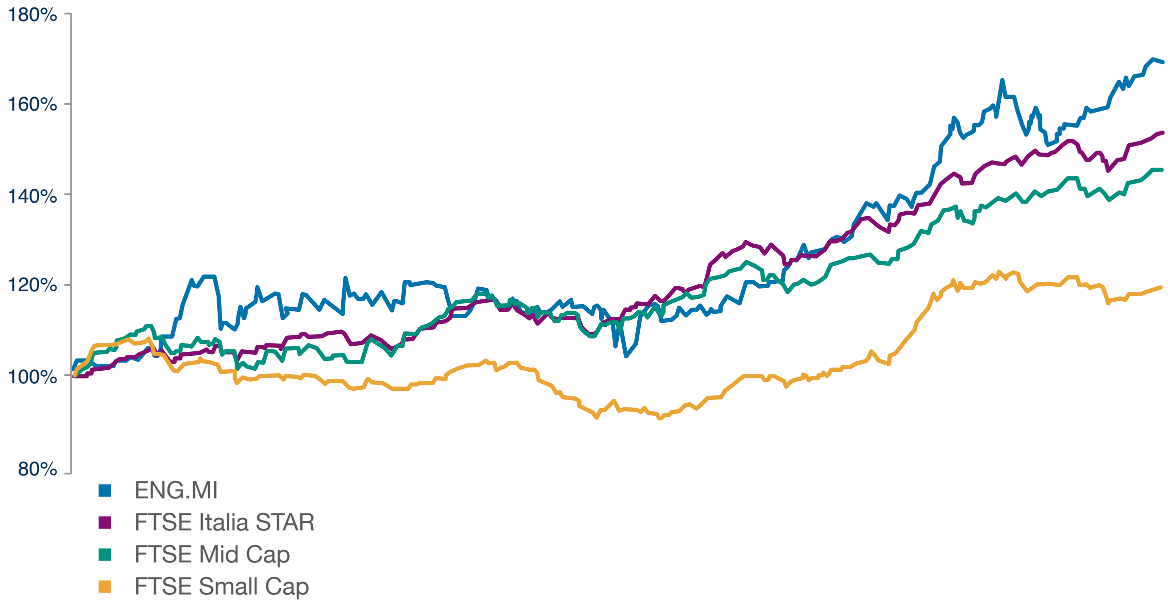
Average price weighted by volumes:	Euro 31.51
Maximum closing price:	Euro 43.50 on December 27, 2013
Minimum closing price:	Euro 25.84 on January 2, 2013
Price at January 2, 2013:	Euro 25.84
Price at December 30, 2013:	Euro 43.39
Average volume:	14,334 shares
Maximum volume:	78,559 shares on January 16, 2013
Minimum volume:	299 shares on July 22, 2013

The share price in the year increased +68.3%, performing better than the STAR segment (+53.3%) as well as two Small and Mid Cap indices, which reported performance of +20.15% and +45.03%, respectively.

During 2013, the 5 institutions which continually covered the share, carrying out research on the Group, Banca IMI (Specialist), Intermonte, Banca Aletti, Kepler and Akros, have consistently issued positive recommendations with average price targets exceeding the Stock Market valuations.

The Company held numerous meetings with the financial community, both for institutional events organised by Borsa Italiana, and during roadshows organised by brokers in various geographical areas.

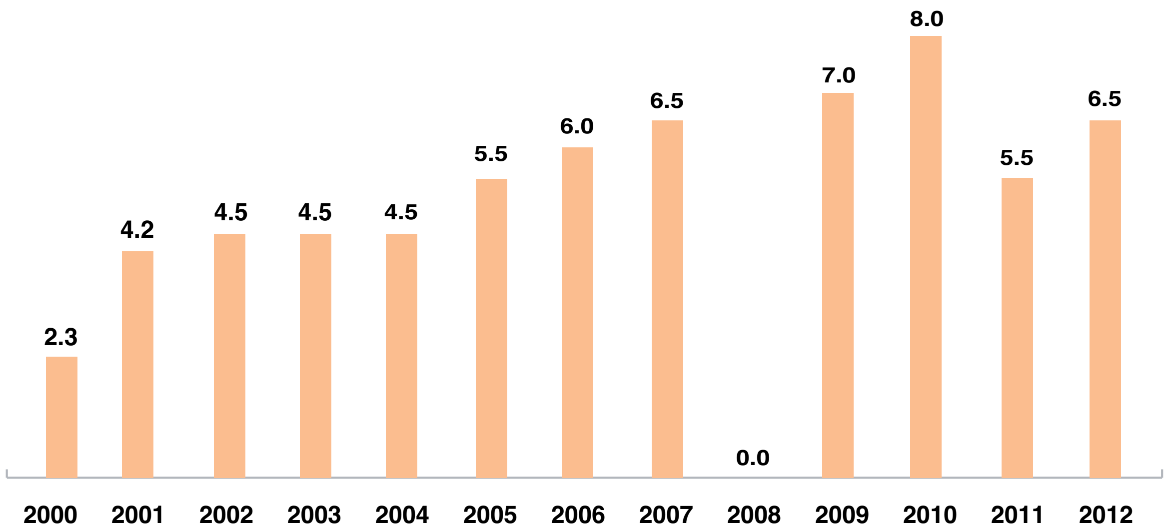
At the date of this report, the stock price is Euro 53 per share, for market capitalisation of Euro 660 million.



DIVIDENDS

For clarity, the dividends disbursed from 2000 onwards are shown (relating to the financial year concerned and not the dividend coupon year).

It is noted that in 2009, in relation to the year 2008, the Company decided not to distribute dividends due to the payments for the acquisition of Atos Origin Italia and that in 2012, in relation to the year 2011, it decided to distribute a contained pay-out in view of the extraordinary charges incurred for the Personnel Restructuring Programme.



(in millions of Euros)

TREASURY SHARES

On April 24, 2013, 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, 2013 totalled 310,027 (2.48%) for a value of Euro 6,711,246.26, recorded as a reserve under shareholders' equity in accordance with IAS 32, at an average carrying value of Euro 21.6473 per share.
At the date of approval of these consolidated financial statements, the number of treasury shares held in portfolio by the Company remained unchanged.

XIV. Subsequent events to the year-end

The significant events are detailed below:

- on January 28, 2014, the Extraordinary Shareholders' Meeting of Sicilia e-Servizi Venture S.c.r.l. approved the liquidation of the company;
- on January 31, 2014, Engineering Ingegneria Informatica S.p.A. acquired 70% of the quota capital of MHT S.r.l., with registered office in Lancenigo di Villorba (TV). The company is a leader in implementing Microsoft CRM and ERP platforms;
- on March 14, 2014, the Board of Directors of Engineering Ingegneria Informatica S.p.A. co-opted two new Directors representing the shareholder Oep Italy High Tech Due S.r.l.. The appointment of the two Directors will be subject to resolution by the next Ordinary Shareholders' Meeting.

XV. Outlook

For the Group, 2013 was a highly positive year, not only in terms of income statement results, but also due to the market positioning in areas with greater prospects for growth.

On issues such as Big Data, Open Data, Open Source and Cloud Computing for companies, the most significant experiences can be attributed to Engineering projects.

A strengthened balance sheet will enable us to continue the policy of selected acquisitions we have successfully followed to date:

- in the domestic market, assessing opportunities for consolidation and diversification.
  A step in this direction was just taken with the acquisition of MHT which, through a partnership with Microsoft, provides us with access to the SME market, so far been ignored by Engineering, which we can now approach with suitable application solutions, leveraging our top-level infrastructure with hubs in the northeast and northwest of Italy;

- in the international market, leveraging our solutions, with international partnerships and, in the most important countries, possible equity investments. In this sector, following our success in the utilities market, we will concentrate significant investments in the healthcare market.

As a result of the investments we have made in products for utilities, healthcare, local tax authorities and, specifically with a view to European Supervision, for banks, we have an optimistic outlook for 2014, expecting a year of further growth for the Group.

XVI. 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 Spa approved through Board of Directors' Resolution of November 12, 2010, the procedure for the identification and carrying out of transactions with related parties.

PROTECTION OF PERSONAL DATA

In line with that established by the Monti Decree of February 2012, the Protection of Personal Data Document was not updated. The Company confirms in any case the compliance with that established by the current regulations concerning the protection of privacy as well as the maintenance of the verification activities carried out periodically to guarantee the constant and correct application of the provisions.

PRINCIPAL RISKS AND UNCERTAINTIES

As in all companies, risk factors which may affect Group results exist and for this purpose numerous preventative actions have been put in place.

The internal control system and procedures referred to in this document are consistent with applicable guidelines prepared by relevant associations and international best practices.

These were fully and transparently implemented and with a sense of responsibility concerning internal and external relations, offering sufficient guarantees for correct and efficient management.
Engineering Ingegneria Informatica S.p.A. is exposed to the same risks and uncertainties reported below in relation to the Group.

EXTERNAL RISKS

A. Risks connected with the economy general conditions
A prolonged poor economic phase, particularly at a domestic level, could cause demand for IT services and products to drop and there may be a risk of reduced orders with consequent negative economic and equity impacts on the Group.
Recent acquisitions mean the Group is present in every market and has succeeded in equally distributing the burden of its business volume, minimizing the risks associated with a crisis in an individual market.
In addition, the exposure to foreign markets has increased given the strong growth compared to the European market.

B. Risks connected to the development of IT services
The sector in which the Group operates is characterised by rapid technological changes and a constant evolution of professionalism and expertise.
The Group has always known how to interpret changing customer needs due to intense research activity and the development of vertical applications that anticipate market demand.
Investing in this way, the Company minimizes the risks connected with the development of demand, which is managed as a business opportunity.

C. Risks related to competition
The Information Technology market is very competitive, helped by a context which is fragmented and influenced by highly localised operators that can offer very competitive prices and expand their presence in the market.

D. Risks connected with regulatory developments
The activity performed by the Group is not subject to particular segment regulations.

INTERNAL RISKS

A1. Risks connected to the employment of key personnel
The Group depends on some key figures who have contributed to its success, including the Chairman, Chief Executive Officer and other managers with many years experience in the sector and who have been with the Group for more than 20 years.
Management considers that the Group has a management structure able to ensure continuity in the management of corporate activities even in the event that key figures depart.

B1. Risks related to dependence on customers
The Group offers services to over 1,500 medium and large companies operating on all applicable markets (Public Administration, Healthcare, Finance, Insurance, Telco & Media, Industry & Utilities). This distribution means there are no significant critical aspects relating to dependence on individual customers.

C1. Risks connected to contractual responsibilities towards customers
The Group develops solutions with a high technological content and high value and the relative underlying contracts may include the application of penalties for non-compliance with agreed timeframes and quality standards. The Group has signed insurance policies deemed adequate to protect against risks resulting from professional liability for an annual ceiling of Euro 15 million and Euro 7.5 million per claim, with no deductible. In addition to the above coverage, additional policies are taken out for significant economic/financial projects to avoid negative impacts on the Group's economic/equity and financial position.

D1. Risks related to international expansion
For a number of years, the Group strategy has looked towards developing the process of internationalisation and economic and financial benefits are expected. At present, the exposure towards foreign activities, in the order of 15% of total consolidated revenues, does not subject the Group to risks such as changes to local political and regulatory frameworks, as well as currency fluctuations.

This growth strategy is addressed at minimising the specific country risk by differentiating the offer and the investments in more attractive geographic regions from a business point of view.

FINANCIAL RISKS

By operating mainly in the Euro Area the Group has limited exposure to exchange rate risk from transactions in foreign currency, operating revenue and cash flows are not subject to market interest fluctuations and no significant credit risks exist since the financial counterparties are represented by leading customers considered solvent by the market.

A2. Exchange rate risk
Exchange rate risk is defined as the risk of the value of a financial instrument changes following exchange rate movements. As nearly all transactions are carried out in the "Eurozone" exposure to exchange rates risks deriving from operations in currencies other than the function currency (Euro) is limited.

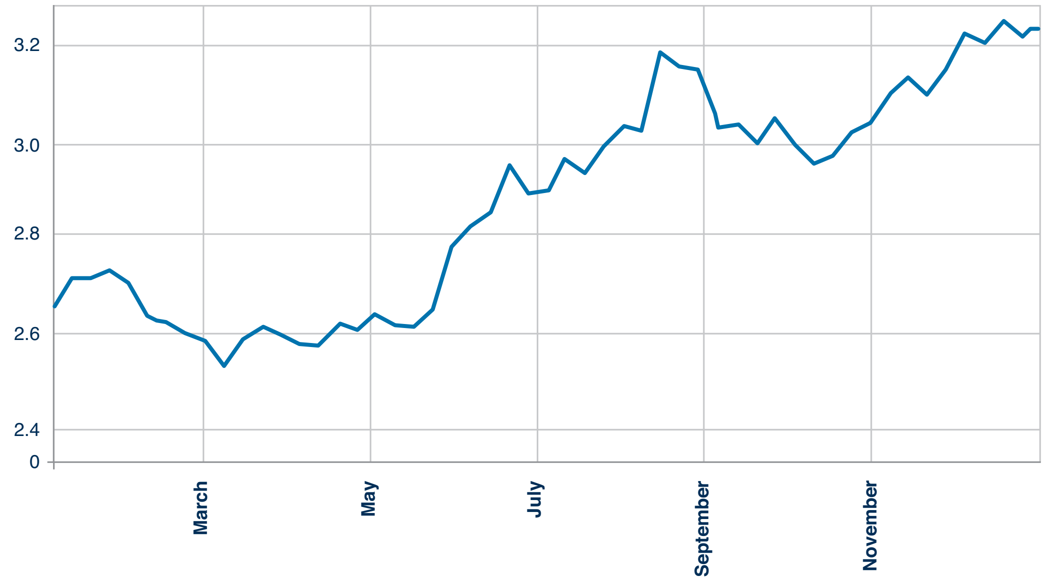
IFRS 7 requires the Group to introduce simulation and sensitivity analysis processes to value potential losses deriving from unfavourable changes in the sector environment concerning:

- financial assets and liabilities recognised to the income statement at fair value or at amortised cost;
- investments;
- loans and receivables;
- revenues and margins in foreign currencies.

In particular the exchange rate risk can be determined on those operations currently carried out on the Brazilian market through Engineering do Brasil, in relation to services provided mainly within the Telco Division and the Energy & Utilities Division.

Key euro/real exchange rate data

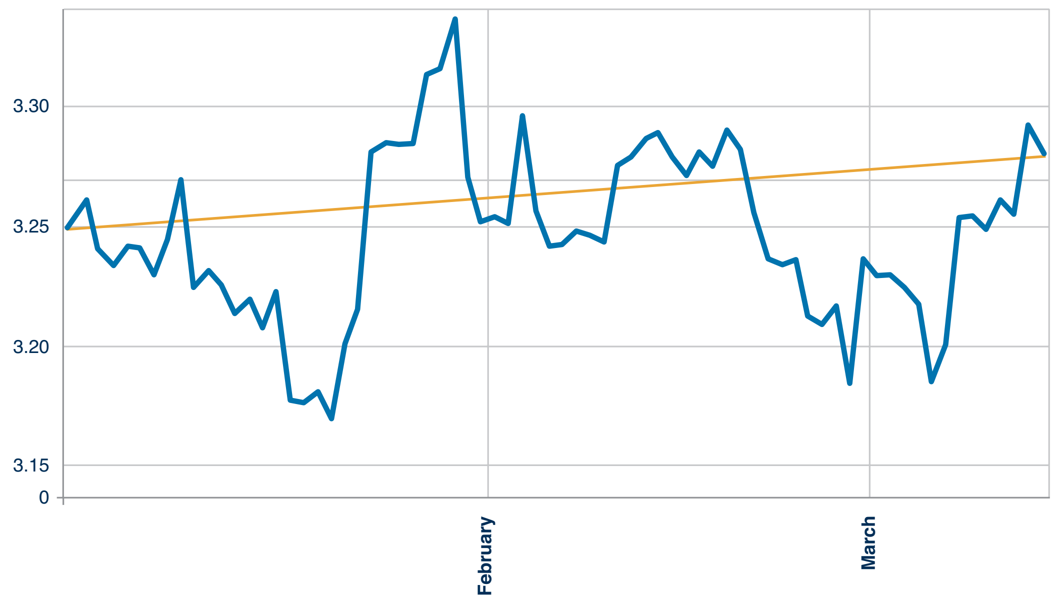
Average exchange rate 2013:	2.8686 BRL/Euro
Exchange rate at January 1, 2013:	2.7014
Exchange rate at December 31, 2013:	3.2576
Max exchange rate:	3.2599 on August 23, 2013
Min exchange rate:	2.5251 on March 11, 2013
Current Exchange rate (March 13, 2014)	3.2809



The EURO/BRL exchange rate 2013, recorded weekly

The graph highlights that in 2013 the Euro strengthened against the Brazilian Real (+19.7%). This, in terms of economic impact on the Group performance, was slightly negative in that at like-for-like business produced, it corresponds to a lower volume of revenues and margins in the currency in which the present financial statements are prepared.

The current EUR/BRL exchange rate - with reference to March 13, 2014, the date this document was prepared - is substantially in line with the value recorded at December 31, 2013.



EURO/BRL exchange rate 01.01.14 – 13.03.14 recorded daily

According to research and forecasts by various investment banks and rating agencies, the Brazilian central bank's intervention programme and the increases in interest rates contributed to stabilising the Real against the Euro and the Dollar. Over the long term, lower inflation in food products and the limited growth in wages, which keep inflation rates under control, will ensure that the Real remains near its current valuation levels or only slightly lower.

That being said, in line with the prudence principle, through a sensitivity analysis, we estimate the effects of a depreciation of the Real against the Euro. For example purposes only therefore and after highlighting the non-existence of any indication that would support a significant depreciation of the Brazilian currency, we show in the following table the effect on Group Revenues of a depreciation of between 5% and 25% of the average value of the Brazilian Real on the Euro on 2013 data. The income statement values are calculated utilising the average annual exchange rate between the two currencies.

Engineering do Brasil operating revenues 2013	R$ 135,986,744
BRL/EURO financial statement conversion rate	2.87
Financial statements operating revenues in foreign currency	€ 47,382,140

(in Euros)

Depreciation BRL	Corresponding revenues 2013	Net effect	Effect on % of Group consolidated operating revenues
5%	45,125,848	(2,256,292)	-0.273%
10%	43,074,673	(4,307,467)	-0.522%
15%	41,201,861	(6,180,279)	-0.750%
20%	39,485,117	(7,897,023)	-0.958%
25%	37,905,712	(9,476,428)	-1.150%

B2. Interest rate risk

The portion of long-term financial payables at variable interest rate was fully paid off with the last instalment of January 2014. Therefore, interest rate risk no longer applies.

C2. Market risk

Market risk is defined as the risk that the value of a financial instrument may change due to fluctuations in market prices. The Group does not have operations related to this risk, therefore the exposure is zero.

D2. Credit risk

Credit risk is defined as the probable financial loss generated by the non-fulfilment by third parties of a payment obligation to the Group. The Group does not have significant concentration of credit risks except in relation to those activities carried out for governmental bodies for which extended payment times are granted based on the payment policy adopted by the public bodies which often do not respect the conditions established by contracts but however do not result in irrecoverable receivables. The Group manages this risk through implementing policies aimed at ensuring the solvency of clients and limiting the exposure to credit risk of an individual client through evaluation and monitoring of the customer.

E. Liquidity risk

Liquidity risk is defined as the risk that the Group encounters difficulty to source the funds necessary to satisfy obligations related to financial liabilities. A prudent management of liquidity risk is carried out through monitoring cash flows, the need for financing and any liquidity excesses. For many years, a centralised treasury structure has been in place in the Group which ensures efficient management of financial resources and the covering of financial needs through adequate credit lines related to Group cash flows.

TAX CONSOLIDATION

As a result of the merger by incorporation of the subsidiary Engineering.IT S.p.A. into the Parent Company Engineering Ingegneria Informatica S.p.A., the conditions for “national tax consolidation” no longer apply.

TAX AUTHORITY RELATIONS

During the first half of 2012 Engineering Ingegneria Informatica S.p.A. was subject to a general audit for the purposes of direct taxes, IRAP (regional operating taxes) and VAT for 2009 by the Lazio Regional Authority - Office of Large-Scale Taxpayers. The audit concluded in December 2012 with the notification of a report on findings containing several claims that mainly concern the incorrect accounting for several invoices to be received relating to previous years, which do not have an impact worthy of assessment, and a claim for IRAP and VAT purposes relating to the reclassification of a consultancy contract which also concerns the tax period 2008 and those following 2009. In December 2013 the deed of assessment for the tax period 2008, was notified, for which the Company submitted a tax assessment settlement in February 2014, which is still pending.

STATEMENT OF FINANCIAL POSITION

(in Euros)

Statement of Financial Position - Assets	Note	31.12.2013	31.12.2012
A) Non-current assets			
Property, plant and equipment	6	31,960,629	27,301,243
Intangible assets	7	22,359,887	21,755,529
Goodwill	8	48,973,445	58,724,551
Investments	9	0	6,000
Other investments and holdings	9	408,923	325,000
Deferred tax assets	10	32,983,418	31,133,932
Other non-current assets	11	5,038,252	6,165,593
Total non-current assets		**141,724,553**	**145,411,848**
B) Non-current assets held for sale		**0**	**0**
C) Current assets			
Inventories	12	230,724	297,968
Construction contracts	13	132,078,269	143,368,240
Trade receivables	14	562,207,687	518,538,751
Other current assets	15	55,971,250	43,973,891
Cash and cash equivalents	16	139,447,283	94,665,435
Total current assets		**889,935,212**	**800,844,284**
Total assets (A + B + C)		**1,031,659,765**	**946,256,132**

(in Euros)

Statement of Financial Position - Liabilities	Note	31.12.2013	31.12.2012
D) Shareholders' equity			
Share capital	18	31,084,431	31,084,431
Reserves	19	107,408,349	106,447,188
Retained earnings	20	198,569,193	160,815,220
Profit/(loss) for the year		53,111,085	41,430,936
Group shareholders' equity		**390,173,058**	**339,777,775**
Capital and reserves of minority interests		3,974,230	1,826,227
Profit for the year of minority share		(78,839)	773,919
Total shareholders' equity	17	**394,068,449**	**342,377,921**
E) Non-current liabilities			
Non-current financial liabilities	21	19,502,802	14,340,026
Deferred tax liabilities	22	17,555,573	16,615,724
Provisions for risks	23	4,490,565	3,843,973
Other Liabilities	24	584,739	2,530,738
Post-employment benefits	25	65,009,313	66,576,564
Total non-current liabilities		**107,142,991**	**103,907,026**
F) Current liabilities			
Current financial liabilities	26	87,686,111	115,656,630
Tax payables	27	315,362	5,575,865
Provisions for risks	28	36,162,941	5,030,095
Other current liabilities	29	144,565,506	127,861,576
Trade payables	30	261,718,406	245,847,018
Total current liabilities		**530,448,325**	**499,971,185**
G) Total liabilities (E + F)		**637,591,316**	**603,878,211**
Total liabilities & shareholders' equity (D + G)		**1,031,659,765**	**946,256,132**

INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

(in Euros)

Income Statement	Note	31.12.2013	31.12.2012
A) Operating revenues			
Revenues		800,101,879	754,472,261
Other revenues	32	22,693,176	15,567,814
Total operating revenues	**31**	**822,795,055**	**770,040,075**
B) Operating expenses			
Raw materials and consumables	34	11,257,065	12,868,499
Services	35	304,098,476	292,933,993
Personnel costs	36	397,120,875	364,360,690
Amortisation & depreciation	37	20,711,602	18,450,727
Provisions	38	27,066,975	10,050,568
Other costs	39	9,491,728	7,277,899
Total operating expenses	**33**	**769,746,721**	**705,942,376**
C) Operating profit (A - B)		**53,048,334**	**64,097,699**
Other financial income		2,819,340	2,166,282
Other financial charges		8,572,335	5,841,582
D) Net financial income (charges)	**40**	**(5,752,995)**	**(3,675,301)**
E) Income/(charges) from investments			
Income/(charges) from other investments		93,164	(1,226,230)
Non-recurring income/(charges) from investments		33,185,878	0
Total income/(charges) from investments	**41**	**33,279,041**	**(1,226,230)**
F) Profit before taxes (C + D + E)		**80,574,380**	**59,196,168**
G) Income taxes	42	**27,542,134**	**16,991,313**
H) Net profit from continuing operations (F - G)		**53,032,246**	**42,204,855**
I) Profit from discontinued operations		**0**	**0**
L) Consolidated profit for the year (H + I)		**53,032,246**	**42,204,855**
Minority share		(78,839)	773,919
Group share		53,111,085	41,430,936
Group consolidated profit	**43**		
Basic earnings per share		4.36	3.40
Diluted earnings per share		4.36	3.40
Net profit from continuing operations	**43**		
Basic earnings per share		4.35	3.46
Diluted earnings per share		4.35	3.46

(in Euros)

Comprehensive Income Statement	Note	31.12.2013	31.12.2012
L) Group consolidated profit		**53,032,246**	**42,204,855**
M) Other comprehensive income statement items			
Net actuarial gains/(losses) of employee defined plans		1,906,819	(4,817,681)
Tax effect related to Other profit/(loss) that not will be reclassified in Income Statement		(510,664)	1,324,863
Total Other profit/(loss) that will not be reclassified in Income Statement, net of tax		**1,396,155**	**(3,492,818)**
N) Total Other profit/(loss) that will be reclassified in Income Statement for the year			
Profit/(loss) on cash flow hedge instruments		90,510	(124,489)
Tax effect related to Other profit/(loss) which will be reclassified in Profit/(loss) for the year		(24,890)	34,234
Translation gains/losses on non Euro accounts		(118,839)	(161,825)
Taxation on translation gains/losses on non Euro accounts			0
Total Other profit/(loss) that will be reclassified in Income Statement, net of tax		**(53,219)**	**(252,080)**
Total Other profit/(loss), net of tax effect		**1,342,936**	**(3,744,898)**
O) Total comprehensive income for the year (L + M + N)		**54,375,182**	**38,459,957**
Minority share		(76,689)	742,637
Group share		54,451,871	37,717,320

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euros)

Description	Share Capital	Reserves	Retained earnings	Profit for the year	Group shareholders' equity	Minority interest	Total
Balance at 01.01.2012	**31,109,342**	**106,794,872**	**140,262,976**	**30,162,630**	**308,329,819**	**2,044,905**	**310,374,724**
Net profit	0	0	0	41,430,936	41,430,936	773,919	42,204,855
Other net comprehensive items	0	(161,825)	(3,551,791)	0	(3,713,616)	(31,282)	(3,744,898)
Comprehensive profit	**0**	**(161,825)**	**(3,551,791)**	**41,430,936**	**37,717,320**	**742,637**	**38,459,957**
Allocation of profits	0	0	24,662,630	(24,662,630)	0	0	0
Dividends distributed	0	0	0	(5,500,000)	(5,500,000)	0	(5,500,000)
Incr./decr. treasury shares	(24,911)	0	(144,216)	0	(169,127)	0	(169,127)
Inc./decr. share capital	0	0	1,008,582	0	1,008,582	0	1,008,582
Transactions with shareholders	**(24,911)**	**0**	**25,526,996**	**(30,162,630)**	**(4,660,545)**	**0**	**(4,660,545)**
Other changes	**0**	**(185,859)**	**(1,422,961)**	**0**	**(1,608,819)**	**(187,395)**	**(1,796,214)**
Balance at 31.12.2012	**31,084,431**	**106,447,188**	**160,815,220**	**41,430,936**	**339,777,775**	**2,600,147**	**342,377,921**
Net profit	0	0	0	53,111,085	53,111,085	(78,839)	53,032,246
Other net comprehensive items	0	(118,839)	1,459,625	0	1,340,786	2,150	1,342,936
Comprehensive profit	**0**	**(118,839)**	**1,459,625**	**53,111,085**	**54,451,871**	**(76,689)**	**54,375,182**
Allocation of profits	0	0	34,930,936	(34,930,936)	0	0	0
Dividends distributed	0	0	0	(6,500,000)	(6,500,000)	0	(6,500,000)
Incr./decr. treasury shares	0	0	0	0	0	0	0
Inc./decr. share capital	0	0	0	0	0	0	0
Transactions with shareholders	**0**	**0**	**34,930,936**	**(41,430,936)**	**(6,500,000)**	**0**	**(6,500,000)**
Other changes	**0**	**1,080,000**	**1,363,413**	**0**	**2,443,412**	**1,371,933**	**3,815,346**
Balance at 31.12.2013	**31,084,431**	**107,408,349**	**198,569,192**	**53,111,085**	**390,173,057**	**3,895,391**	**394,068,449**

CASH FLOW STATEMENT

The following table shows the Group cash flow movements and was prepared using the direct method. In relation to cash flows deriving from acquisitions during the year, reference is made to paragraph IX of the Directors' Report.

(in Euros)

Description		31.12.2013	31.12.2012
	Revenues from the sales of products/services - third parties	940,618,568	888,568,373
	Costs for goods and services - third parties	(375,895,385)	(375,408,362)
	Personnel costs	(425,981,784)	(368,493,783)
	Interest received from operating activities	1,287,293	1,249,782
	Interest paid for operating activities	(2,989,578)	(3,011,111)
	Exchange differences	964	(24,170)
	Income taxes	(116,195,462)	(101,076,317)
A)	**Total cash flow from operating activities**	**20,844,615**	**41,804,413**
	Sale of tangible assets	87,686	40,247
	Purchase of tangible assets	(6,845,936)	(7,224,003)
	Purchase of intangible assets	(1,853,297)	(2,496,887)
	Purchase of investments in subsidiaries	(83,939)	(1,660,182)
	Sale of investments in subsidiaries	23,499	0
	Purchase of business unit	154,210	(9,440,089)
	Sale of business unit	(3,845,033)	0
	Purchase of other investments and securities	(524,326)	(4,500)
	Sale of other investments and securities	2,000	0
B)	**Total cash flow from investing activities**	**(12,885,136)**	**(20,785,415)**
	New loans	291,258,074	361,058,882
	Repayment of loans	(316,629,041)	(363,888,835)
	Sale of treasury shares	0	678,880
	Purchase of treasury shares	0	(937,372)
	Dividends distributed	(6,499,761)	(5,482,121)
	Change in consolidation scope	69,210,811	1,008,582
	Interest received from financing activities	0	3,699
	Interest paid for financing activities	(517,715)	(488,459)
C)	**Total cash flow from financing activities**	**36,822,369**	**(8,046,745)**
D)	**= (A + B + C) change in cash and cash equivalents**	**44,781,848**	**12,972,253**
E)	**Cash and cash equivalents at beginning of year**	**94,665,435**	**81,693,181**
F)	**= (D + E) cash and cash equivalents at end of year**	**139,447,283**	**94,665,435**

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 Group net financial position.

Total liquidity includes, in addition to the cash and cash equivalents at year-end, also the value of treasury shares held at 31 December 2013 for Euro 6,711,246 (Euro 6,711,246 in 2012).

(in Euros)

Description	31.12.2013	31.12.2012
Cash on hand	41,594	29,063
Other liquid assets	146,116,935	101,347,618
A) Cash and cash equivalents	**146,158,529**	**101,376,681**
B) Current financial receivables	**0**	**0**
Current bank payables	(3,753,662)	(3,698,271)
Current borrowing	(77,705,082)	(107,270,112)
Other current financial payables	(6,227,367)	(4,688,247)
C) Current borrowing	**(87,686,111)**	**(115,656,630)**
D) Net current financial position (A + B + C)	**58,472,419**	**(14,279,949)**
Non-current borrowing	(18,437,145)	(13,214,708)
Other non-current payables	(1,065,658)	(1,125,319)
E) Non-current borrowing	**(19,502,802)**	**(14,340,026)**
F) Net financial position (D + E)	**38,969,616**	**(28,619,976)**

Notes to the Consolidated Financial Statements

1 General information

Engineering is the leading domestic provider of integrated ICT services, products and consultancy. The Company was founded in Padua on June 6, 1980 and has been listed on the FTSE Italia STAR segment of the Italian Stock Market since December 2000.
With approx. 7,300 employees, 40 offices throughout Italy, Europe, Latin America and United States, the Group derives approx. 11% of revenues abroad and manages IT initiatives in over 20 countries with projects for the Industry, Telecommunications, Banking and Public Administration sectors. The Group operates in the outsourcing and Cloud Computing market through an integrated network of 6 Data Centres located in Pont St. Martin (Aosta), Turin, Padua, Vicenza, Milan and Rome, which manages approx. 300 clients with an infrastructure corresponding to the highest technological, qualitative and security standards.
The Engineering market consists of medium-large clients, both in the private (banks, insurance companies, industry, services and telecommunications) and in the public sector (healthcare, local and central public administration and defence) to which SMEs and small municipalities have now been added, for which dedicated offers are targeted in the areas of ERP-CRM and tax collection, respectively.
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.

The Group operates in Software and IT Services, with a market share of around 7.2% in Italy and a leading position in numerous vertical sectors, due to a wide range of proprietary solutions, from banking compliance (SISBA, ELISE), to Billing and CRM for Utilities (Net@SUITE), to integrated diagnostics and administration solutions for Healthcare (AREAS), WFM systems (OverIT) and mobile platforms for Telco. In relation to system integration, application management and outsourcing, the Group's market share considerably exceeds 10%.

As a result of its business model, the Group creates tangible value in its various areas of operation, as it can meet all the needs of its existing and potential clients and define, plan and develop concretely efficiency and effective IT strategies.

1.1 SIGNIFICANT OPERATIONS

Below we report the main operations occurred over the year:

- in December 2013, Engineering Ingegneria Informatica S.p.A. merged by incorporation its subsidiary Engineering.IT S.p.A., 100% owned.

  The re-organization project aims at developing and making use of concentration synergies in one single production complex in order to:
  - implement a uniform management of business;
  - achieve higher flexibility at operational level;
  - streamline the administration processes;
  - improve trade relations;
  - consolidate the already existing relations through the same interacting party;
  - integration of similar functions within the companies and achievement of cost saving and efficient technical, logistical and administration practices.

  The effective date of the merger was December 31, 2013. For accounting purposes, however, the merged company transactions were charged to the financial statements of Engineering Ingegneria Informatica S.p.A. for the accounting period beginning on January 1, 2013, the effective date of tax effects as well. Under this point of view, this transaction can be defined as neutral from a tax point of view as it benefits from the simplified regime envisaged for total controls.

  This transaction had no economic effect on the company nor had higher values to be reported compared to those resulting from the consolidated financial statements. It however generated the convergence between the consolidated financial statements of the merging entity, at the merger date, and its post-merger separate financial statements by enacting the so-called "legal consolidation".

1.2 ACQUISITIONS IN THE YEAR

On April 30, 2013, the company T-Systems Italia S.p.A. was renamed Engineering.mo S.p.A., after the acquisition by Engineering Ingegneria Informatica S.p.A. of 1 million T-Systems Italia S.p.A. shares from T-Systems International GmbH, equal to 100% of the Company's share capital.

The following table summarizes the measurement at fair value of acquired assets and liabilities, compared to the purchase cost of the equity investment.

(in Euros)

Description	31.12.2013
Property, plant and equipment	9,028,876
Intangible assets	1,257,586
Other non-current assets	11,239,817
Current assets	82,529,054
Other current assets	2,574,909
Non-current liabilities	3,444,725
Current liabilities	69,999,638
Other current liabilities	0
Fair value of assets acquired	**33,185,879**
Acquired portion	100%
Acquisition cost	1
Badwill	**33,185,878**

2 Form, contents and accounting principles

These annual consolidated financial statements at December 31, 2013 were prepared in accordance with International Accounting Standards (IAS-IFRS) and the related IFRIC interpretations and IFRS standards, approved by the European Commission in addition to the provisions of Article 9, paragraph 3, of Legislative Decree No. 38 of February 28, 2005.

The present financial statements were prepared in accordance with Consob regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations. 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, 2013, as indicated in par. 4.28.

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 consumed in the normal company 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 type of costs, while the cash flow statement uses the direct method.

The statement of financial position, income statement and cash flow statement show transactions with related parties. The transactions with related parties concern subsidiaries, associated companies and directors/senior managers with strategic responsibilities.

The consolidation was carried out under the line-by-line method, including the minority interests reported in the relevant shareholders' equity and income statement accounts.

The Group companies adopted the same accounting period as the Parent Company and the standards utilised are the same for the preparation as the last annual financial statements and were applied in a uniform manner.

In the statement of financial position assets and liabilities are classified according to the “current/non-current” criterion with separate presentation 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 those which are expected to be settled in the normal operating cycle or within 12 months following the year-end. The income statement items are classified by the nature of the expenses.

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 Group operations and significant events after the year-end.

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

3 Consolidation scope and principles

3.1 SUBSIDIARY COMPANIES

The subsidiary companies are consolidated from the date on which the Group acquires control and deconsolidated from the date in which control is lost. Control is defined as the ability to directly or indirectly determine the financial and management policies and benefit from their implementation.

Control is presumed where more than half of the effective or potentially exercisable voting rights are held at the reporting date.

The accounts are consolidated under the line-by-line method, therefore including the entire amount of assets and liabilities and all costs and revenues nevertheless the percentage of share capital held. The book value of consolidated investments is therefore eliminated against the relative shareholders’ equity.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition until the date of sale. The operations, the balances as well as the unrealised profits and losses on inter-group transactions are eliminated.

The shares of shareholders’ equity and of the minority interest result are included in a separate shareholders’ equity account and in a separate line of the consolidated income statement.

3.2 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.

The acquisition was recognised under the acquisition method described in the following point 4.6. After acquisition, investments in associated companies are recorded under the equity method or rather recording the Group share of the result and of the movements in the reserves respectively to the income statement and shareholders' equity. Non-realised profits and losses on inter-group transactions are eliminated for the relative share.

When the Group share of losses in an associated company is equal to or greater than the value of the investment held, the Group does not recognise additional losses unless an obligation to recapitalise exists or if payments have been made on behalf of the associated company.

3.3 JOINT VENTURES

Investments in joint ventures are recorded under the equity method applied as described in the previous note. Joint control is defined as the contractually established sharing of the economic activities of an entity.

3.4 CONSOLIDATION SCOPE

The consolidated financial statements include the financial statements of the parent company and those companies in which the parent company holds the majority of the voting rights.

The consolidated companies at December 31, 2013 are listed in the following table:

(in Euros)

Company	Registered office	Share Capital	Holding		
			Direct	Indirect	Total
Engineering Sardegna S.r.l.	Cagliari	20,000	100.00%		100.00%
Engiweb Security S.r.l.	Rome	50,000	100.00%		100.00%
Engineering Tributi S.p.A.	Trento	10,000,000	100.00%		100.00%
Engineering International Inc.	Delaware (Usa)	7	100.00%		100.00%
Engineering International Belgium S.A.	Bruxelles	61,500	100.00%		100.00%
Engineering.mo S.p.A.	Pont Saint Martin	1,000,000	100.00%		100.00%
OverIT S.r.l.	Pordenone	98,800	95.00%		95.00%
Nexen S.p.A.	Padua	1,500,000	95.00%		95.00%
Engineering do Brasil S.A.	San Paolo (Brazil)	7,921,789	75.00%		75.00%
Engi da Argentina S.A.	Buenos Aires	50,000 (AR$)		67.50%	67.50%
Sicilia e-Servizi Venture S.c.r.l.	Palermo	300,000	65.00%		65.00%

Changes in the consolidation scope compared to December 31, 2012 relate to operations carried out during the year as summarised below:

- on April 30, acquisition of 100% of T-Systems Italia S.p.A. (now Engineering.mo S.p.A.) by Engineering Ingegneria Informatica S.p.A.;
- start of the liquidation proceedings for the company EngO S.p.A.;
- final liquidation of the company Sitel S.r.l..

4 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.

Where not specified, the significant changes reported in these notes principally relate to the changes in the consolidation scope indicated above.

The accounting policies adopted in the preparation of the present consolidated financial statements are described below.

4.1 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 including any directly attributable costs. 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.

4.2 LEASING

In the case in which the Group is the lessee
Lease contracts concerning assets in which the Group substantially holds all the risks and benefits from ownership are classified as finance lease. Assets acquired under finance leases are recorded 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 in which the Group 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.

4.3 INTANGIBLE ASSETS

The intangible assets, all with definite useful life, are recognised where identifiable and are likely to produce future economic benefits for the Group.

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.
Assets generated are amortised from the moment of use or sale. 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 - 6 years
Concessions, licenses and trademarks	3 - 8 years
Other	2 - 14 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 usage. Wherever evidence exists that difficulties may arise in the recovery of the net book value, an impairment test is carried out.

Software
The costs directly associated to information technology products produced internally or acquired from third parties are capitalised under intangible fixed assets when the following conditions are met:

- technical feasibility and intention to complete the product in order that the latter may be available for use or sale;
- capacity to use or sell the product;
- definition of the manner in which the product will generate probable future economic rewards (existence of a market for the product or use for internal means);

- availability of adequate technical, financial and other resources for the purposes of completing the development and the use/sale of the product;
- 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 which improve the products or alter them in line with regulatory changes are included within projects carried out on behalf of clients and therefore expensed in the period in which they are incurred.

Concessions, licenses and trademarks
Costs associated with the purchase of concessions, licenses and trademarks are capitalised among intangible 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.

4.4 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. A reduction in value following an impairment test is not written back in subsequent accounting 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.

4.5 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.

4.6 BUSINESS COMBINATIONS

In IFRS 3, business combinations are defined as "a transaction or other event in which a reporting entity (acquirer) 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. The difference (positive) comprises the goodwill.

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 subsidiary. 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.

4.7 INVESTMENTS

Acquisitions are recorded at the fair value of the investment plus any directly attributable costs. Following initial recognition, equity investments are recognised at cost.
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 in which Engineering Ingegneria Informatica S.p.A. has the ability to directly or indirectly determine financial and operational policies and to retain rights over such 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.

4.8 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 relate to holdings other than subsidiaries, associates and joint ventures and are recorded at adjusted cost of any loss in value, whose effect is recorded to the income statement.

4.9 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.

4.10 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.

4.11 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 Group companies are no longer involved in their management, nor hold the relative risks and benefits relating to these instruments sold/settled.

4.12 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.

4.13 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.

4.14 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.

4.15 RESERVES

The reserves consist of specific capital reserves.

4.16 RETAINED EARNINGS/(LOSSES CARRIED FORWARD)

The item Retained earnings/(losses carried forward) 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.

4.17 FINANCIAL LIABILITIES

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.

4.18 EMPLOYEE BENEFITS

Short-term employee benefits
Short-term employee benefits are recorded to the income statement in 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 profits 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 programmes; 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.

4.19 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.

4.20 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.

Dividends
Dividends are recorded in the period in which the distribution by the issuing company is approved.

4.21 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.

4.22 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.

4.23 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.

Conversion of financial statements of foreign operations
A foreign operation is an entity that is a subsidiary, associate or joint venture of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity. The statement

of financial position and income statement data expressed in the functional currency of foreign operations are converted into the presentation currency of the consolidated financial statements at the exchange rate at year-end for assets and liabilities and at the exchange rate at the date of the respective operations for revenues and costs in the income statement or the comprehensive income statement. These latter are converted at the average exchange rate in the period when such approximates the exchange rate at the date of the respective operations. Exchange differences deriving from such conversions and from the conversion of the opening shareholders' equity at the closing exchange rate are recognised to the comprehensive income statement. The total amount of the exchange differences is presented as a separate shareholders' equity item until the divestment of the foreign operation.

4.24 CHANGE OF ACCOUNTING PRINCIPLES, ERRORS AND CHANGE OF ESTIMATES

Changes in accounting principles

Adopted 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.

4.25 RISK AND CAPITAL MANAGEMENT

As in all businesses, risk factors which may affect the Group results exist and therefore preventative actions have been taken. These procedures concern the commitment and responsibilities undertaken and are subject to maximum transparency and correctness. For the relative details reference is made to paragraph XVII of the Directors' Report. 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 is examined in more detail in paragraph 15 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 paragraphs 21 and 26 hereof. 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 monitors the level of dividends to be distributed to holders of ordinary shares.
For details on the company's debt/equity ratio, see paragraph IX of the Directors' Report.

4.26 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 the Chief Executive Officer 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.

4.27 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.

4.28 NEW IFRS AND IFRIC INTERPRETATIONS

The accounting principles adopted for the drawing up of these annual consolidated financial statements are the same as those used for the Group annual consolidated financial statements at December 31, 2012, with the exception of the standards and interpretations listed below, applicable from January 1, 2013.

IFRS 13 - Fair value measurement
On May 12, 2011 the IASB issued IFRS 13 - Fair value measurement which clarifies how the fair value is calculated for the purposes of the financial statements and is applied to all situations in which the standards require or permit the calculation of the fair value or the presentation of information based on the fair value, with some limited exclusions. In addition, this standard requires more extensive disclosure than that currently required by IFRS 7. The standard is effective retrospectively from January 1, 2013. The adoption of this standard had no effects.

IAS 1 - Presentation of financial statements
On June 16, 2011, the IASB published this amendment which requires the grouping of all items presented in Other Comprehensive Income into two sub-groups, based on whether they may potentially be reclassified to profit or loss subsequently.
The amendment is applicable from periods beginning on or after July 1 2012.

Amendments to IAS 19 - Employee Benefits
On June 16, 2011, IASB issued an amendment to IAS 19 - Employee Benefits which cancels the option to defer recognition of actuarial gains and losses by using the corridor method. All actuarial gains and losses should now be immediately recognised to Other Comprehensive Income, so as the entire net amount of defined-benefit plans (net of assets related to the plan) is recognised in the consolidated statement of financial position.
The amendment also envisages that changes over years regarding both defined-benefit plans and plan-related assets should be disaggregated in three components: costs of providing employee benefits for the year should be recognised in the income statement as “service costs”; net financial charges, calculated by applying the appropriate discount rate to net balance of the defined benefit provision, net of assets resulting at the beginning of the year, should be recognised in the income statement as they are, actuarial gains and losses resulting from the re-measurement of assets and liabilities should be recognised in Other Comprehensive

Income. Moreover, asset yield included under net financial charges, as indicated above, is calculated based on the discount rate of liabilities and no longer on the expected yield of assets. This amendment also introduces new supplementary information to be given in the explanatory notes to the accounts. The amendment is applicable retrospectively for accounting periods beginning on or after January 1, 2013.

Annual Improvements to IFRSs: 2009-2011 Cycle

On May 17, 2012, the IASB published the “Annual Improvements to IFRS’s document: 2009-2011 Cycle”, which includes the amendments to the standards within the annual improvement process, focusing on amendments considered necessary, but not urgent.

Those which affect the presentation, recognition and measurement of financial statement accounts are as follows - omitting however those which will result in only terminology changes or editing of existing standards with minimal effect in accounting terms or those which have effects on standards or interpretations not applicable to the Group:

- IAS 1 - Presentation of financial statements - Comparative disclosure. This clarifies that in the case in which additional comparative information is provided, such must be presented in accordance with IAS/IFRS. In addition, it clarifies that when an entity modifies an accounting principle or carries out an adjustment/ reclassification retrospectively, the entity must present a balance sheet also at the beginning of the comparative period (“third balance sheet” in the financial statements), while in the notes no comparative disclosure is required also for this “third balance sheet” apart from the affected accounts.
- IAS 16 - Property, plant and equipment - Classification of servicing equipment. This standard clarifies that servicing equipment must be classified under item Property, plant and equipment if used for more than one financial year or under Inventories if used for only one year.
- IAS 32 - Financial Instruments: Presentation - Tax effect on distribution to equity holders and transaction costs on capital instrument. This standard clarifies that direct taxation related to this case shall comply with provisions set out by IAS 12.
- IAS 34 - Interim financial statements - Total assets for a reportable segment. This clarifies that the total assets must be reported only if this information has been suitably provided to the chief operating decision maker of the entity and a material change in the total assets of the segment compared to that reported in the last annual financial statements has arisen.

The effective date of the proposed amendments is for periods beginning on or after January 1, 2013, with advanced application permitted.

The application of this amendment had no effect in measurement terms, and had limited effects on disclosure required for the Group consolidated financial statements.

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

IFRS 10 - Consolidated Financial Statements

On May 12, 2011, the IASB issued IFRS 10 - Consolidated Financial Statements which will replace SIC 12 Consolidation - Special Purpose Entities and parts of IAS 27 - Consolidated and Separate Financial Statements (to be renamed Separate Financial Statements) and will govern the inclusion of investments in the separate financial statements. The main changes set forth by the new standard are the following:

- according to IFRS 10 there is a single principle for the consolidation of all types of entities, and that principle is based on control. This change removes the inconsistency between the previous IAS 27 (based on control) and SIC 12 (based on the transfer of risks and benefits);
- a more concrete definition of control was introduced, based on three elements: (a) power of the entity acquired; (b) exposure, or rights, to variable returns deriving from involvement with the same; (c) capacity to utilise the power to influence the amount of these returns;
- IFRS 10 requires that an investor, to evaluate if he has control of the entity acquired, focuses on the activities which influence in a significant manner the returns;
- IFRS 10 requires that, in evaluating the existence of control, consideration is taken only of the substantial rights, or rather those exercisable in practice when significant decisions must be taken on the entity acquired;

- IFRS 10 provides a practical guide in the evaluation on whether control exists in complex situations, such as de *facto control*, potential voting rights, the situations in which it is necessary to establish whether the person with the decisional power is acting as agent or principal, etc.

In general terms, the application of IFRS 10 requires a significant level of opinion on a certain number of application aspects.
The standard is effective retrospectively from January 1 2014. The adoption of this new standard will have no impact on the Group consolidation scope.

IFRS 11 - Joint Arrangements
On May 12, 2011, the IASB issued IFRS 11 - Joint arrangements which will supersede 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, 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 provides that the proportionate assets, liabilities, costs and revenues, resulting from joint operations, are entered directly in the consolidated (and separate) financial statements. The new standard is effective retrospectively as from January 1, 2014. Following the issue of IAS 28 - Investments in associates, IFRS 11 was amended to include in its application, from the effective date of the standard, also for holdings in joint ventures.

IFRS 12 - Additional disclosures of interests in other entities
On May 12 2011, the IASB issued IFRS 12 - Disclosure of interests in other entities, which is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose entities and other non consolidated vehicle companies. The standard is effective retrospectively from January 1, 2014.

Amendments to IAS 32 - Financial Instruments
On December 16, 2011, the IASB issued some amendments to the IAS 32 - Financial instruments: Presentation, aimed at clarifying some offsetting criteria of financial assets and liabilities described in IAS 32. The amendments are applicable to accounting periods beginning on or after January 1, 2014.

On June 28, 2012, the IASB issued the document Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). This document clarifies the transition ruled of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities.
These amendments are applicable, together with the relative standards, from periods beginning January 1, 2014, with advance application possible.

Amendments to IAS 36 - Impairment of Assets
On May 29, 2013, the IASB issued some amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets.
The amendments aimed at clarifying that additional information, to be supplied on the recoverable value of assets (including goodwill) or Cash Generating Units when their recoverable value is based on fair value, net of disposal costs, only relate to assets or Cash Generating Units for which an impairment loss was recognised or reversed during the year. Amendments must be applied retrospectively on accounting periods beginning on or after January 1, 2014.

Amendments to IAS 39 - Financial Instruments: Recognition and Measurement
On June 27, 2013, the IASB published amendments to IAS 39 - Financial instruments: Recognition and Measurement - Novation of derivatives and continuation of hedge accounting. The amendments related to some exception to the requirement for the discontinuation of hedge accounting in IAS 39 in circumstances

when a hedging instrument is required to be novated to a central counterparty (CCP) as a result of laws or regulations. Amendments must be applied retrospectively on accounting periods beginning on or after January 1, 2014. Advanced adoption is permitted.

4.29 SEASONALITY OF GROUP OPERATIONS

The activities of the Company are not subject to seasonality.

5 Segment information

The organisation and the internal financial reporting system are structured on the divisions which constitutes the basis in which the Group discloses the primary segment information (in accordance with IFRS 8).

The sectors of the primary breakdown are based on the expertise and market of the individual Group companies and reflect the business model which is currently broken down into 4 product sectors:

- Finance
- Public Administration
- Industry & Services
- Telco & Utilities

Direct revenues and costs are allocated according to the relevant sector. Other revenues or income and central structural costs, not specifically identifiable to sectors, are allocated in relation to the contribution margin.

(in Euros)

Segment reporting Engineering Group	Finance		Public Administration		Industry & Services		Telco & Utilities		Total	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Net revenues	**139,159,644**	**137,311,438**	**257,190,798**	**258,361,313**	**168,509,903**	**159,925,279**	**235,241,534**	**198,874,231**	**800,101,879**	**754,472,261**
EBITDA	**19,397,810**	**15,060,005**	**39,089,600**	**39,679,261**	**12,243,878**	**14,507,375**	**30,095,623**	**23,352,354**	**100,826,911**	**92,598,995**
%	13.9%	11.0%	15.2%	15.4%	7.3%	9.1%	12.8%	11.7%	12.6%	12.3%
Depr./ amort. and provisions	7,846,966	6,646,546	14,935,140	9,991,355	8,580,681	5,902,094	16,415,790	5,961,301	47,778,577	28,501,295
EBIT	**11,550,844**	**8,413,459**	**24,154,460**	**29,687,906**	**3,663,197**	**8,605,281**	**13,679,833**	**17,391,053**	**53,048,334**	**64,097,699**
%	8.3%	6.1%	9.4%	11.5%	2.2%	5.4%	5.8%	8.7%	6.6%	8.5%
Net financial income/ (charges)									(5,752,995)	(3,675,301)
Income/ (charges) from investments									33,279,041	(1,226,230)
Income taxes									27,542,134	16,991,313
Profit/ (loss) from discontinued operations									0	0
Profit for the year									**53,032,246**	**42,204,855**
Profit pertaining to third parties									(78,839)	773,919
Profit pertaining to the Group									53,111,085	41,430,936
Net investments	**31,310,389**	**28,525,697**	**24,847,365**	**17,582,047**	**13,101,611**	**22,113,656**	**34,443,517**	**39,890,923**	**103,702,883**	**108,112,323**
Current assets	**127,898,564**	**102,620,958**	**427,262,894**	**374,920,871**	**117,201,556**	**129,384,412**	**217,572,198**	**193,918,043**	**889,935,212**	**800,844,284**
Liabilities	**119,762,625**	**97,407,851**	**286,383,750**	**227,767,134**	**76,512,271**	**125,118,349**	**154,932,671**	**153,584,877**	**637,591,316**	**603,878,211**

For comments on sector results disclosed, reference is made to point VIII of the present document.

Statement of financial position

A) Non-current assets

6 Property, plant and equipment

(in Euros)

Description	31.12.2013	31.12.2012	Change
Property, plant and equipment	31,960,629	27,301,243	4,659,385

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 01.01.2012	**9,159,558**	**2,759,858**	**13,078,901**	**2,462,813**	**0**	**1,787,372**	**29,248,501**
Exchange difference effect	0	(11,706)	0	(7,949)	0	(6,488)	(26,143)
Increase	0	1,306,453	5,021,059	77,622	0	194,152	6,599,286
Decrease	0	(362,275)	(22,960,273)	(85,568)	0	(31,353)	(23,439,469)
Increase in acc. depreciation	0	0	0	0	0	0	0
Decrease in acc. depreciation	0	39	22,944,946	65,300	0	4,077	23,014,362
Depreciation	(294,399)	(599,684)	(6,007,091)	(626,031)	0	(522,259)	(8,049,464)
Changes in consolidation scope	0	(17,320)	(11,893)	(11,580)	0	(5,036)	(45,829)
Balance at 31.12.2012	**8,865,159**	**3,075,365**	**12,065,648**	**1,874,606**	**0**	**1,420,465**	**27,301,243**
Changes in op. consolid. scope	0	0	3,243,899	88,674	46	5,696,258	9,028,876
Exchange difference effect	0	(12,009)	(24,836)	(15,980)	0	(17,026)	(69,851)
Increase	0	552,242	4,747,382	683,461	0	550,963	6,534,047
Decrease	0	(170,693)	(1,394,761)	(231,367)	0	(27,059)	(1,823,879)
Increase in acc. depreciation	0	0	0	0	0	0	0
Decrease in acc. depreciation	0	73,700	1,372,398	202,727	0	27,059	1,675,884
Depreciation	(294,399)	(645,586)	(7,143,568)	(582,052)	0	(2,009,726)	(10,675,331)
Changes in consolidation scope	0	0	(10,361)	0	0	0	(10,361)
Balance at 31.12.2013	**8,570,760**	**2,873,020**	**12,855,801**	**2,020,069**	**46**	**5,640,934**	**31,960,629**

The Changes in opening consolidation scope item comprises the opening balance at May 1, 2013 of the company Engineering.mo S.p.A..

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 increase in the plant and machinery equal to Euro 552,242 relates to the installation of new electrical, air conditioning and telecommunications plant in the various offices of the company, while the decrease of Euro 170,693, net of the accumulated depreciation, equal to Euro 73,700, concerns plant sold in the year.

The increase in the Industrial and commercial equipment item, equal to Euro 4,747,382, primarily relates to the purchase of servers, personal computers, both for production and for internal use and office equipment, while the decrease of Euro 1,394,761 relates to disposals and/or donation of obsolete and fully depreciated.

7 Intangible assets

(in Euros)

Description	31.12.2013	31.12.2012	Change
Intangible assets	22,359,887	21,755,529	604,358

The changes in intangible assets are detailed as follows:

(in Euros)

Description	Development costs	Ind. patents and intell. property	Conc., licences & trademarks	Assets in progress	Other assets	Total
Balance at 01.01.2012	**0**	**21,722,438**	**1,586**	**905,700**	**1,750,769**	**24,380,494**
Exchange difference effect	0	(21,884)	0	0	0	(21,884)
Increase	905,700	1,707,206	0	(705,700)	6,108,904	8,016,110
Decrease	0	(216,864)	0	0	0	(216,864)
Increase in acc. amortisation	0	0	0	0	0	0
Decrease in acc. amortisation	0	0	0	0	0	0
Amortisation	(301,900)	(9,220,258)	(419)	0	(878,686)	(10,401,263)
Changes in consolidation scope	0	0	(1,063)	0	0	(1,063)
Balance at 31.12.2012	**603,800**	**13,970,638**	**104**	**200,000**	**6,980,987**	**21,755,529**
Changes in op. consolidation scope	0	1,257,586	0	0	0	1,257,586
Exchange difference effect	0	(69,765)	0	0	553	(69,211)
Increase	0	2,673,688	0	1,620,049	5,406,168	9,699,905
Decrease	0	(47,650)	0	(200,000)	0	(247,650)
Increase in acc. amortisation	0	0	0	0	0	0
Decrease in acc. amortisation	0	0	0	0	0	0
Amortisation	(301,900)	(6,890,998)	(104)	0	(2,843,269)	(10,036,271)
Changes in consolidation scope	0	0	0	0	0	0
Balance at 31.12.2013	**301,900**	**10,893,499**	**0**	**1,620,049**	**9,544,439**	**22,359,887**

The Changes in opening consolidation scope item comprises the opening balance at May 1, 2013 of the company Engineering.mo S.p.A..

Intangible assets reported an aggregate increase of Euro 9,699,905, mainly due to the capitalisation occurred over the year by the merged company Engineering.IT S.p.A.:

- the increase, amounting to Euro 2,673,688, in item Industrial patents and intellectual property is attributable to the purchase of new software licenses;
- the increase of Euro 1,620,049, related to Assets in progress, relates to the capitalisation of costs borne in 2013 for the development of a software called “Suite Tri-box”. The development of a new web app, which will be completed in the second half of 2014, will allow the Group to strengthen its business in the reference market and to increase revenues. This capitalisation is composed of Euro 923 thousand of external costs and Euro 697 thousand of personnel costs;
- Other assets increased by Euro 5,403,817 following the allocation of goodwill recognised in 2012 upon the acquisition (November 1, 2012) of a business branch of the company Software e Sistemi Avanzati S.p.A., named “Ramo S.E.S.A.”. Pursuant to IFRS 3, the Purchase Price Allocation related to the acquisition date of control. The measurement at fair value of assets and liabilities of the “Ramo S.E.S.A.” led to the identification of the following:

  - the Outstanding contract portfolio, as per income assessment discounted by the prospective residual margins resulting from such orders and including the Tax Acquisition Benefit portion. The amount

determined was Euro 1,420,233, which was allocated a useful life of 4 years;
- the Customer Relationship, i.e. benefits derived from the acquisition of clients transferred at the acquisition date of the business unit. The amount determined was Euro 3,983,585, which will be amortised over 4 years.

The book value recorded under fixed assets was determined through an estimate of the fair value of the assets, in accordance with IFRS 3, based on assumptions considered reasonable and realistic on the basis of information available at the date of acquisition of control.

The average residual amortisation period is as follows:

(in Euros)

Descrizione	Amortisation, remaining years	Remaining Amount
Development costs	1	301,900
Total development costs		**301,900**
Industrial patents and intellectual property	1	2,287,989
Industrial patents and intellectual property	2	2,540,901
Industrial patents and intellectual property	3	1,478,689
Industrial patents and intellectual property	4	15,698
Industrial patents and intellectual property	5	4,570,222
Total industrial patents and intellectual property		**10,893,499**
Assets in progress	1	1,620,049
Total assets in progress		**1,620,049**
Other assets	4	8,379,725
Other assets	9	1,164,714
Total other assets		**9,544,439**
Total intangible assets	**10**	**22,359,887**

8 Goodwill

(in Euros)

Description	31.12.2013	31.12.2012	Change
Goodwill	48,973,445	58,724,551	(9,751,106)

The account consists of:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Goodwill Finance	22,558,000	22,558,000	0
Goodwill Public Administration	4,419,508	4,419,508	0
Goodwill Industry & Services	2,096,850	6,444,139	(4,347,289)
Goodwill Telco & Media	6,856,086	12,259,903	(5,403,817)
Goodwill Energy & Utilities	13,043,000	13,043,000	0
Total	**48,973,445**	**58,724,551**	**(9,751,106)**

The decrease of goodwill related to Industry and Services is mainly attributable to the impairment of goodwill of Dynpro S.A., for the amount of around Euro 3.9 million, as well as to the impairment of goodwill, for around Euro 0.4 million, due to the average fluctuation of EUR/BRL exchange rate.

The decrease in goodwill of Telco & Media relates to the final allocation of the Business branch of the company Software e Sistemi Avanzati S.p.A. (S.E.S.A.) under intangible assets, as better described in paragraph 7 above.

Goodwill at December 31, 2013, entered in the consolidated balance sheet of the Engineering Group, is equal to Euro 48,973,445, down by Euro 9,751,106 compared to Euro 58,724,551 in 2012.

The table below lists the CGU's to be tested:

Finance Division	Goodwill Finance	Euro 21,603,000
Nexen	Goodwill Finance	Euro 955,000
Pal and Health Division	Goodwill PA	Euro 4,419,508
OverIT	Goodwill I&S	Euro 1,149,000
Dynpro Sistemas	Goodwill I&S	Euro 4,677,763
Telco & Media Division	Goodwill T&M	Euro 6,856,087
Energy & Utilities Division	Goodwill E&U	Euro 13,043,000
Total		Euro 52,703,358

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, 2013, tested for impairment, was Euro 52,703,358.

Based on the tests carried out according to the methods described above and according to special modalities described hereunder, the aggregate value of goodwill tested for impairment was deemed adequately supported in terms of expected economic results and related cash flow, except for goodwill related to the CGU Dynpro Sistemas, which reported an impairment of around Euro 3.9 million according to business expectations that are no longer consistent with evaluations carried out in previous years.

As regards the remaining CGUs, 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 2012, 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 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 (in brackets, if different, figures used for Dynpro):

- risk free rate equal to the gross yield of BTP 5 years sold on January 30, 2014 > 2.43 (3.00%);
- risk premium, equal to the average spread of Risk Premiums of Baa2 countries (Italy) compared to triple A countries > 6.9% (6.40%);
- cost of debt equal to the average indebtedness (long and short-term) of the Group > 2.95% (8.00%);
- beta unlevered, equal to 1;
- LTG, equal to 0.5%.

For WACC equal to 9.33%.

The component of the Terminal Value was limited to a maximum of 70% of the total sum of the discounted Free Cash Flow and the Terminal Value itself.

9 Investments

Investments in associated companies recognised under the equity method and other equity investments

The book values and shareholders' equity share referring to investments in associated companies are indicated below. The data is based on the statutory financial statements approved by the Boards of Directors of the respective companies.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Investments	408,923	331,000	77,923

Changes in investments

(in Euros)

Investments in	Value at 31.12.2012	Increase	Decrease	Write-downs	Exchange difference effect	Value at 31.12.2013
In associated companies	331,000	83,923	0	(6,000)	0	408,923
Total	**331,000**	**83,923**	**-**	**(6,000)**	**-**	**408,923**

b) Associated companies

Investments in associated companies are as follows:

(in Euros)

	City	Assets	Liabilities	Share Capital	Shareholders' Equity	Revenues	Net profit/ (loss)	Value at 31.12.2012	%
Engineering Fonderie Multimediali S.p.A.*	Rome	19,806		214,850	19,806		(141,247)	6,000	30
Consorzio Engbas Servizi Globali	Florence	51,672	6	50,000	51,666		(865)	25,000	50
Sicilia e-Servizi S.p.A.	Palermo	126,087,605	125,142.502	500,000	945,103	39,555,490	(177,774)	245,000	49
In Italia - Il consorzio dell'informatica	Rome	195,859	446	200,000	194,484		96	50,000	25
CENTO-6 S.c.a.r.l.	Milan	4,606	484	20,000	4,121		(6,623)	5,000	25
Total								**331,000**	

* Company in liquidation

(in Euros)

	City	Assets	Liabilities	Share Capital	Shareholders' Equity	Revenues	Net profit/ (loss)	Value at 31.12.2013	%
SI Lab - Calabria S.c.a.r.l.	Rende			30,000				1,800	24
SI Lab - Sicilia S.c.a.r.l.		30,323	323	30,000	30,000			3,525	24
Consorzio Sirio	Palermo	796,805	656,394	5,000	140,411	66,949	(5,820)	78,598	40
Consorzio Engbas Servizi Globali	Florence	51,672	6	50,000	51,666		(865)	25,000	50
Sicilia e-Servizi S.p.A.	Palermo	141,204,172	140,102,751	500,000	1,101,421	24,256,184	156,319	245,000	49
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
Total								**408,923**	

The figures for associated companies refer to the last approved financial statements.

10 Deferred tax assets

Deferred tax assets were recognised among assets both in the current period and in the previous period in so far, as their realisation as tax income is considered probable. These concern the temporary differences between the book values and the tax recognised values of some financial statement items.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Deferred tax assets	32,983,418	31,133,932	1,849,486

Deferred tax assets are calculated with the applicable rates (IRES 27.5% and IRAP based on regional rates) on the following items:

(in Euros)

Description	31.12.2013		31.12.2012	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Provisions employee bonus	4,102,315	1,176,062	3,164,270	907,238
IAS amortisations	8,488,285	2,334,279	4,310,972	1,308,665
Goodwill	1,327,525	416,843	945,121	294,468
Directors' fees	800,700	220,192	1,019,761	280,434
Derivative fair value	18,019	4,955	108,529	29,845
Doubtful debt provision	18,808,624	5,201,583	12,453,245	3,434,272
Provisions for risks	17,495,948	4,992,993	4,588,349	1,359,552
Leaving incentives	18,761,332	5,159,367	338,231	93,013
Tax losses	32,452,162	8,924,345	71,307,706	19,609,619
Adjustments for IFRS	2,917,329	916,041	25,602	8,039
Adjustments for IFRS IAS 19	5,685,120	1,563,408	7,281,631	2,002,449
Other	6,515,401	2,073,350	5,360,180	1,806,337
Total	**117,372,761**	**32,983,418**	**110,903,596**	**31,133,932**

The Other item relates essentially to the tax impact on provisions for invoices to be issued and to be received relating to the subsidiary company Engineering do Brasil, which will produce effects at statutory financial statement level on their relative payment.

Changes in deferred tax assets are detailed below:

(in Euros)

Description	Deferred tax assets
Balance at 01.01.2012	**30,551,004**
Increase	5,243,138
Decrease	(4,537,050)
Changes in consolidation scope	(123,159)
Balance at 31.12.2012	**31,133,932**
Changes in op. consolidation scope	11,203,751
Exchange difference effect	(361,072)
Increase	8,953,267
Decrease	(18,052,568)
Changes in consolidation scope	106,108
Balance at 31.12.2013	**32,983,418**

The decrease in deferred tax assets is mainly due to the utilisation of deferred tax liabilities, while the increase is attributable to the allocations to provisions for risks.

11 Other non-current assets

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other non current assets	5,038,252	6,165,593	(1,127,341)

The item, which decreased by Euro 1,127,341, includes investments in other companies, non-current financial assets and residual assets as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
In other companies	627,737	677,094	(49,357)
Non-current financial assets	4,410,515	5,488,499	(1,077,984)
Total	**5,038,252**	**6,165,593**	**(1,127,341)**

a) Investments in other companies

Changes in the investments in other companies

(in Euros)

Equity investments in other companies	Value at 31.12.2012	Increase	Decrease	Write-downs	Opening exchange difference	Value at 31.12.2013
Banca Popolare di Credito e Servizi	7,747					7,747
Comitato Prom. Banca dell'Urbe	6,197					6,197
Consorzio Cifte	3,749					3,749
Banca Credito Cooperativo Roma	1,033					1,033
Know Change S.r.l.	15,488					15,488
Terzo Millennio S.r.l.	1,033					1,033
Consorzio Foodnet	700					700
Consorzio Fastigi	10,919					10,919
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
Meridionale Innovazione Trasporti S.c.a.r.l.	400					400
Consorzio Cefriel	43,512					43,512
Consorzio Abi Lab	1,000					1,000
Consorzio Sirio	78,598		(78,598)			0
Editrice D.U.E.M.I.L.A Soc. Coop. a.r.l.	10,000					10,000
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
Cross Ideas S.r.l.	2,000		(2,000)			0
Consorzio Health Innovation Hub	3,000					3,000
EIT ICT LABs Trento	2,000					2,000
Smart Energia	111,111				(19,019)	92,092
EHealthnet S.c.a.r.l.	10,800					10,800
Roma Capitale Investiments Foundation	0	10,000				10,000
Partec. Cons. Cuea	7,747					7,747
Partecip Elea	40					40
Partec. Cons. Appel	1,033					1,033
Partecip. Cf Pro (Ao)	1,833					1,833
Partec. Cons.Oikos	26					26
Partec. Cons. Idroelettrica	50					50
Partec. Cons. Kit-Key	52					52
Partec. Cons. Idroenergia	516					516
Distretto Ligure Delle Tecnologie Marine S.c.a.r.l.	0	20,000				20,000
Distretto Tecnologico Campania Bioscience S.c.a.r.l.	0	20,000				20,000
Caf Italia 2000 S.r.l.	0	260				260
Seta S.r.l.	82,192					82,192
Servizi Previdenziali S.p.A.	101,918					101,918
Total	**677,094**	**50,260**	**(80,598)**		**(19,019)**	**627,737**

Equity investments in other companies increased by Euro 50,260 due to new investments.
The decrease of Euro 80,598 mainly refers to the reclassification made by the Parent Company of equity investment in Consorzio Sirio among associated companies, as shown in the table.

b) Non-current financial assets

(in Euros)

Description	31.12.2013	31.12.2012	Change
Tax receivables	3,554,801	4,328,283	(773,482)
Security deposits	427,256	1,160,216	(732,960)
Others	428,457	0	428,457
Total	**4,410,515**	**5,488,499**	**(1,077,984)**

The non-current financial assets, amounting to Euro 4,410,515, include:

- Euro 3,554,801 relate to income tax credits for taxes paid abroad, following the activities in Brazil, Greece and Argentina carried out by the Parent Company after the merger with the subsidiary Engineering.IT S.p.A.. A provision was created, equal to Euro 3,263 thousand for these receivables, to partly hedge the probable risk of insolvency within the expected due terms, by reason of the fact that these receivables related to 2008, before tax consolidation and are recoverable in 8 years, as provided for by regulations in force.
- Euro 427,256 concerning guarantees on the leased properties of the various company offices.
- The Other item relates to a bond loan by the Parent Company for which a special provision, for the same amount, was created to hedge the insolvency risk.

C) Current assets

12 Inventories

(in Euros)

Description	31.12.2013	31.12.2012	Change
Inventories	230,724	297,968	(67,244)

Inventories include goods and product usage licences purchased and held for resale.

13 Construction contracts

(in Euros)

Description	31.12.2013	31.12.2012	Change
Construction contracts	132,078,269	143,368,240	(11,289,971)

The item Construction contracts, recorded net of advances, is broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Construction contracts	143,368,240	147,531,091	(4,162,851)
Opening exchange difference	(1,230,387)	0	(1,230,387)
Change in consolidation scope	(525)	0	0
Adjustments and changes in work in progress	(460,788)	107,439	(568,228)
Costs incurred plus profits booked according to percentage completion net of losses	323,719,783	332,136,763	(8,416,981)
Invoicing progress of work	(333,318,051)	(336,407,053)	3,089,002
Total	**132,078,271**	**143,368,240**	**(11,289,969.62)**

14 Trade receivables

The book value of trade receivables and other receivables is shown at amortised cost and the value approximates the fair value. The value refers to receivables from banking institutes, utilities, industry, services, public administration and companies operating in the telecommunications market.
The type of Group operations justifies the high amounts of receivables such as the proportion due from public administration, contractual durations, the nature of the entity and the events such as the testing of projects. Trade receivables are all due within 12 months.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Trade receivables	562,207,687	518,538,751	43,668,936

The breakdown is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Customers	465,040,815	445,125,958	19,914,857
Associated companies	89,406,130	65,849,859	23,556,271
Other	7,760,741	7,562,934	197,808
Total	**562,207,687**	**518,538,751**	**43,668,936**

a) Customers

(in Euros)

Description	31.12.2013	31.12.2012	Change
Receivables on invoices issued	415,985,062	401,967,802	14,017,259
of which overdue	192,645,374	187,354,474	5,290,899
Invoices to be issued	76,346,937	64,894,651	11,452,287
Credit notes to be issued	(361,968)	(470,075)	108,107
Doubtful debt provision	(25,377,624)	(19,723,436)	(5,654,188)
Provision for interest in arrears	(1,551,593)	(1,542,984)	(8,608)
Total	**465,040,815**	**445,125,958**	**19,914,857**

Trade receivables amount to Euro 465,040,815, with a doubtful debt provision of Euro 25,377,624, sufficient to cover any future losses.

Movements in the year of the provision take account, in accordance with the prudency principle, of non-payment risks related to overdue receivables and receivables in relation to which legal proceedings are in course to redeem full recognition for the Group.

Overdue receivables by sector are shown in the following table:

(in Euros)

Description	Days falling due					Total at 31.12.2012
	30	60	90	120	over 120	
Public Administration	12,080,676	7,134,527	9,571,796	5,591,283	58,350,238	92,728,521
Finance	16,856,955	3,555,231	460,522	376,538	6,541,015	27,790,261
Industry & Services	13,264,139	4,474,034	1,332,058	1,185,443	17,990,245	38,245,920
Telco & Utilities	13,614,111	2,538,953	3,253,140	1,367,640	7,815,930	28,589,773
Total	**55,815,882**	**17,702,745**	**14,617,516**	**8,520,903**	**90,697,429**	**187,354,474**

(in Euros)

Description	Days falling due					Total at 31.12.2013
	30	60	90	120	over 120	
Public Administration	12,445,788	10,502,282	5,447,632	6,121,332	56,188,201	90,705,234
Finance	7,921,518	2,363,195	967,779	1,877,114	3,390,808	16,520,413
Industry & Services	14,981,005	9,570,389	1,855,897	2,264,911	19,446,077	48,118,278
Telco & Utilities	13,338,277	3,449,556	7,728,778	1,548,581	11,236,257	37,301,449
Total	**48,686,588**	**25,885,422**	**16,000,085**	**11,811,937**	**90,261,342**	**192,645,374**

Due dates beyond 120 days principally refer to central and local public administration which follows payment policies in relation only to the availability of funds and not based on contractual conditions; in addition entities impose contractual clauses which base payments also on events such as the full completion of projects which may have durations of many years. On the basis of the information provided to us, there is no evidence at present of any risks of non-payment apart from that included in the bad debt provision, which is allocated following an analytical assessment of each customer.

b) Associated companies

(in Euros)

Description	31.12.2013	31.12.2012	Change
Receivables on invoices issued	61,767,295	44,982,476	16,784,818
Invoices to be issued	28,702,489	21,904,370	6,798,119
Doubtful debt provision	(1,063,654)	(1,036,988)	(26,666)
Total	**89,406,130**	**65,849,859**	**23,556,271**

Receivables from associated companies of Euro 89,406,130, net of the doubtful debt provision, relates entirely to receivables from the company Sicilia e-Servizi S.p.A. (hereinafter "SISE"), a company held 49%, with a majority holding (51%) owned by the Sicily Region. This company was incorporated in December 2005, following the tender process by the Sicily Region in March 2005 and awarded to the company Sicilia e-Servizi Venture S.c.r.l. (hereinafter "SISEV") in September 2005, for the carrying out of the IT activities concerning the regional administrations and the creation of an integrated IT platform for the entire Region of Sicily. The transactions between the Region, SISE and SISEV were subsequently detailed and regulated with a subsequent agreement signed between the parties on May 21, 2007.

As regards the above-mentioned receivables (in addition to Euro 14,882,248 of construction contracts, for a total exposure of the Company with respect to SISE of Euro 104,288,378), within the common interest, on October 9, 2012 SISEV, the Sicily Region and SISE 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 SISE 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.

In 2013, however, SISE and the Region of Sicily 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. Given SISE's failure to pay, the Company filed a petition for an order of payment, amounting to Euro 30,051,531, VAT included, before the Court of Palermo. On October 2, 2013, SISE obtained the interim enforcement of the order for payment for an amount of Euro 93,163,203. The counter-parties filed objections to both proceedings and they are still outstanding.

On December 22, 2013, upon expiration of the Framework Agreement, the Regional administration asked the company SISEV to guarantee its services. The services were granted against a renewed positive agreement between the Sicily Region and SISE to fulfil mutual obligations and especially the payment of receivables owed to SISEV. Following the above-mentioned agreement, on February 1, 2014 the parties (Sicily region, SISE and SISEV) were summoned by the prefect of Palermo at the Prefecture offices. 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 negotiations, joint meetings are currently underway to finalise a new agreement, including the above-mentioned refunding plan. It is also worth noting that SISE's Shareholders' Meeting was called on March 19, 2014, first call, and March 20, 2014, second call to withdraw the company's liquidation procedure entered in November 2013.

Given the correctness of credit lines and the correct execution of services, after acknowledging the request of the Regional Administration that the company continues supplying 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 and further information and after hearing the legal adviser, receivables and works in progress recognised in the financial statements are to be deemed valid and payable.

For further information on the credit risk, reference should be made to the Director's Report.
All the activities have been completed and approved. The doubtful debt provision, amounting to Euro 1,063,654, calculated prudently by the Directors, is considered reasonable to cover any disputes with clients.

c) Other

Other receivables principally relate to prepayments for rentals, insurance policies, software package maintenance costs, usage licenses and others.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Prepayments	7,760,741	7,562,934	197,808
Total	**7,760,741**	**7,562,934**	**197,808**

15 Other current assets

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other current assets	55,971,250	43,973,891	11,997,359

The other current assets are broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Current financial assets	18,277,936	11,532,934	6,745,002
Others	37,693,314	32,440,957	5,252,357
Total	**55,971,250**	**43,973,891**	**11,997,359**

a) Current financial assets

Current financial assets are broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Tax receivables	17,037,649	10,609,283	6,428,366
Social security institutions	1,240,286	923,651	316,636
Total	**18,277,936**	**11,532,934**	**6,745,002**

The tax receivables mainly relate to the following:

- for Euro 7,565,096 to the request 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 3,947,946 to IRES and IRAP tax credits. The amount is the difference between advanced payments and withholdings applied and tax provisions calculated at December 31, 2013;
- for Euro 2,403,454 for receivables, mainly acquired by the merged Company for taxes paid abroad;
- for Euro 233,507 for receivables from Equitalia, pledges related to third parties, our customers, to secure pending payment of taxes;
- for Euro 413,777 related to receivables from the Inland Revenue Office for recoverable VAT.

b) Others

The Others item includes:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Applied research grants	33,020,166	29,909,585	3,110,581
Prepaid expenses	558,783	294,982	263,801
Others	4,114,365	2,236,390	1,877,975
Total	**37,693,314**	**32,440,957**	**5,252,357**

Receivables for applied research grants are receivables yet to be collected, relating to projects financed by national public authorities and by the European Union.

16 Cash and cash equivalents

(in Euros)

Description	31.12.2013	31.12.2012	Change
Cash and cash equivalents	139,447,283	94,665,435	44,781,848

The balance includes cash and cash equivalents and bank current accounts.
This item comprised an Escrow Account, equal to around Euro 5.5 million, created following the acquisition of T-Systems Italia S.p.A., now Engineering.mo S.p.A., which comprises the financial amount, paid by T-Systems International GmbH, of payables recognised in the financial statements at the acquisition date by the Engineering Group and related to amounts to be paid to the subjects adhering to the Trade Union agreement on voluntary leave.
Bank and postal deposits are remunerated at interest rates in line with the market.

Liquid assets consist of the following:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Bank and postal deposits	139,405,689	94,636,371	44,769,318
Cash and cash equivalents	41,594	29,063	12,530
Total	**139,447,283**	**94,665,435**	**44,781,848**

For further information reference should be made to paragraph IX of the present document.

D) Shareholders' equity

17 Information on Shareholders' equity

(in Euros)

Description	31.12.2013	31.12.2012	Change
Shareholders' equity	394,068,449	342,377,921	51,690,528

The changes are shown in the table below:

(in Euros)

Shareholders' Equity	Value at 31.12.2012	Increase	Decrease	Value at 31.12.2013
Share capital	31,875,000	0	0	31,875,000
Treasury shares in portfolio	(790,569)	0	0	(790,569)
Total share capital	**31,084,431**	**0**	**0**	**31,084,431**
Legal reserve	6,375,000	0	0	6,375,000
Reserve acquisition treasury shares	87,978,827	0	0	87,978,827
Merger reserves	12,143,385	0	0	12,143,385
Translation reserve	(371,745)	0	(118,839)	(490,584)
Other reserves	321,721	1,080,000	0	1,401,721
Total reserves	**106,447,188**	**1,080,000**	**(118,839)**	**107,408,349**
Prior years' undistributed profits	161,530,356	35,282,063	0	196,812,420
First-time application of IAS/IFRS	2,221,746	3,583,826	0	5,805,572
IAS 19 actuarial gains/(losses)	(2,858,199)	1,166,847	(2,344,384)	(4,035,735)
Fair value cash flow hedge reserve	(78,684)	65,620	0	(13,064)
Retained earnings	**160,815,220**	**40,098,357**	**(2,344,384)**	**198,569,193**
Profit/(loss) for the year	**41,430,936**	**53,111,085**	**(41,430,936)**	**53,111,085**
Total Group shareholders' equity	**339,777,775**	**94,289,441**	**(43,894,158)**	**390,173,058**
Capital and reserves of minority interests	**1,826,227**	**2,148,003**	**0**	**3,974,230**
Profit/(loss) for the year of minority interests	**773,919**	**0**	**(852,758)**	**(78,839)**
Total shareholders' equity	**342,377,921**	**96,437,444**	**(44,746,917)**	**394,068,449**

18 Share capital

The share capital fully subscribed and paid-in is unchanged in the year, amounting to Euro 31,875,000 and broken down into 12,500,000 shares of a nominal value of Euro 2.55 each.

Treasury shares in portfolio total 310,027 and are valued at purchase cost. The total value amounts to Euro 6,711,246. They are recognised for the par value as a reduction of the share capital (Euro 790,569) and for the remaining part (Euro 5,920,677) 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 April 24, 2013, 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.

19 Reserves

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

- Legal reserve:
  of Euro 6,375,000 is available for the covering of losses but is not distributable.
- Reserve for the acquisition of treasury shares:
  of Euro 87,978,827 is neither available nor distributable.
- Other Reserves of Euro 1,401,721 relate to:
  - Special applied research reserve, of Euro 81,721, is available and distributable.
  - Special Egov research reserve, of Euro 72,000, is neither available nor distributable.
  - Special Erp Light research reserve, of Euro 168,000, is neither available nor distributable.
  - PIA Project reserve, of Euro 1,080,000, is neither available nor distributable.
- Merger reserve:
  at the reporting date, this reserve totalled Euro 12,413,385. It includes Euro 2,432,450 relating to the reclassification of profit/losses occurred in the years ranging from the acquisition of the companies Eman Software S.p.A. and Neta S.p.A. and their merger by incorporation in 2006 by the Parent Company. This amount is neither available nor distributable. The remaining amount, equal to Euro 9,710,935, can be utilised and distributed.
- Translation reserve of foreign entities:
  at the reporting date, it amounted to Euro (490,584) and is neither available nor distributable.

20 Retained earnings

Retained earnings are equal to Euro 198,569,193 and include:

- retained earnings from previous years that were not distributed, in the amount of Euro 196,812,420; the reported movements are mainly due to the entry of the new subsidiary Engineering.mo S.p.A. and the allocation of profit of the previous year. This reserve is available and distributable.
- The reserve, established on first-time application of IAS/IFRS, amounts to Euro 5,805,572.
  The increase of Euro 3,583,826 mainly relates to the reserve acquired by the Parent Company following the merger of the company Engineering.IT S.p.A.. The above-stated reserve is neither available nor distributable.
- Actuarial gains/(losses), as provided for by IAS 19, amounting to Euro (4,035,735). This reserve increased by Euro 1,166,847 due to the profit related to the post-employment benefit, as per IAS 19, of deferred tax assets and decreased by Euro 2,344,384 due to the reserve IAS 19 of the company Engineering.IT S.p.A., which was transferred to the Parent Company after the merger.
- The fair value cash flow hedge reserve, for the effective part of Euro (13,064), net of deferred taxes, representing the change in the fair value of the derivative as the lower value between the cumulative fair value changes of the hedging derivative and the fair value changes of the derivative. This reserve is neither available nor distributable.

E) Non-current liabilities

21 Non-current financial payables

(in Euros)

Description	31.12.2013	31.12.2012	Change
Non-current financial liabilities	19,502,802	14,340,026	5,162,776

Non-current financial liabilities relate to Borrowings from lenders and Other non-current financial liabilities, broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Borrowings from lenders	18,437,145	13,214,708	5,222,437
Other non-current financial liabilities	1,065,658	1,125,319	(59,661)
Total	**19,502,802**	**14,340,026**	**5,162,776**

The long-term debt at December 31, 2013 is shown in the table below, including the portion due within 12 months, with indication of the lender and the interest rate.

(in Euros)

Lender	Year of maturity	Interest rate	Within 1 year	Over 1 year	Of which over 5 years
Attività Prod. Mcc/Ex Esel	2016	0,7900000	106,115	214,753	
Attività Prod. MCC/IRM&M	2015	0,9600000	292,740	295,550	
Banca Intesa Sanpaolo	2014	EURIBOR 3M/365 + 0,45000	5,000,000		
Miur Prog. 12904 Rist	2014	0,2500000	135,248		
Miur Prog. 12904 Rist	2014	0,5000000	37,233		
Miur Prog. 2865 Pasaf	2014	0,2500000	219,727		
Miur Prog. 2865 Pasaf	2014	0,5000000	73,775		
Miur Prog. 4452Ic/5 Locosp	2015	0,2500000	26,727	53,654	
Svil. Econ. Pia E-Gov	2018	0,7400000	85,162	346,996	
Svil. Econ. Pia Ex Engisud	2016	0,9600000	217,785	441,861	
Svil. Econ. Pia Odcdn	2018	0,7400000	170,066	692,941	
Svil. Econ. Pia Sinim	2018	0,7400000	196,105	799,040	
Min. Att. Produt. Prog. 10840	2014	1,6920000	23,965		
Min. Att. Produt. Prog. 10841	2014	1,6920000	113,001		
Miur Prog. 13473/1 Bbkit	2015	1,0000000	123,667	251,055	
Miur Prog. 3354/E/1 Eureka	2016	0,2500000	83,747	337,087	
Miur Prog. 6636/1 Siege	2017	0,2500000	244,205	1,478,102	
Miur Prog. 691/1 Chat	2015	0,2500000	162,376	325,971	
Svil. Econ. Pia A16/1643/P	2018	0,7400000	18,440	75,134	
Bei/Serapis N. 82199	2018	EURIBOR 3M/360 + 1,99100	1,875,000	13,125,000	
Total			**9,205,082**	**18,437,145**	**0**

The Group's main long-term financial payables include Parent Company commitments for mortgages with maturity over 12 months mainly attributable to the Parent company and equal to Euro 18,362,010.

The portion due within 12 months was reclassified under current financial liabilities.

With regard to the variable rate loan with European Investment Bank (EIB), granted on January 30, 2013 for the amount of Euro 15 million, the agreement provides for some financial obligations in addition to those required by relevant laws in relation to public disclosure by the issuer of financial instruments and its controller. In particular, Engineering Ingegneria Informatica S.p.A. is committed to see that the following values related to financial parameters are complied with:

- Net Financial Debt/Ebitda not higher than 2.00 (two);
- Debt Service Cover Ratio (DSCR), not lower than 5.00 (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 Bank 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 respected.

The loan granted by Banca Intesa Sanpaolo is expected to be entirely redeemed on January 28, 2014 with the repayment of the last instalment of Euro 5 million.

All the other long-term loans indicated above are at a subsidised fixed rate and are linked to the development of research projects.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Derivative (cash flow hedge)	18,019	108,529	(90,510)
Security deposits	1,047,332	1,122,609	(75,277)
Value of financial debt at amortised cost	307	(105,819)	106,126
Total	**1,065,658**	**1,125,319**	**(59,661)**

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.

The deposits relate to an escrow account of the subsidiary Engineering do Brasil S.A..

22 Deferred tax liabilities

(in Euros)

Description	31.12.2013	31.12.2012	Change
Deferred tax liabilities	17,555,573	16,615,724	939,848

Deferred tax liabilities refer mainly to the tax effect of the adjustments on values whose taxation was deferred to future periods and are calculated, in accordance with existing laws, at 27.5% for IRES while IRAP is based on regional rates, on the following items:

(in Euros)

Description	31.12.2013		31.12.2012	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Adjustments to post-employment benefits	7,798	2,144	0	0
Goodwill	8,184,986	2,570,085	7,459,526	2,342,291
Research grants	4,843,021	1,502,178	4,558,264	1,429,306
Research grants taxed in 5 years	0	0	1,192,196	333,643
Research grants taxed in 5 years only IRES	37,220,985	10,235,771	30,703,044	8,443,337
Capital grants	5,905,584	1,633,096	5,880,284	1,626,139
Doubtful debt provision	58,217	16,010	2,054,655	565,030
Finance leases	1,192,196	333,643	0	0
Real estate leases	1,327,361	416,791	1,369,93 7	430,160
Gains	0	0	39,000	10,725
IFRS adjustments	2,666,283	836,836	2,778,823	872,041
IFRS - IAS 8 adjustments	1,031	328	1,031	328
Other	27,679	8,691	5,513,483	562,725
Total	**61,435,140**	**17,555,573**	**61,550,241**	**16,615,724**

Movements in deferred tax liabilities are illustrated below:

(in Euros)

Description	
Balance at 01.01.2012	**15,624,809**
Exchange difference effect	-
Change in consolidation scope	(67,512)
Increase	4,616,982
Decrease	(3,558,555)
Balance at 31.12.2012	**16,615,724**
Exchange difference effect	(32,163)
Change in consolidation scope	-
Increase	4,697,641
Decrease	(3,725,630)
Balance at 31.12.2013	**17,555,573**

23 Non-current provisions for risks

(in Euros)

Description	31.12.2013	31.12.2012	Change
Non-current provisions for risks	4,490,565	3,843,973	646,591

The provisions were accrued against any liabilities considered to be probable which may affect the results of the Group in the coming years. In particular, they relate, in the amount of Euro 3,263 thousand, to the tax credit recoverability risk for taxes paid abroad in years prior to the tax consolidation.

The change, compared to the previous year, is mainly due to the following:

- for Euro 535,000 to the adjustment to allocations for tax credit recoverability risk for taxes paid abroad;
- for Euro 428,457 for recoverability risk of the bond loan. The issuer company of this loan is undergoing economic-financial difficulties;
- for Euro 565,905 related to further allocations by the subsidiary Engineering do Brasil S.A.;
- the decrease relates to the use of allocations made in previous years due to their occurrence or reclassification to specific payables during 2013. Namely, Euro 316 thousand relate to the settlement of disputes for restructuring, and Euro 460 thousand for the settlement of Inail dispute, for which an instalment payment has been agreed upon. The latter already started last year.

Changes are detailed below:

(in Euros)

Description	
Balance at 01.01.2012	**3,101,644**
Exchange difference effect	-
Increase	1,945,578
Decrease	(1,203,249)
Balance at 31.12.2012	**3,843,973**
Exchange difference effect	(92,692)
Increase	1,529,362
Decrease	(790,079)
Balance at 31.12.2013	**4,490,565**

The amount concerns the provision for tax and contribution risks which the company considered probable.

24 Other non-current liabilities

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other non-current liabilities	584,739	2,530,738	(1,946,000)

The change is primarily due to the reclassification of debt (Euro 2,239,059) for post-employment benefits related to some managers with key functions of the Parent Company, recognised under other current liabilities by reason of the fact that the debt was paid in advance with respect to 2014.

25 Post-employment benefits

(in Euros)

Description	31.12.2013	31.12.2012	Change
Post-employment benefits	65,009,313	66,576,564	(1,567,251)

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 matured 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 are 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 on the basis of 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 0.42% to 4.36% 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).

Actuarial profits and losses are recognised under Shareholders’ equity on an accrual basis, while Cost interest was recognised in the Income Statement under financial charges.

The effect of the 10 percentage point increase or decrease of the utilised discount rate on the post-employment benefit obligation, taking the other assumptions as unchanged, is equal to Euro -1.1 million and Euro 1.2 million, respectively.

(in Euros)

Engineering Group		Discounting				
		-10%		100%		10%
	-10%	**65,356,331**	1,206,431	**64,149,900**	-1,161,432	**62,988,468**
		-886,537	346,977	**-859,454**	-2,020,886	**-833,612**
Infla	100%	**66,242,868**	1,233,514	**65,009,354**	-1,187,274	**63,822,080**
		903,147	2,136,661	**875,381**	-338,381	**848,893**
	10%	**67,146,015**	1,261,280	**65,884,735**	-1,213,762	**64,670,973**

Changes are detailed below:

(in Euros)

Description	
Balance at 01.01.2012	**61,489,657**
Provisions	19,113,814
Amounts paid to social security institutions + INPS	(16,956,842)
Actuarial profits/(losses)	4,817,681
Benefits paid	(2,378,322)
Indemnities on acquisition of Group business unit/subsidiaries	540,615
Transfer payables of Group business units/subsidiaries	(23,908)
Post-empl. benefits, consolidated companies	-
Post.empl. benefits, companies not in consolidation scope	(26,131)
Balance at 31.12.2012	**66,576,564**
Provisions	19,803,376
Amounts paid to social security institutions + INPS	(19,181,388)
Actuarial profits/(losses)	(1,970,276)
Benefits paid	(4,089,628)
Indemnities on acquisition of Group business unit/subsidiaries	53,778
Transfer payables of Group business units/subsidiaries	(53,778)
Post-empl. benefits, consolidated companies	4,035,872
Post.empl. benefits, companies not in consolidation scope	(165,205)
Balance at 31.12.2013	**65,009,313**

Note: The Accruals item comprises the interest cost for an amount equal to Euro 561,934.

F) Current liabilities

26 Current financial liabilities

(in Euros)

Description	31.12.2013	31.12.2012	Change
Current financial liabilities	87,686,111	115,656,630	(27,970,520)

Current financial liabilities relate to Payables to lenders, banks and other financial liabilities as reported below:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Lenders	77,705,082	107,270,112	(29,565,030)
Bank payables	3,753,662	3,698,271	55,390
Other financial liabilities	6,227,367	4,688,247	1,539,119
Total	**87,686,111**	**115,656,630**	**(27,970,520)**

PAYABLES TO LENDERS

At December 31, 2013, short-term loans totalled Euro 77,705,082, of which Euro 9,205,082 relating to instalments on loans maturing within one year; for details reference is made to the paragraph “Non-current financial liabilities” of these Notes, and Euro 68,500,000 for loans with duration less than six months.

PAYABLES TO BANKS

(in Euros)

Description	31.12.2013	31.12.2012	Change
Bank overdrafts	3,753,662	3,698,271	55,390
Total	**3,753,662**	**3,698,271**	**55,390**

OTHER CURRENT FINANCIAL LIABILITIES

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other grants	6,225,867	4,629,605	1,596,262
Equity investments	1,500	58,643	(57,143)
Total	**6,227,367**	**4,688,247**	**1,539,119**

27 Current tax payables

(in Euros)

Description	31.12.2013	31.12.2012	Change
Current tax payables	315,362	5,575,865	(5,260,503)

The balance at December 31, 2013 primarily includes current tax payables.

The breakdown is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
IRES	-	5,402,217	(5,402,217)
IRAP	-	173,648	(173,648)
Foreign taxes	315,362	-	315,362
Total	**315,362**	**5,575,865**	**(5,260,503)**

The decrease is due to the netting of receivables related to advanced payments made over the year.

28 Current provisions for risks

(in Euros)

Description	31.12.2013	31.12.2012	Change
Current provisions for risks	36,162,941	5,030,095	31,132,846

Current provisions for risks are broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Provisions for risks	29,057,231	1,895,059	27,162,173
Provision for losses on projects	7,105,710	3,135,036	3,970,674
Total	**36,162,941**	**5,030,095**	**31,132,846**

The provision for risks mainly comprises amounts related to the new consolidation of Engineering.mo S.p.A., the opening balance of which, at May 1, 2013, were highlighted under item Changes in opening consolidation scope in the following table and it is primarily composed of the following:

- Euro 16,300,000 related to personnel leaves;
- Euro 5,382,000 for risks of future charges on outstanding disputes;
- Euro 3,047,201 for provisions for risks and losses on projects and relate to the expected future losses on some projects being implemented;
- the remaining part relates to allocations made over the year for potential future risks on current projects and for employment-related risks.

It is noted that the change in the provision for risks and charges primarily relates to increases over the year. For further details reference is made to Note 38 “Provisions”.

The decrease in the current provisions for risks and charges is mainly due to the utilisation of the provision for personnel-related charges (around Euro 6 million) and, for the remaining amount, to utilisations of allocations, previously made, upon the occurrence of the event connected with the allocated amount.

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

(in Euros)

Description	
Balance at 01.01.2012	**5,536,672**
Increase	3,362,112
Decrease	(3,673,696)
Change in consolidation scope	(194,993)
Balance at 31.12.2012	**5,030,095**
Changes in opening consolidation scope	27,700,219
Increase	11,514,703
Decrease	(8,082,075)
Change in consolidation scope	-
Balance at 31.12.2013	**36,162,941**

29 Other current liabilities

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other current liabilities	144,565,506	127,861,576	16,703,930

This item is broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Directors and Statutory Auditors	785,895	949,642	(163,747)
Consultants	75,581	118,956	(43,374)
Acquisition of business unit	920,619	1,225,446	(304,827)
Withholding taxes	882,723	319,070	563,653
Tax payables	46,450,479	44,688,497	1,761,982
Due to RTI partners	306,036	1,255,172	(949,136)
Social security institutions	16,024,199	14,431,510	1,592,689
Others	8,316,385	4,278,977	4,037,408
Employees	64,888,675	57,688,127	7,200,548
Partners for research projects	5,157,920	2,053,701	3,104,219
Accrued m/l loan interest	191,036	158,157	32,879
Other accruals	372,815	564,797	(191,982)
Deferred income	193,143	129,526	63,617
Total	**144,565,506**	**127,861,576**	**16,703,930**

Tax payables are broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
VAT	16,553,388	15,242,768	1,310,620
Suspended VAT	15,808,543	18,847,835	(3,039,293)
IRPEF	10,208,177	9,070,891	1,137,286
Other	3,880,372	1,527,003	2,353,369
Total	**46,450,479**	**44,688,497**	**1,761,982**

30 Trade payables

(in Euros)

Description	31.12.2013	31.12.2012	Change
Trade payables	261,718,406	245,847,018	15,871,387

Trade payables refer to current payables to suppliers for goods and services.

The balance at December 31, 2013 is broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Suppliers	225,269,444	207,876,034	17,393,410
Associated companies	732,234	732,206	28
Others	35,716,727	37,238,778	(1,522,051)
Total	**261,718,406**	**245,847,018**	**15,871,388**

A) SUPPLIERS

(in Euros)

Description	31.12.2013	31.12.2012	Change
Due to Italian suppliers	166,625,232	156,942,538	9,682,693
Due to foreign suppliers	8,141,429	4,760,527	3,380,902
Invoices to be received	51,915,932	46,718,169	5,197,764
Credit notes to be received	(1,413,149)	(545,200)	(867,949)
Total	**225,269,444**	**207,876,034**	**17,393,410**

B) ASSOCIATED COMPANIES

(in Euros)

Description	31.12.2013	31.12.2012	Change
Invoices received	732,234	732,206	28
Total	**732,234**	**732,206**	**28**

C) OTHERS

(in Euros)

Description	31.12.2013	31.12.2012	Change
Advances for future work	35,716,727	37,238,778	(1,522,051)
Total	**35,716,727**	**37,238,778**	**(1,522,051)**

Income statement

A) Operating revenues

(in Euros)

Description	31.12.2013	31.12.2012	Change
Operating revenues	822,795,055	770,040,075	52,754,980

31 Operating revenues

Group revenues decreased by Euro 52,754,980. These relate to revenues from sales and services of products produced, in particular, consultancy services, IT design, usage licences, software maintenance services, and outsourcing services.

(in Euros)

Description	31.12.2013	31.12.2012	Change
Revenues from sales and service	809,767,392	760,533,722	49,233,670
Cgs. finished products and construction contracts	(9,665,513)	(6,061,461)	(3,604,052)
Other revenues	22,693,176	15,567,814	7,125,362
Total	**822,795,055**	**770,040,075**	**52,754,980**

For further analysis and comments reference should be made to the present document.

32 Other revenues

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other revenues	22,693,176	15,567,814	7,125,362

The breakdown of Other revenues is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Grants	13,776,511	10,568,637	3,207,874
Other income	8,916,665	4,999,178	3,917,488
Total	**22,693,176**	**15,567,814**	**7,125,362**

Other revenues refer mainly to grants for research projects financed by national bodies and by the European Community.

Re-invoicing of fringe benefits to employees for company cars is included in item Other revenues.

B) Operating expenses

(in Euros)

Description	31.12.2013	31.12.2012	Change
Operating expenses	769,746,721	705,942,376	63,804,345

33 Operating expenses

The breakdown of operating expenses is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Raw materials and consumables	11,257,065	12,868,499	(1,611,434)
Services	304,098,476	292,933,993	11,164,483
Personnel costs	397,120,875	364,360,690	32,760,185
Amortisation and depreciation	20,711,602	18,450,727	2,260,875
Provisions	27,066,975	10,050,568	17,016,407
Other costs	9,491,728	7,277,899	2,213,830
Total	**769,746,721**	**705,942,376**	**63,804,345**

The increase is mainly due to costs for services, personnel and allocations. For further details reference is made to the corresponding paragraphs.

34 Raw materials and consumables

(in Euros)

Description	31.12.2013	31.12.2012	Change
Raw materials and consumables	11,257,065	12,868,499	(1,611,434)

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

(in Euros)

Description	31.12.2013	31.12.2012	Change
Hardware	3,646,860	5,406,678	(1,759,818)
Software	6,905,292	6,773,436	131,856
Consumables	704,912	688,385	16,527
Total	**11,257,065**	**12,868,499**	**(1,611,434)**

35 Service costs

(in Euros)

Description	31.12.2013	31.12.2012	Change
Services	304,098,476	292,933,993	11,164,483

Service costs comprise the following accounts:

(in Euros)

Description	31.12.2013	31.12.2012	Change
EDP purchases, services and data lines	6,391,010	3,661,426	2,729,584
Insurance	3,688,031	2,914,400	773,630
Bank charges and commissions	824,537	1,122,495	(297,958)
Technical support and consultancy	192,193,220	193,794,021	(1,600,801)
Legal and administrative consultancy	2,780,687	2,272,328	508,359
Training and refresher courses	2,219,516	2,379,561	(160,045)
Consultants	2,304,720	2,521,339	(216,619)
Cost of corporate boards	2,055,406	2,822,719	(767,313)
Building rental	15,846,428	11,969,398	3,877,030
Building maintenance Tang. & Int.	22,708,313	21,221,926	1,486,387
Canteen and other personnel expenses	6,356,249	5,919,926	436,322
Automotive expenses	12,480,432	12,361,998	118,434
Hardware and software rental	2,238,219	1,529,340	708,879
Maintenance and security services	3,144,437	2,434,011	710,425
Advertising and sales rep. expenses	1,086,087	1,267,496	(181,409)
Travel costs	15,950,806	15,389,096	561,710
Postage and shipping expenses	1,749,525	1,843,086	(93,561)
Utilities	9,521,308	7,367,737	2,153,570
Other	559,546	141,689	417,857
Total	**304,098,476**	**292,933,993**	**11,164,483**

The following table shows the remuneration paid in 2013 to the audit firm of the consolidated financial statements, in accordance with Article 149-*duodecies* of the consolidated finance act.

(in Euros)

Service	Provider	Beneficiary	Fees
Audit	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	260,000
Other services (1)	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	50,000
Audit	Deloitte & Touche S.p.A.	Engineering.mo S.p.A.	35,000
Attestation services (2) (3)	Deloitte & Touche S.p.A.	Engineering.mo S.p.A.	39,000
Audit	Deloitte & Touche S.p.A.	Engineering Tributi S.p.A.	20,000
Audit	Deloitte & Touche S.p.A.	Sicilia e-servizi Venture S.c.r.l.	15,000

Fee is net of Consob contribution
(1) Audit of the opening separate balance sheet prepare in compliance with IFRS
(2) Voluntary audit of the state of affairs at April 30, 2013
(3) Services related to the internal control system

36 Personnel costs

(in Euros)

Description	31.12.2013	31.12.2012	Change
Personnel costs	397,120,875	364,360,690	32,760,185

Personnel costs consist of:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Salaries and wages	296,142,978	268,592,743	27,550,235
Social security expenses	80,212,177	72,897,127	7,315,050
Post employment benefits	18,791,509	19,113,814	(322,305)
Restructuring and reorganising personnel	3,537,038	3,508,519	28,519
Other personnel costs	(1,562,826)	248,487	(1,811,314)
Total	**397,120,875**	**364,360,690**	**32,760,185**

The increase in the account Salaries and wages is due to the increase in the workforce following the acquisition of the company Engineering.mo S.p.A. and to normal salary increases, in addition to the recognition of commissions related to the achievement of the objectives.

The average number of employees in 2013 increased on the previous year by 675.

(units)

Description	31.12.2013	31.12.2012	Change
Executives	339	311	28
Managers	1,545	1,328	217
Other employees	5,391	4,961	430
Total	**7,275**	**6,600**	**675**

37 Amortisation and depreciation

(in Euros)

Description	31.12.2013	31.12.2012	Change
Amortisation and depreciation	20,711,602	18,450,727	2,260,875

The breakdown is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Depreciation of property, plant & equip.	10,675,331	8,049,464	2,625,867
Amortisation of intangible assets	10,036,271	10,401,263	(364,992)
Total	**20,711,602**	**18,450,727**	**2,260,875**

38 Provisions

(in Euros)

Description	31.12.2013	31.12.2012	Change
Provisions	27,066,975	10,050,568	17,016,407

The provisions increased due to the changes reported in the following table:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Doubtful debt provision	10,029,954	3,556,862	6,473,092
Risk provision	13,123,388	4,423,236	8,700,152
Provision for interest in arrears	11,028	70,470	(59,442)
Write-down of fixed assets	3,902,605	2,000,000	1,902,605
Total	**27,066,975**	**10,050,568**	**17,016,407**

The allocation to provision for risks is mainly due to the following:

- for around Euro 5.5 million, related to a restructuring plan and allocations for expected staff leaves under incentive schemes;
- for around Euro 3.0 million for risks on projects;
- for Euro 2.1 million for risks connected with a settlement agreement concluded with a customer;
- for around Euro 1 million for risks connected with the recoverability of receivables for taxes paid abroad and financial risks on a bond loan;
- for Euro 0.7 million related to the adjustment of the dispute arisen with respect to the tax audit report following the assessment visit that took place in 2012 by the General Management of the Inland Revenue office.

The allocations are the best estimate made based on the current information available to us.

39 Other costs

(in Euros)

Description	31.12.2013	31.12.2012	Change
Other costs	9,491,728	7,277,899	2,213,830

Other costs are broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Dues and subscriptions	603,438	477,607	125,832
Taxes	7,545,307	5,269,599	2,275,708
Gifts and donations	155,393	213,897	(58,505)
Charges for social causes	214,739	153,655	61,084
Other	972,852	1,163,141	(190,290)
Total	**9,491,728**	**7,277,899**	**2,213,830**

40 Financial income/(charges)

(in Euros)

Description	31.12.2013	31.12.2012	Change
Financial income/(charges)	(5,752,995)	(3,675,301)	(2,077,694)

Financial income is broken down as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Interest income	1,886,023	1,967,030	(81,007)
Fair value gain (differential from derivative)	-	3,699	(3,699)
Other Income	933,317	195,553	737,764
Total	**2,819,340**	**2,166,282**	**653,059**

Exchange gains, amounting to Euro 932,754 at year-end, are included in Other income.

Financial charges consist of:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Interest expense	4,617,332	4,391,104	226,227
Other	3,955,004	1,450,478	2,504,526
Total	**8,572,335**	**5,841,582**	**2,730,753**

Interest expense refers principally to loans detailed in Note 21 of the present document.

Exchange losses, amounting to Euro 3,787,049 at year-end, are included in Other.

41 Income/(charges) from investments

(in Euros)

Description	31.12.2013	31.12.2012	Change
Income/(charges) from investments	33,279,041	(1,226,230)	34,505,272

The breakdown is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Gains on equity investments	178,770	145,477	33,293
Write-down of equity investments	(85,606)	(1,371,707)	1,286,101
Non-recurring income (charges)	33,185,878	-	33,185,878
Total	**33,279,041**	**(1,226,230)**	**34,505,272**

The increase in non-recurring income relates to the purchase of the company T-Systems Italia S.p.A., now Engineering.mo S.p.A., occurred on April 30, 2013. The non-recurring income results from the surplus of assets and liabilities acquired and measured at fair value, compared to the purchase cost of the equity investment, as more specifically highlighted in paragraph 1.2 above.

42 Taxes

(in Euros)

Description	31.12.2013	31.12.2012	Change
Taxes	27,542,134	16,991,313	10,550,821

The breakdown of taxes is as follows:

(in Euros)

Description	31.12.2013	31.12.2012	Change
Current	17,338,061	15,545,032	1,793,029
Deferred	10,204,073	1,446,282	8,757,792
Total	**27,542,134**	**16,991,313**	**10,550,821**

The taxes of Euro 27,542,134 (of which Euro 2,186,633 comprising current IRES taxes) was estimated taking account of the result in the year and of the existing regulations and represent the best estimate of the tax charge.
It is noted that, for current taxes purposes (IRES), the tax burden decreased remarkably due to the recovery of tax losses, to the extent allowed for by regulations in force, incurred by the Parent Company, offset by a higher burden of deferred taxation due to the release of advance taxes calculated over tax losses from previous years.

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

(in Euros)

Reconciliation between theoretical and effective IRES tax	31.12.2013		31.12.2012	
	Amount	%	Amount	%
Profit before taxes	80,574,380		59,196,168	
Ordinary rate applied	**22,157,955**	**27.5%**	**16,278,946**	**27.5%**
Tax effects deriving from:				
Income taxable in prior years	2,143,272	2.7%	2,984,411	5.0%
Income not taxable	(13,674,429)	-17.0%	(3,241,033)	-5.5%
Expenses not deductible	7,799,463	9.7%	5,102,935	8.6%
IAS differences	(432,542)	-0.5%	(605,105)	-1.0%
Other changes reducing taxable IRES	(6,390,204)	-7.9%	(5,067,137)	-8.6%
Utilisation of previous years tax losses	(10,680,233)	-13.3%	(4,037,414)	-6.8%
Effect of foreign tax rates	1,263,352	1.6%	(86,136)	-0.1%
Total assessable IRES	**7,951,393**		**41,198,060**	
Tax/tax rate	**2,186,633**	**2.7%**	**11,329,466**	**19.1%**

Deferred taxes were calculated considering the accumulated sum of all temporary differences on the basis of the average expected rate for successive tax periods when these differences will reverse; for details of the temporary differences which have resulted in deferred taxes, reference is made to the previous paragraphs 10 “Deferred tax assets” and 22 “Deferred tax liabilities”.

43 Earnings per share

The breakdown of the earnings per share is as follows:

GROUP NET PROFIT FOR THE YEAR

(in Euros)

Description	31.12.2013	31.12.2012
Group net profit for the year	53,111,085	41,430,936
Weighted average number of shares	12,189,973	12,188,187
Basic earnings per share	4.36	3.40
Diluted earnings per share	4.36	3.40

NET PROFIT FROM CONTINUING OPERATIONS

(in Euros)

Description	31.12.2013	31.12.2012
Net profit from continuing operations	53,032,246	42,204,855
Weighted average number of shares	12,189,973	12,188,187
Basic earnings per share	4.35	3.46
Diluted earnings per share	4.35	3.46

No options, contracts or convertible financial instruments or their equivalents, granting bearers the right to purchase ordinary shares, exist; therefore, the earnings per share coincides with the diluted earnings per share.

44 Other significant information

COMMITMENTS UNDERTAKEN

The following table summarises the commitments of the Group at December 31, 2013.

(in Euros)

Description	31.12.2013
Third party sureties	180,243,763
Bank sureties in favour of other companies	7,119,184
Bid bonds and performance bonds	13,142,528
Total commitments assumed	**200,505,474**

Third party sureties: these relate to guarantees provided in respect of participation in tender offers, for the signing of contracts and for guarantees on office rental contracts and refer principally to the Parent Company for Euro 173,560,703.

Bank sureties in favour of other companies: bank sureties essentially refer to the Parent Company and concern sureties in favour of other companies.

Bid Bonds and Performance Bonds: these types of commitments relate to guarantees given for participation in tenders, primarily attributable to the company Engineering.mo S.p.A. and amounting to Euro 9,706,528.

OPERATING LEASES

The operating leases related to rental contracts for transport vehicles, photocopiers, HW and ordinary office machines are shown below.

(in Euros)

Description	31.12.2013	31.12.2012
Liability remaining at 1st January	16,926,731	11,842,555
Amount of contracts agreed in year	8,488,933	13,418,208
Amount of fees paid in year	(9,656,542)	(8,887,754)
Amount of fees paid in advance	(365,997)	(52,877)
Amount of fees still due	**15,393,125**	**16,320,131**

At year-end, the amount of rental due was as follows:

(in Euros)

Description	31.12.2013	31.12.2012
Within 1 year	7,822,633	7,655,148
Over 1 year	7,570,492	8,664,982
Over 5 years	-	-
Total	**15,393,125**	**16,320,131**

45 Breakdown of financial instruments by category

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

(in Euros)

Book value at 31.12.2013	Assets valued at FV in P&L	Investments held to maturity	Loans and receivables	AFS financial assets
Other non-current assets			5,038,252	
Trade receivables			562,207,687	
Other current assets			55,971,250	
Cash and cash equivalents			139,447,283	
Total assets	**0**	**0**	**762,664,471**	**0**

(in Euros)

Book value at 31.12.2012	Assets valued at FV in P&L	Investments held to maturity	Loans and receivables	AFS financial assets
Other non-current assets			6,165,593	
Trade receivables			518,538,751	
Other current assets			43,973,891	
Cash and cash equivalents			94,665,435	
Total assets	**0**	**0**	**663,343,670**	**0**

(in Euros)

Book value at 31.12.2013	Liabilities at FV in P&L	Liabilities relating to hedging instruments	Liabilities recorded at amortised cost
Non-current financial payables		18,019(*)	18,437,451
Other non-current liabilities			1,632,070
Current financial liabilities			81,460,244
Other current liabilities			150,791,373
Trade payables			261,718,406
Total liabilities	**0**	**18,019**	**514,039,544**

(in Euros)

Book value at 31.12.2012	Liabilities at FV in P&L	Liabilities relating to hedging instruments	Liabilities recorded at amortised cost
Non-current financial payables		108,529(*)	13,108,888
Other non-current liabilities			3,653,347
Current financial liabilities			111,027,025
Other current liabilities			132,491,181
Trade payables			245,847,018
Total liabilities	**0**	**108,529**	**506,127,461**

(*) For disclosure purposes as per IFRS 7 relating to the fair values in the tables above they relate to Level 2 as described in paragraph 4.17 "Derivative financial instruments".

46 Transactions with related parties

Companies which directly or indirectly, through one or more intermediary companies, control, are controlled by the Parent Company and in which the company holds a shareholding such as to exercise significant influence, associated companies, as well as senior managers with strategic responsibilities of the Parent Company and the companies directly and/or indirectly controlled by it and in which the Parent Company exercises significant influence are considered related parties. In relation to this, reference is made to that reported in the Corporate Governance Report.
In accordance with Consob Regulations, no transactions of an atypical and/or unusual nature were undertaken with related parties or outside normal business practice or such as to distort the Group financial statements. The transactions with related parties relate to normal operations in the case of each respective entity and are conducted at normal market conditions.
No other transactions with related parties other than those indicated below were undertaken.
The other current liabilities include post-employment benefit payables of some senior managers of the company, under a stability pact signed in 2009.

The following table summarises the commercial and financial transactions undertaken at market conditions between the Group companies at December 31, 20123, eliminated for consolidation purposes:

(in Euros)

Description	Engineering Ingegneria Informatica S.p.A.	Engineering Sardegna S.r.l.	Engineering Tributi S.p.A.	Engiweb Security S.r.l.	Nexen S.p.A.	OverIT S.r.l.	Sicilia e-Servizi Venture S.c.r.l.	Engineering do Brasil S.A.	Engineering International Belgium S.A.	Engineering.mo S.p.A.	Total Costs
Engineering Ingegneria Informatica S.p.A.		799,220	1,127,278	1,226,021	2,455,064	14,519,713	9,314	202,644	1,742,559	705,038	22,786,851
Engineering Sardegna S.r.l.	388,151					16,000					404,151
Engineering do Brasil S.A.	5,503,765					738,691					6,242,457
Engi da Argentina S.A.	2,750,923										2,750,923
Engineering Tributi S.p.A.	3,513,455			47,419							3,560,874
Engiweb Security S.r.l.	88,560										88,560
Nexen S.p.A.	624,606										624,606
OverIT S.r.l.	175,920							98,628			274,547
Sicilia e-Servizi Venture S.c.r.l.	13,142,977										13,142,977
Engineering International Belgium S.A.	1,331,129										1,331,129
Engineering.mo S.p.A.	1,573,062				850						1,573,912
Total Revenues	**29,092,548**	**799,220**	**1,127,278**	**1,273,440**	**2,455,914**	**15,274,404**	**9,314**	**301,272**	**1,742,559**	**705,038**	**52,780,987**

(in Euros)

Description	Engineering Ingegneria Informatica S.p.A	Engineering Tributi S.p.A	Engineering.mo S.p.A.	Total Charges
Engineering Ingegneria Informatica S.p.A.		555,504	47,126	602,630
Engineering Sardegna S.r.l.	24,965			24,965
Engineering Tributi S.p.A.	707,249			707,249
Engiweb Security S.r.l.	57,947			57,947
Total income	**790,161**	**555,504**	**47,126**	**1,392,791**

(in Euros)

Description	Engineering Ingegneria Informatica S.p.A.	Engineering Sardegna S.r.l.	Engineering Tributi S.p.A.	Engiweb Security S.r.l.	Nexen S.p.A.	OverIT S.r.l.	Sicilia e-Servizi Venture S.c.r.l.	Engineering do Brasil S.A.	Engineering International Belgium S.A.	Engineering.mo S.p.A.	Total Liabilities
Engineering Ingegneria Informatica S.p.A.		1,800,347	3,749,376	1,312,413	2,975,984	11,152,990	25,321	5,059,787	861,592	5,998,033	32,935,843
Engineering Sardegna S.r.l.	1,844,681					19,520					1,864,201
Engineering do Brasil S.A.	7,057,905					381,171					7,439,076
Engi da Argentina S.A.	4,811,026							35,962			4,846,988
Engineering Tributi S.p.A.	14,175,071			56,384	15,163						14,246,618
Engiweb Security S.r.l.	2,771,797										2,771,797
Nexen S.p.A.	579,399										579,399
OverIT S.r.l.	438,978										438,978
Sicilia e-Servizi Venture S.c.r.l.	63,665,014										63,665,014
Engineering International Belgium S.A.	1,457,898										1,457,898
Engineering.mo S.p.A.	1,597,492				850	52,000					1,650,342
Total Assets	**98,399,262**	**1,800,347**	**3,749,376**	**1,368,797**	**2,991,997**	**11,605,681**	**25,321**	**5,095,749**	**861,592**	**5,998,033**	**131,896,155**

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

No transactions were undertaken with senior managers 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 previous paragraph 24.

Declaration on the Consolidated Financial Statements of Engineering Ingegneria Informatica S.p.A. at 31 December 2013, in accordance with Article 81 *ter* of Consob Regulation no. 11971 of 14 May 1999, as amended

1. 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 24 February 1998:

   - the adequacy of the information on company operations;
   - the application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the Engineering Group for the year ended 31 December 2013.

2. It is also noted that:

2.1 The consolidated financial statements of the Engineering Group at 31 December 2013:

a) 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 19 July 2002;

b) correspond to the underlying accounting documents and records;

c) provide a true and correct representation of the balance sheet, financial situation and result for the year of the Issuer and of the other companies in the consolidation scope.

2.2. The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Rome, 14 March 2014

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

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