

Annual Accounts 2015



Engineering Ingegneria Informatica S.p.A.
Registered 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

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Shareholders' Meeting Call

The Shareholders of Engineering Ingegneria Informatica S.p.A. are called to attend an Ordinary Shareholders' Meeting at the learning center of Engineering Ingegneria Informatica S.p.A. in Ferentino (FR), via Casilina n. 246 Km 68 Casilina Nord, on the day April 29, 2016 at 11.00 a.m. on first call and if necessary, on the second call, on the day May 20, 2016 at same place and time to discuss and resolve the following.

■ AGENDA

1. Financial statements for the financial year ended December 31, 2015, consolidated financial statements for the year ended at 31 December 2015, Directors' Management report, Internal Control and Risk Management Committee's report, Corporate Governance report, and the Auditors' Company's report. Related and consequent resolutions.
2. Consultation of the first section of the Remuneration report under article 123-ter of Legislative Decree 58/98.

The documentation for the items on the agenda provided by the regulations will be made available to the public at the headquarters of the Company, in Rome, Via San Martino della Battaglia 56 and published on the Company website address www.eng.it, on the site of authorized storage www.1info.it and with the other modes provided by Consob with regulation, under the terms provided by the current rules of law and regulations. The Shareholders have the right to obtain a copy of the documentation filed.

■ SHARE CAPITAL

On the date of this Meeting notice, the share capital of Engineering Ingegneria Informatica S.p.A. is equal to Euro 31,875,000, divided into n. 12,500,000 ordinary shares with a nominal value of Euro 2.55 each. At the time of this call for meeting the company holds no. 343,213 own shares.

■ PARTICIPATION IN SHAREHOLDERS' MEETINGS

Pursuant to art. 83-sexies of Legislative Decree of February 24, 1998, n. 58, the mandate to intervene in the Assembly Meetings and to exercise the right to vote is certified by a communication sent to the Company by the intermediary authorized to keep accounts, pursuant to the law, on the basis of evidence in its own accounts entries relating to the end of the accounting day of the seventh open market day prior to the date set for the first summons of the Assembly Meetings, i.e. April 20, 2016 (record date). Credit or debit entries to accounts after the above-stated deadline are not considered for the purpose of legitimation to intervene and exercise the right to vote in the Assembly Meeting.

The communication from the intermediary must reach the Company by the end of the third day of open market prior to the date of the Meeting on first call, i.e. by April 26, 2016. Legitimation of intervention and the right to vote remain if the communications have reached the company after the deadlines indicated but before the beginning of the Assembly Meeting's work.

■ REPRESENTATION IN SHAREHOLDERS' MEETINGS

Those with the right to vote can be represented at the Shareholders' Meeting by proxy awarded in writing pursuant to the current law in force, or electronically with computer document containing a digital signature, pursuant to article. 21, paragraph 2, of Legislative Decree number 82 of March 7, 2005. For the purpose of awarding the proxy, the proxy form can be used which is available at the registered offices or downloadable from the Company's website at the address www.eng.it, Investor Relations section, the section that also contains the instructions for notifying proxies, also electronically. If, for technical reasons, the proxy form cannot be

downloaded electronically, it will be sent in hard copy to anyone requesting it from the Company (phone 06.49201495 – 06.49201208 – fax 06.4453278). The legitimised subjects can notify the awarded proxy by sending a registered letter with proof of receipt to the Company's registered offices, or by electronic notification sent to the certified email address: *engineering.ingegneria.informatica.spa@legalmail.it*.

The presentation of a copy of the proxy for accreditation in order to access the Assembly Meeting does not exempt the proxy holder from the obligation of certifying conformity of the submitted copy with the original and the identity of the subject awarding the proxy, under his/her own responsibility.

Shareholders entitled to attend the meeting are invited to arrive before the start time of the Meeting: accreditation activities will commence at 10 AM on April 29, 2016.

To aid verification of the legitimation to intervention at the Meeting, they are invited to send any proxy documentation in advance of the Meeting.

■ ADDITION TO THE AGENDA

The Shareholders who, also jointly, represent at least one fortieth of the share capital with the right to vote may request an addition to the topics on the agenda, indicating in the request any further topics proposed or submitting any further proposals on the topics already on the agenda. The request for any addition must reach the Company within 10 (ten) days of publication of the notice herein, sent to the registered offices, for the attention of the Chairman of the Board of Directors, by registered mail, or by email sent to the certified email address *engineering.ingegneria.informatica.spa@legalmail.it*. The request must be accompanied by a report on the topics proposed for discussion or on the further proposals.

Certification of ownership of the shares held by the requesting Shareholders and the quota of shares necessary to request an addition to the agenda must be found in a specific communication produced by the intermediary, effective on the date of the request made, to the address *engineering@pecserviziitolitoli.it*.

Please remember that addition is not permitted for topics on which the Assembly Meetings deliberates, according to law, on proposal from the directors or based on a project or report prepared by the latter, other than the ones indicated in article 125-ter, paragraph 1 of the Consolidated Law on Finance. Any additional list of the topics to be addressed during the Assembly Meeting will be published in the same way as the herein notice, at least fifteen days before the Assembly Meeting and therefore by April 14, 2016.

■ RIGHT TO ASK QUESTIONS BEFORE THE ASSEMBLY MEETING

The Shareholders may propose questions on items on the agenda even before the meeting, and in any case until three days prior to the date of the Shareholders' Meeting in first convocation (i.e., before April 26, 2016), by sending by registered mail with return receipt to the registered office of the Company, or by electronic notification to the certified email address: *engineering.ingegneria.informatica.spa@legalmail.it*.

Those who attest their share ownership on April 20, 2016 will have the right to obtain an answer. For this purpose, even after asking the question, a communication effective until the aforementioned date from the depositary intermediary must be produced, certifying ownership of applicant's shares, addressed to *engineering@pecserviziitolitoli.it*. In the case the Shareholder has requested from its own depositary intermediary the communication to participate in the Meeting, it shall be sufficient to report in the request for the question on the items on the agenda the references of this communication issued by the intermediary or, at least, the name of the intermediary. Questions received prior to the Meeting are answered at the latest during the same, with the option of the Company to provide a unified response to questions with the same content.

For any other information, Shareholders can refer to the website *www.eng.it*, and also by contacting the Corporate Affairs Manager at Engineering Ingegneria Informatica S.p.A. at the following numbers: 06.49201495 – 06.49201208, fax 06.4453278.

The Chairman of the Board of Directors
Michele Cinaglia



Dear Shareholders,

In 2015 your Company continued its growth in all market sectors within a national context of slow recovery in the areas of investments in new projects, new technologies, modernisation of the Public Administration and the securing of key Government structures.

The process of internationalisation continues, and we are winning new clients even in countries where unexpected difficulties have appeared, such as in Brazil, where the political and financial crisis is having an impact on our subsidiary, which currently employs more than 400 people.

Our financial statements confirm the Company's state of health, with profitability above the market average and a positive net financial position of 150 million Euro which confirms its solidity.

These economic and financial results are also the consequence of the new regulatory framework, which has created more favourable tax conditions and, also thanks to the Jobs Act, eased the hiring of more than 1,000 employees during the year. During the last months, a very significant event occurred for the future of the Company: the entry, by my side, of two funds, Apax VIII and NB Renaissance (the joint venture between Neuberger Berman and Intesa Sanpaolo).

In the immediate term, the entry of these new partners (including the largest Italian bank) has resulted in an enhancement of your Company never reached before and which can only stimulate its future growth with greater strength.

The current management, confirmed in the new corporate structure, is called on to head the Company following the same principles which have characterised its extraordinary history.

**Chairman of the Board of Directors
Michele Cinaglia**



Consolidated Financial Statements

ENGINEERING GROUP

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**INDEPENDENT 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.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Engineering Ingegneria Informatica S.p.A. and its subsidiaries (the "Engineering Ingegneria Informatica Group"), which comprise the consolidated statement of financial position as at December 31, 2015, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Engineering Ingegneria Informatica Group as at December 31, 2015, and of its financial performance and 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.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of Engineering Ingegneria Informatica S.p.A., with the consolidated financial statements of the Engineering Ingegneria Informatica Group as at December 31, 2015. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of the Engineering Ingegneria Informatica Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Cherubini
Partner

Rome, Italy
March 30, 2016

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

Directors' report on the Consolidated Financial Statements as of December 31, 2015

I. Corporate boards

BOARD OF DIRECTORS

The Board of Directors, by means of a resolution of the Ordinary Shareholders' Meeting of April 24, 2015, as well as by the resolution of the Board of Directors of April 24, 2015, was appointed for the three-year period of 2015-2017 with the following members:

Michele Cinaglia	Chairman
Paolo Pandozy	Chief Executive Officer
Marilena Menicucci	Director
Armando Iorio	Executive Director
Massimo Porfiri	Independent Director
Giuliano Mari	Independent Director
Dario Schlesinger	Independent Director
Alberto De Nigro	Independent Director
Gabriella Egidi	Independent Director
Jörg Zirener	Independent Director

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

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

Jörg Zirener

Members

Massimo Porfiri

Gabriella Egidi

REMUNERATION COMMITTEE

Chairman

Dario Schlesinger

Members

Massimo Porfiri

Giuliano Mari

Jörg Zirener

APPOINTMENTS COMMITTEE**Chairman**

Massimo Porfiri

Members

Giuliano Mari

Alberto De Nigro

COMMITTEE FOR TRANSACTIONS WITH RELATED PARTIES**Chairman**

Giuliano Mari

Members

Alberto De Nigro

Dario Schlesinger

SUPERVISORY BOARD (*)**Chairman**

Roberto Fiore

Members

Spartaco Pichi

Amilcare Cazzato

EXECUTIVE RESPONSIBLE

Armando Iorio

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

SPECIALIST

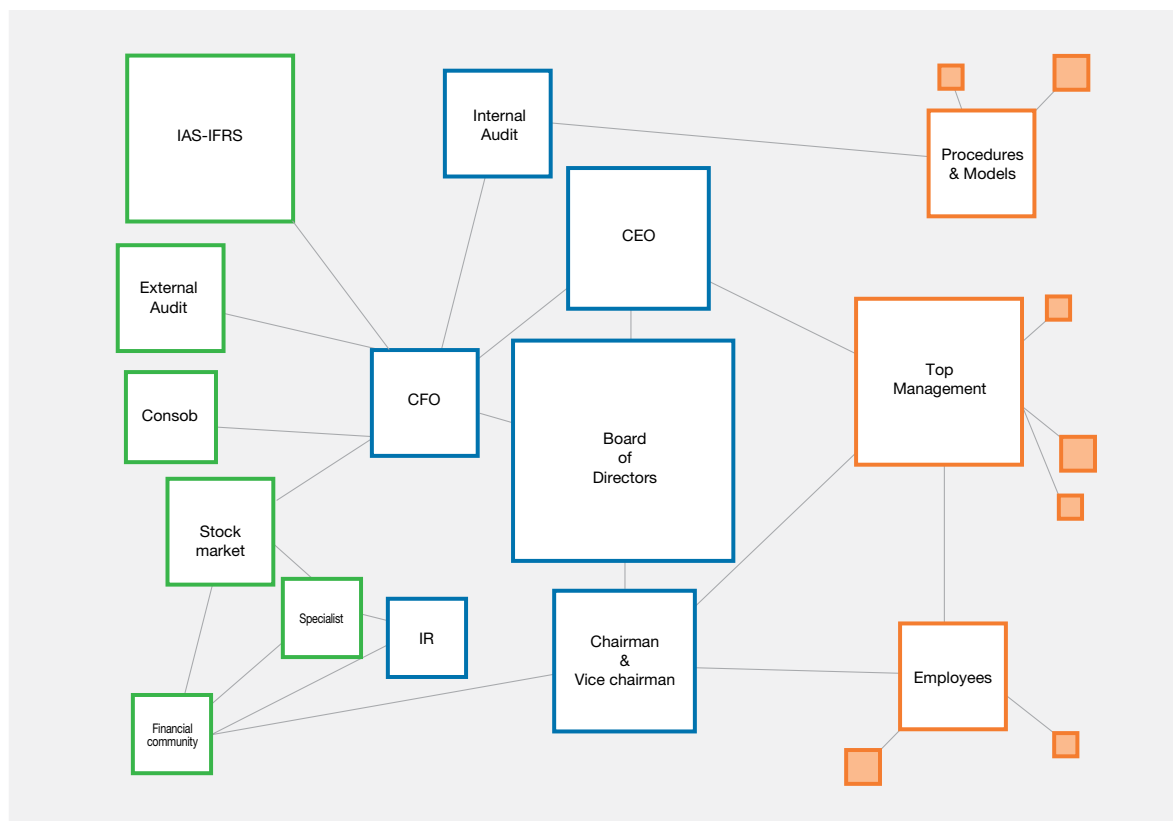
Banca IMI S.p.A.

*The Supervisory Board – following the resolution of the Board of Directors of Engineering Ingegneria Informatica S.p.A. dated August 5, 2015 - has been re-appointed.

II. Corporate Governance

In 2015, the Corporate Governance system used in Engineering Ingegneria Informatica S.p.A. and in the Group companies continued to be in line with the principles and application criteria contained in the new edition of the self-governance code for Italian listed companies, drawn up by Borsa Italiana and published in December 2011 and subsequent amendments and supplements until January 2016, along with relevant Consob recommendations and international best practices more generally.

The annual Corporate Governance report, which describes the rules and conduct adopted by the Company and the Group to ensure the efficient and transparent operation of the governance bodies and the internal control systems, is attached to these financial statements and is also available for consultation at www.eng.it (under Investor Relations).



The 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 Parent Company has adopted a one-tier system, therefore, the Internal Control and Risk Management Committee - established within the Board of Directors - is only composed of Independent Directors, providing the public in the Investor Relations section of the corporate website www.eng.it all the documentation relating to the annual Governance report, the Code of Ethics, the organisational model, regulations, protocols and the financial statements. It is consolidated practice for the members of all the other committees recommended by the self-governance code to be Independent Directors.

III. Introduction and consolidation scope

■ INTRODUCTION

The report as of December 31, 2015, which is subject to the examination of the Board of Directors and subsequently the Shareholders' Meeting, is prepared in compliance with the provisions of the Instructions to Borsa Italiana Regulations.

The consolidated financial statements as of December 31, 2015 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 of May 14, 1999.

For further information regarding the result and the financial position of Engineering Ingegneria Informatica S.p.A., express reference is made to the relevant separate financial statements.

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 those companies which are not operational and which are valued with 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 as of December 31, 2015, to which reference should be made. This report uses a number of alternative performance indicators not provided for under IFRS accounting standards, in line with CESR recommendation 05-178b published on November 3, 2005. EBITDA (gross operating income) in particular is used by the Group and its management to assess and monitor the operating performance, as it is not influenced by the volatility due to the effects of tax provisions and the policy of obsolescence of tangible and intangible assets. This indicator is determined, with reference to the income statement, as operating income before amortisation and depreciation and write-downs, financial income and charges and income taxes. The adjusted EBITDA is the EBITDA gross of non-recurring proceeds/charges.

EBIT is the operating income.

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

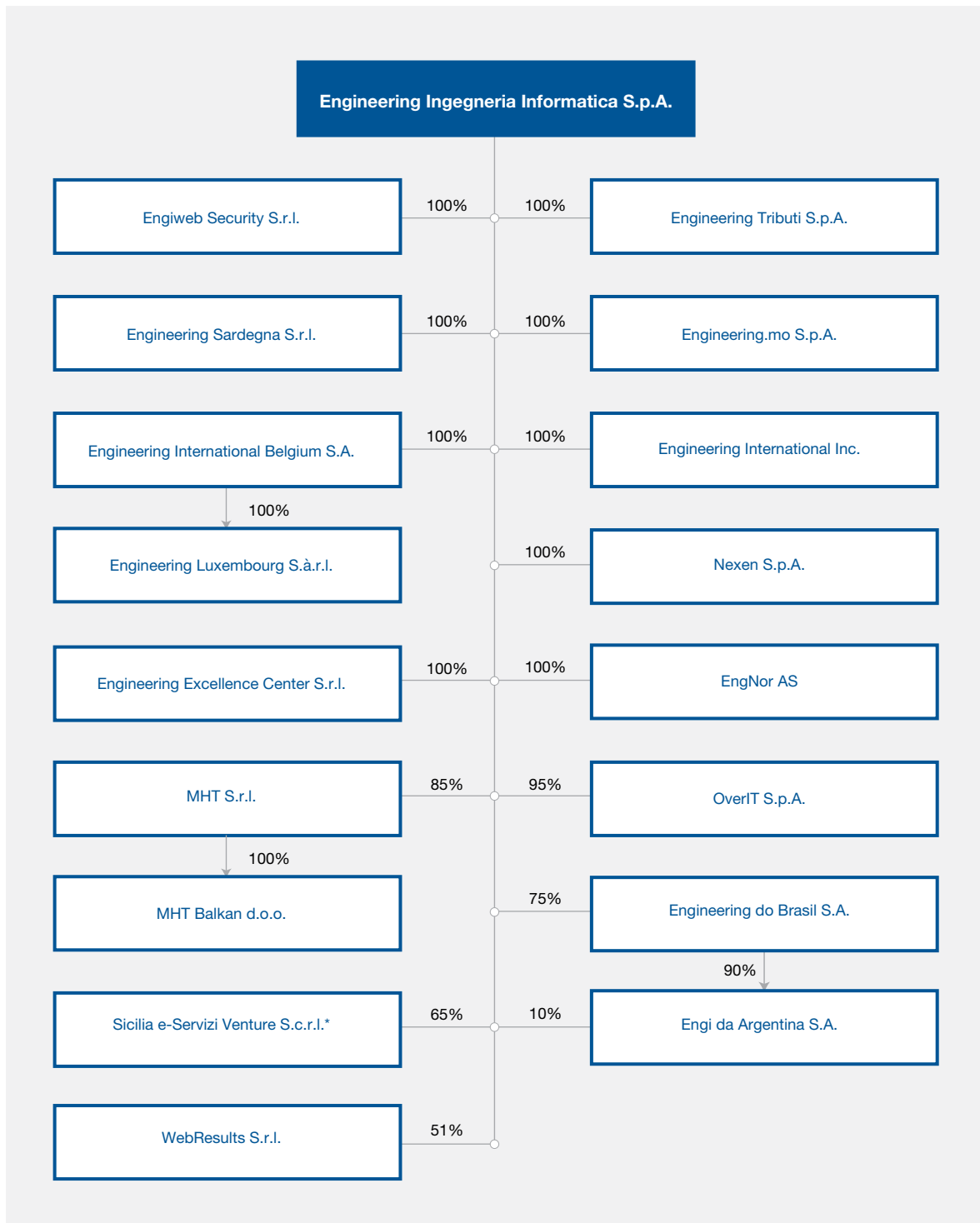
The above-stated valuations are founded on the reasonableness principle and take account of market practice, historic experience, the involvement of external consultants and market conditions.

The data relating to the net financial position is compared with that at the end of the previous year. Unless specified otherwise, the monetary quantities in the statements in the report are exposed in millions of Euros, the accounting ones and the ones in the note in full.

■ CONSOLIDATION SCOPE

The structure of the Group as of December 31, 2015 follows the implementation of a careful acquisition policy and subsequent integration processes which have resulted in the Group consisting of 17 companies, in addition to the Parent Company, 15 of which are in operation, one in liquidation (Sicilia e-Servizi Venture S.c.r.l.) and one which is non-operational (Engineering Luxembourg S.à.r.l.). Engineering Ingegneria Informatica S.p.A. exercises managerial and business influence on its direct subsidiaries.

This structure is to be meant as a representation of a Group that operates in a context of close integration, arranged into specific centres of managerial responsibility.



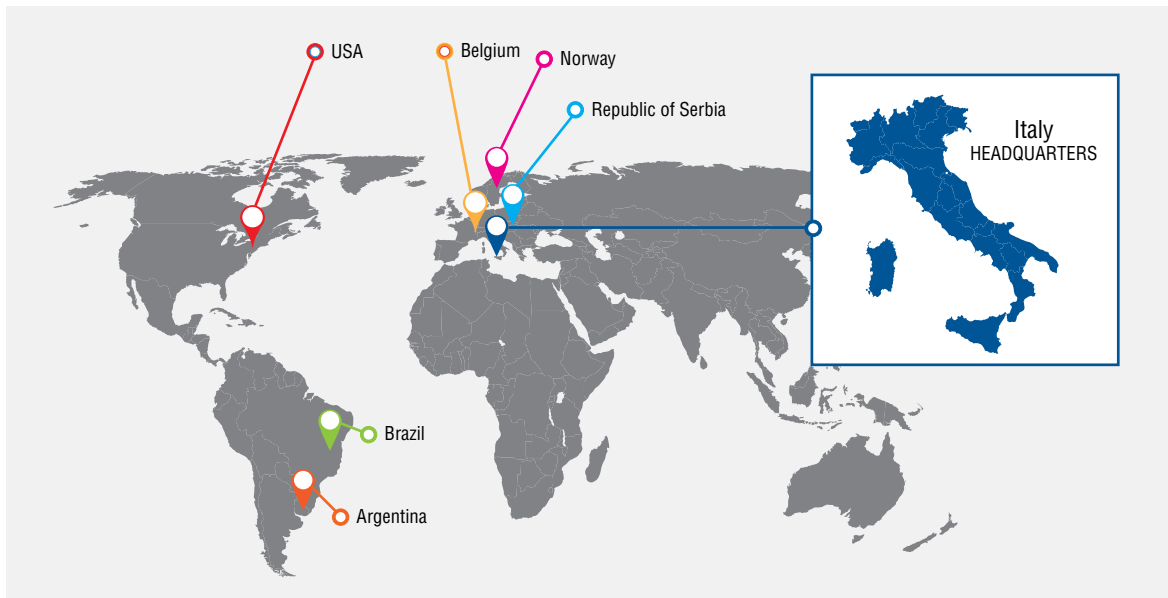
*The company Sicilia e-Servizi Venture S.c.r.l. was placed in liquidation during the course of 2014.

IV. Group activities and operations

The Group is the leading Italian 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.

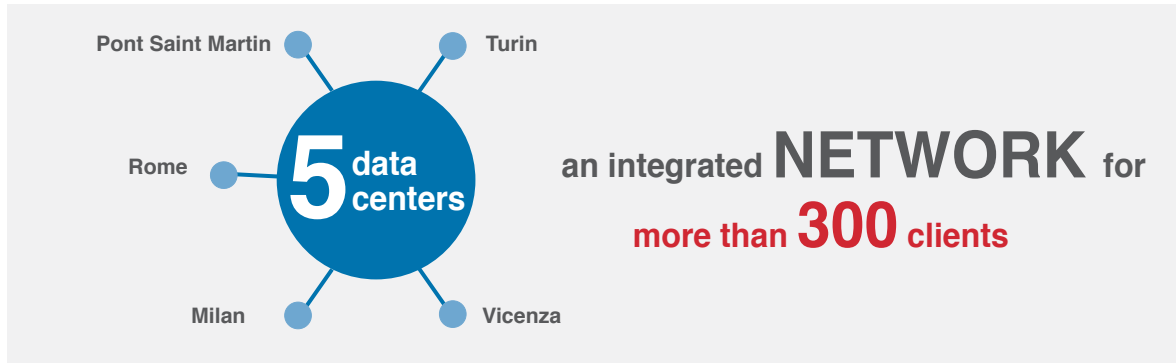
- founded on 6 June 1980**
- 1st Italian IT player**
- ICT services, products and consulting**
- since 2000 listed on FTSE Italia STAR in Borsa Italiana**



With approx. 8,100 employees, 40 offices throughout Italy, the EU and Latin America and the United States, the Group manages IT initiatives in over 20 countries with projects for the Industry, Telecommunications, Banking, Public Administration, Utilities and Health market segments.

- 8.100 employees**
- 40 offices**
- 20 Countries served**
- 10% turnover abroad**

The Group operates in the outsourcing and Cloud Computing market through an integrated network of five data centres located in Pont St. Martin (AO), 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.

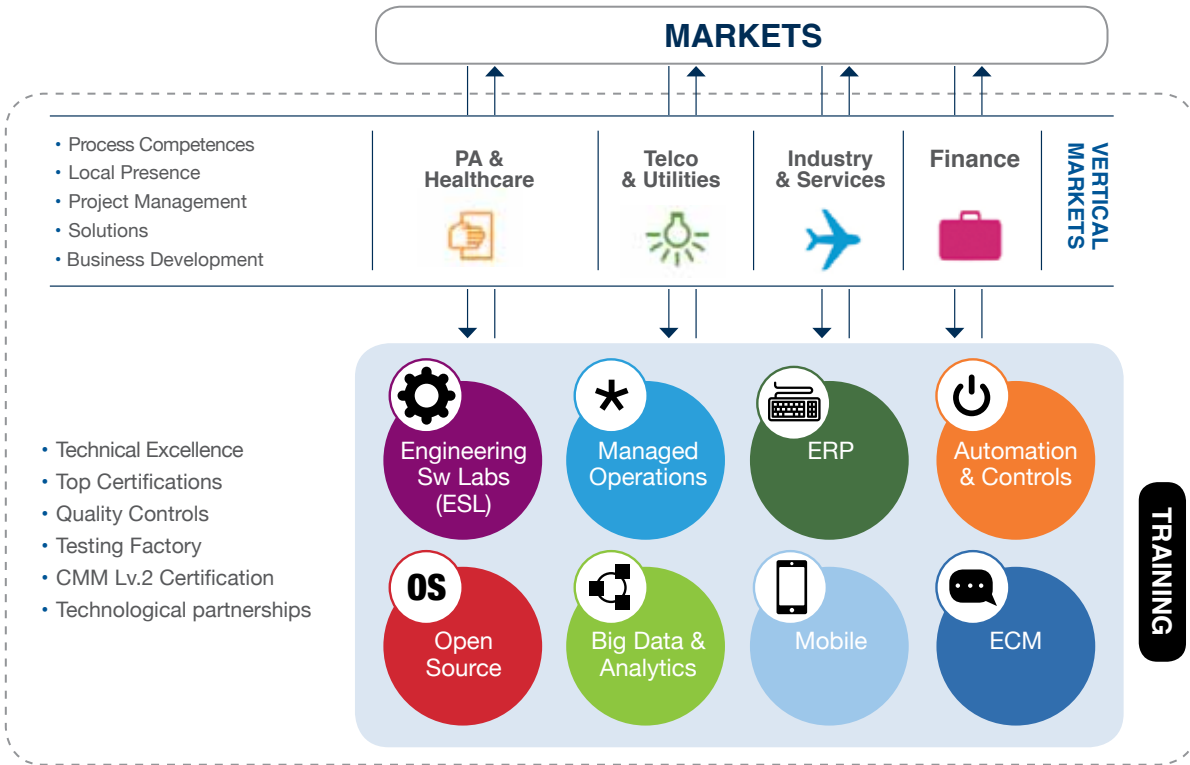
The Group plays a leadership role in software research, coordinating a number of national and international projects through a network of scientific partners and universities across Europe. It develops Cloud computing solutions and operates in the Open Source community.

The Group is organised in four market divisions: Finance, Industry, Energy & Telco and Public Administration. Engineering covers an important position in all the vertical sectors it operates in; the market share in Italy in the Software and IT Services area equals about 9%, with a wide range of proprietary solutions:

- banking compliance (SISBA and ELISE);
- billing and CRM for Utilities (Net@SUITE);
- integrated diagnostics and administration solutions for Healthcare (AREAS);
- Work Force Management systems (GEOCALL);
- mobile platforms for Telco;
- systems for the management of municipal revenues;
- business intelligence analytics systems (SpagoBI).

In over 30 years the range has been widened constantly thanks to the domain of innovative technologies, which are the result of considerable investments in research and development and of the constant monitoring of the changes in the market. As a result of its business model, the Group creates tangible value in its various areas of operation, and can meet the needs of its existing and potential clients and concretely define, plan and develop efficient and effective IT strategies.

BUSINESS MODEL OF THE GROUP

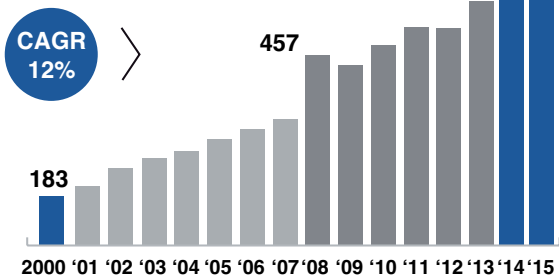


PRIMARY ECONOMIC/FINANCIAL RESULTS FROM THE YEAR 2000 (IPO) TO 2015

Directors' report on the Consolidated Financial Statements

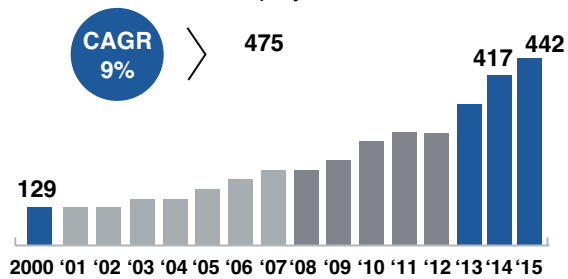
Income Statement

Value of Production



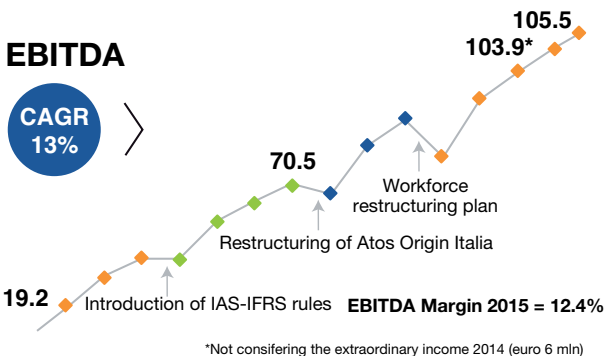
Statement of Financial Position

Shareholders' Equity

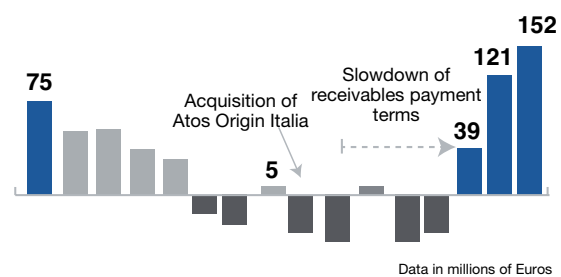


EBITDA

CAGR 13%



NFP



V. Market overview

■ ECONOMIC OVERVIEW

The year 2015 was characterized by a constant fall in the price of oil which was more accentuated in the month of January 2016. Global commerce was marked by a phase of weakness that was, in particular, linked to reduced growth in the Chinese and emerging markets, some of which even entered a recession.

The Eurozone was subject to a highly favourable monetary policy of the ECB due to the Quantitative Easing (QE) tool which allowed countries of the European continent to access financial resources at a low cost. These monetary policies led to a depreciation of the Euro with respect to the USD and a consequent positive effect on exports.

According to the International Monetary Fund, growth in 2016 should be equal to +3.4%, with modest increases in the developed countries and a slow-down in developing countries. The forecasts on global growth, always in accordance with the IMF's analysis in the month of January 2016, were influenced by a Chinese slowdown as well as by a decrease in investments and manufacturing due to an increase in internal consumption and demand for services, the low cost of energy and raw materials and, finally, an interest-rate increasing policy of the FED which could have important effects on the economies of central and south America.

■ THE ITALIAN ECONOMY

The Italian economy has begun to grow again (+0.8%), sustained both by an increase in business confidence as well as due to increasing exports, investments and internal demand.

■ THE IT SECTOR

The 2015 Assintel Report reported an increase in IT expenditure of approx. +1.7% compared to -2% reported in 2014 versus 2013. Within this environment, the IT Services segment reported a decrease of -1% compared to the previous year.

Within the IT market, the segments with strong forecasted growth are those linked to the digital transformation of companies, both private and public.

A key segment in the future will be the *IoT (Internet of Things)* which has already reported, in 2015, a growth rate of +16.7%; the most promising segments along with *IoT* are Digital Marketing, Social CRM and e-commerce as well as, and above all, Cloud Computing.

VI. Operational overview

Within Italy, the solid positioning of the Group and the trend towards market consolidation make Engineering a technological and business partner to which an increasing number of customer companies entrust the management and development of their systems.

The focus on research and innovation was again confirmed in 2015 through the allocation of an adequate level of resources, in line with previous years.

R&D projects are pivotal for the success of the Group, recognised to be a reliable partner, boasting a unique mix of process expertise and technological content aligned to the best and most modern market trends.

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

- to transfer the investments in technological innovation directly to the delivery, with immediate advantages for our clients;
- to guarantee the growth and constant update of the human and professional components;
- to consolidate our domain of the most complex and performing IT architectures;
- to develop in-depth knowledge of our clients' business, whether they are in the private sector or public institutions;
- to have cutting-edge technological infrastructure capable of providing very reliable services at a competitive price;
- to offer vertical solutions capable of competing on the international playing field;
- to rapidly integrate new units as a result of acquisition initiatives.

VII. Financial highlights

Description	31.12.2015	31.12.2014	(in millions of Euros)	
			Change	
			Amount	%
Total revenues	877.5	853.0	24.5	+2.9
Net revenues	850.9	817.3	33.7	+4.1
Adjusted EBITDA	105.5	103.9**	1.6	+1.5
% of net revenue	12.4	12.7		
EBITDA	105.5	109.9	(4.4)	-4.0
% of net revenue	12.4	13.4		
Depr/amort.	17.6	18.7*	(1.1)	-5.8
Allocations	32.6	14.1	18.5	+131.7
EBIT	55.3	77.1*	(21.9)	-28.3
% of net revenue	6.5	9.4		
Net profit	45.5	41.8*	3.8	+9.0
% of net revenue	5.4	5.1		
Shareholders' equity	442.0	416.2*	25.8	+6.2
Net debt	152.9	121.4	31.5	+26.0
% Debt/equity				
ROE % (N.P/N.E.)	10.3	10.0	0.3	+2.6
ROI % (EBIT/N.C.E.)	18.6	25.5	(6.9)	-27.0
No. of employees	8,136	7,390	746	+10.1

* Re-presented in application of IFRS 3 - Business Combinations following the definitive allocation of the fair value of assets/liabilities acquired by MHT S.r.l.

**Adjusted EBITDA refers to the EBITDA results net of non-recurring charges/proceeds.

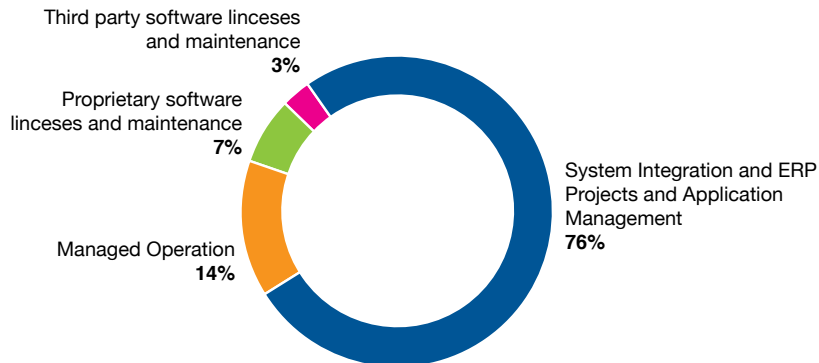
The Engineering Group ends the year 2015 with production volumes and net revenues that grew with respect to 2014.

In detail:

- net revenues increased by 4.1%, reaching Euro 851 million;
- EBITDA equalled Euro 105.5 million (Euro 103.9 million in 2014 net of the Euro 6 million of extraordinary proceeds) with a profitability of 12.4%;
- EBIT, which is primarily missing an allocation of approx. Euro 27 million that fully refers to a receivable due from a client, is equal to Euro 55.3 million (Euro 77.1 million in 2014);
- net profit amounted to Euro 45.5 million, +9.0%, compared to Euro 41.8 million in 2014;
- the Net Financial Position at year end equalled Euro +152.9 million against Euro +121.4 million of the same period of 2014, thereby confirming the positive cash generation following the improvement in the management of working capital.

The results which were attained – in accordance with the forecasts communicated from management during the course of the year – were achieved within a macroeconomic environment where IT expenditure for services in the Italian market fell by an additional 1% as well as in Brazil (another significant area of operations for the Group) suffering a serious economic and political crisis.

The percentage incidence of activities with respect to total net revenues for each Service Line is reported below:



■ SEGMENT REPORTING

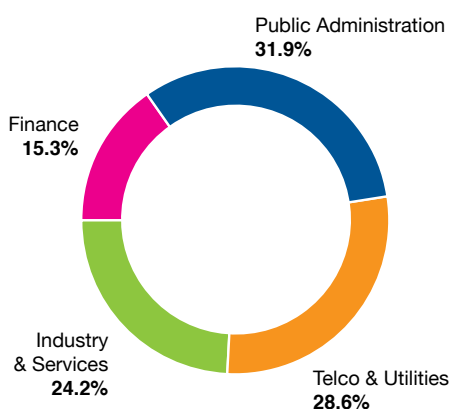
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(in Euros)

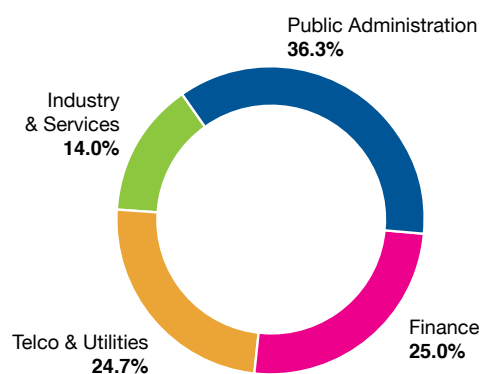
Description	31.12.2015		31.12.2014		% change
		%		%	YOY
Total revenues					
Finance	130,344,983	+15.3	136,604,314	+16.7	-4.6
Public Administration	271,467,877	+31.9	266,674,685	+32.6	+1.8
Industry & Services	206,048,608	+24.2	185,481,917	+22.7	+11.1
Telco & Utilities	243,052,061	+28.6	228,499,658	+28.0	+6.4
Net revenues	850,913,528	+100.0	817,260,575	+100.0	+4.1
Other revenues	26,586,469		35,712,899		-25.6
Total revenues	877,499,997		852,973,474		+2.9

EBITDA (Gross Operating Margin)					
Finance	26,366,634	+25.0	25,235,863	+24.3	+4.5
% of net revenue	+20.2		+18.5		
Public Administration	38,292,566	+36.3	38,168,160	+36.7	+0.3
% of net revenue	+14.1		+14.3		
Industry & Services	14,728,771	+14.0	14,117,921	+13.6	+4.3
% of net revenue	+7.1		+7.6		
Telco & Utilities	26,095,577	+24.7	26,381,775	+25.4	-1.1
% of net revenue	+10.7		+11.5		
Total Adjusted EBITDA	105,483,549	+100.0	103,903,719	+100.0	+1.5
% of net revenue	+12.4		+12.7		

Net revenues 2015



EBITDA 2015



FINANCE

In 2015, the market of reference was characterized by substantial stability, even in light of the continuing difficulties, in particular, of certain important Italian markets.

Within the Finance market, the Group – during the course of 2015 - confirmed the pivotal role of specialisation and pursued a strategy with the following characteristic elements:

- the consolidation of the positioning within the various customers, with specific reference to the adoption of new models for managing ADM services as well as project initiatives in innovative sectors, such as those pertaining to digital transformation;
- business development with medium sized customers;
- initiation of a market penetration campaign for small sized customers;
- a commitment to strengthen the portfolio of products, with specific focus on international markets as well as the application of innovative technologies such as the Cloud and Big Data.

The need for customers to initiate the process of digital transformation – which not only affects the market of reference but generally all sectors of the economy – was certainly important.

PUBLIC ADMINISTRATION

Trends in 2015 include an increase in revenues with respect to local public entities, in particular, where there were initial signs of recovery which we hope can further consolidate in the current year.

The Group partnered with certain metropolitan cities in the process of creating a new offer of services to the citizen that include a single portal for social assistance and employment services, cultural and entertainment services, Smart City (mobility, energy, environment, safety) and urban portals, management of residential problems due to multicultural integration. Signs of recovery were also reported in the healthcare market.

From a technological perspective, trends such as those which included the advent of Big Data in previous years – to cite the most prominent one – were confirmed along with other general phenomena which now characterize citizenship in an IT age – social networks and mobile – as well as the interaction between citizens and public administrations.

Demand for new IT projects within the public sector should continue to grow under the drive of a now unavoidable demand for new services on the part of citizens and companies. Even the growth drive generated from the implementation of the digital agenda will now be a project driving force with clear and executable technical features.

INDUSTRY & SERVICES

The service and manufacturing sector reported signs of recovery in investments, particularly those linked to needs for the organization of international business as well as those for upgrading production and sales processes and systems.

In this context the Company was able to give value to the Group's offer for which growth was reported in terms of positioning and revenues:

- technological and application outsourcing;
- ERP system management;
- factory automation;
- transportation;
- innovative solutions.

In terms of technological and application outsourcing, innovation was fundamental - due to the use of R&D activities - in enhancing our offer with added value services as well as adequately preparing the renewal of offers of cloud services, an area which will inevitably become of central concern as from 2016.

In the "ERP" sector, in addition to the traditional presence in the SAP market, a commercial action was started, dedicated to the Microsoft world - thanks to the new entry MHT S.r.l. which was acquired in 2014 and whose process of integration was rapid and effective. With regard to SAP activities, on the other hand, significant growth in development activities, even in terms of new solutions, was reported.

Growth continued in the "Factory automation" segment for international projects, and which covers more than just the automotive area. Finally, in terms of innovation, investments were made to position our offer towards Smart Manufacturing which, in upcoming years, will be a primary area of operation and expenditure for companies due to the spread of *Internet of Things* technologies and systems for integrating huge amounts of data that are recorded on the field as well as algorithms that are capable of effectively interpreting them.

Finally, an important acquisition provided a clienteling application, a CRM product designed for needs of companies within the luxury segment and which will be an important key to accessing this market.

In conclusion, 2015 was a year of growth which demonstrated innovative elements to the market together with an organisation that is suitable to support clients from across the world.

TELCO

In 2015 the Telco & Media market reported very positive results that were beyond expectations - both in terms of revenues as well as margins - within a sector that is characterized by strong price competition as well as by vendor consolidation processes where the Group is a leading partner with all the primary firms.

Very important results were obtained in the management of value added services (VAS) in revenues sharing with telephone operators (Mpay, Centro Stella).

UTILITIES

In 2015, it was a very positive year for utilities, reporting positive economic results and important investments in specific areas for innovative enrichment of the offer through the development of new patents.

Within the foreign market, activities for researching new areas of growth have continued, both in terms of participation within international tenders as well as through projects in foreign affiliated companies of large Italian groups that are already customers; particular emphasis was placed on the consolidation of areas where we are already operational, such as Spain and Brazil.

■ OPERATING EXPENSES

Operating expenses increased overall by approx. Euro 46.4 million compared to 2014; this was essentially due to an allocation to the allowance for bad debts of Sicilia e-Servizi Venture S.c.r.l..

Following an analysis of the increase in absolute value, the primary affected items were as follows:

- costs for services increased by approx. Euro 14.6 million (+4.9%);
- personnel costs increased by approx. Euro 11.8 million (+2.8%);
- amortisation, depreciation and allocations increased by approx. Euro 17.4 million (+53.2%).

Service expenses increased for activities pertaining to mobile payments for consumer clientele which acquired digital goods and services and which, in 2015, was significantly confirmed due to the liberalization of the market.

The increase in personnel costs is ascribable to factors applied during the year due to particularly favourable conditions of the new labour law regulations (see paragraph XI of this report).

The item "Amortisation, depreciation and allocations" reported an increase of Euro 17.4 million, primarily due to the allocation of approx. Euro 27 million for a receivable due from Sicilia e-Servizi S.p.A. (refer to the information contained in paragraph "14. Trade receivables" of the Explanatory Notes to the Financial Statements).

(in Euros)

Description	31.12.2015	31.12.2014	Change	
			Amount	%
Personnel costs	425,831,374	414,043,214	11,788,160	+2.8
Services	315,487,318	300,857,058	14,630,259	+4.9
Raw materials and consumables	19,049,635	16,862,210	2,187,425	+13.0
Depreciation, amortisation and provisions	50,187,788	32,755,981	17,431,807	+53.2
Other costs	11,648,122	11,307,273	340,849	+3.0
Total operating expenses	822,204,236	775,825,737	46,378,500	+6.0

■ OPERATING PROFIT AND NET PROFIT

(in Euros)

Description	31.12.2015	31.12.2014	Change
Operating profit after depreciation/amortisation (EBIT)	55,295,761	77,147,738	-28.3
Financial income/(Charges)	13,943,607	577,469	+2,314.6
Income/(Charges) from investments	1,465,292	713,567	+105.3
Profit before taxes	70,704,660	78,438,774	-9.9
% of net revenue	+8.3%	+9.6%	
Income taxes	25,165,696	36,652,899	-31.3
tax rate	+35.6%	+46.7%	
Net profit	45,538,965	41,785,876	+9.0
% of net revenue	+5.4%	+5.1%	
of which Engineering Group	49,403,044	40,820,592	
minority interest	(3,864,079)	965,284	

Net profit

Group net profit reached Euro 45.5 million.

The net result for the year is better comparing to the previous year, without considering the net effect of the extraordinary proceed generated from the release of funds in 2014 for approx. Euro 6 million. The 2014 net profit would have been equal to approx. Euro 35.8 million with an increase of 27.1%.

The tax rate improved to 35.6% compared to 46.7% in 2014, thereby confirming the benefits which were estimated on the basis of the reform pertaining to the calculation of IRAP.

VIII. Statement of 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 thus shown.

(in Euros)

Description	31.12.2015	31.12.2014
Revenues from the sales of products/services - third parties	965,661,878	1,052,849,104
Costs for goods and services - third parties	(376,481,143)	(401,811,612)
Personnel costs	(437,193,175)	(432,266,284)
Interest received from operating activities	1,547,795	2,927,622
Interest paid for operating activities	(1,254,624)	(1,725,950)
Exchange differences	(1,007,194)	(197,769)
Income tax payments and reimbursements	(86,335,168)	(115,268,315)
A) Total cash flow from operating activities	64,938,369	104,506,796
Sale of tangible assets	123,081	577,507
Purchase of tangible assets	(8,389,932)	(8,439,657)
Purchase of intangible assets	(1,683,272)	(2,490,884)
Purchase of investments in subsidiaries	(2,112,667)	(1,354,838)
Purchase of business unit	(685,769)	(667,388)
Purchase of other investments and securities	0	(11,400)
Sale of other investments and securities	0	588,951
B) Total cash flow from investing activities	(12,748,559)	(11,797,709)
New loans	80,262,640	194,957,530
Repayment of loans	(83,566,809)	(234,306,947)
Loans disbursed to third parties	0	(1,658,796)
Purchase of treasury shares	(116,980)	(1,198,329)
Dividends distributed	(19,999,981)	(7,971,767)
Change in consolidation scope	364,864	1,700,448
Interest received for financing activities	841,570	0
Interest paid for financing activities	(1,335,384)	(973,703)
C) Total cash flow from financing activities	(23,550,081)	(49,451,563)
D) = (A+B+C) Change in cash and cash equivalents	28,639,730	43,257,524
E) Cash and cash equivalents at beginning of year	182,704,807	139,447,283
F) = (D+E) Cash and cash equivalents at end of year	211,344,537	182,704,807

In detail, operating cash flows recorded a positive balance of Euro 64.9 million, and from which it is necessary to deduct investment activities which totalled Euro 12.7 million and financing activities which recorded a negative balance of Euro 23.5 million, essentially due to the balance of repayments of the credit lines used and disbursements of medium/long-term loans as well as the distribution of dividends. As a result, the total of these flows generates a positive change of Euro 28.6 million in cash flows, which, added to opening cash and cash equivalents, posts cash and cash equivalents at year-end of Euro 211.3 million.

■ NET FINANCIAL POSITION

The improvement in the net financial position is the result of the improvement in the dynamics pertaining to net working capital as well as careful management of cash outflows.

(in Euros)		
Description	31.12.2015	31.12.2014
Cash	34,215	31,572
Other liquid assets	219,308,365	190,554,297
A) Cash and cash equivalents	219,342,579	190,585,869
B) Current financial receivables	1,279,304	1,658,796
Current bank payables	(4,072,416)	(4,934,831)
Current borrowing	(20,553,144)	(10,420,608)
Other current financial payables	(9,148,545)	(8,898,043)
C) Current borrowing	(33,774,104)	(24,253,482)
D) Net current financial position (A+B+C)	186,847,779	167,991,183
Non-current borrowing	(32,665,121)	(45,231,644)
Other non-current payables	(1,291,117)	(1,397,481)
E) Non-current borrowing	(33,956,238)	(46,629,125)
F) Net financial position (D+E)	152,891,541	121,362,058

■ CENTRALISED TREASURY

The presence of important credit lines, the now consolidated adoption of cash-pooling and an appropriate management of liquid funds have ensured adequate coverage of financial needs.

In particular, the significant levels of liquidity – after having taken into account the cyclical trends in cash inflows – are a central element of focus for financial management with respect to previous years. As a result, and during the entire year, it was not necessary to utilise short term funding operations (hot money, advances on invoices) given that, during periods of low cash flows, it was possible to utilise currently available funds. The constant interaction and communications with different bank corporations has allowed for the attainment of much more favourable conditions for demand deposits compared to those typically applied within the market and which are generally more convenient compared to proposals relating to restricted or forward operations; they are therefore preferred. This has resulted in an average annual receivable rate of approx. 1% and the positive result has allowed use to obtain a balancing with respect to financial charges that is derived from medium to long term financing.

During the year the subsidiaries 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 and maximised efficiency in managing the working capital, thereby allowing them to exploit the best offered external conditions and on the basis of effective needs.

On December 16, 2015, a new financing contract was undersigned with the European Investment Bank (EIB) for a total of Euro 50 million in support of R&D activities. The disbursement of this financing is forecasted for January 2016 and will have a duration of six years, including one year of pre-amortization. It is important to emphasize the importance of this positive operation, particularly in terms of image and recognition of reliability given that the EIB granted the total financed amount in “direct” form.

On December 31, 2015, a previous loan, again granted by the EIB and disbursed through Unicredit S.p.A., was “replaced” with a new one stipulated with Banca Intesa Sanpaolo S.p.A.. The operation, valued at Euro 31.5 million (residual debt of the previous one reported on that date), was stipulated in light of the better economic conditions it offered.

■ WORKING CAPITAL

The net working capital decreased by Euro 10.2 million compared to 2014 (-3.7%), amounting to Euro 266.7 million.

Description	31.12.2015	31.12.2014	Change	
			(in Euros)	
			Absolute	%
Current assets				
Inventories and construction contracts	128,989,759	124,362,310	4,627,448	+3.7
Trade receivables	520,007,285	505,852,465	14,154,820	+2.8
Other current assets	53,148,664	52,319,718	828,946	+1.6
Total	702,145,707	682,534,493	19,611,214	+2.9
Current liabilities				
Trade payables	(271,967,700)	(241,640,963)	(30,326,738)	+12.6
Other current liabilities	(163,424,778)	(163,892,836)	468,058	-0.3
Total	(435,392,478)	(405,533,799)	(29,858,679)	+7.4
Net working capital	266,753,229	277,000,694	(10,247,465)	-3.7

■ 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 4.5x (up compared to 4.0x in the previous year and 3.9x in 2013);
- a positive net financial position of Euro 153 million, which, along with the availability of short-term credit lines at advantageous market conditions, provides the Group with a great deal of flexibility and the ability to make suitable investments and sustain possible financial stress without threatening the overall capital balance;
- the net working capital compared to the total revenues recorded a value equal to 30.4% at year end, compared to 32.5% in 2014 and 37.0% in 2013.

Description	31.12.2015	31.12.2014	Change	
			(in Euros)	
			Absolute	%
Property, plant and equipment	27,366,344	29,211,907	(1,845,563)	-6.3
Intangible assets	20,788,486	23,540,120	(2,751,634)	-11.7
Goodwill	49,955,873	50,181,791	(225,917)	-0.5
Equity investments	119,323	125,123	(5,800)	-4.6
Fixed assets	98,230,026	103,058,941	(4,828,915)	-4.7
Short-term assets	702,145,707	682,534,493	19,611,214	+2.9
Short-term liabilities	(435,392,478)	(405,533,799)	(29,858,679)	+7.4
Net working capital	266,753,229	277,000,694	(10,247,465)	-3.7
Other non-current assets	20,055,010	23,928,620	(3,873,610)	-16.2
Post-employment benefits	(62,606,849)	(68,869,328)	6,262,479	-9.1
Other non-current liabilities	(25,277,849)	(32,360,343)	7,082,494	-21.9
Net capital employed	297,153,567	302,758,584	(5,605,017)	-1.9
Shareholders' equity	436,915,009	407,705,478	29,209,531	+7.2
Minority interest Shareholders' equity	5,132,056	8,534,102	(3,402,046)	-39.9
Total Shareholders' equity	442,047,065	416,239,580	25,807,485	+6.2
M/LT (Liquidity)/Borrowing	33,956,238	46,629,125	(12,672,886)	-27.2
ST (Liquidity)/Borrowing	(178,849,736)	(160,110,120)	(18,739,616)	+11.7
(Liquidity)/Borrowing	(144,893,498)	(113,480,996)	(31,412,502)	+27.7
Total sources	297,153,567	302,758,584	(5,605,017)	-1.9

The reconciliation between the financial statements as of December 31, 2015 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.	49,812,553	400,741,614
Net profit and Shareholders' equity of consolidated companies	(7,905,487)	68,520,553
Total	41,907,066	469,262,167
Elimination of the net book value of investments in subsidiary companies consolidated companies and any intercompany dividend	0	(27,373,917)
Valuation of associated companies under the equity method	0	0
Other adjustments	3,631,899	158,815
Total consolidated profit and Shareholders' equity	45,538,965	442,047,065
of which Minority Interest net (profit)/loss and Shareholders' equity	(3,864,079)	5,132,056
Group consolidated net profit and Shareholders' equity	49,403,044	436,915,009

IX. Research and innovation activity

The year 2015 was a year of important novelties: the first projects financed within the new European program named Horizon 2010 were initiated and the activities pertaining to the PON REC 2007-2013 projects were completed.

More specifically, a total of approx. 90 new project proposals were presented in various areas, including Governance, Health, Security, Infrastructure, Software, Energy, Mobility, Space, Cloud, Big Data, *Internet of Things*, Smart City, Tourism, Culture, etc. with a success percentage that was double compared to European and Italian averages.

Engineering and other founding partners of the FIWARE initiative, along with the European Commission, have continued along the path of ascribing value to the platform as the enabling factor for implementation of a "single European digital market". FIWARE has also been identified as a platform of reference for the development of services for all calls of the Horizon 2020 program during the 2016-2017 period.

We have continued to invest in new strategic initiatives for the Company. Of these, the PPP named BDVA will allow for the realization of standard solutions as of 2016 for the valorization of Big Data for all sectors of the market of interest to our firm.

Similarly, we have continued to collaborate with the European Commission for the construction of new strategic initiatives in emerging market sectors such as CyberSecurity, *Internet of Things*, Cloud.

From this perspective, there has also been a significant increase during 2015 of participation in tenders. Within the EIT-Digital program – whose aim is to facilitate the transfer of innovative solutions to the market – our efforts have resulted in the acquisition of a number of projects which is triple that of the previous year.

The year was also characterized by increasing integration of research activities with market lines; this was also facilitated by the creation of a new tool which was initially applied in 2014 and consolidated during 2015, i.e. the Pre-Commercial Procurement. In this case, Engineering – through the full collaboration of Research and the Business Unit – participated in the first initiatives with excellent results. 2016 should be year of Pre-Commercial Procurement for themes relating to the Italian Digital Agenda, the latter being an area of specific interest to the Company.

X. Personnel

■ WORKFORCE AND TURNOVER

As of December 31, 2015 the Group workforce (with long-term contracts) numbered 8,136. Compared to December 31 of the previous year, the increase was equal to 746 (+9.2%) and is essentially due to a significant campaign of recruitment on the part of the companies of the Group in order to support competitiveness within various operational sectors.

The Group's workforce abroad also increased significantly (+15%); as of December 31, 2015 the number of the employees of the foreign Group associated companies totalled 485 (compared to 412 in the previous year). The increase primarily concerned Engineering do Brasil SA for 444 individuals (against 387 the year before) and MHT Balkan d.o.o. with 20 units (against 7 in the previous year).

Overall turnover, net of intragroup transfers, was positive: in 2015 there were 1,216 hirings (1,051 in Italy) compared to 609 in 2014 (+50%); resignations totalled 468 compared to 502 in 2014 (-7.2%).

Personnel resignations include those linked to the restructuring process of Engineering.mo S.p.A..

Some detailed figures are provided below with reference to the workforce of the Group as of the end of 2015:

- employees with university degrees totalling 59%;
- women totalling 30.6%;
- the number of executives was equal to 4%;
- the number of employees with Super Middle Management/Middle Management qualifications totalling 20.6%.

With regard to geographical location, there were no significant changes with respect to 2014.

■ TRAINING

During 2015, 315 different editions of training courses – relative to 189 different courses - were held in the classrooms of the Engineering's IT & Management School "Enrico Della Valle", an increase of 4.1% with respect to 2014. The educational activities involved about 2,600 participants, totalling 12,400 man-days of classroom training, a 6.4% increase with respect to 2014.

There were numerous projects created specifically in 2015 which focused on specific training requirements of Group employees. Worth mentioning among the many initiatives are the following:

- completion of the first part of the *MeM: Master Engineering in Management* whose objective is to enrich, with high-level educational contents, the CV of 54 young managers of elevated specialization and who will assume growing responsibilities within the Group over the medium period. The Master can count on the participation of renowned University professors and testimonials from the Italian industrial sector;
- educational activities which aim to provide professional certifications for Engineering personnel in relation to the primary technologies and methodologies of the IT sector. By means of these training initiatives, 746 employees of the Group successfully passed the exams of 2015, thereby obtaining prestigious certifications such as PMP as well as ITIL, Prince2, Microsoft, Oracle, SAP, Cisco, VMware, Red Hat and others. This result was possible due to the accreditation of the School of Ferentino as official Testing Center and the continual refinement of the specific intensive exam preparation processes;
- linguistic training projects in support of the internationalization process of the Group involving executives of the Group in both individual courses of English, French and Portuguese (involving "full immersion" programs in certain major European cities) as well as in daily intensive training sessions at the workplace, even due to the use of resources of the Fondirigenti Interprofessional Fund;

- The Company induction program which benefits the many young new employees hired during 2015 and structured into specifically residential training courses whose objective is to illustrate the history, values and foundational principles of the “Engineering” culture in addition to developing interpersonal and teamwork skills;
- of particular note is the training activity completed within the external entities and involving 327 participating employees within 255 training courses and conferences in Italy and the EU; its themes were Methodological, Technological and Project Management.

Finally, of particular significance is the training update process implemented for individuals involved in the restructuring of Engineering.mo S.p.A. for CIGS.

XI. Significant events during the year

The significant events of 2015 are detailed below:

- on January 9, 2015, JP Morgan Chase & Co. sold its shareholding in Engineering Ingegneria Informatica S.p.A. (equal to 29.158% of the share capital and owned through the company OEP Italy High Tech Due S.r.l., previously owner of a significant shareholding in Engineering) to OEP Secondary Fund GP LTD;
- on January 28, 2015, Engineering Ingegneria Informatica S.p.A. acquired control by attaining a shareholding equal to 51% of the share capital of the company WebResults S.r.l. headquartered in Treviolo (BG). The parties also agreed upon the transfer of the residual 49% to Engineering Ingegneria Informatica S.p.A. in phases and by December 31, 2017;
- on March 11, 2015, the Extraordinary Shareholders' Meeting of Engineering Ingegneria Informatica S.p.A. proceeded with modifying the Articles of Association, increasing the number of Board members (from 11 to 13) in order to comply with the regulatory provisions pursuant to Law no. 120 of July 12, 2011 and pertaining to a balance of genders in the composition of Administration and Control Bodies;
- on March 25, 2015, Engineering Ingegneria Informatica S.p.A. founded a company in Norway, with a registered office in Oslo, named EngNor AS. By means of this operation, Engineering Ingegneria Informatica S.p.A. retains 100% of the share capital of the company;
- on April 16, 2015, Engineering Ingegneria Informatica S.p.A. proceeded with acquiring – from the minority shareholders of the company MHT S.r.l. – an additional 15% of the share capital. By means of this acquisition, Engineering Ingegneria Informatica S.p.A. now retains 85% of the share capital of the company MHT S.r.l.;
- on April 24, 2015, Engineering Ingegneria Informatica S.p.A. proceeded with acquiring the residual 10% of the share capital of the subsidiary Engi da Argentina S.A.;
- the Ordinary Shareholders' Meeting of the company held on April 24, 2015, deliberated:
 - to distribute part of the net income of the year, equal to Euro 20,000,000.00 (twenty million/00), for an amount equal to Euro 1.64517 per ordinary share in circulation;
 - to pay a dividend on May 27, 2015, while specifying that the stock will be considered ex-dividend as of May 25, 2015;
 - to appoint the new Board of Directors by confirming Michele Cinaglia as the Chairman of the Board of Directors;
 - to appoint Jörg Zirener as the Chairman of the Committee for Risk Control and Management;
- on July 9, 2015, the subsidiary Engineering International Belgium S.A., founded a company in Luxemburg named Engineering Luxembourg S.à.r.l. with a shareholding corresponding to 100% of the share capital of the company;

- during the month of July 2015, Engineering Ingegneria Informatica S.p.A. exercised its withdrawal right from the agreement with Metalma in order to acquire the remaining 25% of the shareholding of Engineering do Brasil S.A.;
- on August 5, 2015, the Board of Directors of Engineering Ingegneria Informatica S.p.A. modified the members of the Supervisory Body of the Company by appointing, with immediate effectiveness, Roberto Fiore (Chairman), Spartaco Pichi (member) and Amilcare Cazzato (member);
- on November 20, 2015, the company MHT S.r.l. proceeded with acquiring the residual 30% of the share capital of the subsidiary MHT Balkan d.o.o.. By means of this operation, MHT S.r.l. retains 100% of the company's share capital;
- on December 1, 2015, Engineering Ingegneria Informatica S.p.A. acquired a company branch from Fast Innovation S.r.l. which is dedicated to the luxury and fashion markets and which is focused on multi-channel Clienteling solutions for retail sales.

XII. Shareholders and share performance

■ SHAREHOLDERS

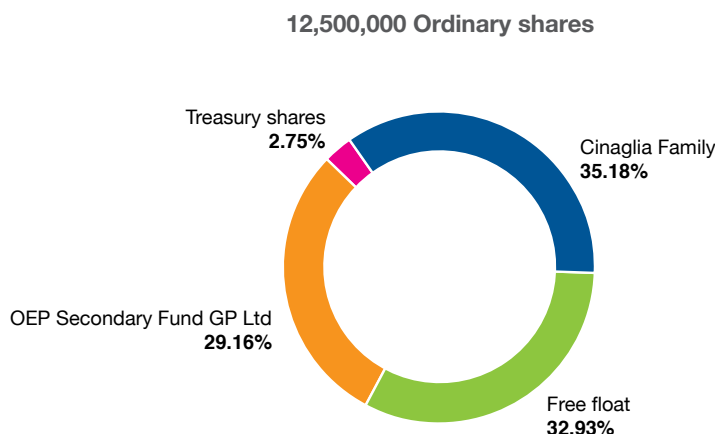
The founding family is the Shareholder with the relative majority, with a share equalling 35.18%**. During 2013 the fund One Equity Partner, owned directly by JP Morgan, became a Shareholder by purchasing a share equalling 29.16% of the capital.

On January 9, 2015, JP Morgan Chase & Co. sold the shareholding in Engineering (equal to 29.158% of the share capital and held through the company OEP Italy High Tech Due S.r.l., previously owner of a significant shareholding in Engineering) to OEP Secondary Fund GP Ltd.

The remaining part of the shares consists of the free float equal to 35.68%, also including the holdings in Bestinver SGIIIC* for 8.5% and the shares held directly by the Company for 2.75%.

* Values based on the latest communications of the significant shareholdings from the Consob website as of March 14, 2016.

** Press release of February 8, 2016, distributed on behalf of Neuberger Berman and Apax.



On February 7, 2016, a *Preliminary Sale and Purchase Agreement and Coinvestment Agreement* was stipulated in order to regulate an operation for the purchase – on the part of NB Renaissance and Apax VIII (private equity funds) – of the shares owned by the following Shareholders of Engineering Ingegneria Informatica S.p.A. (henceforth, “Engineering”): Michele Cinaglia (Chairman of Engineering), Marilena Menicucci (wife of Michele Cinaglia), Paolo Pandozy (CEO of Engineering), Armando Iorio (CFO of Engineering) and Melville S.r.l. (a special purpose company controlled by NB Renaissance Partners), overall totalling 37.1% of the shareholding of Engineering Ingegneria Informatica S.p.A..

The investment agreement included Shareholder agreements which regulate the Governance of the Company by guaranteeing the continuity of current management (Chairman, CEO and CFO) in order to continue to implement the growth strategy of the Engineering Group in upcoming years.

All the information made public on the current date can be found within the website of Engineering Ingegneria Informatica S.p.A. under the section Investor Relations -> Press Releases and Investor Relations -> Corporate Governance -> Shareholding.

■ KEY FIGURES 2015*

Average price of the share	Euro 53.6
Maximum price of the share	Euro 61.20 on August 5, 2015
Minimum price of the share	Euro 36.67 on January 7, 2015
Average volume of shares traded	11,544 shares
Maximum volume of shares traded	185,087 shares on December 2, 2015
Minimum volume of shares traded	950 shares on January 2, 2015

*Source: Bloomberg Finance LP

During 2015, the share maintained an average value equal to Euro 53.6 compared to Euro 44.10 in 2014 with an average capitalisation equal to Euro 670 million, with average daily trading of shares equal to 11,544 shares, up compared to 7,518 shares in 2014.

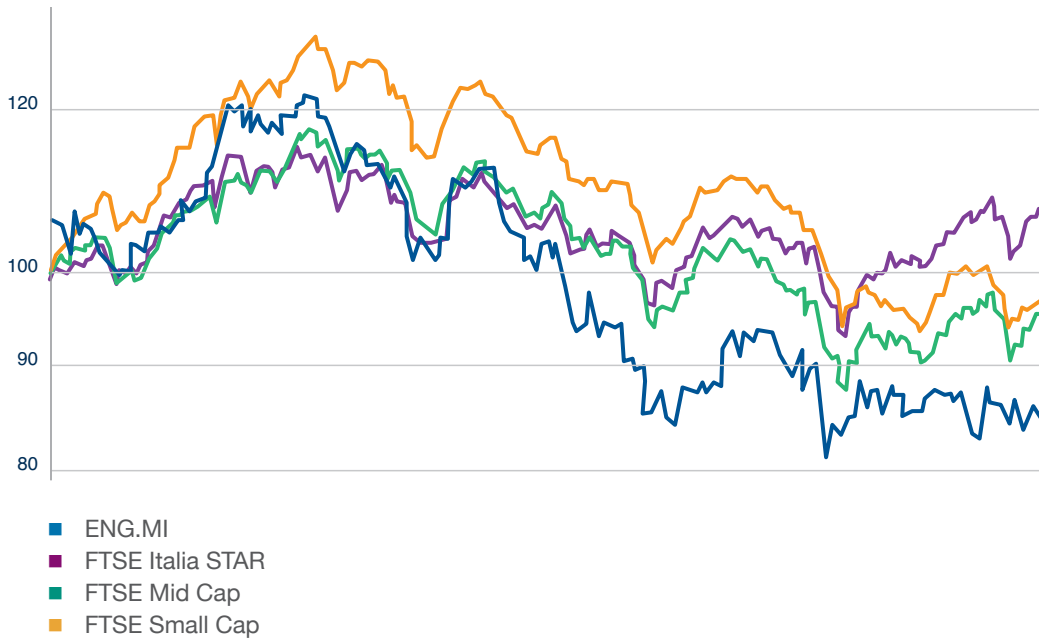
In 2015 Engineering shares recorded +58.12% (closing value as of January 2, 2015 compared to the value of December 30, 2015), with the FTSE Italia STAR index recording +38.2%, unlike the two FTSE Small and FTSE Mid Cap indexes, which recorded -1.97% and 4.45% respectively.

If one analyzes the average trend of the stock in the last three years, it is possible to note a constant increase in value from Euro 31.50 in 2013, Euro 44.10 in 2014 and Euro 53.6 in 2015, a very positive three year performance.

During 2015, all five of the brokers that have covered the share, with research activities and notes on the Group, Banca IMI (Specialist), Intermonte, Banca Aletti, Kepler and Akros, have never issued negative recommendations, with average target prices on average higher than Stock Market value.

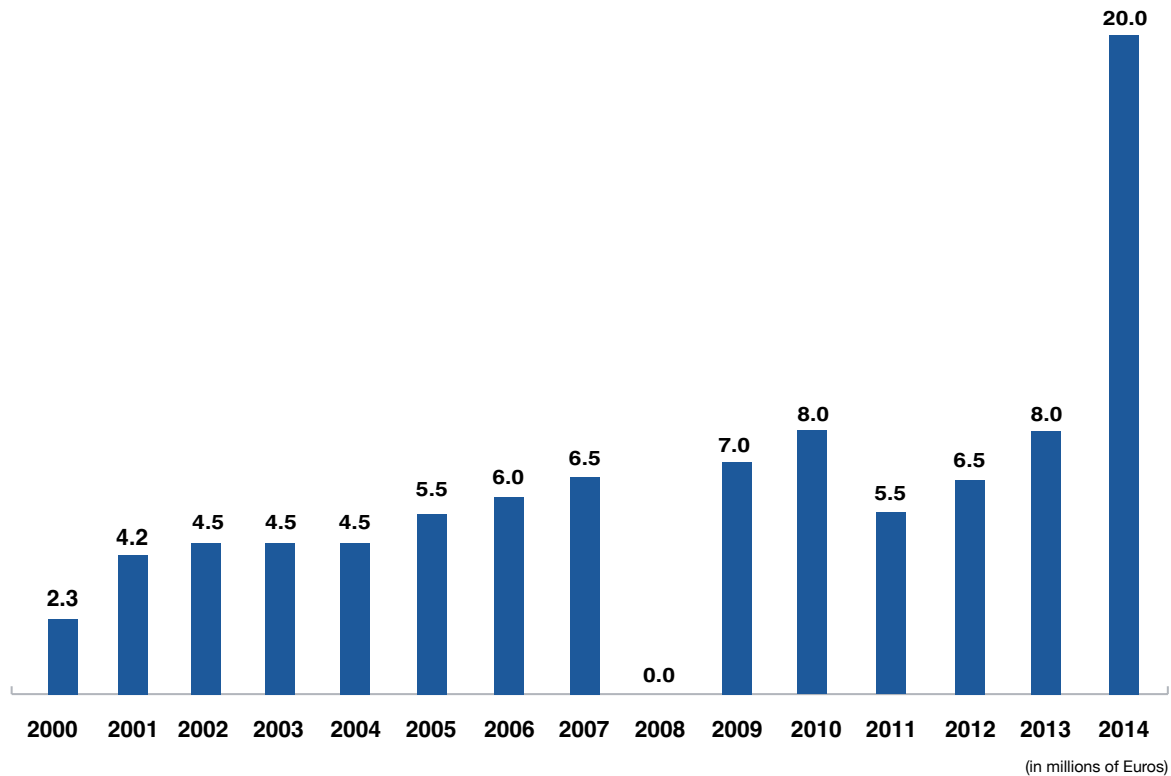
The Company continued its Investor Relations activities by participating in various national and international roadshows organised by Borsa Italiana and by the leading brokers.

As of the date of this report, the value of the share is Euro 65.40 per share, with a market capitalisation of Euro 817.5 million.



■ DIVIDENDS

The graph below shows the amount of the dividends distributed by the Group for the year of accrual from 2000 to 2015.



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

■ TREASURY SHARES

On April 24, 2015, the Engineering Ingegneria Informatica S.p.A. Shareholders' Meeting voted in favour of a treasury share buy-back plan for a maximum of 2,500,000 shares, within a maximum time period of 18 (eighteen) months.

The treasury shares held as of December 31, 2015 totalled 343,213 (2.746%) for a value of Euro 7,998,042.69, recorded as a reserve under Shareholders' equity in accordance with IAS 32, at an average carrying value of Euro 23.968 per share.

As of the date of approval of this report, the number of treasury shares held in the portfolio by the Company has no been changes.

XIII. Subsequent events to the year-end

It should be noted that, as of February 8, 2016, the Issuer and the market were notified of the undersigning of an investment agreement relative to the purchase of a total of 4,506,773 ordinary shares of Engineering which correspond to approx. 37.1% of the share capital on the part of the NB Renaissance and Apax VIII funds.

The aforementioned purchase, if completed, will result in the launch of a mandatory public offering, in accordance with Articles 102, paragraph 1, and 109 of the Consolidated Financial Act and involving all the ordinary shares of the Issuer. The execution of the operation is subject to the zeroing out – by September 30, 2016 – of certain conditions precedent. For more details on the investment agreement, refer to the press release of Engineering Ingegneria Informatica S.p.A. on behalf of the funds Neuberger Berman and Apax on February 8, 2016, published on the site of the issuer www.eng.it under the section Investor Relations -> Press Releases.

It should be noted that, as highlighted in chapter 2, letter g) – and at the time of stipulation of the investment agreement – three shareholder agreements pursuant to Art. 122 of Leg. Decree no. 58/98 were undersigned. These agreements regulate certain aspects of the Governance of the Issuer and establish certain limits to the transfer of the respective shareholdings of the parties to the agreements themselves; the effectiveness of these agreements is conditional to the occurrence of certain conditions precedent within the investment agreement.

For more details on these shareholder agreements, refer to the essential information on each agreement and the relative extracts communicated to the Issuer and to Consob on the basis of Article 122 of Leg. Decree 58/1998, and published within www.eng.it under the section Investor Relations -> Corporate Governance -> Shareholding.

XIV. Outlook

In 2016, the offer of the Group will focus even more on digitalization, with specific focus on those sectors where the investments of our customers are concentrated.

Solutions for the management of customer relations are of particular importance.

Ranging from CRM to business analytics, the Engineering offer is enriched with know-how on the best market solutions and original assets which provide our services with a distinctive quality.

This applies to both the private sector as well as for Finance and Public Administration: anywhere competition moves towards product and process innovation as well as more effective management of channels for a more precise knowledge of customer needs.

The results attained in 2015 – not only in economic terms but, in particular, market positioning – allow us to forecast a consolidation of our leadership in the domestic market for 2016.

We are also carefully monitoring our activities in Brazil, a country undergoing a deep economic crisis; our approach is to optimize our local organization in order to optimally manage the current situation.

XV. Other information

■ TRANSACTIONS WITH RELATED PARTIES

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

■ PRINCIPAL RISKS AND UNCERTAINTIES

As in all companies, risk factors which may affect 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. and its subsidiaries are exposed to the following risks and uncertainties.

EXTERNAL RISKS

A. Risks connected with the general conditions of the economy

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 considerable investments that allow intense research activity and the development and update 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; this is encouraged by a fragmented context that is affected by deeply rooted local operators that can present offers at more competitive prices. Therefore, some competitors could take away small market shares and expand their presence in the reference markets.

In this respect, the Group adopts strategies:

- to control costs by predicting the possible technological changes that may cancel out the competitive advantages already present in the Group;
- to differentiate its offer.

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 considerably 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.

In any case, the 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 positions 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. 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. The Group companies operate in areas where there are no armed conflicts or border tensions. At present, the exposure towards foreign activities, in the order of 10% of total consolidated revenues, does not subject the Group to risks such as changes to local political and regulatory frameworks, as well as considerable currency fluctuations. However, these events could negatively affect the Group's growth prospects. 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. With regard to the Brazilian market, in particular, there are risks relative to the economic and political situation of the country that could have a potential impact on the activities of the Group in addition to the continued suspension of one of our primary projects; in order to avoid the risks of potential litigation in relation to the latter, negotiations are underway in order to resume the project operations.

FINANCIAL RISKS

By operating mainly in the Euro area the Group has limited exposure to exchange rate risk from transactions in foreign currency. Specific initiatives were taken and processes followed for commercial purposes in order to ensure the solvency of our clients; therefore, 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 functional currency (Euro) is limited.

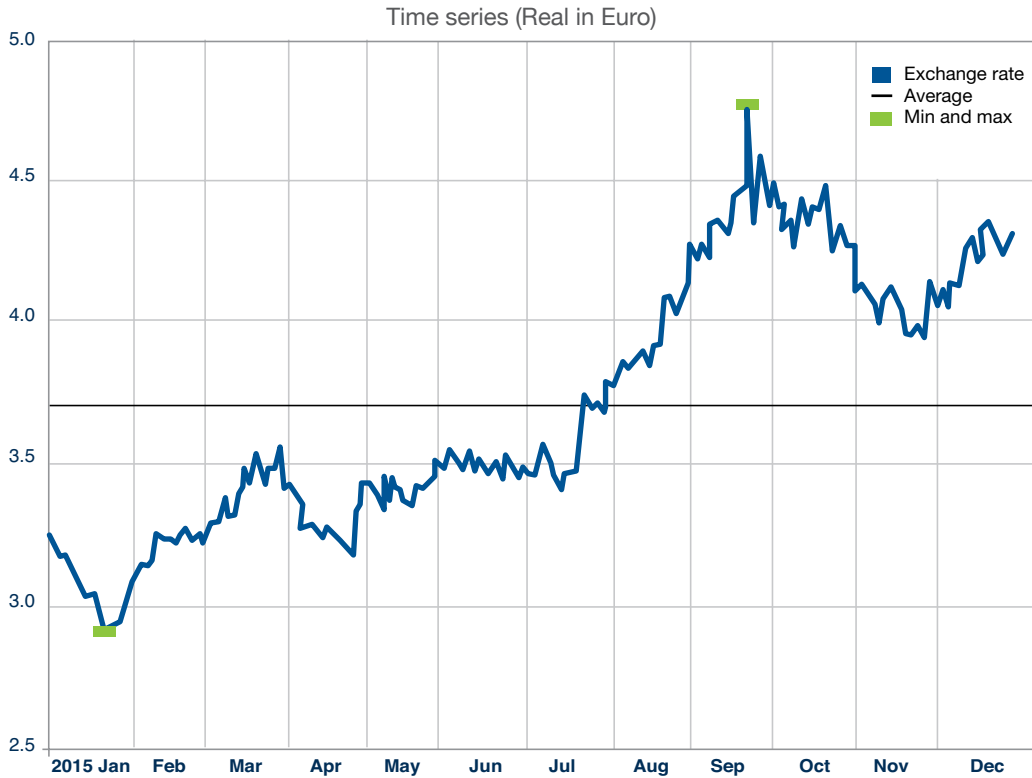
IFRS 7 requires the Group to introduce simulation and sensitivity analysis processes to value potential losses deriving from unfavourable changes in the sector environment concerning:

- 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 S.A., in relation to services provided mainly within the Telco division and the Energy & Utilities division.

Key Euro/real Exchange rate data

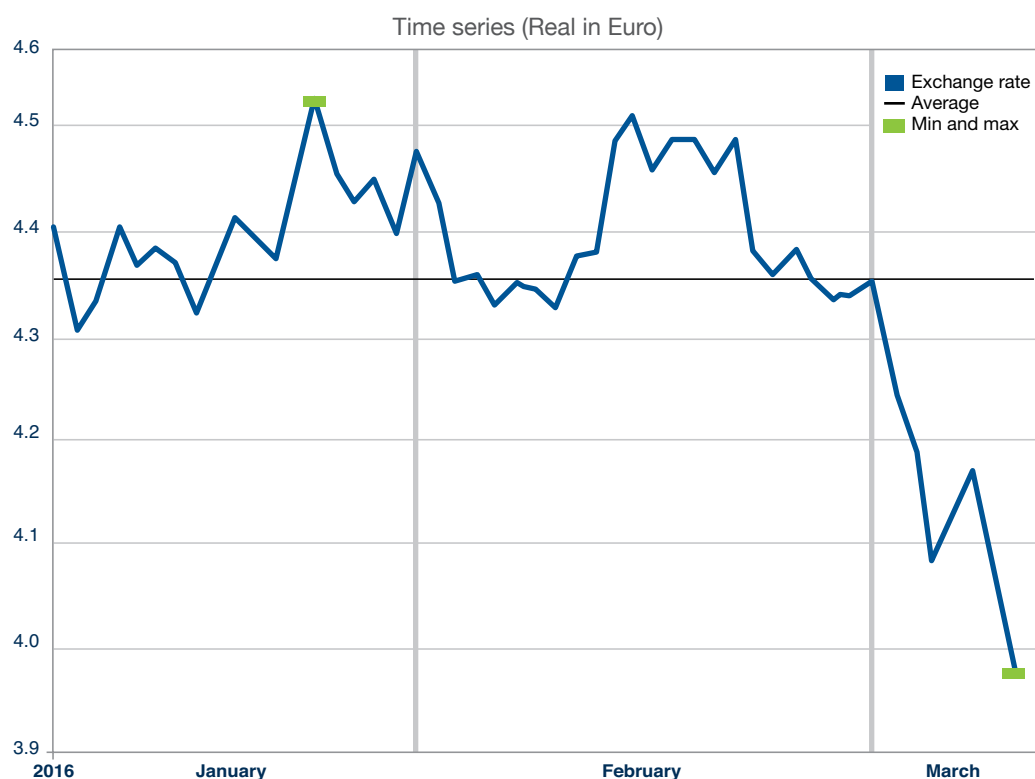
Average exchange rate 2015:	3.7 Brazilian/Euro
Exchange rate as of January 2, 2015:	3.2433
Exchange rate as of December 31, 2015:	4.3117
Max exchange rate:	4.7304 on September 24, 2015
Min exchange rate:	2.9057 on January 23, 2015
Current Exchange rate (March 11, 2016)	3.972



The EUR/BRL exchange rate 2015, recorded daily (Source Bank of Italy Eurosystem).

During the year 2015 the Brazilian currency become very weak against the Euro, as confirmed also by the average exchange rate for 2015, which was 3.7004 Brazilian Real for Euro 1 against 3.1223 of 2014. This, in terms of economic impact on 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 average exchange rate for the first few months of 2016 depreciated further with respect to the first months of 2015; the average exchange rate for January and February 2015 equalled 4.40 and 4.39, respectively. The current EUR/BRL exchange rate – with reference to March 15, 2016, when this document was drawn up – is lower compared with the value recorded on December 31, 2015.



The EUR/BRL exchange rate 2015, recorded daily (Source Bank of Italy Eurosystem).

During the course of 2015, Brazil reported a negative GDP of -3.6% with an inflation rate around +10.8%; the Brazilian Central Bank reported that “economic growth continues at a rate slower than its potential due to the impact of the process of macroeconomic adjustment that is underway and the effects of non-economic effects”. For the year 2016, according to the Brazilian central institution, an additional decrease in GDP of 1.9% is forecasted with an inflation rate of 9.2% in the first quarter; this will then gradually fall to 6.2% for the rest of the year.

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 2015 data. The income statement values are calculated utilising the average annual exchange rate between the two currencies.

Eng do Brasil total revenues 2015	R\$ 180,693,940
BRL/EUR financial statement conversion rate	3.70
Financial statements total revenues in Euro	Euro 50,992,849

(in Euros)

Depreciation BRL	Corresponding revenues 2015	Net effect	% Effect on Group consolidated total revenues
5%	48,443,207	(2,549,642)	-0.29%
10%	45,893,564	(5,099,285)	-0.58%
15%	43,343,922	(7,648,927)	-0.87%
20%	40,794,279	(10,198,570)	-1.16%
25%	38,244,637	(12,748,212)	-1.45%

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 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. Specifically, 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. With regard to the receivables from the Sicily Region in particular, also through Sicilia e-Servizi S.p.A., reference is made to the contents of paragraph "14. Trade receivables" of the Notes to the Financial Statements.

E2. 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

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

■ TAX AUTHORITY RELATIONS

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

It should be noted that comparison figures related to 2014 have been in some cases restated, as set out by IFRS 3 - Business Combinations, to take account of the final allocation of fair value related to assets and liabilities acquired from MHT S.r.l.. For further details reference is made to the paragraph 1.1.

STATEMENT OF FINANCIAL POSITION

(in Euros)

Statement of Financial Position - Assets	Notes	31.12.2015	31.12.2014
A) Non-current assets			
Property, plant and equipment	6	27,366,344	29,211,907
Intangible assets	7	20,788,486	23,540,120
Goodwill	8	49,955,873	50,181,791
Other investments and holdings	9	119,323	125,123
Deferred tax assets	10	18,725,057	22,721,954
Other non-current assets	11	1,329,953	1,206,666
Total non-current assets		118,285,036	126,987,561
B) Non-current assets held for sale		0	0
C) Current assets			
Inventories	12	223,510	71,487
Construction contracts	13	128,766,249	124,290,824
Trade receivables	14	520,007,285	505,852,465
Other current assets	15	54,427,968	53,978,514
Cash and cash equivalents	16	211,344,536	182,704,807
Total current assets		914,769,548	866,898,095
Total assets (A + B + C)		1,033,054,584	993,885,656
Statement of financial position - Liabilities	Notes	31.12.2015	31.12.2014
D) Shareholders' equity			
Share Capital	18	30,999,807	31,007,521
Reserves	19	88,029,391	98,679,643
Retained earnings/(losses carried forward)	20	268,482,768	237,197,722
Profit/(Loss) for the year		49,403,044	40,820,592
Group Shareholders' equity		436,915,009	407,705,478
Group Shareholders' equity		8,996,135	7,568,819
Profit/(Loss) for the year of minority share		(3,864,079)	965,284
Total Shareholders' equity	17	442,047,065	416,239,580
E) Non-current liabilities			
Non-current financial liabilities	21	33,956,238	46,629,125
Deferred tax liabilities	22	21,312,107	21,854,766
Non-current provisions for risks and charges	23	162,349	217,344
Other non-current liabilities	24	3,803,393	10,288,233
Post-employment benefits	25	62,606,849	68,869,328
Total non-current liabilities		121,840,937	147,858,795
F) Current liabilities			
Current financial liabilities	26	33,774,104	24,253,482
Current tax payables	27	13,845,184	1,312,617
Current provisions for risks and charges	28	14,305,000	21,860,331
Other current liabilities	29	135,274,594	140,719,888
Trade payables	30	271,967,700	241,640,963
Total current liabilities		469,166,582	429,787,281
G) Total liabilities (E + F)		591,007,519	577,646,076
Total liabilities & Shareholders' equity (D + G)		1,033,054,584	993,885,656

INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT

(in Euros)

Income Statement	Notes	31.12.2015	31.12.2014
A) Total revenues			
Revenues		850,913,528	817,260,575
Other revenues	32	26,586,469	35,712,899
Total revenues	31	877,499,997	852,973,474
B) Operating expenses			
Raw materials and consumables	34	19,049,635	16,862,210
Services	35	315,487,318	300,857,058
Personnel costs	36	425,831,374	414,043,214
Amortisation and Depreciation	37	17,602,232	18,694,817
Provisions	38	32,585,556	14,061,164
Other costs	39	11,648,122	11,307,273
Total operating expenses	33	822,204,236	775,825,737
C) Operating profit (A - B)		55,295,761	77,147,738
D) Net financial income/(charges)	40	13,943,607	577,469
E) Income/(Charges) from investments			
Income/(Charges) from other investments			0
Non-recurring income/(charges) from investments		1,465,292	713,567
Total income/(charges) from investments	41	1,465,292	713,567
F) Profit before taxes (C + D + E)		70,704,660	78,438,774
G) Income taxes	42	25,165,696	36,652,899
H) Net profit from continuing operations (F - G)		45,538,965	41,785,876
I) Profit/(Loss) from discontinued operations		0	0
L) Consolidated profit/(loss) for the year (H + I)		45,538,965	41,785,876
Minority share		(3,864,079)	965,284
Group share		49,403,044	40,820,592
Group consolidated profit	43		
Basic earnings per share		4.06	3.35
Diluted earnings per share		4.06	3.35
Net profit from continuing operations	43		
Basic earnings per share		3.75	3.43
Diluted earnings per share		3.75	3.43

(in Euros)

Comprehensive Income Statement	Notes	31.12.2015	31.12.2014
L) Group consolidated profit		45,538,965	41,785,876
M) Other comprehensive income statement items			
Net actuarial gains/(losses) of employee defined plans		4,483,115	(6,469,926)
Tax effect related to other profit/(loss) which will be reclassified in profit/(loss) for the year		(1,499,242)	1,779,230
Changes in other equity reserves			0
Tax effect related to changes in other equity reserves		81,518	0
Total other profit/(loss) which will not be reclassified in profit/(loss) for the year, net of tax effect		3,065,391	(4,690,697)
N) Total other profit/(loss) which will be reclassified in profit/(loss) for the year:			
Profit/(Loss) on cash flow hedge instruments		0	(242,013)
Tax effect related to other profit/(loss) which will be reclassified in profit/(loss) for the year		0	66,554
Translation gains/losses on non Euro accounts		(3,457,520)	1,240,194
Taxation on translation gains/losses on non Euro accounts			0
Total other profit/(loss) which will be reclassified in profit/(loss) for the year, net of tax effect		(3,457,520)	1,064,734
Total other profit/(loss), net of tax effect		(392,128)	(3,625,962)
O) Total comprehensive income for the year (L + M + N)		45,146,836	38,159,914
Minority share		(3,820,776)	(856,856)
Group share		48,967,612	39,016,769

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

45

(in Euros)

Description	Share capital	Reserves	Retained earnings	Profit/(Loss) for the year	Group Shareholders' equity	Minority interest	Total
Balance as of 01.01.2014	31,084,431	107,408,349	198,569,193	53,111,085	390,173,058	3,895,391	394,068,449
Net profit				40,820,592	40,820,592	965,284	41,785,876
Other net comprehensive items		1,240,194	(4,888,123)		(3,647,929)	21,967	(3,625,962)
Comprehensive profit	0	1,240,194	(4,888,123)	40,820,592	37,172,663	987,250	38,159,914
Allocation of profit	0	0	45,111,085	(45,111,085)	0	0	0
Dividends distributed			0	(8,000,000)	(8,000,000)	0	(8,000,000)
Incr./decr. treasury shares	(76,911)		(1,092,906)		(1,169,816)	0	(1,169,816)
Incr./decr. share capital	0	0	0	0	0	0	0
Transactions with Shareholders	(76,911)	0	44,018,179	(53,111,085)	(9,169,816)	0	(9,169,816)
Other changes	0	(9,968,900)	(501,527)	0	(10,470,428)	3,651,461	(6,818,967)
Balance as of 31.12.2014	31,007,521	98,679,643	237,197,722	40,820,592	407,705,477	8,534,102	416,239,580
Net profit				49,403,044	49,403,044	(3,864,079)	45,538,965
Other net comprehensive items		(3,457,520)	3,022,088		(435,431)	43,303	(392,128)
Comprehensive profit	0	(3,457,520)	3,022,088	49,403,044	48,967,612	(3,820,776)	45,146,836
Allocation of profit	0	0	20,820,592	(20,820,592)	0	0	0
Dividends distributed			0.00	(20,000,000)	(20,000,000)	0	(20,000,000)
Incr./decr. treasury shares	(7,714)		(109,267)		(116,980)	0	(116,980)
Incr./decr. share capital	0	0	0	0	0	0	0
Transactions with Shareholders	(7,714)	0	20,711,325	(40,820,592)	(20,116,980)	0	(20,116,980)
Other changes	0	(7,192,732)	7,551,632	0	358,899	418,729	777,629
Balance as of 31.12.2015	30,999,807	88,029,391	268,482,767	49,403,044	436,915,009	5,132,056	442,047,064

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	31.12.2015	31.12.2014
Revenues from the sales of products /services - third parties	965,661,878	1,052,849,104
Revenues from the sales of products /services - Group	54,757,901	29,513,639
Costs for goods and services - third parties	(376,481,143)	(401,811,612)
Costs for goods and services - Group	(54,757,901)	(29,513,639)
Personnel costs	(437,193,175)	(432,266,284)
Interest received from operating activities	1,547,795	2,927,622
Interest paid for operating activities	(1,254,624)	(1,725,950)
Exchange differences	(1,007,194)	(197,769)
Income taxes	(86,335,168)	(115,268,315)
A) Total cash flow from operating activities	64,938,369	104,506,796
Sale of tangible assets	123,081	577,507
Purchase of tangible assets	(8,389,932)	(8,439,657)
Purchase of intangible assets	(1,683,272)	(2,490,884)
Purchase of investments in subsidiaries	(2,112,667)	(1,354,838)
Purchase of business unit	(685,769)	(667,388)
Purchase of other investments and securities	0	(11,400)
Sale of other investments and securities	0	588,951
B) Total cash flow from investing activities	(12,748,559)	(11,797,709)
New loans	80,262,640	194,957,530
Repayment of loans	(83,566,809)	(234,306,947)
Loans granted to third parties	0	(1,658,796)
Purchase of treasury shares	(116,980)	(1,198,329)
Dividends distributed	(19,999,981)	(7,971,767)
Change in consolidation scope	364,864	1,700,448
Interest received from financing activities	841,570	0
Interest paid for financing activities	(1,335,384)	(973,703)
C) Total cash flow from financing activities	(23,550,081)	(49,451,563)
D) = (A+B+C) Change in cash and cash equivalents	28,639,730	43,257,524
E) Cash and cash equivalents at beginning of the year	182,704,807	139,447,283
F) = (D+E) Cash and cash equivalents at end of the year	211,344,537	182,704,807

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 owned as of December 31, 2015 for Euro 7,998,043 (Euro 7,881,063 in 2014).

	(in Euros)	
Description	31.12.2015	31.12.2014
Cash	34,215	31,572
Other liquid assets	219,308,365	190,554,297
A) Cash and cash equivalents	219,342,579	190,585,869
B) Current financial receivables	1,279,304	1,658,796
Current bank payables	(4,072,416)	(4,934,831)
Current borrowing	(20,553,144)	(10,420,608)
Other current financial payables	(9,148,545)	(8,898,043)
C) Current borrowing	(33,774,104)	(24,253,482)
D) Net current financial position (A+B+C)	186,847,779	167,991,183
Non-current borrowing	(32,665,121)	(45,231,644)
Other non-current payables	(1,291,117)	(1,397,481)
E) Non-current borrowing	(33,956,238)	(46,629,125)
F) Net financial position (D+E)	152,891,541	121,362,058

1 General information

Engineering is the leading domestic provider of integrated ICT services, products and consultancy. The Company was established 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. 8,100 employees, 40 offices throughout Italy, the EU and Latin America and with an agent in the United States, the Group derives approx. 10% 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 5 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 9% 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

Completion of accounting related to the final allocation of MHT S.r.l.

During the first half-year of 2015, recognition and measurement at fair value were completed on assets and liabilities of MHT S.r.l., of which Engineering Ingegneria Informatica S.p.A. acquired control on January 31, 2014, as already described in the explanatory notes to the consolidated financial statements ended December 31, 2014 to which reference is made.

The following table shows the total accounting values of assets acquired and liabilities undertaken, as well as final values related to identified fair value.

	Book value	Fair Value adjustments	Fair value
(in Euros)			
Net assets acquired 31.01.2014			
Property, plant and equipment	616,371		616,371
Intangible assets	57,351	7,294,982	7,352,333
Other non-current assets	50,841		50,841
Other current assets and liabilities	5,288,031		5,288,031
Non-current liabilities	1,040,654	2,290,625	3,331,279
Other current assets and trade liabilities	2,996,778		2,996,778
Total net assets acquired	1,975,162	5,004,357	6,979,519
Third party Shareholders' equity			3,362,949
Total net assets acquired by the Group			3,616,570
Total amount			6,979,519

Upon completion of the measurement procedures, carried out with the support of an independent expert, as better described in the following point 7, a net fair value adjustment of net assets acquired, equal to Euro 5,004,357, was reported against recognition of:

- the contract portfolio value owned by MHT S.r.l., estimated as amounting to Euro 7.3 million;
- deferred taxation, which entailed the recording of deferred taxes totalling Euro 2.3 million.

In application of IFRS 3 “Business Combinations”, the above-mentioned data, finally determined, were retrospectively disclosed as from January 31, 2014, with the following change and supplement of equity and balance-sheet figures included in the consolidated financial statements for the year ended December 31, 2014, included in the above-mentioned amortisation of the acquired intangible assets.

Moreover, on April 16, 2015, Engineering Ingegneria Informatica S.p.A. acquired a further share, equal to 15% of the share capital of MHT S.r.l., from minority shareholders. With this acquisition, Engineering Ingegneria Informatica S.p.A. now owns 85% of the MHT S.r.l.’s share capital.

■ 1.2 ACQUISITIONS IN THE YEAR

- On January 28, 2015, pursuant to IFRS 10, Engineering Ingegneria Informatica S.p.A. acquired the control of WebResults S.r.l., headquartered in Treviolo (BG) through 51% of the share capital. In the above transaction the parties also agreed on the purchase obligation by Engineering Ingegneria Informatica S.p.A. of the residual minority interest, equal to 49%, at determined date and a fixed price. The entire company’s interest is expected to be acquired by within 2018. A Goodwill of Euro 3,037,341, determined with the full goodwill method, was obtained from the consolidation of the subsidiary on a line-by-line basis, as better described in the paragraph related to goodwill. During the year, recognition and measurement at fair value were completed on assets and liabilities of the company WebResults S.r.l..

The table shows the total accounting values of assets acquired and liabilities undertaken, as well as final values related to identified fair value.

	(in Euros)		
Net assets acquired 01.01.2015	Book value	Fair Value adjustments	Fair Value
Property, plant and equipment	37,521		37,521
Intangible assets	27,319	4,427,341	4,454,660
Other non-current assets	128,531		128,531
Other current assets and liabilities	1,265,502		1,265,502
Non-current liabilities	340,405	1,390,000	1,730,405
Other current assets and trade liabilities	655,809		655,809
Total net assets acquired	462,659	3,037,341	3,500,000
Third party Shareholders' equity			1,970,000
Total net assets acquired by the Group			1,530,000
Total amount			3,500,000

Upon completion of the measurement procedures, a net fair value adjustment of net assets acquired, equal to Euro 3,037,341, was reported against recognition of:

- the contract portfolio value owned by WebResults S.r.l., estimated as amounting to around Euro 4.4 million;
- deferred taxation, which entailed the recording of deferred taxes totalling around Euro 1.4 million.
- On March 25, 2015, Engineering Ingegneria Informatica S.p.A. founded the company EngNor AS, 100% investee of Engineering Ingegneria Informatica S.p.A. and headquartered in Oslo, Norway.
- On April 24, 2015, Engineering Ingegneria Informatica S.p.A. acquired the residual 10% of the subsidiary Engi da Argentina S.A. share capital;

- On July 9, 2015, the subsidiary Engineering International Belgium S.A. established the company Engineering Luxembourg S.à.r.l. in Luxembourg, with a shareholding corresponding to 100% of the company's share capital.
- On December 1, 2015, Engineering Ingegneria Informatica S.p.A. purchased a business unit from Fast Innovation S.r.l. dedicated to the luxury and fashion markets and focused on multi-channel clienteling solutions for retail sales;
- On November 29, 2015, the Company MHT S.r.l. acquired the residual 30% of the residual share capital of the subsidiary MHT Balkan d.o.o..

2 Form, contents and accounting principles

These annual consolidated financial statements as of December 31, 2015 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, 2015, as indicated in par. 4.28.

Transactions with related parties are disclosed in the statement of financial position, the income statement and the cash flow statement.

The transactions with related parties concern subsidiaries, associated companies and Directors and Executives with strategic responsibilities.

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 costs, while the cash flow statement uses the direct method.

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.

■ 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 mostly 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.

Consistently with provisions set out by IFRS 10, a company is controlled with the presence of the following three elements: (a) power on 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.

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 ARRANGEMENTS

Pursuant to provisions set forth by IFRS 11, investments in joint ventures are recorded under the equity method applied as described in the previous note. A joint venture is a joint operation where parties have rights on contractually agreed assets and obligations for agreed liabilities. As regards joint operations, the standard envisages that the proportionate assets, liabilities, costs and revenues, resulting from joint operations, are entered directly in the consolidated (and separate) financial statements.

■ 3.4 CONSOLIDATION SCOPE

The consolidated companies as of December 31, 2015 (the details are shown in the previous paragraph of the Directors' report) are listed hereunder:

Company	Headquarter	Share capital	Percentage of share capital held		
			Direct	Indirect	Total
Engineering Sardegna S.r.l.	Cagliari	20,000 Euros	100.00%		100.00%
Engiweb Security S.r.l.	Rome	50,000 Euros	100.00%		100.00%
Engineering Tributi S.p.A.	Trento	10,000,000 Euros	100.00%		100.00%
Engineering International Inc.	Delaware(Usa)	9 Euros	100.00%		100.00%
Engineering International Belgium S.A.	Brussels	61,500 Euros	100.00%		100.00%
Engineering Luxembourg S.à.r.l.	Luxembourg	12,500 Euros		100.00%	100.00%
Engineering.mo S.p.A.	Pont-Saint-Martin	1,000,000 Euros	100.00%		100.00%
Engineering Excellence Center S.r.l.	Rome	10,000 Euros	100.00%		100.00%
Nexen S.p.A.	Padua	1,500,000 Euros	100.00%		100.00%
EngNor AS	Oslo	30,000 Nok	100.00%		100.00%
OverIT S.p.A.	Pordenone	300,000 Euros	95.00%		95.00%
MHT S.r.l.	Lancenigo	52,000 Euros	85.00%		85.00%
Engi da Argentina S.A.	Buenos Aires	50,000 AR\$	10.00%	67.50%	77.50%
Engineering do Brasil S.A.	Sao Paulo (Brazil)	25,806,020 Reais	75.00%		75.00%
Sicilia e-Servizi Venture S.c.r.l.	Palermo	300,000 Euros	65.00%		65.00%
MHT Balkan d.o.o.	Belgrade	452,000 Rsd		85.00%	85.00%
WebResults S.r.l.	Treviolo	10,000 Euros	51.00%		51.00%

Changes in the consolidation scope compared to December 31, 2014 related to transactions carried out during the period as summarised below:

- on January 28, 2015, acquisition of control by Engineering Ingegneria Informatica S.p.A. through the equity investment equal to 51% of WebResults S.r.l.'s share capital;
- on March 25, 2015, establishment of EngNor AS;
- on April 16, 2015, acquisition of a further 15% of MHT S.r.l.'s share capital;
- on April 24, 2015, acquisition of the residual 10% of Engi da Argentina A.S.'s share capital by Engineering Ingegneria Informatica S.p.A.;
- on July 9, 2015, establishment of Engineering Luxembourg S.à.r.l.;
- consolidation of MHT Balkan d.o.o.;
- on November 20, 2015, acquisition of the residual 30% of MHT Balkan d.o.o.'s share capital by MHT S.r.l..

Disclosures required by IFRS 12 on the significant interests that minority holders have in the Group's assets, liabilities and cash flows are shown hereunder:

(in Euros)

Company	Shares held by minority holders		Profit/(Loss) held by minority holders		Equity held by minority holders	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Sicilia e-Servizi Venture S.c.r.l.	35.0%	35.0%	(3,300,724)	(305,255)	(2,685,770)	614,971
Engineering do Brasil S.A.	25.0%	25.0%	(147,577)	1,046,004	2,411,727	3,394,200
MHT S.r.l.	15.0%	30.0%	158,424	199,963	520,369	710,934
WebResults S.r.l.	49.0%		189,258		450,154	
Total			(3,100,619)	940,712	696,479	4,720,105

Disclosures reflect the balances before intercompany netting.

(in Euros)

Description	Sicilia e-Servizi Venture		Engineering do Brasil		MHT		WebResults	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Non-current assets	9,552	14,390	3,085,243	6,528,630	828,484	737,510	191,197	0
Current assets	98,859,402	107,619,014	35,846,824	30,300,311	8,298,166	7,189,694	2,095,578	0
Non-current liabilities	328	328	726,571	1,252,980	1,244,558	1,151,197	332,823	0
Current liabilities	106,542,256	105,876,017	28,558,590	21,999,160	4,412,963	4,406,229	1,035,271	0
Group Shareholders' equity	(4,987,859)	1,142,089	7,235,180	10,182,600	2,948,759	1,658,845	468,527	
Minority interest Shareholders' equity	(2,685,770)	614,971	2,411,727	3,394,200	520,369	710,934	450,154	
Revenues	914,464	4,610,009	50,992,849	57,938,283	13,731,143	11,132,142	3,810,505	0
Costs	(10,345,103)	(5,482,167)	(51,583,158)	(53,754,265)	(12,674,986)	(10,465,599)	(3,424,264)	0
Profit/(Loss) for the year	(9,430,639)	(872,159)	(590,309)	4,184,018	1,056,157	666,543	386,241	0
Group profit/(loss) for the year	(6,129,915)	(566,903)	(442,732)	3,138,013	897,733	466,580	196,983	0
Third-party profit/(loss) for the year	(3,300,724)	(305,255)	(147,577)	1,046,004	158,424	199,963	189,258	0
Cash flow from operating activities	(1,253,638)	(479,488)	(8,339,494)	(1,143,313)	(1,517,675)	1,172,309	39,188	0
Cash flow from investing activities	0	541,705	(54,306)	38,114	(167,118)	(98,963)	(55,787)	0
Cash flow from financing activities	0	0	9,603,612	1,436,193	253,163	0	0	0
Total cash flows	(1,253,638)	62,217	1,209,812	330,994	(1,431,631)	1,073,346	(16,599)	0

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 compared 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

According to 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 using 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 at 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:

- (a) power on the entity acquired/established;
- (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.

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 derecognised 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 within 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 were 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

Unlike derivative instruments, financial liabilities are initially booked at the fair value of collected sums, plus any directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest criteria.

Derivative financial instruments

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

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

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

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

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

■ 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 as of 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 Group companies 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

Revenues generated from the sale of goods are 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 XV 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 of Directors monitors the level of dividends to be distributed to holders of ordinary shares. For details on the Company's debt/equity ratio, see paragraph 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 on 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 as of December 31, 2014, with the exception of the standards and interpretations listed below, applicable as of January 1, 2015.

Accounting standards, amendments and IFRS and IFRIC interpretations applied as of January 1, 2015

The following accounting principles, amendments and IFRS interpretations were applied for the first time by the Group as of January 1, 2015:

- on May 20, 2013, the interpretation **IFRIC 21 – Levies** was issued; it provides clarifications on the moment of booking of a liability linked to taxes (other than income taxes) payable to a government entity. The principle covers both liabilities for taxes which fall within the realm of application of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets as well as those for taxes whose timing and amount are certain. The interpretation is applied retrospectively for the years starting no later than June 17, 2014 or after. The adoption of this new interpretation had no impact on the consolidated financial statements of the Group.
- on December 12, 2013, the IASB published the **“Annual Improvements to IFRS’s document: 2011-2013 Cycle”**, which includes the amendments to the standards within the annual improvement process. The main amendments involve:
 - IFRS 3 *Business Combinations – Scope exception for joint ventures*. The amendment clarifies that paragraph 2(a) of IFRS 3 excludes – from the realm of application of IFRS 3 – the formation of all types of joint arrangements, as defined by IFRS 11;

- IFRS 13 *Fair Value Measurement – Scope of portfolio exception* (par. 52). The amendment clarifies that the *portfolio exception* included within paragraph 52 of IFRS 13 applies to all contracts included within the scope of application of IAS 39, regardless of whether these satisfy the definition of financial assets and liabilities supplied by IAS 32;
- IAS 40 *Investment Properties – Interrelationship between IFRS 3 and IAS 40*. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a real estate property falls within the application scope of either IFRS 3 or IAS 40, it is necessary to refer to the special indications given in IFRS 3 or IAS 40, respectively.

Amendments are applicable as of the fiscal years beginning on or after January 1, 2015. The adoption of the new amendments had no impact on the Group consolidated financial statements.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet applied mandatorily and not adopted in advance by the Group as of December 31, 2015

- On December 12, 2013, the “**Annual Improvements to IFRS’s document: 2010-2012 Cycle**” was issued, which includes the amendments to certain standards within the annual improvement process. The main amendments involve:
 - IFRS 2 *Share Based Payments – Definition of vesting condition*. Amendments to definitions of “vesting condition” and “market condition” were made and further definitions of “performance condition” and “service condition” (previously included in the definition “vesting condition”) were added;
 - IFRS 3 *Business Combination – Accounting for contingent consideration*. The amendment clarifies that a contingent consideration, within a business combination classified as financial asset or liability, should be remeasured at fair value at each financial statement closing date and changes in fair value should be recognised in the income statement or amongst the components of the comprehensive income statement, pursuant to requirements set out by IAS 39 (or IFRS 9);
 - IFRS 8 *Operating segments – Aggregation of operating segments*. The amendments require that an entity shall disclose any valuations made by management in applying the criteria of operating segment aggregation, including a description of the aggregated operating segments and economic indicators considered in determining whether such operating segments are similar;
 - IFRS 8 *Operating segments – Reconciliation of total of the reportable segments’ assets to the entity’s assets*. The amendment requires the reconciliation of segment assets to total assets is to be provided solely where the total assets of the operating segments are regularly reviewed by the entity’s top management;
 - IFRS 13 *Fair Value Measurement – Short-term receivables and payables*. The Basis for Conclusions was changed in order to clarify that, with the release of IFRS 13, and consequent amendments to IAS 39 and IFRS 9, the possibility to record trade receivables and payables is still effective without recognising the effects of discounting, if such effects are not material;
 - IAS 16 *Property, plant and equipment and IAS 38 Intangible Assets – Revaluation method: proportionate restatement of accumulated depreciation/amortization*. The amendments eliminated inconsistencies in the recognition of accumulated amortisation/depreciation when a tangible or intangible asset is revalued. The requirements envisaged by amendments clarify that the gross carrying amount should be accordingly consistent with the write-up of the carrying value of assets and that the accumulated amortisation/depreciation should be equal to the difference between gross carrying amount and the carrying amount, net of recorded impairment losses;
 - IAS 24 *Related Parties Disclosures – Key management personnel*. The standard clarifies that, if the services of key Management personnel are rendered by an entity (and not a physical individual), this entity is to be considered a related party in any case.

Amendments are applicable at the latest to accounting periods beginning on or after February 1, 2015. The Directors are currently evaluating the possible impact of the amendment on the Group consolidated financial statements.

- On November 21, 2013, the IASB published the amendment to the **IAS 19 - "Defined Benefit Plans: Employee Contributions"**, which aims at describing the contribution (related only to the service rendered by the employee during the year) paid by the employees or third parties to defined benefit plans to reduce the service cost for the year in which this contribution is paid. The necessity of this proposal arose with the introduction of the new IAS 19 (2011), where such contributions are to be interpreted as part of a post-employment benefit, rather than a short-time benefit and, therefore, this contribution should be apportioned along the entire service period of the employee. Amendments are applicable at the latest to accounting periods beginning on or after February 1, 2015.
The Directors are currently evaluating the possible impact of the amendment on the Group consolidated financial statements;
- on May 6, 2014, the IASB published an amendment to **IFRS 11 "Joint Arrangements – Accounting for acquisitions of interests in joint operations"** which concerns the booking of the acquisition of interests in a joint operation whose operations constitute a business according to the meaning of IFRS 3. The amendments require that, in these cases, the accounting principles reported by IFRS 3 relative to the booking of effects of a business combination are applied.
Amendments are applicable as of January 1, 2016 but early application is allowed.
The Directors deem that the adoption of these amendments will not have a significant effect on the Group consolidated financial statements;
- on May 12, 2014, the IASB issued certain amendments to **IAS 16 "Property, plant and Equipment"** and to **IAS 38 Intangibles Assets – "Clarification of acceptable methods of depreciation and amortisation"**. The amendments to IAS 16 state that the criteria for depreciation/amortisation which are determined on the basis of revenues are not appropriate given that, according to the amendment, the revenues generated from an asset which includes the use of assets subject to depreciation/amortisation generally reflect factors that are not limited to the sole consumption of economic benefits of the asset itself - a requirement which, on the other hand, is applicable for depreciation/amortisation. Amendments to IAS 38 introduce a relative presumption according to which a depreciation/amortisation criterion based on revenues is considered typically inappropriate for the same reasons outlined by the changes introduced to IAS 16. In the case of intangible assets, this presumption can moreover be overcome but only in limited and specific circumstances.
Amendments are applicable as of January 1, 2016 but early application is allowed.
The Directors are currently evaluating the possible impact of the amendment on the Group consolidated financial statements;
- on September 25, 2014 the IASB published the **"Annual Improvements to IFRS's document: 2012-2014 Cycle"**. The amendments introduced by the document must be applied as of the years which start on January 1, 2016 or on a subsequent date. The document introduces modifications to the following principles:
 - IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*. The amendment to the principle introduces specific guidelines in the case that an entity reclassifies an asset (or a disposal group) from the held-for-sale category to the held-for-distribution category (or vice versa) or when the requirements for classification of an asset as held-for-distribution cease to be applicable. The changes define that (i) the same criteria for classification and valuation require valid for these re-classifications; (ii) the assets which no longer comply with the classification criteria for the held-for-distribution category should be booked in the same manner as an assets which ceases to be classified as held-for-sale;
 - IFRS 7 – *Financial Instruments: Disclosure*. The amendments regulate the introduction of additional guidelines in order to clarify whether a servicing contract constitutes a residual involvement in an asset transferred for the purposes of the requested information and in relation to the transferred assets. In addition, a clarification is made that the reported information on the compensation of financial assets and liabilities is not typically requested for interim financial statements, except in the case of significant information;

- IAS 19 – *Employee Benefits*. The document introduces amendments to IAS 19 in order to clarify that the high quality corporate bonds used to determine the post-employment benefits discount rate should be in the currency used for the payment of the benefits. The amendments specify that the extent of the high quality corporate bonds to consider should be in terms of currency and not the country of the entity subject to reporting;
- IAS 34 – *Interim Financial Reporting*. The document introduces modifications in order to clarify the requirements which must be complied within in the case that the requested information is presented within the interim financial report but outside of the interim financial statements. The modification specifies that this information should be included through a cross-reference from the interim financial statements to other parts of the interim financial report and that this document should be available to readers of the financial statements with the same modalities and with the same time periods as the interim financial statements.

The Directors are currently evaluating the possible impact of the introduction of these amendments on the Group consolidated financial statements.

- As of December 18, 2014, the IASB issued the amendment to **IAS 1 - Disclosure Initiative**. The objective of the amendments is to provide clarifications in relation to reporting elements which could be perceived as impediments to the clear and intelligible preparation of financial statements. The applied changes are as follows:

- materiality and aggregation: it is clarified that an entity must not hide information by aggregating or de-aggregating it and that any considerations pertaining to materiality are applicable to financial statement outlines, explanatory notes and specific reporting requirements of the IFRS. The document specifies that the disclosures which are specifically requested by the IFRS must only be supplied if the information is material;
- statement of financial position and statement of comprehensive income: it is clarified that the list of items specified by IAS 1 for these statements can be de-aggregated and aggregated, depending on the case. In addition, a guideline for the use of subtotals within the statements is also supplied;
- reporting of elements of “Other Comprehensive Income” (“OCI”): it is clarified that the quota of OCI of associated companies and joint ventures – valued according to the equity method – must be reported as an aggregate figure within a single item and in turn subdivided between components which can or can not be re-classified in the future to the income statement;
- explanatory notes: it is clarified that the entities retain flexibility in defining the structure of the explanatory notes and supply guidelines on how to establish a systematic order for the notes themselves, for example:
 - by giving precedence to those which are most relevant for the purposes of understanding the financial position (e.g. by grouping information on specific assets);
 - grouping items that are measured by the same criterion (e.g. assets measured at fair value);
 - following the order of the elements reported in the statements.

The amendments introduced by the document are applicable as of the years beginning on or after January 1, 2016.

The Directors are currently evaluating the possible impact of the introduction of these amendments on the Group consolidated financial statements.

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

As of the date of reference of these annual financial statements, the competent bodies of the European Union had not yet completed the process of approval that is necessary for the adoption of the amendments and principles described below.

- on January 30, 2014, the IASB published the principle **IFRS 14 – Regulatory Deferral Accounts**, which allows only those parties which adopt the IFRS for the first time to continue to book the amounts relative to activities subject to regulated rates (“Rate Regulation Activities”) according to the previously adopted accounting standards. Given that the Group is not a first-time adopter, this principle is not applicable;

- on May 28, 2014, the IASB published the principle **IFRS 15 – Revenue from Contracts with Customers**, which aims to replace the principles IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as the interpretations IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. The principle establishes a new model for revenue recognition which will be applied to all contracts stipulated with customers, with the exception of those falling within the realm of application of other IAS/IFRS principles such as leasing, insurance and financial instrument contracts. The fundamental steps for booking revenues according to the new model are as follows:
 - identification of the contract with the customer;
 - identification of the performance obligations of the contract;
 - price determination;
 - allocation of the price to the performance obligations of the contract;
 - criteria for registration of the revenue when the entity satisfies each performance obligation.

The principle is applicable as of January 1, 2018 but early application is allowed.

The Directors forecast that the application of IFRS 15 can have a significant impact on the amounts booked as revenues as well as on the relative information reported in the consolidated financial statements of the Group. However, it is not possible to supply a reasonable estimate of the effects until the Group has completed a detailed analysis of the contracts with customers.

- on July 24, 2014, the IASB published the final version of **IFRS 9 - Financial Instruments**. The document incorporates the results of the phases relative to classification and valuation, impairment and hedge accounting as well as the project of the IASB which aims to replace IAS 39. The new principle, which replaces the previous versions of IFRS 9, must be applied by the financial statements as of January 1, 2018 or after.

The principle introduces new criteria for the classification and valuation of financial assets and liabilities. In particular, and in the case of financial assets, the new principle utilises a unique approach based on the modalities for management of financial instruments and on the characteristics of contractual cash flows of the financial assets themselves in order to determine the valuation criterion, thereby replacing the various rules provided for by IAS 29. In the case of financial liabilities, on the other hand, the primary modification concerned the booking of changes in the fair value of a financial liability classified as a financial liability and valued at fair value in the income statement in the case that these changes were due to a change in the credit rating of the issuer of the liability itself. According to the new principle, these changes must be booked in the “Other comprehensive income” and no longer in the income statement.

With reference to impairment, the new principle requires that the estimate of losses on receivables must be implemented on the basis of the model of expected losses (and not the model of incurred losses utilised by IAS 39) by using supportable information that is available without unreasonable charges or efforts and which include historical, current or forecasted data. The principle requires that this impairment model be applicable to all financial instruments, i.e. to financial assets valued at their amortised cost as well as those valued at fair value through other comprehensive income, receivables deriving from rental contracts and trade receivables.

Finally, the principle introduces a new model of hedge accounting in order to adjust the requirements needed by the current IAS 39, which are occasionally considered too strict and unsuitable to reflect the risk management policies of companies. The primary novelties within the document include the following:

- an increase in the type of transactions eligible for hedge accounting, even including the risks of non-financial assets/liabilities which are eligible to be managed in hedge accounting;
- a change in the modalities for booking forward contracts and options when these are included in a hedge accounting relationship and in order to reduce the volatility of the income statement;
- changes to the efficacy test through the replacement of the current modalities based on the 80-125% parameter with the principle of the “economic relationship” between the hedged item and hedging instrument; in addition, a evaluation of the retrospective efficacy of the hedging relationship will no longer be requested.

The increased flexibility of the new accounting rules is counterbalanced by additional requests for reporting on the risk management activities of the Company.

The Directors expect that the application of IFRS 9 can have a significant impact on the amounts as well as on the information reported within the consolidated financial statements of the Group. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis.

- on January 13, 2016, the IASB published principle **IFRS 16 – Leases** which will replace principle IAS 17 – *Leases*, as well as the interpretations IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The new principle provides a new definition of lease and introduces a criterion based on control (right of use) of a good in order to distinguish leasing contracts from service contracts while identifying the following as discriminating factors: identification of the good, the right of replacement of the latter, the right to substantially obtain all the economic benefits deriving from the use of the good and the right to manage the use of the good underlying the contract.

The principle provides for a single model for the recognition and valuation of leasing contracts for the lessee and which includes the booking of the assets subject to even an operating lease under assets and with an offsetting item equal to a financial payable, thereby providing for the possibility of not recognizing contracts which involve low-value assets, as well as leases with a contractual duration equal to or less than 12 months, as leasing contracts.

The principle is applicable as of January 1, 2019 but early application is allowed solely for companies which applied IFRS 15 - *Revenue from Contracts with Customers in advance*.

The Directors expect that the application of IFRS 16 can have a significant impact on the booking of leasing contracts as well as on the relative information reported in the consolidated financial statements of the Group. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis of the relative contracts.

- on September 11, 2014, the IASB published an amendment to **IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture**. The document was published for the purposes of resolving the current conflict between IAS 28 and IFRS 10.

In accordance with the provisions of IAS 28, the profit or loss resulting from the transfer or conferment of a non-monetary asset to a joint venture or associate company in exchange for a share capital quota of the latter is limited to the quota retained in the joint venture or associate by other investors which are external to the transaction. On the contrary, the principle IFRS 10 provides for the booking of the entire profit or loss in the case of loss of control of a subsidiary, even if the entity continues to retain a non-controlling quota and including in this case even the transfer or conferment of a subsidiary company to a joint venture or associate. The changes that were introduced provide that – in the case of a transfer/conferment of an asset or of a subsidiary company to a joint venture or associate – the amount of profit or loss to report in the financial statements of the transferor/conferring party depends on whether the assets or the transferred/conferred subsidiary constitute a business according the definition of IFRS 3. In the case that the assets or the transferred/conferred subsidiary represent a business, the entity must book the profit or loss for the entire quota that was previously owned; if not, the quote of profit or loss relative to the quota still retained by the entity must be eliminated. At the moment, the IASB has suspended the application of this amendment.

The Directors are currently evaluating the possible impact of the introduction of these amendments on the Group consolidated financial statements.

- on December 18, 2014, the IASB published the document **“Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)”** containing amendments relative to themes which had emerged following the application of the consolidation exception granted to investment entities. The amendments introduced by the document must be applied as of the financial years starting on January 1, 2016 or after; early adoption is allowed.

The Directors are currently evaluating the possible impact of the introduction of these amendments on the Group consolidated financial statements.

■ 4.29 SEASONALITY OF GROUP TRANSACTIONS

The activities of the Company are not subject to seasonality.

5 Segment information

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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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net Revenues	130,344,983	136,604,314	271,467,877	266,674,685	206,048,608	185,481,917	243,052,061	228,499,658	850,913,528	817,260,575
EBITDA - adjusted	26,366,634	25,235,863	38,292,566	38,168,160	14,728,771	14,117,921	26,095,577	26,381,775	105,483,549	103,903,719
%	+20.2%	+18.5%	+14.1%	+14.3%	+7.1%	+7.6%	+10.7%	+11.5%	+12.4%	+12.7%
EBITDA	26,366,634	26,693,128	38,292,566	40,372,209	14,728,771	14,933,171	26,095,577	27,905,211	105,483,549	109,903,719
%	+20.2%	+19.5%	+14.1%	+15.1%	+7.1%	+8.1%	+10.7%	+12.2%	+12.4%	+13.4%
Amortisation, depr. and provisions	3,910,734	6,951,148	36,332,405	10,233,249	3,609,047	6,211,217	6,335,602	9,360,368	50,187,788	32,75,981
EBIT	22,455,899	19,741,980	1,960,162	30,138,961	11,119,724	8,721,954	19,759,975	18,544,843	55,295,761	77,147,738
%	+17.2%	+14.5%	+0.7%	+11.3%	+5.4%	+4.7%	+8.1%	+8.1%	+6.5%	+9.4%
Net financial income/(charges)						14,244			13,943,607	577,469
Income/(charges) from investments									1,465,292	713,567
Taxes									25,165,696	36,652,899
Profit/(loss) from discontinued operations									0	0
Group consolidated profit(loss) for the year									45,538,965	41,785,876
Profit/(Loss) for the year of minority share									(3,864,079)	965,284
Group profit/(loss) for the year									49,403,044	40,820,592
Net Investments	37,749,312	29,841,520	12,610,168	20,580,079	11,999,247	19,676,348	35,871,299	32,960,994	98,230,026	103,058,941
Current Assets	186,177,981	103,342,302	380,731,074	394,647,606	174,389,376	155,137,242	173,471,117	213,770,946	914,769,548	866,898,095
Liabilities	60,215,897	87,347,497	287,377,365	205,519,858	104,685,698	132,616,518	138,728,559	152,162,203	591,007,519	577,646,076

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	31.12.2015	31.12.2014	Change
Property, plant and equipment	27,366,344	29,211,907	(1,845,563)

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	Leasehold improv.	Total
Balance as of 01.01.2014	8,570,760	2,873,019	12,855,801	2,020,114	5,640,934	31,960,629
Changes in op. consolidation scope	364,658	6,075	58,191	187,592	0	616,515
Exchange difference effect	0	447	(1,382)	(1,109)	(2,234)	(4,279)
Increase	166,800	1,595,857	4,121,332	956,938	357,233	7,198,159
Decrease	0	(21,682)	(4,796,135)	(51,731)	(78,220)	(4,947,769)
Increase of Acc. depreciation	0	(11,265)	0	0	0	(11,265)
Decrease of Acc. depreciation	0	19,174	4,512,261	38,479	25,190	4,595,104
Depreciation	(323,007)	(658,965)	(6,331,877)	(589,462)	(2,291,876)	(10,195,187)
Balance as of 31.12.2014	8,779,211	3,802,660	10,418,190	2,560,821	3,651,026	29,211,907
Changes in op. consolidation scope	0	0	0	0	0	0
Exchange difference effect	0	(5,542)	(82,462)	(39,757)	(50,482)	(178,244)
Increase	1,433,800	961,543	4,261,828	622,580	91,670	7,371,420
Decrease	0	(32,453)	(3,548,070)	(184,713)	(44,341)	(3,809,577)
Increase of Acc. depreciation	0	0	0	(1,668)	0	(1,668)
Decrease of Acc. depreciation	0	32,453	3,245,921	104,038	15,655	3,398,067
Depreciation	(326,354)	(778,145)	(5,284,943)	(629,355)	(1,658,436)	(8,677,233)
Changes Consolidation scope	0	0	14,445	37,221	0	51,666
Balance as of 31.12.2015	9,886,657	3,980,516	9,024,909	2,469,166	2,005,092	27,366,339

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

The increase of Euro 1,433,800 in item "Land and buildings" is due to the purchase of a building in Buenos Aires by the company Engi da Argentina S.A..

The increase in "Plant and machinery", equal to Euro 961,543 thousand, mainly relates to the extraordinary design of new hydronic plants, as well as the installation of new air conditioning and cooling systems in the Data Centres and telecommunication plants in some Company offices.

The increase in the "Industrial and commercial equipment" item, equal to Euro 4,261,828, primarily relates to the purchase of servers, personal computers, both for technological upgrading and for internal use and office equipment, while the net decrease of Euro 3,548,070 relates, including the decrease in the related accumulated

amortisation/depreciation by Euro 3,245,921, to scrapping and/or donation of obsolete and/or fully depreciated computers.

The increase in item “Other assets” relates to the normal trend of purchases made during the year.

7 Intangible assets

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Intangible assets	20,788,486	23,540,120	(2,751,634)

The changes in intangible assets are detailed as follows:

(in Euros)						
Description	Development costs	Industrial patents and Intellectual property	Concessions, licences and trademarks	Assets in progress	Other assets	Total
Balance as of 01.01.2014	301,900	10,893,499	0	1,620,049	9,544,439	22,359,887
Changes in op. consolidation scope	0	1,391	3,712	0	40,610	45,714
Exchange difference effect	0	8,090	0	0	0	8,090
Increase	0	3,268,732	0	902,283	7,298,781	11,469,796
Decrease	0	(159,880)	0	(1,692,938)	(144)	(1,852,962)
Increase of acc. amortisation	0	0	0	0	0	0
Amortisation	(301,900)	(4,094,408)	(371)	0	(4,103,629)	(8,500,308)
Changes consolidation scope	0	0	0	0	679	679
Balance as of 31.12.2014	0	9,926,648	3,342	829,394	12,780,736	23,540,120
Changes in op. consolidation scope	0	0	0	0	0	0
Exchange difference effect	(9,706)	(78,192)	0	0	0	(87,898)
Increase	1,173,542	1,982,263	26,077	361,173	2,949,288	6,492,344
Decrease	0	(102,308)	0	(136,918)	0	(239,226)
Increase of acc. amortisation	0	0	0	0	0	0
Decrease of acc. amortisation	0	5,826	0	0	0	5,826
Amortisation	(143,112)	(3,159,345)	(3,914)	0	(5,618,627)	(8,924,999)
Changes consolidation scope	0	0	0	0	2,319	2,319
Balance as of 31.12.2015	1,020,724	8,574,892	25,504	1,053,649	10,113,716	20,788,486

Intangible assets reported a total increase of Euro 6,492,344 mainly due to:

- the increase in development costs, amounting to Euro 1,173,542 thousand, is primarily due to the internal development by the Parent Company of a payroll system on SAP architecture. The previous year this asset was recognised under assets in progress. From this year on, this asset is in use and is being amortised;
- the increase of Euro 1,982,263 in item “Industrial patents and intellectual property” is related to the purchase of software programs for internal developments and services rendered and includes the products “my clienteling”, amounting to Euro 550 thousand, purchased by the Parent Company through the Fast Innovation BU. The value of Euro 550 thousand represents the fair value of the tangible asset acquired, pursuant to the international accounting principle IFRS;
- as already specified in paragraph 1.1, the Purchase Price Allocation, emerged upon consolidation of the company WebResults S.r.l., was carried out with reference to the control acquisition date (January 28, 2015). The measurement at fair value of assets acquired and liabilities undertaken of WebResults S.r.l.

resulted in the identification of the “Outstanding contract portfolio”, as per income assessment discounted (WACC 9.0%) by the prospective residual margins resulting from such orders. The amount calculated at the acquisition date was equal to Euro 4,427,341, including the related amortisation (in addition to Euro 1,390,000 of deferred tax liabilities), for which a useful life of 3 years was calculated. 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.

In addition to what already highlighted in the previous paragraph referring to WebResults S.r.l., other intangible assets are mainly related to the following:

- allocation process, at the acquisition date of control (January 31, 2014), of goodwill emerged upon consolidation of subsidiary MHT S.r.l.. The measurement at fair value of assets acquired and liabilities undertaken of MHT S.r.l. resulted in the identification of the “outstanding contract portfolio”, as per income assessment discounted (WACC 9.15%) by the prospective residual margins resulting from such orders. The amount calculated at the acquisition date was equal to Euro 7,294,981 (in addition to Euro 2,290,625 of deferred tax liabilities), for which a useful life of 5 years was calculated. 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. Moreover, in application of IFRS 3 “Business Combinations”, the above-mentioned data, finally determined, were retrospectively disclosed, with the following change and supplement of equity and balance-sheet figures included in the consolidated financial statements for the year ended December 31, 2014;
- the residual value deriving from allocations - made in previous years - of goodwill recognised upon the acquisition of the Business Units of the company Opera 21 and the company Software e Sistemi Avanzati S.p.A.. The measurement at fair value of assets and liabilities of the aforesaid BUs resulted in the identification of (i) the “outstanding contract portfolio” and (ii) the customer relationship. The residual period of amortisation is 2 years.

The average residual amortisation period is as follows:

(in Euros)		
Description	Amortisation, remaining years	Remaining Amount
Development costs	1	58,753
Development costs	3	961,971
Total development costs		1,020,724
Industrial patents and intellectual property	1	121,033
Industrial patents and intellectual property	2	128,707
Industrial patents and intellectual property	3	1,930,055
Industrial patents and intellectual property	4	103,217
Industrial patents and intellectual property	5	6,291,880
Total industrial patents and intellectual property		8,574,892
Concessions, licences and trademarks	3	22,534
Concessions, licences and trademarks	8	2,971
Total concessions, licences and trademarks		25,504
Other assets	2	3,194,052
Other assets	3	2,953,302
Other assets	5	3,020,519
Other assets	7	945,844
Total other assets		10,113,716
Total intangible assets		19,734,837

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Goodwill	49,955,873	50,181,791	(225,917)

The account consists of:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Goodwill Finance	22,558,000	22,558,000	0
Goodwill Public Administration	4,419,508	4,419,508	0
Goodwill Industry & Services	3,079,279	3,305,196	(225,917)
Goodwill Telco & Media	6,856,086	6,856,086	0
Goodwill Energy & Utilities	13,043,000	13,043,000	0
Total	49,955,873	50,181,791	(225,917)

Goodwill as of December 31, 2015, entered in the consolidated statement of financial position of the Engineering Group, is equal to Euro 49,955,873, down by Euro 225,917 compared to Euro 50,181,791 in 2014.

This decrease can be attributed at the exchange difference, for Euro 225,917, of the goodwill for the acquisition of Dynpro Sistemas S.A., as the value in local currency remained unchanged.

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

Finance Division	Finance Goodwill	Euro 21,603,000
Nexen	Finance Goodwill	Euro 955,000
PAL and Health Division	PA Goodwill	Euro 4,419,508
OverIT	I&S Goodwill	Euro 1,149,000
EXC	I&S Goodwill	Euro 1,197,230
Dynpro Sistemas	I&S Goodwill	Euro 733,048
Telco & Media Division	T&M Goodwill	Euro 6,856,086
Energy & Utilities Division	E&U Goodwill	Euro 13,043,000
Total		Euro 49,955,873

An analysis of the total value of goodwill was made as per IAS 36 and IFRS 3 revised; the value of the goodwill as of December 31, 2015, tested for impairment, was Euro 49,955,873.

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

There is no evidence at the present date for the Group 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 2014, 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:

- risk free rate equal to the gross yield of BTP 5 years sold on January 28, 2016 > 0.42%
 - risk premium equal to market Equity Risk Premium > 7 %
 - cost of debt equal to the average debt (long and short-term) of the Group > 1%
 - beta unlevered, equal to 1
 - LTG, equal to 0.5%
- for a WACC with a prevalence of 7.42%.

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

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	31.12.2015	31.12.2014	Change
Equity investments	119,323	125,123	(5,800)

Changes in investments:

(in Euros)						
Investments in	Value as of 31.12.2014	Increase	Decrease	Write-downs	Exchange dif- ference effect	Value as of 31.12.2015
In associated companies	125,123		(2,800)	(3,000)		119,323
Total	125,123	-	(2,800)	(3,000)	-	119,323

The associated companies recorded a decrease of Euro 5,800 due to the reclassification between associated companies and the consequent line-by-line consolidation of MHT Balkan d.o.o. (Euro 2,800), as well as the write-down of Euro 3,000 of the company "Consorzio Engbas" in liquidation by the Parent Company.

b) Associated companies

Investments in associated companies are as follows:

(in Euros)									
	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value as of 31.12.2014	%
SI Lab – Calabria S.c.a.r.l.	Rende	29,127	2,090	30,000	27,037		(2,964)	7,200	+24
SI Lab – Sicilia S.c.a.r.l.	Palermo	30,323	323	30,000	30,000			3,525	+24
Consorzio Sirio	Palermo	310,869	156,222	5,000	154,647	19,921	(553)	78,598	+49
Consorzio Engbas Servizi Globali	Florence	49,420	6	50,000	49,414		(1,619)	25,000	+50
CENTO-6 Società consortile S.c.a.r.l.	Milan	5,248	4,040	20,000	1,208		(2,913)	5,000	+25
MHT Balkan d.o.o.	Belgrade							2,800	+25
Consorzio Sanimed Group								3,000	+25
Total								125,123	

(in Euros)									
	City	Assets	Liabilities	Share capital	Shareholders' equity	Revenues	Net profit/ (loss)	Value as of 31.12.2015	%
SI Lab – Calabria S.c.a.r.l.	Rende	29,127	2,090	30,000	27,037		(2,964)	7,200	+24
SI Lab – Sicilia S.c.a.r.l.	Palermo	30,323	323	30,000	30,000			3,525	+24
Consorzio Sirio	Palermo	310,869	156,222	5,000	154,647	19,921	(553)	78,598	+49
Consorzio Engbas Servizi Globali	Florence	49,420	6	50,000	49,414		(1,619)	22,000	+50
CENTO-6 Società consortile S.c.a.r.l.	Milan	5,248	4,040	20,000	1,208		(2,913)	5,000	+25
Consorzio Sanimed Group								3,000	
Total								119,323	

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.

Description	31.12.2015	31.12.2014	Change
Deferred tax assets	18,725,057	22,721,954	(3,996,897)

The calculation of deferred tax assets was carried out through critically evaluating the existence of future recoverability requisites of these assets. They are calculated at the current rates (27.5% for IRES or 24% for taxes that will be reversed as from 2017, and based on regional rates for IRAP) and recorded in the entries shown in the table hereunder:

Description	31.12.2015		31.12.2014	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Prov. employee bonus	2,689,727	676,412	2,771,068	829,558
IAS amortisations	4,373,941	1,113,367	6,961,477	1,856,712
Goodwill	761,432	215,491	1,006,000	315,884
Directors' fees	931,295	256,106	1,086,500	298,787
Derivative fair value	0	0	260,032	71,509
Doubtful debt provision	24,793,416	6,820,121	21,299,277	5,886,677
Provisions for risks	10,920,190	3,251,021	12,742,604	3,764,501
Leaving incentives	4,964,914	1,365,351	10,849,967	2,983,741
Finance leases	44,419	12,393	44,419	13,770
Tax losses	3,090,856	956,827	2,284,592	628,264
Adjustments for IFRS	3,213,024	896,434	2,917,329	916,041
Adjustments for IFRS IAS 19	7,852,641	1,884,634	12,126,854	3,334,885
Other	3,979,180	1,276,899	5,735,994	1,821,625
Total	67,615,036	18,725,057	80,086,112	22,721,954

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 S.A., which will produce effects at statutory financial statement level on their relative payment.

Changes in deferred tax assets are detailed below:

Description	Deferred tax assets
Balance as of 01.01.2014	32,983,418
Changes in op. consolidation scope	34,064
Exchange difference effect	32,473
Increase	5,870,617
Decrease	(16,198,618)
Balance as of 31.12.2014	22,721,954
Exchange difference effect	(385,910)
Increase	3,306,424
Decrease	(7,045,664)
Changes Consolidation scope	128,253
Balance as of 31.12.2015	18,725,057

The decrease in deferred tax assets is mainly due to the utilisation of deferred tax liabilities, as well as provisions for risks and leaving incentives, while the increase is mainly attributable to the adjustments for the measurement of post-employment benefits based on requirements set out by IAS 19.

11 Other non-current assets

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other non-current assets	1,329,953	1,206,666	123,287

The item, reporting a positive change for the period of Euro 123,287, including investments in other companies, non-current financial assets and residual assets as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Investments in other companies	455,065	488,634	(33,569)
Non-current financial assets	874,888	718,032	156,857
Total	1,329,953	1,206,666	123,287

a) Investments in other companies

Changes in the investments in other companies

(in Euros)

Equity investments in other companies	Value as of 31.12.2014	Increase	Decrease	Write-downs	Opening exchange difference	Value as of 31.12.2015
Banca Popolare di Credito e Servizi	7,747					7,747
Comitato Prom. Banca dell'Urbe	6,197					6,197
Banca Credito Cooperativo Roma	1,033					1,033
Terzo Millennio S.r.l.	1,033					1,033
Consorzio Foodnet	700					700
Global Riviera	1,314					1,314
Tecnoalimenti S.c.p.a.	65,832					65,832
Gene. S.I. S.c.r.l.	396					396
Dhitech Distretto Tecnologico High-Tech S.c.a.r.l.	36,314					36,314
Consorzio E.O.S.	2,000					2,000
Distretto Tecno.Micro e Nanosistemi S.c.r.l.	34,683					34,683
Wimatica S.c.a.r.l. (Da Esel)	6,000					6,000
S.I.R.E. S.p.A.	15,000					15,000
Consorzio Cefriel	43,512					43,512
Consorzio Abi Lab	1,000					1,000
Consorzio Co.Di.Log	1,000					1,000
Partecipazione Ce.R.T.A.	360					360
Consorzio B.R.A.I.N.	4,500					4,500
Consorzio Arechi Ricerca	5,000					5,000
Consorzio Health Innovation Hub	3,000					3,000
EIT ICT LABs Trento	2,000					2,000
Smart Energia	93,147				(23,569)	69,578
EHealthnet S.c.a.r.l.	10,800					10,800
Partec. Cons. Cueva	7,747					7,747
Partec.Cons. Appel	1,033					1,033
Partecip. Cf Pro (Ao)	1,833					1,833
Distretto Ligure Delle Tecnologie Marine S.c.a.r.l.	20,000					20,000
Distretto Tecnologico Campania Bioscience S.c.a.r.l.	20,000					20,000
Caf Italia 2000 S.r.l.	260					260
M2Q S.c.a.r.l.	3,000					3,000
Seta S.r.l.	82,192					82,192
Roma Capitale Investments Foundation	10,000			(10,000)		
Total	488,634			(10,000)	(23,569)	455,065

Investments in other companies recorded a decrease of Euro 33 thousand due to the write-down of the equity investment of Roma Capitale and the exchange difference related to the equity investment of Smart Energia.

b) Non-current financial assets

(in Euros)

Description	31.12.2015	31.12.2014	Change
Security deposits	476,347	451,009	25,338
Others	398,541	267,023	131,518
Total	874,888	718,032	156,857

Non-current financial assets are related to security deposits on rented real estate properties and sundry utilities. The item "Others" include loans to other companies and tax receivables.

C) Current assets

12 Inventories

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Inventories	223,510	71,487	152,023

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

13 Construction contracts

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Construction contracts	128,766,249	124,290,824	4,475,425

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

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Construction contracts	124,290,824	132,078,269	(7,787,445)
Exchange difference	(4,811,339)	(128,462)	(4,682,877)
Change in consolidation scope	64,954	0	64,954
Adjustments and changes in work in progress	(194,621)	(3,447,815)	3,253,194
Costs incurred plus profits booked according to percentage completion net of losses	350,712,940	337,532,411	13,180,529
Invoicing progress of work	(341,296,509)	(341,743,579)	447,070
Total	128,766,249	124,290,824	4,475,425

Construction contracts concern projects in the course of completion based on long-term contracts. They include, but are not limited to, adjustments for projects for which critical issues emerged as regards possible realisable value. The related amount is the best estimate made based on the information available to us.

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, amongst which we underline those related to Public Administration, contractual durations, the nature of the entity and the events such as the testing of projects. Trade receivables are all due within twelve months.

(in Euros)

Description	31.12.2015	31.12.2014	Change
Trade receivables	520,007,285	505,852,465	14,154,820

The breakdown is as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Customers	511,296,794	498,137,088	13,159,706
Others	8,710,490	7,715,376	995,114
Total	520,007,285	505,852,465	14,154,820

a) Customers

(in Euros)

Description	31.12.2015	31.12.2014	Change
Receivables on invoices issued	420,095,292	406,656,158	13,439,134
of which overdue	205,575,312	211,259,566	(5,684,255)
Invoices to be issued	145,195,679	119,073,917	26,121,762
Credit notes to be issued	(293,499)	(219,285)	(74,214)
Doubtful debt provision	(33,825,492)	(25,986,989)	(7,838,504)
Provision for interest in arrears	(19,875,186)	(1,386,713)	(18,488,472)
Total	511,296,794	498,137,088	13,159,706

“The Receivables from customers” item is equal to Euro 511,296,794, with a doubtful debt provision of Euro 33,825,492, sufficient to cover any future losses. In addition to allocations made as provision for interest in arrears (Euro 19,875,186) to cover any possible future losses related to the aforesaid entry.

Increases of the provision, over the year, take account, in accordance with the prudence 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.

Receivables from customers as of December 31, 2015 from the company Sicilia e-Servizi S.p.A (SISE), equal to Euro 110,777,108 (net of the doubtful debt provision amounting to Euro 9,555,287 and provision for interest in arrears amounting to Euro 18,490,478), in addition to Euro 14,526,757 of construction contracts, were related to the IT activities connected with the building of an integrated IT platform for the Sicilian Region within specifications and provisions set out in the convention signed between the Sicilian Region, Sicilia e-Servizi S.p.A. and Sicilia e-Servizi Venture S.c.r.l. (“SISEV”) in liquidation on May 21, 2007 and expired on December 22, 2013.

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

It should be however noted that, in the mutual interest, on October 9, 2012, SISEV, the Sicilian Region and Sicilia e-Servizi S.p.A. signed an "Agreement" which regulated the repayment of SISEV receivable, indicating the final repayment date on December 31, 2013. Moreover, this agreement outlined that the Sicilian Region was undertaking to carry out controls and provide Sicilia e-Servizi S.p.A. with all the technical and economic means, so as the latter would have been able to correctly fulfil its obligations, and envisaged that, while executing the agreement, such obligations would have been undertaken by SISEV. Sicilia e-Servizi S.p.A. 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.

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

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

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

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

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

With respect to the aforesaid request, SISEV continued and still continues to render the aforesaid services on a reduced basis and with the exclusive intent to avert the total interruption of the services to citizens. This availability was granted against a renewed positive willingness expressed by the Sicilian Region and Sicilia e-Servizi S.p.A. to fulfil their obligations and in particular the payment of the large amount, as well as to formalise the services rendered by the company after the expiration of the Framework Convention. This positive attitude was also expressed during the meetings held at the Prefecture of Palermo on February 1 and May 29, 2014. On February 1, 2014, in fact, the parties (Sicilian Region, SISE and SISEV) were summoned by the prefect of Palermo. During the meeting the representative of the Sicilian Region confirmed their willingness to reschedule the receivable refunding plan, as envisaged in the agreement signed on October 9, 2012.

During the year, negotiations were carried out in order to achieve the amicable settlement of the entire complex issue. However, the decision-making deadlock of the Sicilian Region and the company Sicilia e-Servizi S.p.A. on the one hand, and the further change in the Regional Council and the replacement of the Manager of the Office for Coordination of IT Services of the Sicilian Region on the other hand, did not allow for the amicable settlement despite the advanced phase of negotiations.

With the aim of starting an amicable proceeding again, on September 15, 2015, SISEV sent to the Sicilian Region and Sicilia e-Servizi S.p.A. a formal economic proposal in order to achieve an amicable settlement of the entire issue with the proposal to pay the entire amount against the waive of both interest in arrears and 5% of the principal accrued as of September 2015, while specifying that the formulation of the proposal did not entail any waive. Neither the Sicilian Region, nor Sicilia e-Servizi S.p.A. endorsed this proposal, which was then subsequently revoked with formal notice.

After temporarily suspending the services on November 30, 2015, SISEV restarted to render the same on

December 1. Lastly, since September 7, Sicilia e-Servizi S.p.A. started a plan for the transfer of the structure related to services rendered by us at our data centre in Pont Saint Martin to the company's data centre. Within this framework, on February 18, 2016, SISEV sent a writ of summons to obtain the payment of the entire amount of receivables (around Euro 80 million, including the works recognised in the financial statements to complete the amount already requested with an appeal for an order of payment) as the company deems, as already stated, that these amount were correctly originated and are correctly payable, also pursuant to provisions contained in the trilateral agreement signed on October 9, 2012 by the Sicilian Region, Sicilia e-Servizi S.p.A. and SISEV.

To this purpose, it should be noted that, as regards the judgement of opposition to the first order decree, deposited on June 26, 2013, obtained in the amount of around Euro 30 million, the Judge has recently ordered an Office Technical Expertise aimed, but not limited to evaluate the effective services rendered by SISEV, which are related to the invoicing subject to the order of payment.

Given the correctness of credit lines and the correct execution of services, and despite the favourable opinion of the legal advisers on the entire collectability of the receivables in question, within the above-mentioned context, after acknowledging the continuous change in institutional interlocutors, we have, despite our efforts, acknowledged the difficulty in achieving an amicable agreement and therefore, in view of a legal dispute, the principal which had been recognised since this date was added with interest accrued until December 31, 2015 (around Euro 18 million). The latter were recognised in the income statement, under financial income and an amount of around Euro 27 million (around 20% of the total exposure) was allocated to the doubtful debt provision, which includes the total impairment of the aforesaid interest set out by law and recognised in the financial statements and, for the remaining portion, the impairment loss of the nominal value of the receivable.

Overdue receivables by sector are shown in the following table:

Description	Days falling due					(in Euros)
						Total as of
	30	60	90	120	over 120	31.12.2014
Public Administration	13,265,272	9,252,943	5,812,188	3,820,678	98,134,141	130,285,222
Finance	4,311,579	2,697,184	930,477	592,327	3,711,380	12,242,947
Industry & Services	16,150,797	5,809,784	1,837,518	989,094	13,723,443	38,510,635
Telco & Utilities	13,628,504	4,142,993	2,028,325	3,412,987	7,007,953	30,220,762
Total	47,356,151	21,902,904	10,608,509	8,815,085	122,576,917	211,259,566

Description	Days falling due					(in Euros)
						Total as of
	30	60	90	120	over 120	31.12.2015
Public Administration	12,393,094	6,058,595	4,497,651	4,063,065	99,490,747	126,503,152
Finance	3,763,165	2,571,585	1,316,990	759,373	3,432,521	11,843,635
Industry & Services	18,796,207	6,678,097	1,292,345	743,000	14,096,181	41,605,830
Telco & Utilities	12,315,784	3,527,738	2,242,937	1,792,549	5,743,688	25,622,696
Total	47,268,250	18,836,015	9,349,923	7,357,987	122,763,138	205,575,312

The level of overdue receivables highlighted a moderate improvement compared to the previous year. We underline that the improvement of payment terms in the Public Administration segment (especially municipalities) and Telco & Utilities segment.

In the Industry & Services segment, the domestic figure improved compared to 2014, while Brazilian customers showed difficulties in fulfilling the payment terms granted to them.

Based on the information provided to Directors, 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) Other

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Prepayments	2,152,020	2,430,462	(278,442)
Others	6,558,470	5,284,914	1,273,556
Total	8,710,490	7,715,376	995,114

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

15 Other current assets

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other current assets	54,427,968	53,978,514	449,454

The other current assets are broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Current financial assets	18,336,234	17,696,905	639,329
Others	36,091,734	36,281,608	(189,875)
Total	54,427,968	53,978,514	449,454

a) Current financial assets

Current financial assets are broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Tax receivables	16,225,171	15,978,262	246,908
Social security institutions	2,110,254	1,683,186	427,068
Other	810	35,457	(34,647)
Total	18,336,234	17,696,905	639,329

The tax receivables substantially relate to:

- for around Euro 7,565 thousand to the request, lodged in 2012 by the Parent Company, 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 around Euro 4,200 thousand to IRES and IRAP receivables. The amount is the difference between advanced payments and withholdings applied, and tax provisions calculated as of December 31, 2015;
- for around Euro 2,700 thousand relating to receivables for taxes paid abroad;
- for around Euro 500 thousand relating to receivables from the Inland Revenue Office for recoverable VAT.

Receivables from social security institutions related to the payment of the INAIL advance payment for 2015 and INPS receivables to be recovered over future years.

b) Others

The "Others" item includes:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Applied research grants	33,042,481	32,852,213	190,268
Prepaid expenses	791,501	469,135	322,365
Others	2,257,752	2,960,260	(702,508)
Total	36,091,734	36,281,608	(189,875)

Receivables for applied research grants are receivables yet to be collected, relating to projects financed by national public authorities and by the European Union, and that show no risks of non-payment.

16 Cash and cash equivalents

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Cash and cash equivalents	211,344,536	182,704,807	28,639,730

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

Cash and cash equivalents consist of the following:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Bank and postal deposits	211,310,322	182,673,235	28,637,087
Cash and cash equivalents	34,215	31,572	2,642
Total	211,344,536	182,704,807	28,639,730

Bank and postal deposits include:

- Euro 7,000 thousand of escrow accounts related to payments made in advance to the European Community for research activities. Under net financial position, amounts were deducted from item "Other current financial payables";
- Euro 1,225 thousand of postal escrow accounts related to collections to be repaid to Municipalities, customers of the Company, following the collections of taxes on their behalf. Under net financial position, amounts were deducted from item "Other current financial payables";
- Euro 1,036 thousand related to an escrow account created after the acquisition of the company Dynpro S.A. by Engineering do Brasil S.A..

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

D) Shareholders' equity

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17 Information on Shareholders' equity

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Shareholders' equity	442,047,065	416,239,580	25,807,485

The changes are shown in the table below:

(in Euros)				
Shareholders' equity	Value at 31.12.2014	Increase	Decrease	Value at 31.12.2015
Share capital	31,875,000	0	0	31,875,000
Treasury shares in portfolio	(867,479)	0	(7,714)	(875,193)
Total share capital	31,007,521	0	(7,714)	30,999,807
Legal reserve	6,375,000	0	0	6,375,000
Reserve acquisition treasury shares	87,978,827	0	0	87,978,827
Merger reserve	12,143,385	0	(7,541,935)	4,601,450
Translation reserve	749,610	0	(3,457,520)	(2,707,909)
Other reserves	(8,567,180)	0	349,202	(8,217,977)
Total reserves	98,679,643	0	(10,650,252)	88,029,391
Prior years' undistributed profits	242,885,907	32,328,460	(0.0)	275,214,366
First-time application of IAS/IFRS	3,604,622	0	(4,117,725)	(513,103)
IAS 19 actuarial gains/(losses)	(9,104,283)	2,885,787	0	(6,218,496)
Fair value cash flow hedge reserve	(188,523)	188,523	0	0
Retained earnings	237,197,722	35,402,770	(4,117,725)	268,482,768
Profit/(Loss) for the year	40,820,592	49,403,044	(40,820,592)	49,403,044
Total Group Shareholders' equity	407,705,478	84,805,814	(55,596,282)	436,915,009
Capital and reserves of minority interests	7,568,819	1,427,316	0	8,996,135
Profit/(Loss) for the year of minority interests	965,284	0	(4,829,363)	(3,864,079)
Total Shareholders' equity	416,239,580	86,233,130	(60,425,645)	442,047,065

18 Share Capital

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

There are 343,213 treasury shares in portfolio, valued at acquisition cost, and totalling Euro 7,998,043. They are recognised for the par value as a reduction of the share capital (Euro 875,193) and for the remaining part (Euro 7,122,850) as a reduction of the retained earnings, as established by the provisions introduced by IAS 32. The average book value was Euro 23.3034 per share.

On April 24, 2015, 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.

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 (8,217,977) 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.
 - Reserve, amounting to Euro (9,619,698) (i) Put Options and (ii) Forward Contract on subsidiaries shares (i.e. Non Controlling Interests). Reference is made to “Other current liabilities” item.
- Merger reserve:
at the reporting date, this reserve totalled Euro 4,601,450 and it is neither available nor distributable. Compared to the previous year, the decrease is instead related to the reclassification, under item “Retained earnings”, of profit, fully available and distributable, pertaining to the years before the merger and related to the companies controlled by the Parent Company and incorporated by the latter in the years from 2003 to 2013.
- Translation reserve of foreign entities:
at the reporting date, it amounted to Euro (2,707,909) and is neither available nor distributable.

20 Retained earnings

Retained earnings are equal to Euro 268,482,768 and include:

- retained earnings from previous years that were not distributed, in the amount of Euro 275,214,366; the reported movements are mainly due to 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 (513,103).
The above-stated reserve is neither available nor distributable;
- actuarial gains/(losses), as provided for by IAS 19, amounting to Euro (6,218,496).

E) Non-current liabilities

21 Non-current financial liabilities

(in Euros)

Description	31.12.2015	31.12.2014	Change
Non-current financial liabilities	33,956,238	46,629,125	(12,672,886)

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

(in Euros)

Description	31.12.2015	31.12.2014	Change
Payables to lenders	32,665,121	45,231,644	(12,566,522)
Other non-current financial liabilities	1,291,117	1,397,481	(106,364)
Total	33,956,238	46,629,125	(12,672,886)

The long-term debt as of December 31, 2015 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	Over 5 years
Attività prod. Mcc/Ex Esel	2016	0,790000	99,948		
Svil. Econ. Pia E-Gov	2018	0,740000	192,117	388,510	
Svil. Econ. Pia Ex Engisud	2016	0,960000	221,986		
Svil. Econ. Pia Odcdn	2018	0,740000	172,592	349,025	
Svil. Econ. Pia Sinim	2018	0,740000	199,018	402,466	
Miur Prog. 3354/E/1 Eureka	2016	0,250000	84,588		
Miur Prog. 6636/1 Siege	2017	0,250000	274,062	550,181	
Svil. Econ. Pia A16/1643/P	2018	0,740000	55,464	112,163	
Bei/Serapis N. 82199	2018	Euribeur 363m+1,99100	3,750,000	5,625,000	
Miur Prog. 1084 Wise	2016	0,250000	115,458		
Miur Prog. 28953 Foodsys	2019	0,250000	143,465	434,720	
Miur Prog. 28953 Foodsys	2019	2,9500000		80,104	
Credito Emiliano S.p.A.	2017	0.55	666,417	222,953	
Miur Prog. 3633 Itea-Agile	2016	0,250000	44,619		
Miur Prog. 23272 X. Net-Lab	2016	0,250000	516,118		
Intesa San Paolo Fin. 83817	2016	0,7180000	3,500,000		
Intesa San Paolo Fin. 83817	2020	Euribeur 363m+0,85000	3,500,000	24,500,000	
Total			13,535,854	32,665,122	0

The Group's main long-term financial payables include commitments for mortgages with maturity over 12 months mainly attributable to the Parent Company and equal to Euro 32,330,006. The portion due within 12 months, equal to Euro 13,535,854, was reclassified under current financial liabilities.

A previous loan of Euro 35 million granted by the European Investment Bank (EIB) and supplied through Unicredit S.p.A. was redeemed on December 31, 2015. This loan was replaced by a new one, entered with Banca Intesa Sanpaolo S.p.A. and amounting to Euro 31.5 million (current residual debt resulting from the previous one), against a better interest rate applied at equal contractual terms and conditions.

The contracts related to the two variable rate loans granted by the European Investment Bank (EIB) to support research and development activities amounted, respectively, to Euro 15 million paid in a direct credit line on January 30, 2013 and to Euro 31.5 million paid by Banca Intesa Sanpaolo S.p.A. on December 30, 2015. They

envisage the fulfilment of some financial obligations. Notwithstanding some financial obligations in addition to those required by relevant laws in relation to public disclosure by the issuer of financial instruments and its controllers, Engineering Ingegneria Informatica S.p.A. committed itself that the following financial covenants be complied with:

- as regards the loan granted by the European Investment Bank (EIB):

- net Financial Debt/EBITDA not higher than 2.0 (two);
- Debt Service Cover Ratio (DSCR), not lower than 5.0 (five);

- as regards the loan granted by Banca Intesa Sanpaolo S.p.A.:

- net Financial Position/EBITDA lower than 2.2 (two point two);

The Bank undertook to reevaluate and allow for the amendment of the parameter until a maximum of 3.5x should conditions change;

- EBITDA/net Financial Charges higher than 5.0 (five).

The financial covenants are revised twice a year with reference to the consolidated financial statements and the consolidated half-year report.

Failure to observe the financial parameters, unless restored within the 30 (thirty) following business days for the EIB and 60 (sixty) following business days for the loan of Banca Intesa Sanpaolo and both values are not fulfilled, may give the banks the right to withdrawal as per article 1845 of the Civil Code and to exercise the right to recover all amounts covered by the agreement.

All parameters envisaged in the agreement have been fulfilled.

In the agreement related to the EIB loan, the “Change of control” covenant is envisaged.

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

The “Other non-current financial liabilities” item is as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Derivative (cash flow hedge)	410,962	260,032	150,930
Security deposits	679,972	1,151,386	(471,414)
Amounts due for finance lease	300,435	325,065	(24,630)
Value of financial debt at amortised cost	(100,252)	(339,002)	238,750
Total	1,291,117	1,397,481	(106,364)

The “Other non-current financial liabilities” item includes the fair value of the derivative concluded on July 1, 2014 with Unicredit S.p.A. (Interest Rate Swap), recognised as financial charges following the redemption of the loan Unicredit S.p.A. related to the hedging.

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

Amounts due for finance lease relate to the purchase of a property for the newly acquired company MHT S.r.l..

22 Deferred tax liabilities

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Deferred tax liabilities	21,312,107	21,854,766	(542,659)

Deferred tax liabilities, calculated at the current rates (27.5% or 24% for taxes that will be reversed as from 2017 for IRES, and based on regional rates for IRAP), have been calculated on the following items:

(in Euros)				
Description	31.12.2015		31.12.2014	
	Amount of timing differences	Tax effect	Amount of timing differences	Tax effect
Adjustments to post-employment benefits	4,172	1,001	0	0
Goodwill	15,834,657	4,613,265	15,176,027	4,765,273
Research grants	4,194,386	1,168,514	4,968,019	1,476,089
Research grants taxed in 5 years	56,147,119	14,826,233	0	0
Research grants taxed in 5 years only IRES			52,356,645	14,398,078
Doubtful debt provision	20,666	4,960	20,666	5,683
Real estate leases			1,284,786	403,423
IFRS adjustments	2,487,405	697,807	2,557,958	803,157
IFRS - IAS 8 adjustments	1,031	328	1,031	328
Other			8,717	2,737
Total	78,689,436	21,312,107	76,373,850	21,854,766

Movements in deferred tax liabilities are illustrated below:

(in Euros)	
Description	
Balance as of 01.01.2014	17,555,573
Change in consolidation scope	3,263
Increase	9,623,307
Decrease	(5,327,377)
Balance as of 31.12.2014	21,854,766
Change in consolidation scope	12,128
Increase	7,915,321
Decrease	(8,470,107)
Balance as of 31.12.2015	21,312,107

23 Non-current provisions for risks and charges

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Non-current provisions for risks and charges	162,349	217,344	(54,995)

Changes are detailed below:

(in Euros)	
Description	
Balance as of 01.01.2014	4,490,565
Exchange difference effect	20,076
Increase	96,083
Decrease	(4,389,380)
Balance as of 31.12.2014	217,344
Exchange difference effect	(54,995)
Increase	-
Decrease	-
Balance as of 31.12.2015	162,349

24 Other non-current liabilities

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other non-current liabilities	3,803,393	10,288,233	(6,484,839)

This item is attributable to the measurement of payables, equal to Euro 1,970 thousand (including Euro 1,370 non-current payables) based on provisions set out by IAS 32 - which are related to the purchase commitment of the residual shares in the subsidiary WebResults S.r.l. to be carried out over 2016, provided that determined economic-financial targets be obtained. Engineering Ingegneria Informatica S.p.A., in fact, when acquiring the control of WebResults S.r.l., signed a forward agreement with minority shareholders with reference to the non-controlling interests, equal to 49%. (so-called non-controlling Interests).

The residual portion (Euro 1,713 thousand) is related to payables for a non-competition agreement signed with the top management.

25 Post-employment benefits

91

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Post-employment benefits	62,606,849	68,869,328	(6,262,479)

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

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

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

A summary of the actuarial assumptions adopted in measuring post-employment benefits is provided below.

Financial Assumptions:

- future annual rates of inflation were set according to the average rates of inflation in Italy in recent years, based on ISTAT data;
- annual revaluation of existing provisions and subsequent payments fixed, as established by regulations at 75% of the inflation rate plus 1.50% net of taxes;
- the annual discount rate was established as variable from 0.392% to 3.065 % and was deducted adopting a rate curve combining the effective yield rates movements of the Euro Bonds of primary companies with AA rating or higher.

Demographic assumptions:

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

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

(in Euros)						
Engineering Group	Discounting					
		-10%		100%	10%	
	-10%	63,123,857	1,196,817	61,927,040	-1,151,811	60,775,229
		-705,237	515,878	-680,939	-1,832,750	-657,878
Infl.	100%	63,829,094	1,221,115	62,607,979	-1,174,872	61,433,107
		718,098	1,939,213	693,151	-505,388	669,484
	+10%	64,547,192	1,246,062	63,301,130	-1,198,539	62,102,591

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

Changes are detailed below:

(in Euros)	
Description	
Balance as of 01.01.2014	65,009,313
Provisions	18,621,117
Amounts paid to social security institutions + INPS	(18,832,457)
Actuarial profits/(losses)	6,469,926
Benefits paid	(3,063,001)
Indemnities on acquisition of Group business units/subsidiaries	90,952
Transfer payables of Group business units/subsidiaries	(78,164)
Post-employment benefits, consolidated companies	651,642
Balance as of 31.12.2014	68,869,328
Provisions	18,878,917
Amounts paid to social security institutions + INPS	(18,878,030)
Actuarial profits/(losses)	(4,483,115)
Benefits paid	(2,135,401)
Indemnities on acquisition of Group business units/subsidiaries	277,090
Transfer payables of Group business units/subsidiaries	(250,218)
Post-employment benefits, consolidated companies	328,278
Balance as of 31.12.2015	62,606,849

The "Accruals" item comprises the interest cost for an amount equal to Euro 30,284.

F) Current liabilities

26 Current financial liabilities

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Current financial liabilities	33,774,104	24,253,482	9,520,622

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

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Lenders	20,553,144	10,420,608	10,132,536
Bank payables	4,072,416	4,934,831	(862,416)
Other current financial liabilities	9,148,545	8,898,043	250,502
Total	33,774,104	24,253,482	9,520,622

Payables to lenders

As of December 31, 2015, short-term loans totalled Euro 20,553,144, of which Euro 13,535,854 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 7,017,290 for loans with duration less than six months.

Payables to banks

(in Euros)

Description	31.12.2015	31.12.2014	Change
Bank overdrafts	4,072,416	4,934,831	(862,416)
Total	4,072,416	4,934,831	(862,416)

Other current financial liabilities

(in Euros)

Description	31.12.2015	31.12.2014	Change
Other grants	8,894,006	8,873,342	20,663
Payables to lease	24,523	23,201	1,322
Equity investments	230,017	1,500	228,517
Total	9,148,545	8,898,043	250,502

27 Current tax payables

(in Euros)

Description	31.12.2015	31.12.2014	Change
Current tax payables	13,845,184	1,312,617	12,532,567

The balance as of December 31, 2015 primarily includes current tax payables.

The breakdown is as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
IRES	13,929,506	383,045	13,546,461
IRAP	(84,322)	435,518	(519,840)
Foreign taxes		494,054	(494,054)
Total	13,845,184	1,312,617	12,532,567

28 Current provisions for risks and charges

(in Euros)

Description	31.12.2015	31.12.2014	Change
Current provisions for risks and charges	14,305,000	21,860,331	(7,555,331)

Current provisions for risks and charges are broken down as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Provisions for risks and charges	9,433,436	15,350,787	(5,917,351)
Provision for losses on projects	4,871,564	6,509,544	(1,637,980)
Total	14,305,000	21,860,331	(7,555,331)

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

- around Euro 4,900 thousand, related to a restructuring plan connected with the reorganisation underway, resolved and communicated to the counterparties, and allocations, based on IAS 37 provisions set out last year already, for expected staff leaves under incentive schemes;
- around Euro 400 thousand related to 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;
- around Euro 4,100 thousand, related to a dispute for a still unsettled case for which the risk of an unfavourable outcome is deemed as likely;
- around Euro 4,900 thousand for provisions for risks and losses on projects and relate to likely future losses on some projects being implemented. The provision for losses on projects was adjusted to account for probable future charges which will be incurred on projects in which difficulties have arisen. The allocated amount is the best estimate made based on the current information available to us.

The provision for current risks and charges decreased by a total amount of Euro 7,555,331.

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

	(in Euros)
Description	
Balance as of 01.01.2014	36,162,941
Changes in opening consolidation scope	12,338
Increase	1,800,978
Decrease	(16,115,926)
Change in consolidation scope	-
Balance as of 01.01.2015	21,860,331
Increase	1,195,306
Decrease	(8,750,637)
Balance as of 31.12.2015	14,305,000

The decrease is related to the use of provisions made over the previous years, due to the occurrence of the risk, as well as to the use of provisions made in previous years for ceased risk and the use of provisions to cover personnel costs borne during the year, but previously allocated. In particular the decrease is attributable to:

Provision for risks and charges

- around Euro 2.1 million related to risk connected to early leave of employees;
- around Euro 2.2 million related to the use of the provision of amounts allocated in previous years, and related to the above-mentioned restructuring plan;
- around Euro 0.9 million related to the use of provisions to cover personnel costs borne during the year, but previously allocated;
- around Euro 0,5 million related to the use of the provision allocated in previous years and related to the tax dispute that arose as a result of the assessment visit by the General Management of the Inland Revenue office.

Provision for losses on projects

- around Euro 1.6 million to cover losses borne in the current year;
- around Euro 1,0 million related to the use of provisions to cover the risk of loss on an order no longer executed, but allocated over the previous years, based on the best estimate of the moment.

The increase is due to the adjustment of the provision to cover probable future charges, which will have to be borne, and especially refers to projects where some critical issues emerged. The allocated amount is the best estimate made based on the current information available to the Company.

29 Other current liabilities

95

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other current liabilities	135,274,594	140,719,888	(5,445,294)

This item is broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Directors and Statutory Auditors	1,198,341	1,166,393	31,948
Consultants	32,086	128,493	(96,407)
Acquisition of business unit	153,402	366,305	(212,903)
Withholding taxes	1,144,023	1,248,858	(104,836)
Tax payables	29,136,039	42,694,091	(13,558,052)
Due to RTI partners	1,945,616	1,367,865	577,751
Social security institutions	16,474,815	16,059,647	415,168
Others	13,103,305	6,373,983	6,729,322
Employees	69,447,947	68,568,752	879,195
Partners for research projects	2,448,276	2,482,330	(34,054)
Accrued m/l loan interest	53,655	147,461	(93,805)
Other accruals	22,384	-	22,384
Deferred income	114,705	115,711	(1,006)
Total	135,274,594	140,719,888	(5,445,294)

Tax payables are broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
VAT	12,344,819	14,697,390	(2,352,572)
Suspended VAT	3,072,549	13,752,576	(10,680,027)
IRPEF	10,871,227	10,425,850	445,378
Other	2,847,444	3,818,275	(970,831)
Total	29,136,039	42,694,091	(13,558,052)

The amounts due to banks relate to:

- the measurement of payables - based on provisions set out by IAS 32 - for sales options granted to minority interests (put options contract) to which the Company Engineering Ingegneria Informatica S.p.A. is subject with reference to a non controlling interest. In particular, the minority shareholders of a subsidiary acquire the right to exercise a sales option of their shares to Engineering Ingegneria Informatica S.p.A. in special cases, as defined in the agreement signed by the parties. The price to exercise the option is fixed based on economic parameters and adequately valued multipliers. This payable was allocated under current liabilities;
- this item refers to the measurement of payables - based on provisions set out by IAS 32 - which are related to the purchase commitment of the residual shares in the company MHT S.r.l., to be carried out over the next year, provided that determined economic-financial targets be obtained. Engineering Ingegneria Informatica S.p.A., in fact, when acquiring the control of MHT S.r.l., signed a forward agreement with minority shareholders with reference to the non-controlling interests (so-called non Controlling Interests). The residual amount, equal to 15%, will be acquired by Engineering Ingegneria Informatica S.p.A. on March 15, 2016.

30 Trade payables

(in Euros)

Description	31.12.2015	31.12.2014	Change
Trade payables	271,967,700	241,640,963	30,326,738

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

The balance as of December 31, 2015 is broken down as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Suppliers	230,845,134	201,603,311	29,241,823
Others	41,122,567	40,037,652	1,084,915
Total	271,967,700	241,640,963	30,326,738

a) Suppliers

(in Euros)

Description	31.12.2015	31.12.2014	Change
Due to suppliers	173,108,769	147,405,676	25,703,093
Due to foreign suppliers	8,318,779	6,224,445	2,094,334
Invoices to be received	49,864,269	48,511,131	1,353,137
Credit notes to be received	(446,683)	(537,942)	91,259
Total	230,845,134	201,603,311	29,241,823

b) Others

(in Euros)

Description	31.12.2015	31.12.2014	Change
Advances for future work	41,122,567	40,037,652	1,084,915
Total	41,122,567	40,037,652	1,084,915

Income statement

A) Total revenues

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Total revenues	877,499,997	852,973,474	24,526,523

31 Total revenues

Group revenues changed by Euro 24,526,523. These related to revenues from sales and services of products, in particular, consultancy services, IT design, usage licences, software maintenance services, and outsourcing services.

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Revenues from sales and service	841,390,980	821,630,979	19,760,001
Cgs. finished products and construction contracts	9,522,548	(4,370,404)	13,892,953
Other revenues	26,586,469	35,712,899	(9,126,431)
Total	877,499,997	852,973,474	24,526,523

For further analysis and comments please refer to the paragraph VIII of this present document.

32 Other revenues

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other revenues	26,586,469	35,712,899	(9,126,431)

The breakdown of other revenues is as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Grants	14,968,306	18,110,796	(3,142,490)
Other income	11,618,163	17,602,103	(5,983,941)
Total	26,586,469	35,712,899	(9,126,431)

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

The "Other income" item mainly comprises re-invoicing of fringe benefits to employees for company cars and mobile telephones, amounting to around Euro 2.3 million, contingent assets for the so-called "figurative credit" for taxes paid abroad and the ACE receivable, in the amount of around Euro 1.2 million, provisions for projects, amounting to around Euro 5.3 million, as well as provisions of a different nature.

B) Operating expenses

(in Euros)

Description	31.12.2015	31.12.2014	Change
Operating expenses	822,204,236	775,825,737	46,378,500

33 Operating expenses

The breakdown of operating expenses is as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Raw materials and consumables	19,049,635	16,862,210	2,187,425
Services	315,487,318	300,857,058	14,630,259
Personnel costs	425,831,374	414,043,214	11,788,160
Amortisation and Depreciation	17,602,232	18,694,817	(1,092,585)
Provisions	32,585,556	14,061,164	18,524,391
Other costs	11,648,122	11,307,273	340,849
Total	822,204,236	775,825,737	46,378,500

For further details on changes, reference is made to the relevant paragraphs in the Directors' report.

34 Raw materials and consumables

(in Euros)

Description	31.12.2015	31.12.2014	Change
Raw materials and consumables	19,049,635	16,862,210	2,187,425

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

(in Euros)

Description	31.12.2015	31.12.2014	Change
Hardware	3,814,646	4,990,470	(1,175,824)
Software	14,733,836	11,078,296	3,655,540
Consumables	501,153	793,445	(292,292)
Total	19,049,635	16,862,210	2,187,425

35 Service costs

(in Euros)

Description	31.12.2015	31.12.2014	Change
Services	315,487,318	300,857,058	14,630,259

Service costs comprise the following accounts:

(in Euros)

Description	31.12.2015	31.12.2014	Change
EDP purchases, services and data lines	4,355,154	5,672,662	(1,317,508)
Insurance	3,787,266	3,774,551	12,715
Bank charges and commissions	2,006,922	1,333,476	673,445
Technical support and consultancy	207,889,420	186,444,718	21,444,702
Legal and administrative consultancy	2,892,447	2,694,194	198,253
Training and refresher courses	3,066,723	2,189,379	877,345
Consultants	622,603	2,917,633	(2,295,030)
Cost of corporate boards	3,217,141	2,293,492	923,650
Building rental	13,668,263	13,499,526	168,737
Maintenance of fixed assets	19,586,167	22,341,592	(2,755,425)
Canteen and other personnel expenses	7,250,470	6,818,448	432,023
Automotive expenses	11,899,508	12,541,954	(642,446)
Hardware and software rental	3,209,372	3,261,903	(52,531)
Maintenance and security services	4,232,128	4,291,326	(59,198)
Advertising and sales rep. expenses	1,446,952	1,266,474	180,478
Travel costs	16,046,012	16,152,728	(106,715)
Postage and shipping expenses	2,184,604	2,576,505	(391,901)
Utilities	7,651,517	10,515,894	(2,864,376)
Other	474,647	270,604	204,042
Total	315,487,318	300,857,058	14,630,259

The following table shows the remuneration paid in 2015 to the audit firm of the consolidated financial statements, in accordance with Article 149-*duodecies* of the consolidated law on finance.

(in Euros)

Service	Provider	Beneficiary	Fees
Audit	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	260,000
Other services*	Deloitte & Touche S.p.A.	Engineering Ingegneria Informatica S.p.A.	50,000
Other services	Deloitte & Touche Network	Engineering Ingegneria Informatica S.p.A.	109,000
Audit	Deloitte & Touche S.p.A.	Engineering.mo S.p.A.	35,000
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
Audit	Deloitte & Touche S.p.A.	MHT S.r.l.	10,000

Fee is net of Consob contribution and expenses.

* Services related to the internal control system to support the Management (i.e. testing activities carried out according to performance modalities defined by the Management).

36 Personnel costs

(in Euros)

Description	31.12.2015	31.12.2014	Change
Personnel costs	425,831,374	414,043,214	11,788,160

Personnel costs consist of:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Salaries and wages	320,494,919	310,156,359	10,338,560
Social security expenses	84,960,139	84,188,483	771,656
Post-employment benefits	18,848,639	18,343,218	505,421
Restructuring and reorganising personnel	126,574	1,850,126	(1,723,552)
Other personnel costs	1,401,103	(494,972)	1,896,074
Total	425,831,374	414,043,214	11,788,160

The increase in the "Salaries and wages" item is primarily due to the increased number of employees and the acquisition of the company WebResults S.r.l..

The average number of employees in 2015 increased on the previous year by 446.

(units)

Average number of employees	31.12.2015	31.12.2014	Change
Executives	327	325	2
Managers	1,654	1,547	107
Other employees	5,797	5,459	337
Total	7,777	7,331	446

37 Amortisation and Depreciation

(in Euros)

Description	31.12.2015	31.12.2014	Change
Amortisation and Depreciation	17,602,232	18,694,817	(1,092,585)

The breakdown is as follows:

(in Euros)

Description	31.12.2015	31.12.2014	Change
Depreciation of property, plant and equipment	8,677,233	10,195,187	(1,517,954)
Amortisation of intangible assets	8,924,999	8,499,630	425,369
Total	17,602,232	18,694,817	(1,092,585)

38 Provisions

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Provisions	32,585,556	14,061,164	18,524,391

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

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Doubtful debt provision	29,887,122	12,164,103	17,723,019
Risk provision	1,195,306	1,897,061	(701,755)
Write-down of fixed assets	1,503,128	-	1,503,128
Total	32,585,556	14,061,164	18,524,391

The increase in the doubtful debt provision is primarily due to the allocation related to the impairment loss of receivables from the Sicilian Region, as widely described in section 14 herein.

Specifically, the above-mentioned allocation is related to the doubtful debt provision, amounting to Euro 9,555,287 and the provision for interest in arrears, entirely recognised in the current year under financial income and amounting to Euro 18,490,478.

39 Other costs

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Other costs	11,648,122	11,307,273	340,849

Other costs are broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Dues and subscriptions	614,981	537,990	76,991
Taxes	6,931,225	8,619,025	(1,687,800)
Gifts and donations	195,787	203,817	(8,030)
Charges for social causes	464,569	392,952	71,617
Other	3,441,559	1,553,488	1,888,071
Total	11,648,122	11,307,273	340,849

40 Financial income/(charges)

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Financial income/(charges)	13,943,607	577,469	13,366,138

Financial income is broken down as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Interest income	20,624,677	3,592,663	17,032,015
Fair value gain (differential from derivative)	841,570	-	841,570
Other income	2,836,800	1,554,205	1,282,595
Total	24,303,047	5,146,868	19,156,179

Interest income include interest in arrears (around Euro 18 million) related to receivables from the Sicilian Region, reference of which is made to the previous section 14.

The "Other income" item is attributable to the exchange rate gains.

Financial charges consist of:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Interest expense	3,309,376	2,838,100	471,275
Other	7,050,064	1,731,298	5,318,766
Total	10,359,439	4,569,398	5,790,041

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

The "Other" item comprises the exchange rate losses.

41 Income/(Charges) from investments

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Income/(Charges) from investments	1,465,292	713,567	751,725

The breakdown is as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Income from investments	1,478,053	858,969	619,084
Write-down of equity investments	(13,000)	(145,912)	132,912
Non-recurring income (charges)	239	510	(270)
Total	1,465,292	713,567	751,725

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Taxes	25,165,696	36,652,899	(11,487,203)

The breakdown of taxes is as follows:

(in Euros)			
Description	31.12.2015	31.12.2014	Change
Current	24,901,133	22,845,443	2,055,690
Deferred	264,563	13,807,456	(13,542,893)
Total	25,165,696	36,652,899	(11,487,203)

The taxes of Euro 25,165,696 (of which Euro 24,882,173 comprising current IRES and IRAP 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.

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

(in Euros)				
Reconciliation between theoretical and effective tax rate	31.12.2015		31.12.2014	
	Amount	%	Amount	%
Profit before taxes	70,704,660		79,776,187	
Ordinary rate applied	19,443,782	+27.5%	21,938,451	+27.5%
Tax effects deriving from:				
Income taxable in prior years	3,589,924	+5.1%	4,404,142	+5.5%
Income not taxable	(10,999,001)	-15.6%	(6,139,781)	-7.7%
Expenses not deductible	11,844,239	+16.8%	6,511,974	+8.2%
IAS differences	(418,339)	-0.6%	(418,339)	-0.5%
Other changes reducing taxable IRES	(6,345,632)	-9.0%	(9,927,184)	-12.4%
Utilisation of previous years tax losses	(224,380)	-0.3%	(8,221,192)	-10.3%
Effect of foreign tax rates	579,313	+0.8%	(257,833)	-0.3%
Taxable income	63,526,931		28,691,777	
Tax/tax rate	17,469,906	+24.7%	7,890,241	+9.9%

Deferred taxes were calculated taking into consideration the accumulated sum of all temporary differences based on the average expected rate for successive tax periods when these differences will reverse. For details of the temporary differences determining the deferred taxes, 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

Description	(in Euros)	
	31.12.2015	31.12.2014
Group net profit for the year	49,403,044	40,820,592
Weighted average number of shares	12,156,917	12,184,359
Basic earnings per share	4.06	3.35
Diluted earnings per share	4.06	3.35

■ NET PROFIT FROM CONTINUING OPERATIONS

Description	(in Euros)	
	31.12.2015	31.12.2014
Net Profit from Continuing Operations	45,538,965	41,785,876
Weighted average number of shares	12,156,917	12,184,359
Basic earnings per share	3.75	3.43
Diluted earnings per share	3.75	3.43

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

44 Other significant information

■ COMMITMENTS UNDERTAKEN

The following table summarises the commitments assumed by the Group as of December 31, 2015.

Description	(in Euros)
	31.12.2015
Third party sureties	233,415,281
Bank sureties in favour of other companies	12,416,174
Bid Bonds and Performance Bonds	11,656,326
Total commitments undertaken	257,487,781

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 219,187,736.

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 9,318,365.

■ OPERATING LEASES

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

Description	31.12.2015	31.12.2014
Liability remaining at January, 1	16,838,381	15,458,315
Amount of contracts agreed in year	12,127,342	12,572,775
Amount of fees paid in year	(10,053,719)	(10,969,640)
Amount of fees paid in advance	(114,883)	(223,069)
Amount of fees still due	18,797,122	16,838,382

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

Description	31.12.2015	31.12.2014
Within 1 year	8,410,880	7,522,210
Over 1 year	10,386,242	9,316,171
Over 5 years		
Total	18,797,122	16,838,382

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:

Book value as of 31.12.2015	Liabilities at FV in P&L	Investments held to maturity	Loans and receivables	Financial assets available for sale
Other non-current assets			1,329,953	
Trade receivables			520,007,285	
Other current assets			54,427,968	
Cash and cash equivalents			211,344,536	
Total assets	0	0	787,109,742	0

Book value as of 31.12.2014	Liabilities at FV in P&L	Investments held to maturity	Loans and receivables	Financial assets available for sale
Other non-current assets			1,206,666	
Trade receivables			505,852,465	
Other current assets			53,978,514	
Cash and cash equivalents			182,704,807	
Total assets	0	0	743,742,451	0

(in Euros)

Book value as of 31.12.2015	Liabilities at FV in P&L	Liabilities relating to derivative financial instruments	Liabilities recorded at amortised cost
Non-current financial liabilities		410,962 ^(*)	32,564,869
Other non-current liabilities			4,783,800
Current financial liabilities			24,880,099
Other current liabilities			144,168,599
Trade payables			271,967,700
Total liabilities		410,962	478,365,068

(in Euros)

Book value as of 31.12.2014	Liabilities at FV in P&L	Liabilities relating to derivative financial instruments	Liabilities recorded at amortised cost
Non-current financial liabilities		260,032 ^(*)	44,892,642
Other non-current liabilities			11,764,684
Current financial liabilities			15,380,140
Other current liabilities			149,593,230
Trade payables			241,640,963
Total liabilities		260,032	463,271,657

(*) 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 tables summarise the commercial and financial transactions undertaken at arms' length between the Group companies as of December 31, 2015, eliminated for consolidation purposes:

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(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.p.A.	Engineering do Brasil S.A.	Engineering International Belgium S.A.	Engineering.mo S.p.A.	MHT S.r.l.	Engineering Excellence Center S.r.l.	WebResults S.r.l.	MHT Balkan d.o.o.	Total costs
Engineering Ingegneria Informatica S.p.A		463,904	1,073,139	9,553,366	4,199,483	19,611,442	2,055,927	3,548,543	3,866,266	2,343,344	2,123,341	701,348	132,786	49,672,891
Engineering Sardegna S.r.l.	280,097					5,446								285,543
Engineering do Brasil S.A.	3,842,259					381,814								4,224,073
Engineering International Inc.	1,000,470													1,000,470
Engi da Argentina S.A.	1,768,358													1,768,358
MHT S.r.l.	87,470												238,524	325,994
WebResults S.r.l.	38,800													38,800
MHT Balkan d.o.o.										10,654				10,654
Engineering Tributi S.p.A	4,134,672			109,645					50,000					4,294,317
Engiweb Security S.r.l.	325,032													325,032
Nexen S.p.A.	911,553													911,553
OverIT S.p.A.	400,728						299,231					2,063		702,021
Sicilia e-Servizi Venture S.c.r.l.	1,430,769													1,430,769
Engineering International Belgium S.A.	2,214,513									5,000				2,219,513
Engineering.mo S.p.A.	5,041,559		5,253	34,170		77,312								5,158,293
Engineering Excellence Center S.r.l.	121,970		4,330											126,299
EngNor AS	575,591													575,591
Total revenues	22,173,840	463,904	1,082,722	9,697,181	4,199,483	20,076,014	2,355,158	3,548,543	3,916,266	2,358,998	2,123,341	703,411	371,309	73,070,171

(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		378,091	226,131	604,222
Engineering Sardegna S.r.l.	10,530			10,530
Engineering do Brasil S.A.	93,995			93,995
Engineering International Inc.	3,092			3,092
Engineering Tributi S.p.A	447,902			447,902
Engiweb Security S.r.l.	26,791			26,791
OverIT S.p.A.	5,041			5,041
Engineering.mo S.p.A.	1,659			1,659
Engineering Excellence Center S.r.l.	3,287			3,287
EngNor AS	271			271
Total income	592,568	378,091	226,131	1,196,790

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.p.A.	Sicilia e-Servizi Venture S.c.r.l.	Engineering do Brasil S.A.	Eng. International Belgium S.A.	Engineering International Inc.	Engineering.mo S.p.A.	MHT S.r.l.	Engineering Excellence Center S.r.l.	WebResults S.r.l.	MHT Balkan d.o.o.	Total liabilities
Engineering Ingegneria Informatica S.p.A		604,562	1,401,242	7,174,972	4,326,823	12,885,149	33,296	2,576,297	2,229,296	4,912	4,219,577	2,048,441	1,075,862	547,441	65,535	39,193,406
Engineering Sardegna S.r.l.	1,383,255															1,383,255
Engineering do Brasil S.A.	5,411,253					1,014,804										6,426,057
Engineering International Inc.	1,883,000							39,412								1,922,412
Engi da Argentina S.A.	7,566,988							47,407								7,614,394
MHT S.r.l.	129,215														67,310	196,525
WebResults S.r.l.	41,000															41,000
MHT Balkan d.o.o.												582				582
Engineering Tributi S.p.A.	14,157,044			277,070	19,665						115,930					14,569,709
Engiweb Security S.r.l.	5,298,739		30,409													5,329,148
Nexen S.p.A.	520,347															520,347
OverIT S.p.A.	609,233							398,024								1,007,257
Sicilia e-Servizi Venture S.c.r.l.	67,045,927															67,045,927
Engineering International Belgium S.A.	2,929,886											5,000				2,934,886
Engineering.mo S.p.A.	3,077,879		10,090	34,170		173,414						8,358				3,303,911
Engineering Excellence Center S.r.l.	334,522		5,282													339,804
EngNor AS	584,575															584,575
Total assets	110,972,862	604,562	1,447,024	7,486,212	4,346,488	14,073,367	33,296	3,061,139	2,229,296	4,912	4,335,507	2,062,382	1,075,862	547,441	132,845	152,413,195

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 other Executives with strategic responsibilities, reference should be made to the specific tables in the Remuneration report.

No transactions were undertaken with Executives with strategic responsibilities and their related parties during the year. In relation to the stability pact in place with some Senior Managers, reference should be made to previous paragraph 24.

Declaration on the Consolidated Financial Statements

Declaration on the Consolidated financial statements in accordance with Article 81-ter of CONSOB Regulation no. 11971 of May 14, 1999, as amended

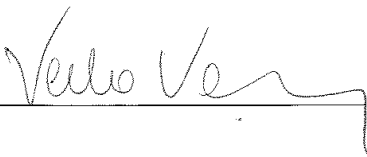
1. The undersigned Paolo Pandozy, as Chief Executive Officer, and Armando Iorio, Executive Responsible for the preparation of the corporate accounting documents of the Engineering Ingegneria Informatica S.p.A., affirm, and also in consideration of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:
 - the adequacy of the information on Company operations and
 - the application of the administrative and accounting procedures for the preparation of the consolidated financial statements for the Engineering during the year 2015.

2. It is also noted that:
 - 2.1 The consolidated financial statements for the year closing as of December 31, 2015:
 - 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 July 19, 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, March 15, 2016

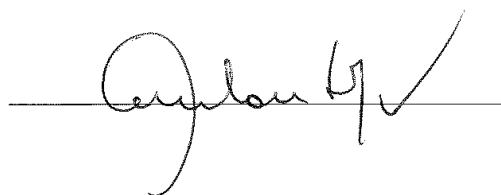
The Chief Executive Officer

Mr. Paolo Pandozy



Executive Responsible for the preparation of the accounting documents

Mr. Armando Iorio





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