



ASJA AMBIENTE ITALIA 2013 Report on Operations and Consolidated Financial Statements



CUTTING OFF EMISSIONS IS A MUST!

Early 2014 marked the highest level of carbon dioxide ever recorded in the atmosphere: for the very first time exceeding 400 ppm (parts per million).

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Unless otherwise stated, all amounts reported in these statements have been expressed in Euros.

BOARD OF DIRECTORS

Chairman

Agostino Re Rebaudengo

Chief Executive

Alessandro Casale

Directors

Guido Corbò

Carlo Vigna Taglianti

BOARD OF STATUTORY AUDITORS

Chairman

Mario Del Sarto

Auditors

Enrico Bonicelli

Leonardo Cuttica

INDEPENDENT AUDITORS

Reconta Ernst & Young

Dear Shareholders,

the Financial Statements of Asja Ambiente Italia S.p.A. (Parent Company) as at December 31, 2013, here submitted to your approval, report a net profit of € 327,592 net of appropriations at corporate's expense for amortization and depreciation of € 15,776,981 as well as for income taxes Ires and Irap totaling € 2,401,833. Subsidiaries listed in Annex A have all been consolidated on a line-by-line method. Prior year's financial statements closed with a net profit of € 833,965 after allocation for depreciation, amortization and write-downs for € 16,473,860 and taxes for € 2,082,014.

These Financial Statements have been drawn-up to comply with the legislation set forth in the Art. of Charter 9, Part V, Book 5 of the Italian Civil Procedure Code. It is herein reported that, pursuant to Art. 2364 of the Italian Civil Code, as well as to Art. 8 of the Articles of Association, and also taking into consideration the definitive data gathered from all subsidiaries, the Company availed itself of the extension of the financial statements' approval to a maximum of 180 days from fiscal year-end.

Asja Group



Established in 1995, Asja has grown enhancing competences in order to successfully face the market of renewable sources generation and management through designing, installation and plant management, adopting highly innovative technological solutions in compliance with both domestic and international regulations. Asja began its activity in energy exploitation from biogas produced by the organic fermentation of solid urban waste on landfills, focusing its attention on environmentally-friendly projects, such as mitigation of the effects during construction, as well as on correct environmental plant management. Internationally, Asja mainly operates in Brazil and China on electric power generation plants to

mitigate the greenhouse gas emissions within the framework of the Kyoto Protocol.

Proceeding coherently with its mission, Asja is involved in projects aiming to mitigate voluntary emissions as well. The CleanPlanet-CO₂ project enables corporates, events or people to reduce the CO₂ impact of their activities by canceling specific CO₂ quantities that Asja "saves" thanks to its national and international projects on emission reduction. CleanPlanet-CO₂ is only one of the projects of which Asja avails itself for supporting and spreading environmental awareness: to this concern - the Group actively contributes to numerous initiatives of environmental education by means of its capabilities and resources, amongst which we would like to list the International Environment Day, the support and cancelation of emissions concerning the Cinemambiente Film Festival, without mentioning the

numerous visits that Asja organizes to its facilities for students. The Chairman of the Group, Agostino Re Rebaudengo, is also Chairman of *assoRinnovabili*, the largest Association of Renewable Energy Producers, board member of EWEA, European Wind Energy Association, of whom Asja has been a member since 2007, board member of *Confindustria* and member of Governing Council of *Unione Industriale di Torino* (Turin Industrial Union).

In China

Asja began operating in China in 2004 having as main objectives the development of projects, building and operating plants within the framework of the Kyoto Protocol's flexible mechanisms (CDM). To date Asja has built and managed two biogas exploitation plants namely in Shenyang and Kunming, through *Asja Renewables Shenyang* and *Asja Renewables Kunming* that will soon merge in order to increase synergy and diminish operating costs. As far as the Shenyang landfill is concerned, Asja is in the process of reaching an agreement with local authorities for widening the landfill by adding further waste tanks. It is therefore foreseen the construction of new biogas collection wells that will consistently boost generation. It is also worth mentioning that in order to reduce costs and improve efficiency, it has been opted for a change in offices, a less expensive choice and beyond doubt more adaptable to the personnel's needs. Late 2013 marked a strategic change of direction in branch management: a Chinese manager, trained within Asja Group, has been appointed, leading thus to immediate and considerable advantages in terms of institutional relations, mainly due to his knowledge in local culture and to a breakthrough in communication. In parallel to plant construction in China, Asja has improved capabilities in specialized consultancy regarding reduction in greenhouse gas emissions both internationally (CDM) and regionally, and has specialized in services like energy and greenhouse emissions auditing. Asja's main future target is to keep supplying the Chinese clientele, both state and private, with innovative management technologies and know-how within the environmental and renewables sector. Particular emphasis is put on highly sustainable solutions with concern to solid urban, agricultural and livestock waste as well as to implementation of smart-grids by means of distributed co- and tri-generating machines that are able to ensure increased reliability and fewer losses in energy transportation.

Asja Brasil Serviços para o Meio Ambiente Ltda.

As far as Asja's Brazilian plants are concerned, the electric power generation is proceeding, particularly on those located in Belo Horizonte, Minas Gerais, owing to installed power of 5.7 MW and in Uberlândia (almost 3 MW). In Sabará (Minas Gerais), Asja Brasil is in the process of negotiations with managers and proprietors of the waste dump for the construction of an important biogas plant that would increment the already installed renewable power. In the meantime interesting commercial negotiations are being performed concerning two new plants; in fact Asja, owing to its 10-year presence on the territory and to its acknowledged know-how, is in contact with numerous corporates

for the development of new projects for rehabilitation and valorization of landfills. Plants built by Asja (through the Company's subsidiaries) in Brazil and China benefit from recognition of CERs that, as aforementioned, saw decrement in their quotation. Aiming to increase the economic value of certificates, Asja decided to upgrade its existing certification to Gold Standard, namely the certification relative to projects concerning mitigation of gas emissions that lead to climate change, internationally acknowledged as a point of reference in high-quality and rigor, both for the regulated market and for the voluntary market of CO₂ cancelations. Therefore Gold Standard certified CERs acquire superior value as compared to traditional ones. Upon termination of the validation and assessment process, credits become GS-CERs and acquire higher quotation from about 2 to 4.5 €/CER (according to the country where the project was performed).

Asja Ambiente Italia S.p.A.

Biogas and biomass



With regard to the landfill biogas sector, Asja has continued to pave its growth paths both in terms of number of plants and generated power. In particular, it authorized, built, started up and currently running 2 new biogas exploitation facilities: the first being located on the Magliolo (Sv) landfill (installed power equal to 850 kWe) and the second on Savignano Irpino (Av) landfill (installed power of about 1 MW); concerning the latter, in August 2013 Asja won the tender called by Provinciale Irpinia Ambiente for landfill cover and drilling on biogas collection wells. The Bellolampo (Pa) plant in Sicily, due to the fire that affected the landfill in July 2012, underwent makeover works; in May 2013 the plant became fully

operational. As far as the Monte Scarpino (Ge) plant is concerned, Asja's largest plant in terms of installed power, it underwent partial revamping of the generation and low voltage sections. Concerning the Rovereto plant, an agreement for the renewal of the convention, that will allow Asja to exploit biogas until 2023, was signed. This plant as well featured improvements in terms of the acquisition of a thermo-reactor for emission treatment, authorized for and installed during current fiscal year.

Another agreement for convention renewal was signed regarding the Spoleto plant in December, thus enabling Asja to exploit biogas until 2025. IAFR qualifications (qualifications of plants powered by renewable sources) were issued by GSE on the Campobello, Pianezza 1 (plant makeover), Grosso 2, Bellolampo (plant makeover), Mirandola and Medolla plants. All these plants were started up in 2012. The 5-year IAFR qualifications obtained ensure renewable plant certification and over their period of

validity give right to incentives on the electric power generated. June 2013 saw the entry into force of the Fermo plant, proprietorship of Fermo Asite that commissioned Asja the complete makeover of the biogas plant located on the municipal waste dump as well as its management for the upcoming 15 years.

Wind



The wind sector also featured prominent achievements with the entry into force of the Laterza 2 (Ta) plant, proprietorship of the Laterza Wind 2 company (subsidiary of Asja with 100% stake). The plant is made by 6 wind turbines with an overall installed power equal to 12.24 MW, and generated its first kWh roughly a month ahead of schedule. Laterza 2 plant, started up less than a year after Laterza 1 (a wind park that comprises 5 wind turbines for an overall power of 10 MW), is the eighth wind plant labeled "Asja" and adds up to the already existing 150 MW installed throughout Italy, of which 80 MW derive from wind. Significant results have also been obtained from complex auction procedures

pursuant to the Ministerial Decree of July 6 , 2012. Asja has in fact been successfully included in the GSE ranking system regarding the 2 projects in Matera for an overall power of 48 MW.

With concern to its development activities, authorization for the Sardara (48 MW) project in Sardinia has been carried forward. Furthermore the following plants are in their late development phase: Melfi (14 MW), Castelluccio Valmaggiore (8 MW) and Belcastro (20 MW), completion of authorization procedures being foreseen by late 2014; in the meantime due diligence and preparatory activities for the Potenza project (27 MW) proceed.

Photovoltaics



Asja's activities within the photovoltaic sector were focused on operational management of the 7 plants owned directly or by subsidiaries and located throughout the national territory. Such activities allowed further optimization of production and operating costs to offset decrease in the plant's turnover from power sale. To date Asja still operates within Asset Management, in which it needs to face a market bound by absurd decrement in prices applied by numerous competitors. Such prices, when compared to actual costs incurred in the periods in question, prove to be the result of dumping or of irrational decrease in quality of service. Such policies, voluntarily not submitted to by Asja, have, over the past year, compromised

the market. It is therefore expected to regain collaborations with unsatisfied clients in the near future.

Research



Partner R&D

Over 2013 Asja's R&D has been involved in micro cogeneration and biogas upgrading to bio-methane, as well as in already existing research projects. With regard to micro cogeneration, as a follow-up to the creation of asjaGen, a complex activity of technical consolidation of existing machines and development of new products was initiated. To this concern Asja submitted a project to Alta Scuola Politecnica. The project, that features the study of micro cogeneration technologies and applications, has been selected by a team of students belonging to Milan and Turin Polytechnic and will be conducted over the next two years with the involvement of professors from the two aforementioned universities. The Turin Polytechnic is also

involved in a series of projects aimed at the development of innovative systems by means of fuel cells. Concerning the bio-methane upgrading, the R&D team has thoroughly been involved in the study of the main technologies on the market, as well as in issues linked to landfill biogas treatment.

In addition to this, development of innovative technologies aimed at the Italian and European markets is currently in progress. Amongst other innovative technologies regarding renewables, Asja is also assessing exploitation of wave energy.

The following research projects are currently in act:

- ECOFOOD, in association with, amongst others, Ferrero and Lavazza.
The project ended in March 2014; the part that concerns Asja has as main objectives development of competences and assessment of feasibility for anaerobic digestion plants fueled by scraps, off-specification and expired material deriving from the food companies involved in the project;
- HyStrEM concerning plant development of a two-stage system for hydrogen and biogas production out of FORSU (Organic Fraction of Municipal Solid Waste) and lingo-cellulosic biomasses by means of innovative microbial strains;
- Smash-Gaming, its main objective being the development of a miniature sensor with industrial applications (landfills, biomass plants) for H₂S analysis and sensing as well as for other toxic gases through integration of nano structures.

Certificates

In 2013, availing itself of the Certification Organization Det Norske Veritas Italia S.p.A., Asja submitted to an auditing procedure aimed at maintaining its quality system certification (pursuant to international standard ISO 9001) and at the renewal of the environmental system certification (standard ISO 14001 and EMAS regulation), safety and health at the workplace (standard BS OHSAS 18001) extended to all new plants in various sectors. Particular attention has been given to audits on the following plants: the biogas plants located in Mattie (To), Monte Scarpino (Ge), Gambolò (Pv), Pianezza (To), Tufino (Na) as well as on the Laterza (Ta) wind plant. Within the framework of Management Systems, Asja proceeds with its commitment to ongoing improvements taking significant action regarding: operational checks of maintenance activities on biogas plants, management of supplier qualification, safety of "on-call" operations performed by the Company's personnel. Furthermore Asja has decided to spread out the communication of its commitment toward environmental, economic and social sustainability more effectively; subsequently it has elaborated a report on sustainability called "Asja Social Responsibility" (annexed to the herein statements).

amount of generated power under 15/20-year contracts at indexed or default prices;

- no payment risk since the energy is sold primarily to: GSE (Gestore dei Servizi Energetici), ENI, ENEL, GdF, EGL; GSE is a limited company entirely owned by the Ministry of Economy and Finance, that also guarantees on potential risks concerning the non-collection or non-payment of Green Certificates.

Disclosure Required under Art. 2428 of the Italian Civil Code

1. R&D costs linked to work design and planning have been paid during current fiscal year except for those considered multi-annual. Regardless of its competitors, Asja keeps maintaining highly innovative and dynamic characteristics.
2. Asja does not hold and has not held over the current fiscal year, neither directly or indirectly, through a trust corporation or third party, its own shares or shares in the holding company.
3. Asja Ambiente Italia S.p.A. has neither purchased nor sold its own shares or shares in the holding company, neither through a trust corporation nor third party.
4. As far as the financial instruments are concerned, the Company during its routine operations, is exposed to market risks, mainly regarding rate risks, linked to financial assets and liabilities generated. These include among them principally short- and medium-term bank loans, financial leases, and financial assets represented by shareholding in addition to trade receivables and payables in foreign currency as well. The Company is subject to exchange rate fluctuation regarding short- and medium-term loans.

Relations with Related Parties

Asja availed itself of Ago Renewables S.p.A. for the plant construction and maintenance.

Ago Renewables S.p.A. benefited from Asja's services. All services have been billed at market value.

Asja's technical and administrative offices in Rivoli are proprietorship of the aforementioned company to whom Asja pays a market-value rent. The Guarene headquarter, used for commercial and technical meetings, is owned by the Semplice Apee company to whom Asja pays a rent at market value.

Asja supports the activity of the Sandretto Re Rebaudengo Foundation involved in Contemporary Art by endowing an annual contribution.

Events Occurring since Fiscal Year End and Business Outlook

First quarter 2014 featured a 5% increase in revenues and a 10% boost in operating results, as compared to the same period the past year. Such increases are attributable to the following factors: Laterza 2, subsidiary of Rigen (100% stake) became operational at year-end 2013, numerous efficiency factors implemented and stronger winds. With regard to the investments made over the current year, according to Art.8 of Law 388, we will be able to compensate for about 1.3 million euros of taxes and therefore boost the company's cash flow.

Plant management proceeds as scheduled and the generated cash flow will allow us to reimburse all debts and thus hold a clearly positive financial position.

April 2013 saw the construction of a new 18 MW wind farm in Ciccolocane, Matera (Matera 1), and through Meltemi Energia S.r.l. (Asja's 100% stake subsidiary) a 29.70 MW wind farm in Le Reni, that will enable the Company to highly exceed the 500,000 MWh of electric power generation per year.

Finally it is pointed out that an operation concerning consistent increase in the common stock (hypothetically of 20/25 million euros) is being carried forward; it is considered that this amount will partly be paid in cash and partly in in-kind and/or in extraordinary transactions. Such rise in the common stock is bound to occur next June.

Rivoli, May 16, 2014

On behalf of the Board of Directors
The Chairman
Agostino Re Rebaudengo



| Assets | 2013 | 2012 |
|---|--------------------|--------------------|
| b) Intangible, Tangible and Long-term Financial Assets | | |
| <i>Intangible Assets</i> | | |
| Start-up costs and widening investments | 33,047 | 55,061 |
| Research, development and publicity costs | 418,239 | 722,547 |
| Industrial patent and intellectual property | 2,220,281 | 2,424,534 |
| Concessions, licenses, trademarks and similar rights | 19,600,625 | 16,163,749 |
| Goodwill | 5,677 | 6,111 |
| Other intangible assets | 818,358 | 12,980 |
| Intangible assets under development and advances | 17,171 | 1,308,505 |
| Total | 23,113,398 | 20,693,487 |
| <i>Tangible Assets</i> | | |
| Land and building | 480,946 | 503,964 |
| Plant and machinery | 127,888,603 | 117,251,173 |
| Industrial and commercial equipment | 754,545 | 992,797 |
| Other tangible assets | 949,297 | 936,664 |
| Tangible assets under construction and advances | 1,546,631 | 1,658,605 |
| Total | 131,620,022 | 121,343,203 |
| <i>Long-term Financial Assets</i> | | |
| <i>Investment in</i> | | |
| Associated companies | 5,497,000 | 6,067,000 |
| Other companies | 651,769 | 177,533 |
| Total Investment | 6,148,769 | 6,244,533 |
| <i>Receivables</i> | | |
| Associated companies | 15,842,151 | 10,545,065 |
| Other receivables | - | 665,779 |
| Total Receivables | 15,842,151 | 11,210,844 |
| Total | 21,990,920 | 17,455,377 |
| Total Intangible, Tangible and Long-term Assets | 176,724,340 | 159,492,067 |
| c) Current Assets | | |
| <i>Inventories</i> | | |
| Finished products and goods | 293,841 | 1,425,410 |
| Total | 293,841 | 1,425,410 |
| <i>Receivables</i> | | |
| Trade receivables | 20,057,526 | 18,530,062 |
| From associated companies | 997,918 | 637,242 |
| Tax receivables | 16,163,167 | 15,708,655 |
| Prepaid tax | 175,061 | 68,803 |
| Other receivables | 3,170,965 | 2,460,644 |
| Total | 40,564,637 | 37,405,406 |
| <i>Short-term investment</i> | | |
| Other securities | 1,605,043 | 1,605,043 |
| Total | 1,605,043 | 1,605,043 |
| <i>Cash and Cash Equivalents</i> | | |
| Bank and postal deposit accounts | 3,326,629 | 3,107,201 |
| Cash | 25,052 | 23,880 |
| Total | 3,351,681 | 3,131,081 |
| Total Current Assets | 45,815,202 | 43,566,940 |
| d) Accrued Income and Prepaid Expenses | | |
| Accrued income | 104,543 | 3,140,539 |
| Prepaid expenses | 6,259,482 | 9,974,322 |
| Total Accrued Income and Prepaid Expenses | 6,364,025 | 13,114,861 |
| Total Assets | 228,903,567 | 216,173,868 |

| Liabilities | 2013 | 2012 |
|--|--------------------|--------------------|
| a) Equity | | |
| Common stock | 12,550,000 | 12,550,000 |
| Legal reserve | 1,459,266 | 1,277,389 |
| Other reserves | (4,076,395) | 192,291 |
| Earnings (Loss) prior period | 27,455,379 | 23,999,731 |
| Earnings (Loss) current period | 327,592 | 833,965 |
| Total Group Equity | 37,715,842 | 38,853,376 |
| Minority interest | (2,768) | 20,848 |
| Earnings (Loss) attributable to minority interest for the period | (1,667) | 11,454 |
| Total Minority Interest | (4,435) | 32,302 |
| Total Consolidated Equity | 37,711,407 | 38,885,678 |
| b) Provisions for Risks and Other Charges | | |
| Provision for taxes including deferred | 1,401,306 | 1,250,386 |
| Other provisions | 770,963 | - |
| Total Provisions for Risks and Other Charges | 2,172,269 | 1,250,386 |
| c) Severance Payment | | |
| | 377,627 | 352,811 |
| d) Payables | | |
| Payables to banks due within next fiscal year | 38,819,720 | 34,664,743 |
| Payables to banks due after next fiscal year | 85,736,235 | 88,722,461 |
| Payables to other lenders due after fiscal year | 566,498 | - |
| Trade payables | 31,656,297 | 20,975,191 |
| Payables to associated companies | 210,170 | 177,405 |
| Tax payables | 2,795,865 | 2,604,499 |
| Payables to social security institutions | 306,884 | 331,370 |
| Other short-term payables | 1,317,054 | 930,147 |
| Other medium/long-term payables | 1,291,375 | 1,342,333 |
| Total Payables | 162,700,098 | 149,748,149 |
| e) Accrued expenses and Deferred Income | | |
| Accrued expenses | 2,043,203 | 1,752,576 |
| Deferred income | 23,898,963 | 24,184,268 |
| Total Accrued Expenses and Deferred Income | 25,942,166 | 25,936,844 |
| Total Liabilities | 228,903,567 | 216,173,868 |
| Memorandum Accounts | | |
| Guarantees | | |
| Bank guarantees issued by minority interests to others | 4,368,659 | 6,309,610 |
| Total Guarantees | 4,368,659 | 6,309,610 |
| Total Memorandum Accounts | 4,368,659 | 6,309,610 |

| Income Statement | 2013 | 2012 |
|---|---------------------|---------------------|
| a) Production Value | | |
| Revenues from sales and services | 67,652,730 | 67,235,911 |
| Changes in work-in-progress, semi-finished and finished goods inventories | (267,711) | (526,415) |
| Asset increases for internal work | 87,581 | 21,231 |
| <i>Other revenues and income</i> | | |
| Contribution | 2,854,058 | 3,546,984 |
| Other revenues and income | 2,207,732 | 1,844,966 |
| Total Production Value | 72,534,390 | 72,122,677 |
| b) Operating Costs | | |
| Costs of raw, ancillary and consumption materials | (7,793,661) | (5,896,376) |
| Costs of services | (14,959,100) | (15,045,893) |
| Costs of use of leasehold properties | (7,864,230) | (8,840,660) |
| <i>Personnel costs</i> | | |
| Indirect labor | (6,094,925) | (6,189,922) |
| Social security contributions | (1,868,481) | (1,875,749) |
| Severance payment | (367,315) | (361,363) |
| Other costs | (25,824) | (10,441) |
| Total Personnel Costs | (8,356,545) | (8,437,475) |
| <i>Amortization, Depreciation and Write-downs</i> | | |
| Amortization of intangible assets | (2,212,850) | (2,407,707) |
| Depreciation of tangible assets | (13,203,664) | (12,557,327) |
| Other write-downs of intangible and tangible assets | (251,082) | (1,412,458) |
| Write-downs of receivables included in current assets | (109,385) | (96,368) |
| Total Amortization, Depreciation and Write-downs | (15,776,981) | (16,473,860) |
| Changes in work-in-progress, semi-finished and finished goods inventories | 40,821 | 26,727 |
| Provision for risks | (200,000) | - |
| Other operating costs | (7,868,192) | (7,028,400) |
| Total Operating Costs | (62,777,888) | (61,695,937) |
| (a-b) Operating Income | 9,756,502 | 10,426,740 |
| c) Financial Income and Expenses | | |
| <i>Other financial income</i> | | |
| From locked-up stocks | - | 10,132 |
| Other income | 610,327 | 901,827 |
| <i>Interest and other financial expenses</i> | | |
| From other | (6,189,565) | (4,972,105) |
| Exchange gains and losses | (952,572) | (893,006) |
| Total Financial Income and Expenses | (6,531,810) | (4,953,152) |
| d) Financial Asset Value Adjustment | | |
| Write-ups | - | 31,282 |
| Write-downs | (226,819) | - |
| Total Financial Asset Value Adjustment | (226,819) | 31,282 |
| e) Non-recurrent Income and Expenses | | |
| Income | 826,749 | 4,203,182 |
| Expenses | (1,096,864) | (6,780,619) |
| Total Non-recurrent Income and Expenses | (270,115) | (2,577,437) |
| Income and Loss Before Taxes | 2,727,758 | 2,927,433 |
| Income taxes current year | (2,403,098) | (1,838,469) |
| Anticipated/deferred tax | 1,265 | (243,545) |
| Group Income and Loss Current Year | 325,925 | 845,419 |
| Attributable to minority interests | (1,667) | 11,454 |
| Group Income and Loss Current Year | 327,592 | 833,965 |

| Cash Flow Statement | 2013 | 2012 |
|--|---------------------|---------------------|
| a) Net Cash at the Beginning of the Year/Short-term Net Financial Debt at the Beginning of the Year | (16,478,597) | (12,045,289) |
| b) Cash Flow Generated from (used for) Current Assets | | |
| Gain (loss) for the period | 327,592 | 833,965 |
| Amortization and Depreciation | 15,525,898 | 15,061,402 |
| Net changes in the Provision for Risks and Charges | 921,882 | 135,666 |
| Net changes in Severance Payment | 24,816 | (6,344) |
| (Increase) decrease in short-term trade receivables | (1,888,141) | 11,365,394 |
| (Increase) decrease in other short-term receivables | 5,479,745 | (6,143,982) |
| (Increase) decrease in stock | 1,131,569 | 1,207,771 |
| Increase (decrease) in short-term account payables | 10,713,871 | 12,675 |
| Increase (decrease) in other short-term account payables | 508,153 | 37,186 |
| Total Cash Flow from Current Assets | 32,745,385 | 22,503,733 |
| c) Cash Flow from Investment | | |
| <i>Investment in</i> | | |
| intangibles | (5,094,238) | (1,018,216) |
| tangibles | (23,941,958) | (20,145,011) |
| long-term | (5,223,838) | (12,387,468) |
| Total Cash Flow from Investment | (34,260,035) | (33,550,695) |
| d) Cash Flow from Financing Activities | | |
| Members depository | - | - |
| Convertible debentures | - | - |
| Loan repayment (disbursements) | 8,120,580 | 6,613,654 |
| Total Cash Flow from Financing Activities | 8,120,580 | 6,613,654 |
| e) Earnings distribution | - | - |
| f) Net cash flow in the period (b+c+d+e) | 6,605,931 | (4,433,308) |
| g) Net cash at the end of the year (net short-term financial debt) (a+f) | (9,872,666) | (16,478,597) |

Structure and Content of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2013, comply with the rules envisaged by Law Decree no. 127 of April 9, 1991 as well as with the Italian Civil Procedure Code provisions on financial statements - as amended by Law Decree no. 6 of January 6, 2003 and following amendments thereto related to the "Corporate Law Reform", where applicable to the consolidated financial statements by analogy or reference - and include Balance Sheet, Income Statement, Cash Flow Statement, and related Notes. The Notes to the Consolidated Financial Statements provide explanation, analysis and in some cases integration of the balance sheet items and also information required by Art. 38 of Law Decree no. 127/1991 and other regulations. The aforementioned Notes also provide all additional information deemed necessary in order to give a truthful and fair view of the Company's state of affairs. The consolidated accounts and the principles of consolidation, the most significant accounting standards, as well as the content of each item of the Consolidated Balance Sheet and Income Statement are further illustrated. Financial Statements as at December 31, 2013, and the Notes are expressed in euro. Any discrepancies that may be found in the statements or the notes are due to rounding-off.

Consolidated Accounts

The consolidated accounts include the Italian and foreign companies listed in Annex A, in which the parent company Asja Ambiente Italia S.p.A. owns, directly or indirectly, the shareholding.

During fiscal year 2013 the following variations in the consolidated accounts took place:

- acquisition of 100% stake in Meltemi Energia S.r.l.;
- disinvestment in Aria.biz and Asja Wind Albania 1 SH.P.K.

Investments in associated companies have been included in the consolidated accounts and accounted for using the equity method.

Principles of Consolidation

The financial statements used for the purpose of consolidation are those of each consolidated company at December 31, 2013 approved by the respective company bodies and adjusted to comply with the accounting policies of the parent company Asja Ambiente Italia S.p.A.

The accounting reference date of the consolidated financial statements is that of the Parent Company (December 31, 2013), which coincides with the corporate year closing of all the Companies included in the consolidated accounts. All subsidiary companies included in the consolidated accounts have been consolidated using the global integration method, whereas the associated companies have been evaluated using the equity method.

The following consolidation principles have been used:

- overall assumption of assets, liabilities, costs and revenues, disregarding the interest held and the assignment to minority interest of the portion of shareholders equity and the fiscal year result of their concern;
- the difference arising from, upon acquisition, the elimination of the book equity of investment in a company part of the consolidated accounts and the correspondent portion of shareholders equity is allocated, if possible, to the assets and liabilities of the aforementioned company. Any emerging residue may be handled as following:
 - if positive, in Intangible Assets as Consolidation Difference and amortized on a straight-line basis related to the its estimated upturn (and, in any event, over a period of no more than 10 years);
 - if negative, in shareholders' equity as Consolidation Reserve or still if such residue is due to unfavorable financial result expectations, as Consolidation reserve for future risks and charges;
- elimination of receivables and payables, revenues and expenses among the consolidated companies, as well as of intra-group retained earnings;
- elimination of intra-group dividends, if distributed;
- recording of significant capital goods according to the financial method.

Finally, no taxes on retained earnings of the consolidated companies are recorded, as presumably no taxable operation will be carried out, nor will deferred taxes be allocated to untaxed reserves, since no transaction determining their distribution, and thus taxation, is foreseen.

Evaluation Criteria

The evaluation criteria applied comply with law and regulations and are substantially the same as those adopted in prior fiscal years. The consolidated financial statements are prepared upon the principles of prudence and competence, on a future concern basis, and taking into account the economic impact of recorded assets and liabilities.

Intangible Assets

Intangible assets are recorded at purchase or production cost and are systematically amortized in relation to their remaining useful life and in any case over a period of no more than 5 years, except for:

- Costs for leasehold improvements and Building lease which are amortized over the duration of the lease with the ownership of the leased items, and the building lease and patent rights agreement, whose period of amortization is related to the duration of the contract;
- Consolidation differences, equal to the surplus arising from the purchasing cost of investments in subsidiaries and their net equity book value, are amortized on a straight-line basis over a period of 10 years, in line with the expected duration and development of the companies they are attributed to.

Intangible assets whose value proves to be inferior to its prior over a long period of time, already adjusted by amortization granted overall, are depreciated. Such lesser value is not reinstated in future financial statements, should the reasons for such adjustments no longer apply.

Amortization is stated using the value of the assets on a straight-line basis in the following period:

Costs of research, development and publicity

| | |
|---|-----|
| Costs of research and plant development | 20% |
|---|-----|

Industrial patent and intellectual property rights

| | |
|--------------------------|-----|
| Property software rights | 20% |
|--------------------------|-----|

| | |
|---------------|------|
| Patent rights | 1/20 |
|---------------|------|

Concessions, licenses, trademarks and similar rights

| | |
|---------------------------|-----------|
| Concessions and royalties | 1/8 e 1/4 |
|---------------------------|-----------|

| | |
|-----------------|-------------------|
| Building leases | 1/26, 1/28 e 1/30 |
|-----------------|-------------------|

Other intangible assets

| | |
|-------------------------|-----|
| Multi-year expenditures | 20% |
|-------------------------|-----|

| | |
|---|-----|
| Extraordinary maintenance on third party assets | 20% |
|---|-----|

| | |
|--|---|
| Extraordinary maintenance on third party assets - Rivoli | 7,5%, 9,60%, 10,60%, 11,86%, 13,45%, 18,18%, 22,22%, 29,27% e 40% |
|--|---|

| | |
|----------------------------------|--------------|
| Multi-year costs - vegetable oil | 25% e 33,33% |
|----------------------------------|--------------|

| | |
|-------------------------------------|-----|
| Multi-year costs - wind development | 20% |
|-------------------------------------|-----|

| | |
|---|-----|
| Multi-year costs - photovoltaic development | 20% |
|---|-----|

Tangible Assets

Tangible assets are shown at purchasing price or production costs, including any direct expenses.

Each fiscal year tangible assets are systematically amortized on economic and technical rates determined in relation to their estimated useful life and justified by substitution and/or modification forecast of the current assets in order to contrast obsolescence and deterioration over time; the applied amortization rates are the following:

| | |
|--|-----------|
| Plant and machinery | |
| Generic plants | 8% |
| Specific plants | 8% |
| Biogas plants | 9% |
| Wind plants | 8% |
| Photovoltaic plants | 4% |
| Vegetable oil plants | 9% |
| Industrial and commercial equipment | |
| Equipment | 10% |
| Wind sector equipment | 10% |
| Equipment and other tools | 10% |
| Equipment Albanian branch | 10% |
| Cartographic instruments former Asja Albania | 10% |
| Other tangible assets | |
| Motor vehicles | 25% e 20% |
| Furniture | 12% |
| Furniture and ordinary office machines | 12% |
| Electronic office machines | 20% |
| Tangible assets inferior to € 516,46 | 100% |

Pursuant to Art. 2426, no. 2) of the Italian Civil Code, there has been a change concerning the useful life of photovoltaic plants estimated initially. Such change led to lesser depreciation over the current fiscal year (equal to € 189,646) that compensates for higher taxes over the same period (equal to € 79,450). Costs incurred subsequent to the purchase of each asset are increased only when they reach a significant and tangible boost in their useful life. Maintenance and ordinary repair costs, except for the incremental ones, are not subject to capitalization and are chargeable in the income statement of the fiscal year in which they were incurred. Financial charges related to investments on the started-up plants are reimbursed in the fiscal year in which they were incurred, whereas for the plants under construction the capitalization takes place up to the beginning of the fiscal year. Assets with a very low unit value are fully depreciated in the fiscal year they become operative, taking into account their short useful life and their rapid obsolescence. The tangible assets whose value prove to be inferior

to their purchasing price, already overall modified by allocated depreciation, are written down. The lesser value of such tangible assets is not reinstated in future accounting periods, should the reasons for such write-downs no longer apply. The tangible assets' disposal or selling-off is recognized in the financial statements by eliminating the costs and the allowance for depreciation and by entering the capital gain or loss in the income/loss statement.

Leases

Assets purchased under a lease agreement are shown in the Annexes, in accordance with Art. 2427, no. 22 of the Italian Civil Procedure Code which requires such assets to be accounted for using the investment method. According to this method, leased assets are recorded in the balance sheet as assets net of depreciation, and capital debt is recorded under liabilities. Lease payments are reversed, depreciation rates of assets and the share of interest payables on the lease, including the installment for the period, are attributed to the income statement. Depreciation of the leased assets, based on the same rates applied to freehold assets, is included in the item Depreciation.

Government Capital Grants

Government capital grants are presented in the balance sheet by recognizing the grant as deferred income in the year when it is formally approved or received, for the entire useful life of the relevant assets.

Long-term Financial Assets

Investments in subsidiaries not included in the consolidation because of irrelevant value, as well as minority investments in other companies, are recorded at their purchasing price, adjusted in case of long-lasting loss of value.

Inventories

Inventories are evaluated at the lesser of purchasing price, determined by using the weighted average cost method and their estimated market value, based on the market performance at the closing of the period. The purchasing price includes extra charges whereas the production costs include direct and indirect charges attributable to the assets. If required by circumstances, obsolete and slow-moving inventories are written down according to their possible use or realizable value.

Receivables and Payables

Receivables, including fixed and current assets, and payables are accounted for at their nominal value. The nominal value of receivables is adjusted to reflect their estimated realizable value. With regard to receivables recognized as current assets, they are recorded with the same amount in the bad debt provisions and collect allocation regarding entries reasonably considered potentially non-recoverable. Receivables and Payables are falling due within and after the period based on their legal title.

Foreign Currency Transactions

Receivables and payables originally expressed in foreign currencies, accounted for at the exchange rate as of the transaction date, are restated to comply with the exchange rate prevailing at fiscal year-end. Short-term financial assets and liabilities and long-term loans are recorded at the spot exchange rate at fiscal year-end. Profit and loss resulting from the conversion of receivables and payables are recorded in the Income Statement under item C 17 bis as Exchange Gains and Losses. Unrealized profit is credited to a separate reserve and shall not be distributed until it is realized.

Short-term Investments

Securities are shown at the lesser between purchasing price and realizable value, based on market performance. Impairment of such investments is not reinstated in future accounting periods, should the reasons for such write-downs no longer apply. The purchasing price (or underwriting cost) is given as the price paid to which the incidental costs must be added.

Cash and Cash Equivalents

Cash and cash equivalents are recognized at their nominal value.

Provisions for Risk and Other Charges

Mainly refer to allocations for anticipated risks and other charges when the timing or amount of expenditure could not be determined at the end of the accounting period. The amounts allocated reflect the best estimate based on commitments undertaken and available data. This item can be broken down as follows:

- Provision for Taxes, Including Deferred Taxes: it includes deferred taxes as described in the income tax note;
- Other Provisions: this item refers to allocations for contingencies related to the execution of contractual commitments and to ongoing litigation.

Severance Indemnity Provision

In prior income statements, the provision for severance pay was allocated to cover the accrued amount payable to the employees, complying with the law in force, the collective labor agreements and company pension schemes. We are pointing out that starting from 2007 the law introduced significant changes to severance pays, including the choice of the possible destination of such benefits - either to Inps (National Social Security) or to supplementary pension funds. Prepaid taxes, complying with the law, have been recorded under Tax Receivables together with the relevant withholdings.

Accrued Expenses and Deferred Income

These items include expenses and incomes over two fiscal years, determined on an accrual basis.

Income Taxes

Current Taxes

Income tax is determined on the best estimate of income tax charges, complying with the tax laws in force, with due regard to any tax exemptions and credits. The income tax payable under Tax Payables is recorded after pre-payments, withholding tax and tax credit; any net credit positions are recorded in the current assets under Tax Receivables.

Deferred Taxes

Prepaid tax assets and deferred tax liabilities are calculated based on the temporary difference between the carrying amounts of an asset or liability used for reporting purposes and the amounts used for tax purposes, at the rate expected to apply when the liability is settled or the assets realized. Prepaid tax is recognized in current assets under the relevant item and is reported, based on the principle of prudence, when there is a reasonable certainty that in the fiscal years, when temporary differences are recorded, there is a taxable income of the same amount or higher than the differences to be written off. Deferred tax and untaxed provisions are recorded when appropriation or use of such reserves and untaxed provisions is expected and will lead to tax charges. Prepaid and deferred taxes are offset, if conditions apply. Prepaid and deferred taxes are recorded separately in the income statement under Income Taxes Current Year.

Revenues and Expenses

Revenues from the sale of products are recorded upon transfer of ownership, on an accrual basis. Transfer of ownership usually occurs when goods are shipped or delivered. Revenues from services are recorded in the income statement, to the extent that services have been rendered during the fiscal year. All revenues are recorded net of returns, discounts, rebates and allowances, VAT and any other taxes directly associated with the sale or the services rendered.

Costs are recorded in the balance sheet on an accrual basis. Green certificates are recorded in Revenues from Sales and Services in exchange for credits based on power generation.

Derivative Financial Instruments

Derivative financial instruments are underwritten to convert certain variable interest rate payables into fixed interest rate payables. The difference in interest rate payables or receivables is apportioned over the duration of the derivative contract, as an adjustment to the cost of interest paid.

Any negative difference arising between book and market value at date is recorded in the balance sheet and allocated to a separate provision for risks.

Assets

Intangible, Tangible and Long-term Financial Assets

Intangible Assets

| | 2013 | 2012 | Difference |
|--|-------------------|-------------------|-------------------|
| Start-up costs and widening investment | 33,047 | 55,061 | (22,014) |
| Research, development and publicity costs | 418,239 | 722,547 | (304,308) |
| Industrial patent and intellectual property | 2.220.281 | 2.424.534 | (204.253) |
| Concessions, licenses, trademarks and similar rights | 19,600,625 | 16,163,749 | 3,436,876 |
| Goodwill | 5,677 | 6,111 | (434) |
| Other intangibles | 818,358 | 1,308,505 | (490,147) |
| Intangible assets under development and advances | 17,171 | 12,980 | 4,191 |
| Total | 23,113,398 | 20,693,487 | 2,419,911 |

Annex B shows intangible assets and changes occurred during the fiscal year. Increase in Concessions, Licenses, Trademarks is mainly attributed to the acquisition of Meltemi Energia, holder of the sole authorization for the construction and operation of Matera 2 plant, that is bound to be built in Matera (Mt). Such greater value, set forth in the multi-year preview, is given by future revenues generated from the new wind farm currently under construction.

The item Other Intangibles mainly includes maintenance and leasehold costs.

Tangible Assets

| | 2013 | 2012 | Difference |
|---|--------------------|--------------------|-------------------|
| Land and building | 480,946 | 503,964 | (23,018) |
| Plant and machinery | 127,888,603 | 117,251,173 | 10,637,430 |
| Industrial and commercial equipment | 754,545 | 992,797 | (238,252) |
| Other tangible assets | 949,297 | 936,664 | 12,633 |
| Tangible assets under construction and advances | 1,546,631 | 1,658,605 | (111,974) |
| Total | 131,620,022 | 121,343,203 | 10,276,819 |

Annex C shows tangible assets and changes occurred during fiscal year. Overall difference in the item, in terms of net book value, reflects the increase in Plant and Machinery due to:

- Widening, makeover, optimization and construction of biogas plants that entered into force in Magliolo (850 kWe) and Savignano Irpino (1 MW);
- Other Provisions: this item refers to allocations for contingencies related to the execution of contractual commitments and to ongoing litigation.

No currency revaluations have been made by the Company.

Long-term Financial Assets

Investment in

| | 2013 | 2012 | Difference |
|----------------------|------------------|------------------|-------------------|
| Associated companies | 5,497,000 | 6,067,000 | (570,000) |
| Other companies | 651,769 | 177,533 | 474,236 |
| Total | 6,148,769 | 6,244,533 | (95,764) |

Annex A provides the list of the companies included in the consolidated accounts. The balance of the company's investment in associated companies is represented by the stake in Elea Utilities S.c.a.r.l. (50%), accounted for in the balance sheet with the equity method, in ETR Oleos (8%) as well as in Poligrow Inversiones (10%).

Financial Receivables

| | 2013 | 2012 | Difference |
|---------------------------------------|-------------------|-------------------|-------------------|
| Receivables from associated companies | 15,842,151 | 10,545,065 | 5,297,086 |
| Receivables from other companies | - | 665,779 | (665,779) |
| Total | 15,842,151 | 11,210,844 | 4,631,307 |

It is particularly emphasized that the item Receivables from Associated Companies featured increase mainly due to an interest-bearing loan of Poligrow Colombia amounting to € 4,798,250 as well as to accrued interest for € 201,979 at market-value rate.

Current Assets

Inventories

| | 2013 | 2012 | Difference |
|-------------------------------------|----------------|------------------|--------------------|
| Finished goods and goods for resale | 293,841 | 1,425,410 | (1,131,569) |
| Total | 293,841 | 1,425,410 | (1,131,569) |

The inventory valuation of CERs underwent a contraction due to the current negative ongoing of the market.

Receivables

| | 2013 | 2012 | Difference |
|---------------------------------------|-------------------|-------------------|-------------------|
| Trade receivables | 20,057,526 | 18,530,062 | 1,527,464 |
| Receivables from associated companies | 997,918 | 637,242 | 360,676 |
| Tax receivables | 16,163,167 | 15,708,655 | 454,512 |
| Prepaid tax | 175,061 | 68,803 | 106,258 |
| Other receivables | 3,170,965 | 2,460,644 | 710,321 |
| Total | 40,564,637 | 37,405,406 | 3,159,231 |

The item Trade Receivables includes short-term trade receivables from third parties.

Increase in the period is mainly due to year-end contingencies. Trade receivables from third parties are recorded at their nominal value, net of the reserve for bad loans equal to € 137,842. Reserve for bad loans for the period, amounting to € 109,386, refers to trade receivables risk at fiscal year-end.

Movements in the provisions for bad loans are set forth below:

| 2012 | Provision | Transfer | 2013 |
|-------------|------------------|-----------------|-------------|
| 118,997 | 109,386 | (90,541) | 137,842 |

No receivables from customers have an expiring date of over 5 years and trade receivables are mainly from Italian customers. Receivables from associated companies are mostly related to trade receivables.

Tax Receivables

| | 2013 | 2012 | Difference |
|--|-------------------|-------------------|-------------------|
| Corporate Income Tax (IRES) on account | 1,102,148 | 511,024 | 591,124 |
| Regional Tax on Production (IRAP) on account | 635,814 | 566,991 | 68,823 |
| Social Security, Welfare and Revenue Contributions Art.8 | | | |
| Law 388 on account | 13,179,156 | 12,518,639 | 660,517 |
| VAT receivable on account | 732,820 | 610,985 | 121,835 |
| Other receivables on account | 513,229 | 1,501,016 | (987,787) |
| Total | 16,163,167 | 15,708,655 | 454,512 |

The significant amount of tax receivables is a direct consequence of the numerous and large investments in tangible assets, primarily in those areas where tax incentives can be used to offset income tax, local taxes and social security payments. The increase is attributable to tax credit issued by Law 296/06 concerning investment in Laterza wind plant. Even from a legal point of view, there is no doubt that such tax receivables will be recovered, mainly and foremost because there is no expiring date.

Other Receivables

| | 2013 | 2012 | Difference |
|--------------------------|------------------|------------------|-------------------|
| Loans to personnel | 8,778 | 18,110 | (9,332) |
| Prepayments to suppliers | 470,841 | 194,314 | 276,527 |
| Security deposits | 617,112 | 512,134 | 104,978 |
| Other receivables | 2,074,234 | 1,736,086 | 338,148 |
| Total | 3,170,965 | 2,460,644 | 710,321 |

The item Other Receivables includes invoiced prepayments of supply, installation and start-up costs of the biogas plants apart from Securities on leasing contracts and other receivables.

Short-term Investment

| | 2013 | 2012 | Difference |
|------------------|------------------|------------------|-------------------|
| Other securities | 1,605,043 | 1,605,043 | - |
| Total | 1,605,043 | 1,605,043 | - |

The item Other Securities is mostly made up by payment made in a bound account by means of a loan granted for € 1,600,000.

Cash and Cash Equivalents

| | 2013 | 2012 | Difference |
|----------------------------------|------------------|------------------|-------------------|
| Bank and postal deposit accounts | 3,326,629 | 3,107,201 | 219,428 |
| Cash and cash equivalents | 25,052 | 23,880 | 1,172 |
| Total | 3,351,681 | 3,131,081 | 220,600 |

This entry includes cash and cash equivalents deposited with banks or other financial institutions.

With regard to the group's net financial position please refer to the Note on "Payables to banks".

Accrued Income and Prepaid Expenses

| | 2013 | 2012 | Difference |
|------------------|------------------|-------------------|--------------------|
| Accrued Income | 104,543 | 3,140,539 | (3,035,996) |
| Prepaid expenses | 6,259,482 | 9,974,322 | (3,714,840) |
| Total | 6,364,025 | 13,114,861 | (6,750,836) |

The item "Prepaid Expenses" regards prepaid royalties to the Municipality of Belo Horizonte (Brazil), pursuant to the agreement signed by Horizonte Asja Consortium and the Municipality itself, with concern to the tender the Company won in Brazil for the construction of a biogas uptake and combustion plant as well as accrued contributions regarding multi-year agreements for € 711,281, leasehold on multi-year agreements for € 62,418, expenses connected to existing loans for € 255,714, insurance premiums for € 71,415 as well as maxi fees for lease of photovoltaic plants located on San Giorgio C.se quarry and on Eastern Trade Fair (herein "Fiera del Levante") amounting to € 1,379,611. The item Accrued Income features solely accrued financial assets for the period.

Liabilities

Equity

| | 2013 | 2012 | Difference |
|---|-------------------|-------------------|--------------------|
| Common stock | 12,550,000 | 12,550,000 | - |
| Legal reserve | 1,459,266 | 1,277,389 | 181,877 |
| Other reserves | (4,076,395) | 192,291 | (4,268,686) |
| Retained earnings (loss) | 27,455,379 | 23,999,731 | 3,455,648 |
| Net earnings (loss) for the year (Group) | 327,592 | 833,965 | (506,373) |
| Group Equity | 37,715,842 | 38,853,376 | (1,137,534) |
| Earnings (loss) attributable to minority interest | (1,667) | 11,454 | (13,121) |
| Equity attributable to minority interest | (2,768) | 20,848 | (23,616) |
| Total Consolidated Equity | 37,711,407 | 38,885,678 | (1,174,271) |

At December 31, 2013, Total Consolidated Equity amounted to € 37,711,407, including the Group's net profit of € 327,592. Movements in single items over the period, specifically those in the Equity and Earnings attributable to the Group and to minority interest, are further illustrated in Annex D.

Common Stock

At December 31, 2013, the subscribed Common Stock amounted to € 12,550,000 divided by 12,550,000 shares, each bearing a nominal value of € 1.00. Common stock did not undergo variation through fiscal year 2013.

Legal Reserve

It refers to the reserve held by the Parent company and amounts to € 1,459,266.

Other Reserves

The item is broken down as follows:

- € (2,762,840) related to translation reserve;
- € (1,601,086) related to consolidation reserve;
- € 287,531 related to merger surplus from Asja Engineering S.r.l. for € 34,429, merger surplus from Asja Agricole S.a.r.l. for € 3,102, as well as to a reserve amounting to € 250,000 allocated for the implementation of foreseen projects in Puglia Region (Management Act 969/18/11/2009) with regard to financial incentives pursuant to Tender call P.O. 2007-2013 Axis I Line 1.1 Incentives on PMI research investment.

Difference in Other Reserves is mainly due to the translation reserve concerning the exchange rate Euro/Brazilian Reais.

Reconciliation of Equity and Operating Income of Asja Ambiente Italia S.p.A. and the Corresponding Items Recognized in the Consolidated Financial Statements

| | Equity | Operating Income |
|--|-------------------|-------------------------|
| Asja Ambiente Italia S.p.A.'s Financial Statements | 44,951,349 | 3,199,174 |
| Holdings recorded in the parent's financial statements | (9,199,397) | (3,323,883) |
| Recording of lease pursuant to IAS 17 | 3,092,289 | 325,499 |
| Cancelation gains on Laterza disposal | (1,132,834) | 125,135 |
| Group share of net profit | 37,711,407 | 325,925 |
| Minority interest in equity and earnings (loss) | (4,435) | (1,667) |
| Consolidated Financial Statements Asja Group | 37,715,842 | 327,592 |

Provision for Risk and Charges

| | 2013 | 2012 | Difference |
|---|------------------|------------------|-------------------|
| Provision for taxes, including deferred taxes | 1,401,306 | 1,250,386 | 150,920 |
| Other provisions | 770,963 | - | 770,963 |
| Total | 2,172,269 | 1,250,386 | 921,883 |

Deferred taxes refer exclusively to consolidation adjustments. Other Provisions features a provision equal to € 770,963 to cover for controversies arising during current fiscal year.

Employee Severance Indemnity

| | 2013 | 2012 | Difference |
|---------------------------------|----------------|----------------|-------------------|
| Provision for severance payment | 377,627 | 352,811 | 24,816 |
| Total | 377,627 | 352,811 | 24,816 |

To Asja Ambiente Italia S.p.A., this item refers to employee severance indemnity. As provided for by the law in force and by collective labor agreements, in prior fiscal years a specific amount of money was accrued annually for employee severance indemnity that will be paid to employees upon resignation or retirement. This amount is calculated based on the requirements of the Italian Civil and Labor laws as well as on the number of years each employee has worked in the company, on their employment status, the kind of labor contract and the employee's gross salary. This provision is adjusted every year to compensate for increases in the cost of living. Pursuant to the amendments to applicable laws, beginning in 2007 employee severance indemnities have been transferred to Inps (National Social Security) or to supplementary pension funds. As for the other companies of the Group, that employ less than 50 people, the employee severance indemnity includes the accrued amount due to employees upon resignation or retirement, pursuant to Art. 2120 of the Italian Civil Procedure Code, the collective labor agreements for each sector and company-level agreements in force in Italy. The following is a summary of the movements in fiscal year 2013:

| 2012 | Provision | Use | 2013 |
|-------------|------------------|------------|-------------|
| 352,811 | 415,600 | (390,784) | 377,627 |

The item "Use" mainly refers to disbursements to blue and white collars and executives upon termination of contract during the fiscal year, as well as to payments to pension funds, pursuant to the new laws in force June 2007.

Payables

Payables to Banks

| | 2013 | 2012 | Difference |
|------------------------|--------------------|--------------------|-------------------|
| Due within next period | 38,819,720 | 34,664,743 | 4,154,977 |
| Due beyond next period | 85,736,235 | 88,722,461 | (2,986,226) |
| Total | 124,555,955 | 123,387,204 | 1,168,751 |

Short-term due to bank consists of current account overdrafts, prepayments on invoices and bank receipts subject to collection, and to current loans that will be reimbursed in the next fiscal year.

At December 31, 2013, the Group's net financial position was broken down as follows:

| | 2013 | 2012 | Difference |
|--|----------------------|----------------------|--------------------|
| Cash and cash equivalents | 3,351,681 | 3,131,081 | 220,600 |
| Securities | 1,605,043 | 1,605,043 | - |
| Total Cash and Cash Equivalents (a) | 4,956,724 | 4,736,124 | 220,600 |
| Payables to Banks within next period | (38,819,720) | (34,664,743) | (4,154,977) |
| Payables to Banks beyond next period | (85,736,235) | (88,722,461) | 2,986,226 |
| Payables to Other Lenders beyond next period | (566,498) | - | (566,498) |
| Financial Position (b) | (125,122,453) | (123,387,204) | (1,735,249) |
| Net Financial Position (a+b) | (120,165,729) | (118,651,080) | (1,514,649) |

Since there are no special-purpose vehicles, medium and long-term loans from banks were granted as partial project financing. All loans granted for the construction of biogas and wind plants have been granted specifically so as to cover entirely for the project and construction costs and are guaranteed by the transfer of receivables from the sale of generated electric power. Short-term payables recorded increase of about € 4,155,000, offset by lesser payables to banks for current account overdraft and prepayments on invoices. Medium/long-term payables featured decrease due to fiscal year reimbursements partly compensated for by the granting of a new leasing contract for the construction of Laterza 2 wind plant situated in Laterza (Ta).

Trade Payables

| | 2013 | 2012 | Difference |
|----------------|-------------------|-------------------|-------------------|
| Trade payables | 31,656,297 | 20,975,191 | 10,681,106 |
| Total | 31,656,297 | 20,975,191 | 10,681,106 |

Trade Payables refers to third parties for the short-term purchase of goods and services of commercial nature, and have been stated at their nominal value. Increase in the item originates from further investment.

Payables to Subsidiaries

| | 2013 | 2012 | Difference |
|--------------------------|----------------|----------------|-------------------|
| Payables to subsidiaries | 210,170 | 177,405 | 32,765 |
| Total | 210,170 | 177,405 | 32,765 |

Tax payables

| | 2013 | 2012 | Difference |
|--------------|------------------|------------------|-------------------|
| Tax payables | 2,795,865 | 2,604,499 | 191,366 |
| Total | 2,795,865 | 2,604,499 | 191,366 |

The item is broken down as follows:

| | 2013 | 2012 | Difference |
|---|------------------|------------------|-------------------|
| Due for Ires (Corporate Income Tax) | 1,730,988 | 1,071,863 | 659,125 |
| Due for Irap (Regional Tax on Production) | 671,968 | 637,430 | 34,538 |
| Due for VAT | 30,982 | 373,306 | (342,324) |
| Other tax payables | 361,927 | 521,900 | (159,973) |
| Total | 2,795,865 | 2,604,499 | 191,366 |

All tax payables are due within 12 months.

Payables to Social Security Institutions

| | 2013 | 2012 | Difference |
|--|----------------|----------------|-------------------|
| Payables to social security institutions | 306,884 | 331,370 | (24,486) |
| Total | 306,884 | 331,370 | (24,486) |

This item refers to social security institutions for Previndai, Fasi and other contributions.

Other Payables

| | 2013 | 2012 | Difference |
|--------------------|------------------|------------------|-------------------|
| Within fiscal year | 1,317,054 | 930,147 | 386,907 |
| Beyond fiscal year | 1,291,375 | 1,342,333 | (50,958) |
| Total | 2,608,429 | 2,272,480 | 335,949 |

The item Other Payables is broken down as follows:

| | 2013 | 2012 | Difference |
|-------------------------|------------------|------------------|-------------------|
| Payables for land lease | 1,089,318 | 1,158,178 | (68,860) |
| Due to CartaSi | 31,567 | 37,792 | (6,225) |
| Payables to others | 1,487,543 | 1,076,510 | 411,033 |
| Total | 2,608,429 | 2,272,480 | 335,949 |

Accrued Expenses and Deferred Income

| | 2013 | 2012 | Difference |
|------------------|-------------------|-------------------|-------------------|
| Accrued expenses | 2,043,203 | 1,752,576 | 290,627 |
| Deferred income | 23,898,963 | 24,184,268 | (285,305) |
| Total | 25,942,166 | 25,936,844 | 5,322 |

Accrued expenses refer mainly to interest paid on loans, deferred remuneration and related social security payments. Deferred income includes all capital gains against plant investment subsidies, credited to the income statement over the useful life of the relevant asset.

Information on Financial Instruments former art. 2427 bis

In order to provide optimal parameters to some medium/long term financial liabilities, no. 2 interest rate agreements are still in force at December 31, 2013, as stated in the loan covenants of such agreements. These last two derivative contracts taken out from BNL and Intesa Sanpaolo, being "amortizing" are considered loan hedging and thus "market to market" evaluations are not taken into consideration.

| Bank | Derivative | Nominal | Beginning | Expiry | Euribor Rate | Fair Value 31/12/12 |
|------------------|--------------------------|-----------|------------|------------|--------------|---------------------|
| BNL - Gruppo BNP | | | | | | |
| Paribas | IRS (Interest Rate Swap) | 2,386,364 | 02/05/2010 | 03/08/2015 | 3 m act/360 | (50,980) |
| Intesa Sanpaolo | IRS (Interest Rate Swap) | 7,194,646 | 01/10/2009 | 01/10/2019 | 3 m act/360 | (559,321) |

Production Value

| | 2013 | 2012 | Difference |
|---|-------------------|-------------------|----------------|
| Revenues from sales and services | 67,652,730 | 67,235,911 | 416,819 |
| Changes in work-in-progress, semi-finished and finished goods inventory | (267,711) | (526,415) | 258,704 |
| Asset increases for internal work | 87,581 | 21,231 | 66,350 |
| Other revenues and income | 5,061,790 | 5,391,950 | (330,160) |
| Total | 72,534,390 | 72,122,677 | 411,713 |

The parent company is the largest contributor to the consolidated revenues of the Group.

For additional information please refer to the Report on operations for the period. Revenues from sales and services are reported net of returns from customers, discounts, allowances and premiums as well as of taxes directly related to the sale of products and services. Fiscal year 2013 featured an increment in revenues with respect to prior year's, mainly due to improved plant performance notwithstanding reductions in sales prices. The item Revenues from Sales and Services comprises revenues deriving from the sale of Green Certificates accumulated on yearly generation equaling € 17,042,156 as well as from trading activities amounting to € 4,380,362. The item Other Revenues is broken down as follows:

| | 2013 | 2012 | Difference |
|-----------------|------------------|------------------|------------------|
| Plant subsidies | 2,783,592 | 3,123,017 | (339,425) |
| Other subsidies | 70,466 | 423,967 | (353,501) |
| Other income | 2,207,732 | 1,844,966 | 362,766 |
| Total | 5,061,790 | 5,391,950 | (330,160) |

The item Plant Subsidies refers mainly to subsidies pursuant to Law 488 and 388 of Art. 8.

Operating Costs

| | 2013 | 2012 | Difference |
|--|------------------|------------------|-------------------|
| Raw, ancillary and consumption materials and goods | 7,793,661 | 5,896,376 | 1,897,285 |
| Total | 7,793,661 | 5,896,376 | 1,897,285 |

Raw materials and goods for resale are mainly connected to plant maintenance and operation, to purchase of raw materials involved in vegetable oil plants as well as to purchase of Green Certificates and CERs.

Service Costs

| | 2013 | 2012 | Difference |
|---------------|-------------------|-------------------|-------------------|
| Service costs | 14,959,100 | 15,045,893 | (86,793) |
| Total | 14,959,100 | 15,045,893 | (86,793) |

The item comprises:

| | 2013 | 2012 | Difference |
|--|-------------------|-------------------|-------------------|
| Technical consultancy | 304,433 | 641,344 | (336,911) |
| Motor maintenance | 2,069,610 | 3,899,629 | (1,830,019) |
| Maintenance | 79,268 | 143,723 | (64,455) |
| Collection plant maintenance costs | 2,672,900 | 1,479,799 | 1,193,101 |
| Wind plant maintenance costs | 2,430,375 | 2,072,834 | 357,541 |
| Commercial insurances | 749,953 | 650,061 | 99,892 |
| Technical-commercial consultancy | 336,103 | 624,797 | (288,694) |
| Legal consultancy | 381,857 | 845,711 | (463,854) |
| Administration and financial consultancy | 1,129,572 | 899,780 | 229,792 |
| Other administration services | 110,206 | 180,005 | (69,799) |
| Directors' emoluments | 1,088,986 | 1,313,986 | (225,000) |
| Temporary employees' remunerations | 93,892 | 94,471 | (579) |
| Other commercial services | 8,877 | 260,170 | (251,293) |
| Plant assistance | 45,414 | 75,294 | (29,880) |
| Training & meeting | 68,897 | 52,686 | 16,211 |
| Cellular phones | 123,446 | 255,872 | (132,426) |
| Publicity | 138,143 | 178,953 | (40,810) |
| Contributions & donations | 610,000 | 950,000 | (340,000) |
| Bank charges | 424,489 | 390,562 | 33,927 |
| Other service costs | 2,092,679 | 36,216 | 2,056,463 |
| Total | 14,959,100 | 15,045,893 | (86,793) |

The main items comprised in Costs of Services refer to expenses for plant and motor management and to related costs; they underwent decrease with respect to the prior year due to the Company's overall policy of cost reduction and cost reevaluation.

Leases and Rentals

| | 2013 | 2012 | Difference |
|--------------------|------------------|------------------|-------------------|
| Leases and rentals | 7,864,230 | 8,840,660 | (976,430) |
| Total | 7,864,230 | 8,840,660 | (976,430) |

The item Leases and Rentals includes exploitation rights granted back to landfill owners and to the parent company, and purchasing costs for CIP 6 exploitation concessions.

Personnel

| | 2013 | 2012 | Difference |
|--------------------|------------------|------------------|-------------------|
| Wages and salaries | 6,094,925 | 6,189,922 | (94,997) |
| Social security | 1,868,481 | 1,875,749 | (7,268) |
| Severance payment | 367,315 | 361,363 | 5,952 |
| Other costs | 25,824 | 10,441 | 15,383 |
| Total | 8,356,545 | 8,437,475 | (80,930) |

Labor cost includes employee salaries, social security payments, employee severance indemnity accrued for the period and social security benefits on the company's charge. Decrease over the period reflects improved HR management. The following chart illustrates the number of employees divided by category involving all the companies in the group:

| | Blue collars | White collars | Managers | Project | Executives | Total |
|----------------------------------|---------------------|----------------------|-----------------|----------------|-------------------|--------------|
| Asja Ambiente Italia S.p.A. | 4 | 93 | 6 | 1 | 6 | 110 |
| Asja Market S.r.l. | - | 10 | - | - | - | 10 |
| Asja Brasil Ltda. Consorzio | 5 | 5 | 1 | - | 1 | 12 |
| Asja Renewables Shenyang Co.,Ltd | 7 | 7 | 2 | - | 1 | 17 |
| Asja Renewables Kunming Co.,Ltd | 3 | - | - | 1 | - | 4 |
| Asja Wind Albania 1 | - | - | - | - | - | - |
| Helios Energy Landolina | - | - | - | - | - | - |
| Capua Farm S.r.l. | - | - | - | - | - | - |
| Aria Wind Plants S.r.l. | - | - | - | - | - | - |
| Sansenergy Racale S.r.l. | - | - | - | - | - | - |
| Rigren S.r.l. | - | - | - | - | - | - |
| Laterza Aria Wind S.r.l. | - | - | - | - | - | - |
| Total 2013 | 19 | 115 | 9 | 2 | 8 | 153 |

Amortization, Depreciation and Write-downs

| | 2013 | 2012 | Difference |
|-----------------------------------|-------------------|-------------------|-------------------|
| Amortization of intangible assets | 2,212,850 | 2,407,707 | (194,857) |
| Depreciation of tangible assets | 13,203,664 | 12,557,327 | 646,337 |
| Other asset depreciation | 251,082 | 1,412,458 | (1,161,376) |
| Write-down of account receivables | 109,385 | 96,368 | 13,017 |
| Total | 15,776,981 | 16,473,860 | (696,879) |

Amortization of Intangible Assets refers mostly to the Concessions, licenses, trademarks and similar rights, the Multi-annual costs for wind plants development and Maintenance of leasehold properties. The increase in the item Depreciation of Tangible Assets is due to higher amortization of the assets purchased during fiscal year, primarily concerning biogas, wind and photovoltaic facilities fully operational at 2013 (Magliolo and Savignano Irpino biogas plants, Laterza 2 wind plant).

Concerning Tangible Assets, as in prior fiscal years, cost analysis has been performed by writing-off completely those costs related to projects no longer feasible. For the current fiscal year depreciation amounts to € 251,082.

Other Operating Costs

| | 2013 | 2012 | Difference |
|-----------------|------------------|------------------|-------------------|
| Operating costs | 7,868,192 | 7,028,400 | 839,792 |
| Totale | 7,868,192 | 7,028,400 | 839,792 |

The item is broken down as follows:

| | 2013 | 2012 | Difference |
|-----------------------------|------------------|------------------|-------------------|
| Membership investment fee | 3,065,087 | 2,206,740 | 858,347 |
| Collaboration expenses | 788,504 | 1,177,015 | (388,511) |
| Exhibitions and trade fairs | 400 | 400 | - |
| Travel expenses | 888,995 | 1,025,637 | (136,642) |
| Membership fees | 113,408 | 109,635 | 3,773 |
| Other operating costs | 3,011,798 | 2,508,973 | 502,825 |
| Total | 7,868,192 | 7,028,400 | 839,792 |

The main item included in Other Operating Costs is made up by membership investment fees and by collaboration expenses which the companies recede to their own partners or collaborators under contractual relationship. The item Other Operating Costs includes loss on receivables accrued over fiscal year.

Financial Income and Expenses

| | 2013 | 2012 | Difference |
|--|--------------------|--------------------|--------------------|
| Financial income from locked-up stocks | - | 10,132 | (10,132) |
| Other financial income | 610,327 | 901,827 | (291,500) |
| Interest and other financial expenses | (6,189,565) | (4,972,105) | (1,217,460) |
| Exchange gains and losses | (952,572) | (893,006) | (59,566) |
| Total | (6,531,810) | (4,953,152) | (1,578,658) |

The item Interest and Financial Expenses comprises:

| | 2013 | 2012 | Difference |
|-----------------------------|------------------|------------------|-------------------|
| Interest payable to banks | 1,165,934 | 1,035,872 | 130,062 |
| Interest payable to members | - | 716,785 | (716,785) |
| Interest paid on loans | 3,753,025 | 2,647,104 | 1,105,921 |
| Other financial charges | 1,270,606 | 572,344 | 698,260 |
| Total | 6,189,565 | 4,972,105 | 1,217,459 |

Financial Income consists mainly of interest receivables and the net profit on derivative contracts to associates and to others. Financial Expenses refers primarily to interests on bank loans and to net losses on derivative contracts.

Non-recurrent Income and Expenses

Non-recurrent Financial Income refers mainly to gains on disposals amounting to € 361,917 as well as to contingent assets for € 128,654. Non-recurrent Expenses comprise mainly contingent liabilities for € 676,006, of which € 450,000 for prior year's taxes related to a fiscal controversy, as well as losses totaling € 283,169.

Additional Information

Emoluments paid to Directors and Auditors, of both the Parent Company and consolidated companies, are the following:

- Board of Directors: € 1,088,986;
- Board of Statutory Auditors: € 41,860.

Regarding relations with related parties please refer to the Report on Operations.

Current, Prepaid and Deferred Tax

| | 2013 | 2012 | Difference |
|--------------------------|------------------|------------------|-------------------|
| Current tax | 2,403,098 | 1,838,469 | 564,629 |
| Prepaid and deferred tax | (1,265) | 243,545 | (244,810) |
| Total | 2,401,833 | 2,082,014 | 319,819 |

Current tax refers to Italian companies solely and are primarily related to the parent's Ires and Irap. Prepaid/deferred tax in the income statement relates mainly to consolidation adjustments.

Annexes

The accompanying annexes are an integral part of the Notes to the Financial Statements:

- A - List of companies included in the Consolidated Accounts on a line-by-line basis;
- B - Statement of changes in Intangible Assets;
- C - Statement of changes in Tangible Assets;
- D - Statement of changes in the Consolidated Equity.

Rivoli, May 16, 2014

On behalf of the Board of Directors
The Chairman
Agostino Re Rebaudengo



List of Companies Included in the Consolidated Accounts on a Line-by-line Method

The following list refers to directly- and indirectly-controlled subsidiaries.

| | Common Stock | Shareholders' Equity | Gain (loss) previous fiscal year | Directly- owned Stake% | Currency | Fiscal year end |
|---|-----------------|-------------------------|--|------------------------------|----------|-----------------------|
| Parent Company | | | | | | |
| Asja Ambiente Italia S.p.A. Corso Vinzaglio, 24 Torino - Italy | 12,550,000 | 44,951,349 | 3,199,174 | - | Euro | 31/12 |
| National Subsidiaries | | | | | | |
| Asja Market S.r.l. Corso Vinzaglio, 24 Torino - Italy | 197,600 | 324,026 | 18,300 | 98.00 | Euro | 31/12 |
| Helios Energy Landolina S.r.l. Via Enrico Albanese, 19 Palermo - Italy | 50,000 | 251,873 | 23,348 | 99.60 | Euro | 31/12 |
| Aria Wind Plants S.r.l. Corso Vinzaglio, 24 Torino - Italy | 10,000 | 12,065 | (3,554) | 100.00 | Euro | 31/12 |
| Capua Farm S.r.l. Via Vittorio Imbriani, 48 Napoli - Italy | 20,000 | 19,522 | 4,744 | 100.00 | Euro | 31/12 |
| Laterza Aria Wind S.r.l. Corso Vinzaglio, 24 Torino - Italy | 100,000 | 3,760,295 | 739,586 | 100.00 | Euro | 31/12 |
| Sansenergy Racale S.r.l. Via Francesco Ricci S.N. Ceglie Messapica (Br) - Italy | 20,000 | 14,492 | (6,574) | 100.00 | Euro | 31/12 |
| Rigren S.r.l. Corso Vinzaglio, 24 Torino - Italy | 20,000 | 71,003 | (21,129) | 100.00 | Euro | 31/12 |
| Meltemi S.r.l. Via P. Ravanias, 2 Ruvo di Puglia (Ba) - Italy | 50,000 | 105,312 | (4,609) | 100.00 | Euro | 31/12 |
| Foreign Subsidiaries | | | | | | |
| Asja Brasil Serviços para o Meio Ambiente Av. Profº Mário Werneck n. 26 sl 802 Bairro Estoril - CEP: 30455-610 Belo Horizonte (MG) - Brasil | 1,564,500 | (23,364,474) | (16,841,796) | 99.94 | Real | 31/12 |
| Asja Renewables Shenyang Co., Ltd. 312, Building Room, Diwang Maison, 21 1 Wenyi Road Shenhe District, Shenyang (LN) P.R. China | 16,480,502 | 4,397,012 | (1,431,123) | 100.00 | Rembimbi | 31/12 |
| Asja Renewables Kunming Co., Ltd. Room 1708, Shibo (Expo) Building, N.45 Tuodong Road, Kunming, Yunnan, China | 7,314,213 | 4,046,720 | (1,588,418) | 100.00 | Rembimbi | 31/12 |

| | Historical Value | | | | Allowance for Amortization | | | | Net Worth |
|--|-------------------|------------------|------------------|-------------------|----------------------------|------------------|------------------|-------------------|-------------------|
| | 31/12/2012 | Increase | Decrease | 31/12/2013 | 31/12/2012 | Increase | Decrease | 31/12/2013 | |
| | | For fiscal year | Changes | | | For fiscal year | Changes | | |
| Start-up costs and widening investments | 823,483 | 98,989 | (330,787) | 119,754 | 768,422 | 19,610 | (330,787) | 86,707 | 33,047 |
| Publicity costs to be amortized | - | - | - | - | - | - | - | - | - |
| Plant research and development | 205,241 | - | (103,376) | 101,865 | 24,373 | 20,373 | - | 44,746 | 57,119 |
| Research and development of SANSENERGY | 902,797 | - | - | 902,797 | 361,118 | 180,559 | - | 541,677 | 361,120 |
| Research, development and publicity costs | 1,108,038 | - | (103,376) | 1,004,662 | 385,491 | 200,932 | - | 586,423 | 418,239 |
| Property Software | 487,684 | 33,478 | (63,300) | 457,862 | 275,650 | 90,127 | (63,196) | 302,581 | 155,281 |
| Industrial patent and intellectual property | 2,950,223 | - | (223) | 2,950,000 | 737,723 | 147,500 | (223) | 885,000 | 2,065,000 |
| Industrial patent and intellectual property | 3,437,907 | 33,478 | (223) | 3,407,862 | 1,013,373 | 237,627 | (223) | 1,187,581 | 2,220,281 |
| Concessions and royalties | 1,993,612 | 4,616,789 | (6,817) | 6,022,518 | 1,451,992 | 205,750 | (3,376) | 1,098,692 | 4,923,826 |
| Building leases | 2,650,188 | 40,948 | - | 2,691,136 | 575,733 | 92,712 | - | 668,445 | 2,022,691 |
| Trademarks | 15,283,017 | 11,097 | - | 15,294,114 | 2,549,207 | 850,353 | - | 3,399,560 | 11,894,554 |
| Know how | 976,793 | - | - | 976,793 | 162,929 | 54,310 | - | 217,239 | 759,554 |
| Concessions, licenses, trademarks and similar | 20,903,610 | 4,668,834 | (6,817) | 24,984,561 | 4,739,861 | 1,203,125 | (3,376) | 5,383,935 | 19,600,626 |
| Goodwill | 6,111 | - | - | 6,111 | - | 434 | - | 434 | 5,677 |
| Intangible assets under develop., advances | 12,980 | 926,889 | (922,698) | 17,171 | - | - | - | - | 17,171 |
| Multi-year costs wind sector development | 131,741 | - | (45,768) | 85,973 | 107,153 | 17,195 | (45,768) | 78,580 | 7,393 |
| Multi-year costs photovoltaic sector development | 85,645 | - | - | 85,645 | 64,696 | 17,129 | - | 81,825 | 3,820 |
| Multi-year costs vegetable oils | - | - | - | - | - | - | - | - | - |
| Multi-year costs | 61,625 | 2,297 | (10,481) | 53,441 | - | - | - | - | 53,441 |
| Leasehold extraordinary maintenance | 167,767 | 19,728 | (20,633) | 166,862 | 82,700 | 32,988 | (20,557) | 95,131 | 71,731 |
| Leasehold extraordinary maintenance - Rivoli | 4,245,170 | 49,508 | - | 4,294,678 | 3,128,894 | 483,811 | - | 3,612,705 | 681,973 |
| Other intangibles | 4,691,948 | 71,533 | (76,882) | 4,686,599 | 3,383,443 | 551,123 | (66,325) | 3,868,241 | 818,358 |
| Intangible assets | 30,984,077 | 5,799,723 | (337,827) | 34,226,719 | 10,290,590 | 2,212,850 | (334,386) | 11,113,321 | 23,113,398 |
| | | | | | | | | | |

| | Historical Value | | | | Allowance for Amortization | | | | Net Worth 31/12/2013 |
|--|------------------|--------------------|-------------|-------------|----------------------------|--------------------|-----------|------------|-------------------------|
| | 31/12/2012 | Increase | Decrease | 31/12/2013 | 31/12/2012 | Increase | Decrease | 31/12/2013 | |
| | | For fiscal year | Changes | | | For fiscal year | Changes | | |
| Land and building | 562,833 | 12,639 | - | 569,266 | 58,869 | 29,889 | - | 88,320 | 480,946 |
| Production and filtration plants | 62,896,326 | 5,968,096 | (667,301) | 67,375,165 | 10,677,391 | 4,950,315 | (422,572) | 15,045,814 | 52,329,351 |
| Wind plants | 79,071,863 | 23,000,317 | - | 100,439,833 | 25,264,195 | 6,817,590 | - | 32,016,491 | 68,423,342 |
| Photovoltaic plants | 7,200,056 | 1,500 | - | 4,741,901 | 755,293 | 524,201 | - | 1,168,666 | 3,573,235 |
| Vegetable oil plants | 1,786,801 | - | - | 1,786,801 | 380,649 | 160,812 | - | 541,461 | 1,245,340 |
| Generic plants | 107,995 | - | - | 47,459 | 36,611 | 2,387 | - | 26,891 | 20,568 |
| Specific plants | 4,336,742 | - | (548,488) | 3,158,862 | 1,034,868 | 385,841 | (345,313) | 862,379 | 2,296,483 |
| Radio-mobile systems | 15,396 | - | - | 15,396 | 14,998 | 114 | - | 15,112 | 284 |
| Plant and machinery | 155,415,179 | 28,969,913 | (1,215,789) | 177,565,417 | 38,164,005 | 12,841,260 | (767,885) | 49,676,814 | 127,888,603 |
| Wind sector equipment | 562,077 | - | - | 562,077 | 300,343 | 55,582 | - | 355,925 | 206,152 |
| Equipment | 902,169 | 10,761 | (19,423) | 721,344 | 171,106 | 76,994 | (18,383) | 172,951 | 548,393 |
| Industrial and commercial equipment | 1,464,246 | 10,761 | (19,423) | 1,283,421 | 471,449 | 132,576 | (18,383) | 528,876 | 754,545 |
| Motor vehicles | 225,460 | 23,082 | (13,485) | 224,997 | 82,944 | 51,477 | (13,485) | 113,438 | 111,560 |
| Ordinary office furniture and machinery | 34,370 | - | (18,304) | 12,974 | 29,861 | 2,785 | (17,577) | 12,430 | 544 |
| Electronic office machines | 876,808 | 31,967 | - | 859,724 | 687,093 | 62,041 | - | 714,861 | 144,864 |
| Furnishings | 854,083 | 205,285 | (18,028) | 1,022,398 | 257,304 | 82,787 | - | 332,988 | 689,410 |
| Capital assets less than € 516 | 3,931 | 626 | - | 4,557 | 786 | 849 | - | 1,637 | 2,920 |
| Other assets | 1,994,652 | 260,960 | (49,817) | 2,124,650 | 1,057,988 | 199,939 | (31,062) | 1,175,354 | 949,297 |
| Tangible assets under constr., advances | 2,205,484 | 930,082 | - | 1,546,631 | 546,879 | - | - | (546,879) | 1,546,631 |
| Tangible assets | 161,642,394 | 30,184,355 | (1,285,029) | 183,089,385 | 40,299,190 | 13,203,664 | (817,330) | 51,469,363 | 131,620,022 |

| | Common Stock | Legal Reserve | Other Reserves | Retained Earnings (loss) | Earnings (loss) for the year | Group Equity | Minority Interest | Earnings (loss) for the year minority interest | Consolidated Equity |
|---|--------------|---------------|----------------|--------------------------|------------------------------|--------------|-------------------|--|---------------------|
| Value at December 31, 2012 | 12,550,000 | 1,277,389 | 192,291 | 23,999,731 | 833,965 | 38,853,376 | 20,848 | 11,454 | 38,885,678 |
| Allocation of consolidated earnings (loss) fiscal year 2012 | - | 181,877 | (2,803,560) | 3,455,648 | (833,965) | - | - | (11,454) | (11,454) |
| Earnings (loss) fiscal year 2013 | - | - | - | - | 327,592 | 327,592 | - | (1,667) | 325,925 |
| Other changes | - | - | (1,465,126) | - | - | (1,465,126) | (23,616) | - | (1,488,742) |
| Value at December 31, 2013 | 12,550,000 | 1,459,266 | (4,076,395) | 27,455,379 | 327,592 | 37,715,842 | (2,768) | (1,667) | 37,711,407 |

Changes in fiscal year's Other Reserves are mainly attributable to variation in the translation reserve related to currency fluctuations between Euro/Brazilian Reals.

**Independent auditors' report
pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)**

To the Shareholders of Asja Ambiente Italia S.p.A.

1. We have audited the consolidated financial statements of Asja Ambiente Italia S.p.A. and its subsidiaries, (the "Asja Group") as of and for the year ended December 31, 2013. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of Asja Ambientelitalia S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was performed in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 5, 2013.

3. In our opinion, the consolidated financial statements of the Asja Group at December 31, 2013 have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Asja Group for the year then ended.
4. The management of Asja Ambiente Italia S.p.A. is responsible for the preparation of the Report on Operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In our opinion the Report on Operations is consistent with the consolidated financial statements of the Asja Group as of December 31, 2013.

Turin, May 19, 2014

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, Partner

ASJA AMBIENTE ITALIA S.p.A.

Sede legale in Torino, Corso Vinzaglio n. 24

Capitale sociale Euro 12.550.000,00 - versato

Registro Imprese di Torino e codice fiscale n. 06824320011

BILANCIO AL 31 DICEMBRE 2013
RELAZIONE DEL COLLEGIO SINDACALE
AI SENSI DELL'ART. 2429 DEL CODICE CIVILE

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All'assemblea degli azionisti della Asja Ambiente Italia S.p.A..

Nel corso dell'esercizio chiuso al 31 dicembre 2013 abbiamo svolto l'attività di controllo di cui all'articolo 2403 Codice Civile.

L'attività di revisione legale dei conti, di cui all'articolo 14 del D.Lgs. 39/2010, è demandata, nel rispetto della norma, alla società di revisione Reconta Ernst & Young S.p.A..

La presente relazione, pertanto, viene redatta per ottemperare agli obblighi disposti dalla legge, con riferimento alla predetta funzione.

(1) In ottemperanza ai doveri di cui all'articolo 2403 Codice Civile, in particolare:

- abbiamo vigilato sull'osservanza della legge e dello statuto e sul rispetto dei principi di corretta amministrazione;
- abbiamo partecipato alle assemblee degli azionisti e alle riunioni del Consiglio di amministrazione, che si sono svolte nel rispetto delle norme statutarie, legislative e regolamentari che ne disciplinano il funzionamento; le deliberazioni assunte in tali sedi sono risultate conformi alla legge e allo statuto sociale e non sono risultate imprudenti, azzardate, in potenziale conflitto d'interesse o tali da

- compromettere l'integrità del patrimonio sociale;
- sulla base delle informazioni disponibili non abbiamo rilevato violazioni della legge e dello statuto sociale, né operazioni manifestamente imprudenti, azzardate, o nelle quali sia emerso un interesse proprio di qualche amministratore, o comunque tali da compromettere l'integrità del patrimonio sociale;
 - abbiamo acquisito conoscenza e vigilato, anche tramite la raccolta di informazioni dai responsabili delle funzioni, sull'adeguatezza dell'assetto organizzativo della società e a tale riguardo non abbiamo osservazioni particolari da riferire;
 - abbiamo valutato e vigilato sull'adeguatezza del sistema amministrativo e contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'esame dei documenti aziendali, senza rilevare criticità meritevoli di segnalazione;
 - per quanto riguarda il controllo analitico sul contenuto del bilancio, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire.
- (2) Durante le riunioni degli organi sociali e nel corso di incontri informali, abbiamo ottenuto dagli amministratori informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione nonché sulle operazioni di maggior rilievo, per le loro dimensioni o caratteristiche, effettuate dalla società e dalle sue controllate.
- (3) Non sono pervenute, nel corso dell'esercizio, né denunce ai sensi dell'articolo 2408 Codice Civile, né esposti.
- (4) Non abbiamo rilasciato pareri previsti dalla legge salvo per quanto indicato

al punto (8) che segue.

- (5) Abbiamo collaborato con il soggetto incaricato della revisione legale, scambiandoci tempestivamente le informazioni rilevanti per l'espletamento dei rispettivi mandati; in esito a tale scambio di informazioni non sono emersi dati ed informazioni rilevanti che debbano essere segnalati nella presente relazione.
- (6) Nel corso dell'esercizio abbiamo tenuto contatti con i Collegi sindacali delle società controllate italiane e non sono emersi dati ed informazioni rilevanti che debbano essere segnalati nella presente relazione.

OSSERVAZIONI E PROPOSTE SUL BILANCIO (articolo 2429, c. 2, C.C.)

- (7) L'organo amministrativo, nella redazione del progetto di bilancio, trasmessoci nei termini di legge, non ha derogato alle norme di legge ai sensi dell'articolo 2423, comma 4, Codice Civile.
- (8) Ai sensi dell'articolo 2426, punto 5) del Codice Civile, abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello Stato patrimoniale dei costi d'impianto e di ampliamento. In merito ai predetti costi ad utilizzazione pluriennale verificheremo che non vengano distribuiti dividendi in misura tale da ridurre le riserve disponibili ad un valore inferiore al valore residuo di detti costi.
- (9) Dall'attività di vigilanza e di controllo non sono emersi fatti significativi suscettibili di segnalazione o menzione nella presente relazione.

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Alla luce di quanto sopra e considerate le risultanze dell'attività svolta dal soggetto incaricato della revisione legale, così come contenute nell'apposita relazione accompagnatoria al bilancio medesimo, rilasciata da Reconta Ernst & Young S.p.A. in data 19 maggio 2013 senza alcuna eccezione, esprimiamo parere favorevole in merito all'approvazione del progetto di bilancio, così come

predisposto dall'organo amministrativo e alla proposta di destinazione dell'utile di esercizio.

OSSERVAZIONI E PROPOSTE SUL BILANCIO CONSOLIDATO

- (10) Gli amministratori hanno predisposto il bilancio consolidato di gruppo, ricorrendo i presupposti di cui agli articoli 25 e seguenti del D. Lgs. 127/1991; per quanto riguarda il controllo analitico sul contenuto del bilancio consolidato, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire.
- (11) L'organo amministrativo nella redazione del bilancio consolidato non ha derogato alle norme di legge ai sensi dell'articolo 2423, comma 4, Codice Civile.
- (12) Dall'attività di vigilanza e di controllo svolta con riferimento al bilancio consolidato non sono emersi fatti significativi suscettibili di segnalazione o menzione nella presente relazione.

Segnaliamo infine che Reconta Ernst & Young S.p.A., quale soggetto incaricato della revisione legale, ha emesso in data 19 maggio 2014 una relazione accompagnatoria al predetto bilancio consolidato senza alcuna eccezione.

Torino, 20 maggio 2014

I SINDACI

(dott. Mario DEL SARTO)

(dott. Leonardo CUTTICA)

(dott. Enrico BONICELLI)



