Informazione Regolamentata n. 0262-57-2018	Data/Ora Ricezione 19 Dicembre 2018 22:18:14	MTA

Societa'	:	TREVI GROUP
Identificativo Informazione Regolamentata	:	112143
Nome utilizzatore	:	TREVIN02 - Cocco
Tipologia	:	REGEM
Data/Ora Ricezione	:	19 Dicembre 2018 22:18:14
Data/Ora Inizio Diffusione presunta	:	19 Dicembre 2018 22:18:15
Oggetto	:	TREVI S.p.A_PR December 19, 2018

Testo del comunicato

Vedi allegato.

THE BOARD HAS APPROVED THE 2018-2022 CONSOLIDATED INDUSTRIAL PLAN

THE BOARD HAS APPROVED THE CAPITAL STRENGTHENING TRANSACTION AND THE GUIDELINES OF THE RESTRUCTURING OF THE TREVI GROUP'S DEBT

POWERS TO CALL THE SHAREHOLDERS' MEETING

Milan, December 19, 2018 – Trevi Finanziaria Industriale S.p.A. ("**Trevifin**" or the "**Company**") hereby communicates that today the Board of Directors has resolved with a majority decision to approve the 2018-2022 Consolidated Industrial Plan [updated on the basis of the data as at September 30, 2018 available to the management] (the "**Plan**") and the related capital strengthening and debt restructuring transaction (the "**Transaction**").

In particular, the Plan, which assumes that the Transaction will be implemented during the 2019 financial year, is based on four main pillars: (a) geographical focus in countries with growth, risk and profitability profiles consistent with the positioning Group; (b) concentration of the portfolio of projects and products with high complexity and margins; (c) optimization of the commercial and operational footprint; and (d) implementation of standard processes to maximize the control of peripheral entities. The Plan provides in particular the return within the relevant period for the Trevi and Soilmec Divisions to levels of revenues and margins comparable to those which had been achieved before the onset of the financial difficulties, relying on the recognized positioning of such Divisions in the construction and special foundations sector; as well as, as a result of the financial restructuring, the achievement by 2020 of the equity and financial targets set by the Board of Directors, namely a ratio of debt to EBITDA not higher than 3x and a ratio of debt to equity equal to 1:1.

As a result of the further discussions held with the financing banks and the main shareholders of the Company, Trevi Holding S.E. ("**THSE**"), FSI Investimenti S.p.A. ("**FSI**") and Polaris Capital Management LLC, on behalf of the Company's shareholders funds managed by the same ("**Polaris**"), the Board of Directors has defined the essential terms of the Transaction that will be submitted to the financing banks to obtain the required approvals by the relevant competent bodies. As already anticipated to the market (see the press release of December 4, 2018, available on the website www.trevifin.com, section "*Investor Relations / Press Releases*"), the Transaction will consist of:

(i) a rights offering to be subscribed in cash, for an amount equal to Euro 130 million, to be offered pre-emptively to the shareholders pursuant to article 2441, first paragraph, of the Italian Civil Code (the "**Capital Increase**"); and
(ii) a conversion by the financing banks of a portion of their financial credits against the Company and its subsidiaries for Euro 310 million into newly issued ordinary shares of the Company and admitted to trading in the MTA (the "**Conversion**").

The shareholders FSI and Polaris have formally confirmed that they will assume the commitment, subject to certain conditions (as specified below), to underwrite the portion of Capital Increase through the exercise of their pre-emptive rights, as well as to guarantee the underwriting of the unexercised portion up to a maximum amount of Euro 38.7 million each, equal to Euro 77.4 million out of the total amount of Euro 130 million. The underwriting of the remaining part of the Capital Increase equal to Euro 52.6

million would be guaranteed, in the event of an unexercised portion, by a syndicate organized by the financing banks, through the use of credits in the context of the Conversion as indicated above.

The Conversion, for a total of Euro 310 million of credits - in part for the underwriting of any remaining unexercised portion of the Capital Increase - would be carried out according to a ratio of 4.5:1, namely by granting to the banks newly issued ordinary shares (or fractions thereof, according to the terms of the transaction that will be subsequently identified) for a consideration of Euro 1 (at the relevant subscription price) for each Euro 4.5 of converted credits.

Each of the commitments of FSI and Polaris is conditional upon the occurrence of several circumstances which, in addition to the conditions to which such commitments are customarily subject, include, amongst other things, the implementation of the disposal of the Group's oil & gas sector to the Indian group headed by Megha Engineering & Infrastructures Limited ("**MEIL**") and the entering into of a debt restructuring agreement, satisfactory for the parties involved, in relation to the various required elements of the Transaction, including the terms and conditions of the residual banks' debt after the Conversion, any new finance required to support the Plan, as well as the principles concerning the governance of the Company and of the other main Group's companies ensuring a professional and independent management. In particular, the commitment of the shareholder FSI is subject to the fact that, up the outcome of the Transaction, no shareholder obtains a controlling interest in the Company.

The shareholder THSE has stated its appreciation for the prospected financial restructuring scheme, deeming that it is based on a solid structure and confirming its interest in participating, exercising its rights in connection with the Capital Increase wishing that the definition of the terms and conditions will be acceptable for it. In such respect, THSE is continuing the research for a financial partner and in the definition of a transaction that will allow its participation in the Capital Increase.

The Company, based on the discussions with the different stakeholders involved, is confident - considering also the communications received from a large part of the financing banks through their advisors – about the positive definition of the restructuring agreement to be submitted to the homologation pursuant to article 182-bis of the IBL, which is deemed to be reasonable by the end of February 2019. In any case, without prejudice to the need to obtain the approval by the competent bodies of the banks, the final agreement of the latter on the Transaction entails a the definition in more detail – during the next weeks – of the terms and conditions for the restructuring of the residual indebtedness, as well as on the granting and making available of the new finance and to the confirmation of the cash and guarantee facilities sufficient to support the Plan. During the time needed for the completion of the approval process of the banks and for the finalization of the contractual documents, the Company will request to the banks to extend the duration of the standstill agreement which expires on December 31, 2108, for the entire period needed to enter into the definitive agreements, and therefore to refrain from requesting the repayment of the financial indebtedness a to maintain the current credit cash and guarantee facilities.

In the above framework, taking into account the occurrence of the circumstances described under Article 2447 of the Italian Civil Code following the acceptance of the offer submitted by MEIL for the acquisition of the Oil&Gas divisions of the Group (please refer to the press release dated December 4, 2018), the Board of Director has granted powers to the Chairman and to the CRO to convene the shareholders' meeting within the timeframe provided under applicable law in order to adopt the required resolutions and to schedule the date for the meeting taking into account the timing that is necessary to conclude the negotiations with the banks in relation to the above mentioned debt restructuring agreement, in any case not exceeding the term for the approval of the financial statements, *i.e.* by the end of April 2019.

The financial restructuring approved today by the Board of Directors also provides for a possible restructuring of the c.d. mini-bond called «*TREVI-Finanziaria Industriale S.p.A. 5,25% 2014 - 2019*», with an issue value of Euro 50 million, in respect of which a market sounding is ongoing with some of the main bonholders and which, if confirmed, would be submitted to the approval of the bondholders' meeting in time for the definition of the debt restructuring agreement.

As regards the timing for the implementation of the Transaction, as already indicated, it is reasonable to expect that the negotiations relating to the debt restructuring agreement and the related approval processes of the financing banks' competent bodies, as well as the work needed for the certification of the debt restructuring agreement and the plan required for the homologation procedure of the same pursuant to Article 182-bis of the IBL, will allow to file the applications for the homologation of the aforementioned agreements by the beginning of March 2019. In addition, the definition of the debt restructuring agreement will be a necessary requirement for the preservation of the going concern also for the purposes of the financial statements for the financial year 2017, whose approval is currently suspended, and the financial year 2018. In light of the above, it is foreseeable that, subject to the homologation pursuant to the aforementioned Article 182-bis of the IBL and the authorization from the CONSOB to publish the prospectus relating to the Capital Increase, the Transaction can be implemented within the first half of 2019.

Lastly, the Board of Directors acknowledged the resignation, due to professional commitments, of the non-executive director and Lead Independent Director Mrs Monica Mondardini, with effect from December 20, 2018, thanking her for the valuable contribution to the Company. The Board of Directors will start the preliminary proceedings required for the replacement through co-optation pursuant to Article 2386 of the Italian Civil Code. In compliance with the applicable regulatory provisions, it is specified that Mrs Mondardini is not entitled to special compensations or indemnities as a result of her resignation and that she does not hold any shares in the Company.

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About Trevi:

Trevi Group is a worldwide leader in the field of soil engineering (special foundations, tunnel excavation, soil consolidation and the building and marketing of special rigs and equipment relevant to this engineering sector); the Group is also active in the drilling sector (oil, gas and water) both in the production of plant and the supply of services, and it also builds automated underground car parks. The Group was established in Cesena in 1957 and today has more than 30 branches and is present in over 80 countries. Its success is due to the vertical integration of the main divisions making up the Group: Trevi, the division that supplies special services in the field of soil engineering, Petreven, the oil drilling division of the Group, Soilmec, the division that produces and develops plant and machinery for soil engineering and Drillmec the division that produces and develops drilling rigs (oil, gas and water). The parent company has been listed on the Milan stock exchange since July 1999.

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Fine Comunicato n.0262-57	Numero di Pagine: 5