

A.I.M. Vicenza S.p.A.

One-man company subject to management and coordination by the CITY OF VICENZA

Registered office: Contrà Pedemuro S. Biagio 72 – 36100 VICENZA (VI)
 Share capital Euro 71,293,000 fully paid in
 Vicenza Companies Register registration number
 and Tax Identification Number 95007660244

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

Assets		2015	2014
A	Due from shareholders for shares subscribed but not called	-	-
B	Non-current assets		
B I)	Intangible assets	75,945,624	81,433,421
B I1)	Formation and expansion costs	1,585,878	1,679,242
B I2)	Research, development and advertising costs	39,981	70,824
B I3)	Industrial patent and intellectual property user rights	-	-
B I4)	Concessions, licenses, trademarks, and similar rights	52,235,752	54,945,063
B I5) a)	Goodwill	2,081,770	-
B I5) b)	Consolidation difference	24,287	32,382
B I6)	Intangible assets in progress and advances	558,827	1,407,019
B I7)	Other	19,419,129	23,298,891
B II)	Property, plant and equipment	240,462,606	238,613,254
B II1)	Land and buildings	36,671,260	37,115,969
B II2)	Plant and machinery	177,896,033	177,506,173
B II3)	Industrial and commercial equipment	10,015,035	9,354,350
B II4)	Other assets	6,768,660	7,684,680
B II5)	Work in progress and advances	9,111,618	6,952,082
B III)	Long-term investments	12,264,638	10,506,452
B III1)	Equity investments	7,032,173	6,532,100
	- subsidiaries	32,153	41,487
	- associates	5,494,403	5,219,426
	- parent companies	-	-
	- other companies	1,505,617	1,271,187
B III2)	Receivables	5,227,856	3,969,743
	from subsidiaries	68,000	68,000
	from associates	460,000	675,729
	from parent companies	2,612,239	2,612,239
	from others	2,087,617	613,775
B III3)	Other securities	4,609	4,609
B III4)	Treasury shares	-	-
	Total B	328,672,868	330,553,127

C	Current assets		
C I)	Inventories	3,361,507	3,347,629
C I1)	Raw materials, supplies, and consumables	3,145,843	3,194,991
C I2)	Work in progress and semi-finished products	-	-
C I3)	Contract work in progress	-	13,137
C I4)	Finished products and merchandise	215,664	139,501
C I5)	Advances	-	-
C II)	Current receivables	159,445,504	157,672,176
C II1)	Trade receivables	95,811,026	91,621,525
	- due within 12 months	95,811,026	91,621,525
	- due after 12 months	-	-
C II2)	Receivables from subsidiaries	-	-
	- due within 12 months	-	-
	- due after 12 months	-	-
C II3)	Receivables from associates	2,882,510	2,038,052
	- due within 12 months	2,882,510	2,038,052
	- due after 12 months	-	-
C II4)	Receivables from parent companies	28,386,522	20,913,693
	- due within 12 months	28,386,522	20,913,693
	- due after 12 months	-	-
C II4bis)	Tax receivables	1,916,550	4,048,852
	- due within 12 months	1,916,550	4,048,852
	- due after 12 months	-	-
C II4ter)	Deferred tax assets	14,900,101	15,264,937
C II5)	Other receivables	15,548,795	23,785,117
	- due within 12 months	15,543,052	23,779,399
	- due after 12 months	5,743	5,718
C III)	Financial assets not held as non-current assets	37,000	17,000
C III1)	Investments in subsidiaries	-	-
C III2)	Investments in associates	-	-
C III3)	Investments in parent companies	-	-
C III4)	Other equity investments	-	-
C III5)	Treasury shares	-	-
C III6)	Other securities	37,000	17,000
C IV)	Cash and cash equivalents	46,001,662	8,108,189
C IV1)	Bank and postal accounts	45,541,131	7,449,481
C IV2)	Checks	400,244	596,164
C IV3)	Cash and cash on hand	60,287	62,544
	Total C	208,845,673	169,144,994
D	Accrued income and prepaid expenses		
AD1)	Accrued income	311	188
AD2)	Prepaid expenses	1,498,200	1,618,820
AD3)	Discount on loans	-	-
	Total D	1,498,511	1,619,008
	ASSETS	539,017,052	501,317,129

Liabilities and Shareholders' Equity		2015	2014
A	Shareholders' equity		
	Group shareholders' equity	170,366,369	163,828,332
AI)	Share capital	71,293,000	71,293,000
AII)	Additional paid-in capital	-	-
AIII)	Revaluation reserve	-	-
AIV)	Legal reserve	549,526	488,441
AV)	Statutory reserves	30,568	30,568
AVI)	Treasury share reserves	-	-
AVII)	Other reserves	63,867,275	63,528,757
AVIII)	Retained earnings (losses)	27,255,687	23,498,186
AIX)	Profit (loss) for the year	7,370,313	4,989,380
	Minority interests	2,522,217	1,723,283
AX)	Minority interests share capital and reserves	2,229,135	1,673,406
AXI)	Minority interests	293,082	49,877
	Total A	172,888,586	165,551,615
B	Provisions for liabilities and charges		
B1)	Provision for employee pensions and similar obligations	158,515	158,515
B2)	Provisions for taxes, including deferred tax liabilities	5,840,699	6,914,288
B3)	Provision for future liabilities and charges	-	-
B4)	Other provisions for liabilities	17,974,185	10,826,924
	Total B	23,973,399	17,899,727
C	Employee severance indemnities	15,842,973	16,596,565
D	Payables		
D1)	Bonds	-	-
	- due within 12 months	-	-
	- due after 12 months	-	-
D2)	Convertible bonds	-	-
	- due within 12 months	-	-
	- due after 12 months	-	-
D3)	Payables to shareholders for loans	323,899	316,194
	- due within 12 months	-	-
	- due after 12 months	323,899	316,194
D4)	Bank borrowings	153,364,365	139,633,292
	- due within 12 months	55,724,685	87,190,168
	- due after 12 months	97,639,680	52,443,124
D5)	Payables to other lenders	2,945,228	3,026,218
	- due within 12 months	335,095	344,294
	- due after 12 months	2,610,133	2,681,924
D6)	Advances	3,690,880	3,846,871
	- due within 12 months	3,690,880	3,846,871
	- due after 12 months	-	-
D7)	Trade payables	49,992,215	59,535,725

	- due within 12 months	49,992,215	57,242,094
	- due after 12 months	-	2,293,631
D8)	Notes payable	-	-
	- due within 12 months	-	-
	- due after 12 months	-	-
D9)	Payables to subsidiaries	-	-
	- due within 12 months	-	-
	- due after 12 months	-	-
D10)	Payables to associates	19,114,976	21,901,846
	- due within 12 months	19,114,976	21,901,846
	- due after 12 months	-	-
D11)	Payables to parent companies	24,801,939	10,674,783
	- due within 12 months	24,801,939	10,674,783
	- due after 12 months	-	-
D12)	Tax payables	17,923,004	13,056,746
	- due within 12 months	17,923,004	13,056,746
	- due after 12 months	-	-
D13)	Payables to social security and welfare institutions	2,279,460	2,279,338
	- due within 12 months	2,279,460	2,279,338
	- due after 12 months	-	-
D14)	Other payables	12,724,590	11,980,026
	- due within 12 months	12,681,046	11,980,026
	- due after 12 months	43,543	-
	Total D	287,160,556	266,251,039
E	Accrued expenses and deferred income		
E1)	Accrued expenses	275,160	72,757
E2)	Deferred income	38,876,378	34,945,426
E3)	Premium on loans	-	-
	Total E	39,151,538	35,018,183
	LIABILITIES	539,017,052	501,317,129

Memorandum accounts	2015	2014
Guarantees given to others	43,644,072	23,253,340
Guarantees given to subsidiaries	-	-
Guarantees given to associates	30,543,160	20,728,360
Guarantees given to affiliates	-	-
Guarantees given to parent companies and other group entities	123,656	60,922
Guarantees given	74,310,888	44,042,622
Other memorandum accounts	17,953,986	18,469,452
Guarantees received	26,589,766	24,815,041
Total	118,854,640	87,327,115

Income Statement		2015	2014
A	Value of production		
A1)	Revenue from sales and services	264,169,157	250,527,755
A2)	Change in work in progress, semi-finished and finished products inventories	76,163	- 1,749,380
A3)	Change in contract work in progress	- 13,137	- 479,385
A4)	Additions to internally produced non-current assets	10,598,320	9,285,391
A5)	Other revenue and income	26,903,128	25,898,351
a)	Grants for current expenses	16,504,800	17,194,479
b)	Others	10,398,328	8,703,872
	Total A	301,733,631	283,482,732
B	Costs of production		
B6)	Raw materials, supplies and merchandise	108,242,946	110,866,813
B7)	Services	82,986,323	70,702,510
B8)	Leases and rentals	4,184,638	5,243,349
B9)	Employees	44,228,430	43,299,179
a)	Wages and salaries	31,373,011	30,683,323
b)	Social security and welfare contributions	10,062,925	9,847,678
c)	Employee severance indemnities	2,245,072	2,234,461
d)	Employee pensions and similar obligations	301,991	300,767
e)	Other costs	245,431	232,950
B10)	Amortisation, depreciation, and impairment	28,294,793	27,562,123
a)	Amortisation	9,071,427	8,558,626
b)	Depreciation	15,624,478	15,703,124
c)	Other impairment of non-current assets	-	19,130
d)	Impairment of receivables among current assets	3,598,888	3,281,243
B11)	Change in raw materials, supplies and merchandise inventories	49,144	167,209
B12)	Provisions for liabilities	160,000	-
B13)	Other provisions	4,502,245	1,622,526
B14)	Other operating costs	10,595,438	8,155,850
	Total B	283,243,957	267,619,559
	Difference between value and costs of production	18,489,674	15,863,173
C	Financial income and expenses		
C15)	Income from equity investments	288	230
a)	Income from equity investments in subsidiaries	-	-
b)	Income from equity investments in associates	-	-
c)	Income from equity investments in other companies	288	230
C16)	Other financial income	408,550	345,985
a)	from receivables among non-current assets	1,384	-
	<i>Interest income from loans to subsidiaries</i>	-	-
	<i>Interest income from loans to associates</i>	1,384	-
	<i>Interest income from loans to parent companies</i>	-	-
	<i>Interest income from loans to other companies</i>	-	-

b)	from securities held as non-current assets other than equity investments	-	-
c)	from securities held as current assets other than equity investments	-	-
d)	Income other than the preceding	407,166	345,985
	<i>Other financial income other than the preceding from subsidiaries</i>	-	-
	<i>Other financial income other than the preceding from associates</i>	12,641	19,068
	<i>Other financial income other than the preceding from parent companies</i>	-	-
	<i>Other financial income other than the preceding from others</i>	394,525	326,917
C17)	Interests and other financial expenses	6,015,484	5,891,375
a)	Interests and other financial expenses paid to subsidiaries	-	-
b)	Interests and other financial expenses paid to associates	-	-
c)	Interests and other financial expenses paid to parent companies	41,089	1,151
d)	Other interests and other financial expenses	5,974,395	5,890,224
C17 bis)	Foreign exchange gains and losses	-	-
	Total C	- 5,606,646	- 5,545,160
D	Adjustments to financial assets		
D18)	Revaluations	687,508	660,348
a)	Revaluation of equity investment	687,508	660,348
b)	Revaluation of non-current financial assets other than equity investments	-	-
c)	Revaluation of securities among current assets other than equity investments	-	-
D19)	Impairment	-	-
a)	Impairment of equity investments	-	-
b)	Impairment of non-current financial assets other than equity investments	-	-
c)	Impairment of securities among current assets other than equity investments	-	-
	Total D	687,508	660,348
E	Non-recurring income and expenses		
E20)	Non-recurring income	2,253,863	759,573
a)	Income from gains on disposal	-	-
b)	Other contingent income	1,673,619	84,288
b)	Annual portion of capital grants	580,244	675,285
E21)	Non-recurring expenses	2,010,251	280,779
a)	Taxes for previous years	1,930,744	214,721
b)	Non-recurring expenses from losses on disposal	11,333	-
c)	Non-recurring expenses from other non-recurring contingent expenses	68,174	66,058
	Total E	243,612	478,794
	Pre-tax income (loss)	13,814,148	11,457,155
E22)	Income tax for the year	6,150,753	6,417,898

a)	Current taxes		8,853,196		7,979,747
b)	Deferred (prepaid) taxes	-	2,702,443	-	1,561,849
Profit (loss) for the year			7,663,395		5,039,257
Minority interests			293,082		49,877
Profit (loss) of Group shareholders			7,370,313		4,989,380

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

Introduction

Criteria for preparation

The consolidated financial statements, comprised by the balance sheet, income statement, and notes to the consolidated financial statements, have been prepared in accordance with the provisions of Article 29 of Legislative Decree 127/91, as documented by these notes to the consolidated financial statements, which have been prepared in accordance with Article 38 of that same decree. The accounting standards issued by the “*Consiglio Nazionale dei Dottori Commercialisti e Ragionieri*” (Italian Board of Business Experts and Accountants) and, failing these, the accounting standards recommended by the IASB and cited by Consob have been applied.

In addition to the appendices mandated by law, these notes also present the statements for reconciliation of net profit (loss) and shareholders' equity of the parent company and the respective values resulting from the consolidated financial statements.

All amounts are shown in Euro.

Scope and methods of consolidation

The following list shows the companies that have been consolidated line-by-line and whose own financial statement end date is also 31 December 2015:

COMPANY	Registered office	Share Capital	% Equity investments
Direct Control			
AIM Vicenza S.p.A.	Vicenza	71,293,000	Parent Company
AIM Servizi a Rete S.r.l.	Vicenza	29,164,000	100%
AIM Mobilità S.r.l.	Vicenza	1,529,000	100%
AIM Energy S.r.l.	Vicenza	6,500,000	100%
Valore Ambiente S.r.l.	Vicenza	1,012,000	100%
Valore Città Amcps S.r.l.	Vicenza	2,310,000	100%
SIT Società Igiene Territorio S.p.A.	Vicenza	2,600,000	75%

COMPANY	Registered office	Share capital	% Equity investments
Indirect Control			
AIM Ecoenergy S.r.l.	Vicenza	30,000	51%
CogasPiùEnergie S.r.l.	Ortona (CH)	200,000	51%
S.I.A. S.r.l.	Grumolo delle Abbadesse - VI	10,994	49%

The aforementioned companies, with the first two being controlled by AIM Energy S.r.l. and the third being an associate of Valore Ambiente S.r.l., are consolidated line-by-line in the Group financial statements, with recognition of minority interests.

The following changes occurred in the scope of consolidation from the previous year:

- CogasPiùEnergie S.r.l.: the company was acquired in March 2015 and is submitting its first significant financial statements since its incorporation on 27 October 2014. The company operates on the natural gas sales market, with 14 employees, 30 commercial branches, and more than 20 thousand customers scattered through central and southern Italy.
- AIM Bonifiche S.r.l.: This company was merged with AIM Vicenza S.p.A. on 6 November 2015, with a public deed under the hand of Notary Muraro, effective from 1 January 2015.

Aside from SIT, the companies included in the scope of line-by-line consolidation at 31 December 2015 are the following:

COMPANY	Registered office	Share capital	% Equity investments
Indirect Control			
TRE V Ambiente S.r.l.	Vicenza	15,000	100%
BLUEOIL S.r.l.	Bolzano Vic.no (VI)	60,000	54.12% *

*percentage of SIT S.p.A., 75% controlled by AIM S.p.A.

No changes in the SIT Group occurred in 2015.

As in the previous year, the company Torretta Rijeka d.o.o., with registered office in Rijeka, Croatia and share capital of HRK 75,000 (Croatian Kuna), 100% controlled, and the company Rasha S.r.l. (owned by Blueoil), have not been included in the scope of line-by-line consolidation, since they are not operational and show immaterial values. Therefore, these equity investments have been recognised at cost. Note that Rasha is being wound up, and the equity investment in Rasha has been written down to zero.

No exclusions have been made due to heterogeneity.

No companies have been consolidated with the proportional method.

The reporting date of the consolidated financial statements coincides with the closing date of the separate financial statements of the parent company and the consolidated companies.

Reference is made specifically to the report on operations in regard to information about the nature of the activity of the firm, its relations with the controlling entity, and the significant events which occurred after the end of the financial year.

Consolidation principles

The main consolidation principles applied here are illustrated as follows:

- The book value of the equity investments in consolidated companies is eliminated by reducing the corresponding fraction of shareholders' equity, while recognising the liabilities and assets of the investees according to the global method. The positive differences resulting from the elimination are allocated to the items "plant and machinery" and "consolidation differences", which are listed on the assets side of the balance sheet.
- All net amounts and significant transactions between Group companies are eliminated, as well as the profits and losses deriving from commercial operations, including the effects of non-recurring transactions that took place in the past.
- The portions of shareholders' equity represented by minority interests are recognised in a specific account of the balance sheet. The income statements separately show the minority interests' share of net profit (loss).
- The dividends distributed by Group companies are eliminated from the income statement upon consolidation.
- Property, plant and equipment held under finance leases are accounted for by applying the financial method, in accordance with the International Accounting Standards (IAS 17). The effects of these ledger entries have been recognised both in the sub-consolidated financial statements of the SIT Group at 31 December 2015 and in these comprehensive consolidated financial statements.
- The equity investments in associates have been recognised at equity.

Accounting policies

The policies used to prepare the consolidated financial statements at 31 December 2015 are the same as those used to prepare the separate financial statements of the parent company that prepares the consolidated financial statements.

The separate financial statements of the individual companies already approved by their own management bodies have been used to prepare the consolidated financial statements. No changes had to be made to those separate financial statements in order to apply uniform accounting policies across the

Group or to adjust them in accordance with the reference accounting policies, since they had already been prepared in accordance with statutory and generally accepted accounting principles.

The financial statement items were measured in accordance with the general criteria of prudence, accrual, and the prospect of operating as a going concern.

The comparability of the company financial statements over the years depends on consistent application of the accounting policies over time.

No exceptional circumstances arose that would have entailed the exercise of waivers as envisaged in Article 29(4) and Article 35(2) of Legislative Decree 127/91.

That said, the accounting policies adopted to prepare the financial statements 2015 were uniformly applied also in the previous financial statements and in accordance with the principles set out in Article 2426 Italian Civil Code, as codified by the *Consiglio Nazionale dei Commercialisti e dei Ragionieri* and modified by the *Organismo Italiano di Contabilità* (OIC, Italian Accounting Organisation) in connection with the reform of corporate law. Those policies are illustrated as follows.

INTANGIBLE ASSETS

Except for the rights to use and enjoy public property and non-disposable assets assigned to the Group for use under concession, intangible assets have been recognised on the balance sheet at their purchase or production cost, including incidental charges and net of amortisation allowances.

The formation and expansion costs, research, development, and advertising costs having multi-year utility were recognised as assets with the permission of the Board of Statutory Auditors, and have been amortised over five financial years.

Research, development, and advertising costs are amortised in annual instalments of 20% (five years).

The rights to use and enjoy public property and non-disposable assets assigned to the Group for use under concession, which have been recognised at the value given to them in the transfer appraisal report, are counted towards calculation of the profit (loss) for the year, on a straight-line basis, determined according to the duration of the concession agreements.

In regard to management of the methane gas distribution service in the City of Treviso, the costs incurred to purchase the plants, including incidental charges, have been recognised in the item “Other concessions”. Its amortisation is calculated in equal annual instalments over the duration of the concession (12 years). Moreover, these amortisation allowances are calculated on the purchase price of the plants net of their redemption price upon expiry of the concession, which has already been calculated in advance in the service agreement.

The capital assets related to the network extension owned by the City of Treviso were reclassified in 2012 from property, plant, and equipment to intangible assets, under the item Concessions by Vicenza and other Municipalities. Amortisation continues at the same, pre-existing rate. Upon expiry of the concession, they will be transferred to the next operator, just as has already been recognised in the memorandum accounts.

The rates applied by category are summarised in the following table:

Category	Applied Rate
Incorporation, formation and expansion costs	20%
Research, development and advertising costs	20%
Concessions, licenses, trademarks, and similar rights	12 years – 30 years
Goodwill	10%
Consolidation difference	10%-20%
Other intangible assets	Duration of agreement

The aforementioned rates were also applied to the intangible assets of the former AMCPS S.r.l., after the merger which took place in 2010.

For the former AIM RETI S.r.l., a company that was merged in 2010 with AIM Vicenza S.p.A., the intangible assets are amortised as follows:

- study and research expenses are amortised as illustrated in the table shown above;
- concessions are amortised at rates depending on the duration of the concession;
- leasehold improvements are amortised at rates depending on the duration of the concession.

Regardless of the amortisation that has already been recognised, if the intangible asset is impaired, its carrying value is written down by the corresponding amount. If the reasons for the impairment cease to exist in subsequent years, the original value is restored and adjusted only for amortisation.

PROPERTY, PLANT AND EQUIPMENT

In accordance with Article 2426 Italian Civil Code, property, plant and equipment and construction in progress have been recognised on the balance sheet at their purchase and/or production cost, including directly attributable charges, while reducing the cost by the commercial discounts and cash discounts of a significant amount.

For those plants constructed on a time and materials basis, the cost of the materials used, the cost of labour for the personnel used, the associated social security and welfare costs, the accruals to the provisions for employee severance indemnities, and the portion of internal services that can be reasonably attributed to them have been accounted for.

The depreciation instalments charged to the income statement have been calculated according to the use, purpose, and useful life of the capital assets, according to their residual useful life. We have decided that their useful life is well-represented by the following rates, which have not changed from the previous financial year and reduced by half during the year when the asset entered service.

The value of work in progress reflects the direct costs that were known by 31 December 2015. Depreciation of these costs will begin in the year that each asset enters service. For those assets that entered service in 2015, the applied depreciation rates are applied in the reduced amount.

Those expenses that increase the value of the assets, and the maintenance that results in a significant and tangible increase in productive capacity or which lengthens the useful life of the capital assets have been capitalised and generally increase the value of the asset on which they are realised, and they are depreciated according to the remaining useful life. Ordinary maintenance costs are expensed directly in the income statement.

In regard to land fills, depreciation of the total cost incurred for their construction has been allocated in proportion to the volume occupied by the waste delivered to the land fill during the financial year with respect to its total authorised volume, or in proportion to the biogas produced if the receiving capacity has been exhausted.

Regardless of the amortisation that has already been recognised, if the intangible asset is impaired, its carrying value is written down by the corresponding amount. If the reasons for the impairment cease to exist in subsequent years, the original value is restored and adjusted only for amortisation.

No such adjustments had to be made in that sense.

The rates applied by category are summarised in the following table:

Category	Applied Rate
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Buildings	1.67% – 4%
Plant and machinery	2% – 20%
Plant and machinery – consolidation portion	9.1%
Industrial and commercial equipment	3.3% – 20%

The amortisation percentages applied to the capital assets of the former AIM Reti S.r.l. are as follows:

Land and buildings	2.5%
Plant and machinery	2.5% – 20%

The depreciation percentages applied to the capital assets of the former AMCPS S.r.l. are as follows:

AMCPS head office building	3%
Plant and machinery	10% – 20%
Industrial and commercial equipment	12% - 40%

The investments made in connection with the Global Service concession are depreciated according to the residual duration of the concession that was signed in November 2009 for a total of ten years.

The capital grants made by various entities have been counted towards a reduction in the value of the non-current assets since 2006.

NON-CURRENT ASSETS HELD UNDER FINANCE LEASES

The values of the assets acquired by making finance lease agreements are recognised in the balance sheet according to the financial method, in accordance with the International Accounting Standards (IAS 17), at the arm's length value of the asset, including the redemption price envisaged by the agreement, with the corresponding payable for the same amount being recognised under liabilities. That payable is steadily reduced according to the repayment plan for the instalments on principal included in the contractually agreed lease instalments. The value of the asset recognised under assets is depreciated on a straight-line basis, using the same rate as if the asset had been purchased.

LONG-TERM INVESTMENTS

The equity investments in subsidiaries have been consolidated on a line-by-line basis, except as specified previously.

The equity investments in associates have been recognised at equity or at cost.

The other minority stakes are measured at their purchase cost. Certain cost values recognised in the financial statements were impaired in previous years to reflect impairment losses.

The long-term investments include the receivables from associates for interest-bearing loans, and for security deposits given to third parties. These items are shown at their face value.

INVENTORIES

Raw materials, supplies, and finished products are recognised at the lesser of their purchase or manufacturing cost and their realisation value as can be deduced from market trends, by applying their weighted average cost;

The value obtained in this way is then adjusted by the special “provision for inventory obsolescence”, to account for the merchandise whose realisation value is expected to be less than their cost.

The contract work in progress whose duration falls within the year is measured according to the costs incurred as documented in the progress reports.

The contract work in progress continuing after the end of the year are recognised according to the consideration paid.

RECEIVABLES

These are shown at their presumable realisation value. The face value of the receivables to their presumed realisation value was adjusted by creating a special allowance for doubtful accounts, considering general economic conditions and sector conditions.

The receivables that originally could be collected within 12 months and subsequently transformed into long-term receivables have been reported in the balance sheet under long-term investments.

FINANCIAL ASSETS NOT HELD AS NON-CURRENT ASSETS

The fixed income securities and other credit instruments have been recognised at the lesser of their cost value and their market value, in accordance with Article 2426 Italian Civil Code.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the cash on hand and positive balances on current bank accounts not subject to restrictions or constraints. Cash and cash equivalents are recognised at their face value.

ACCRUALS AND DEFERRALS

Accruals and deferrals are determined in an accrual basis and in application of the principle of correlation between costs and revenue.

The conditions that led to the original recognition of multi-year accruals and deferrals have been checked, while making any changes as necessary.

CAPITAL GRANTS FOR PLANTS

The capital grants costs made by various entities have been counted since 2006 towards a reduction in the non-current assets when the same grant directly refers to a plant. Previously, the grants related to plants were recorded under deferred income and recognised in the income statement in the same ways used to calculate depreciation of the assets to which they referred.

Therefore, net depreciation is calculated on the capital assets affected by the grant, while deferred income is still used for the grants already accounted for in the years before 2006, which are counted towards annual income according to an annual instalment corresponding to the amount of the depreciation allowance for the associated assets.

GRANTS FOR CURRENT EXPENSES

The grants for current expenses are recognised on an accrual basis.

PROVISIONS FOR LIABILITIES AND CHARGES

These are accrued to cover losses or payables that are certain or likely, but whose amount or date of realisation could not be determined at the end date of the year.

These provisions have been prudently measured on an accrual basis, and no provisions for general liabilities have been accrued without economic justification.

Contingent liabilities have been recognised in the balance sheet and recorded in the provisions insofar as they are considered likely and since the amount of the associated costs can be reasonably estimated.

EMPLOYEE SEVERANCE INDEMNITIES

These represent the effective payable accrued towards employees pursuant to law and applicable employment agreements, considering all forms of continuing remuneration.

The provision corresponds to the total of the individual indemnities accrued in favour of the employees at the end date of the financial statements, net of advances paid. It is equal to what would have to be paid to employees if the employment relationship terminated on that date. The provision does not include the indemnities accrued beginning on 1 January 2007, which are allocated to complementary pension schemes pursuant to Legislative Decree 252 of 5 December 2005 (i.e. transferred to the INPS treasury).

PAYABLES

These are recognised at their face value and are modified when returns or invoice adjustments are made.

They are generally collectible by the following financial year. The main exceptions are indicated in the description of the individual items.

INCOME TAXES

Provisions for income taxes are set aside on an accrual basis. Therefore, they represent:

- the amount of taxes paid or to be paid for the financial year, determined on the basis of a realistic forecast of the charges owed in application of current tax law;
- the amount of deferred tax assets or prepaid taxes according to temporary differences that have arisen and which will be cancelled out in future years. Deferred tax assets are recognised only when they can be recovered in future periods.

GUARANTEES, COMMITMENTS, THIRD-PARTY ASSETS, AND RISKS

Commitments have been reported in the memorandum accounts at their face value, as deduced from the relevant documentation.

The risks for which the manifestation of a liability is likely are described in the explanatory notes, and provisions are made for them as appropriate in the provisions for liabilities.

The risks for which the manifestation of a liability is only possible are described in the explanatory notes, without accruing any amount in the provisions for liabilities according to the applied accounting standards. Remote risks are not accounted for.

The guarantees given to associates are explicitly indicated.

INFORMATION ABOUT FINANCIAL INSTRUMENTS

In regard to the provisions of Article 2427-bis Italian Civil Code, it is noted that AIM Vicenza S.p.A. made an agreement on 17 November 2005 to guarantee against the risk of fluctuation in the interest rate related to the loan received from Unicredit Banca S.p.A.

That agreement allows AIM to hedge itself against the risk of excessive fluctuation in the floating rate applied to the loan covered by the aforementioned agreement, which is kept in the collar of 2% - 5%.

The characteristics of the agreement are as follows: the notional amount on which IRS is calculated amounted to Euro 7.92 million at 31 December 2015. The market value, which is determined by estimating the discounted cash flows estimated on the basis of the agreement, is Euro -274 thousand. The existing contract expires on 15 June 2018.

SIT S.p.A. is not party to any existing transactions in financial instruments.

ANALYSIS OF BALANCE SHEET
Assets
B) Non-current assets

Intangible assets	2015	2014	Change
	75,945,624	81,433,421	- 5,487,797

I. Intangible assets

Intangible assets	2014	Change Area / Non-recurring Transaction	Increase	Decrease	Amortisation	Other changes	2015
Formation and expansion costs	5,109,359	- 4,079	216,659	- 11,280	-	6,596	5,317,255
Accumulated amortisation for formation and expansion costs	-	5,807	-	5,280	305,751	-	-
Formation and expansion costs	1,679,242	1,728	216,659	- 6,000	305,751	-	1,585,878
Research, development and advertising costs	3,353,506	- 11,777	-	- 360	-	44,562	3,385,931
Accumulated amortisation for research, development and advertising costs	-	11,777	-	360	31,616	-	-
Research, development and advertising costs	70,824	-	-	-	31,616	773	39,981
Patents	96,090	3,903	-	-	-	-	99,993
Accumulated amortisation for patents	- 96,090	- 3,903	-	-	-	-	- 99,993
Industrial patent and intellectual property user rights	-	-	-	-	-	-	-
Concessions from Vicenza and other municipalities	95,636,814	-	-	-	-	797,930	96,434,744
Accumulated amortisation of concessions from Vicenza and other municipalities	-	-	-	-	3,050,647	-	-
Know-how	40,693,649	-	-	-	-	455,960	44,200,256
Accumulated amortisation for know-how	3,166	-	-	-	-	-	3,166
Concessions, licenses, trademarks, and similar rights	- 1,268	-	-	-	634	-	1,902
Goodwill	54,945,063	-	-	-	3,051,281	341,970	52,235,752
Goodwill	6,820,246	2,313,078	-	-	-	-	9,133,324
Accumulated amortisation for goodwill	-	-	-	-	231,308	-	-
Goodwill	6,820,246	2,313,078	-	-	231,308	-	7,051,554
Consolidation difference	-	-	-	-	8,095	-	2,081,770
Consolidation difference	7,011,008	- 11,818	-	-	-	-	6,999,190
Accumulated amortisation for consolidation difference	-	11,818	-	-	8,095	-	-
Consolidation difference	6,978,626	-	-	-	8,095	-	6,974,903
Consolidation difference	32,382	-	-	-	8,095	-	24,287

Work in progress and advances	1,407,019	-	283,089	-	-	-	1,131,281	558,827
Other multi-year costs	5,059,123	-	30,861	-	-	-	-	5,089,984
Accumulated amortisation for other multi-year costs	-	-	-	-	-	272,294	-	-
	3,967,384	-	-	-	-	-	-	4,239,678
Leasehold improvement expenses	34,458,624	6,590	965,138	-	61,043	-	976,777	34,392,532
Accumulated amortisation of leasehold improvement expenses	-	-	3,159	-	26,874	-	495,868	-
	15,823,051	-	-	-	3,673,468	-	-	18,976,936
Software	14,112,817	43,322	932,429	-	6,770	-	143,263	15,225,061
Accumulated amortisation for Software	-	-	-	-	-	-	-	-
	10,541,238	-	33,013	-	2,730	1,497,613	2,700	12,071,834
Other	23,298,891	13,740	1,928,428	-	38,209	5,443,375	340,346	19,419,129
Total	81,433,421	2,328,546	2,428,176	-	44,209	9,071,426	1,128,884	75,945,624

The column “Other changes” includes the changes due to reclassification and attribution of non-current assets recognised during previous years, and additional attributions of non-current assets including:

- allocation of the Fogazzaro park contribution, reducing the asset by Euro -1,157,025 and adjustment of the accumulated amortisation for the same Fogazzaro park by Euro 495,868.
- adjustment of the geothermal well asset, whose concession was granted by the Region of Veneto, reversing a previous provision for liabilities, with a net impact of Euro 455,960.

The amounts shown in the column “Change in area” refer to the company CogasPiùEnergie S.r.l., which was acquired during the year.

Breakdown of Formation and expansion costs, Research, development and advertising costs, and Goodwill

(Article 2427(1)(3) Italian Civil Code)

The item “Formation and expansion costs”, amounting to Euro 1,585,878, is mainly due to award of the contract for distribution of gas in the Municipality of Villaverla, made in 2012.

“Goodwill” includes the purchase against consideration of business units, and grew in 2015, particularly after consolidation of the company CogasPiù Energie S.r.l..

Concessions, Leasehold improvement expenses, Other multi-year costs

(Article 2427 (1) (3) Italian Civil Code)

“Concessions, licenses and trademarks” include the rights to use and enjoy public property and non-disposable assets owned by the City of Vicenza, which have been recognised at the value given to them in the transfer appraisal report. They are counted towards calculation of the income (loss) for the year, in constant amounts according to straight-line amortisation and determined according to the duration of the concession agreements. They refer especially to the takeover of AIM Vicenza Reti S.r.l. and its merger with the parent company.

These also include the non-current assets for the network extension realised over the preceding years in the Municipality of Treviso, for improved allocation of the capital assets owned by the City of Treviso. Amortisation continues at the same rate as applied in previous years. Upon expiry of the concession, they will be transferred to the next operator, just as has already been recognised in the memorandum accounts.

The amount of gas network extensions made in Treviso during 2015 totals Euro 117,820, and are allocated according to the criteria illustrated at the previous item.

The leasehold improvement expenses consist of the costs for work on company facilities and other assets not owned by the company but acquired through the merger with AIM Vicenza Reti S.r.l., in addition to the costs for work performed on the building housing of the new head office of SIT S.p.A., for operating start-up of the Acovis plant, for covering the land fill in Grosseto, and for expansion of the Transport workshop set up on land owned by the City of Vicenza. A call option exists on this property, which the Group exercised in December 2011.

Since the financial statements 2009, "Other multi-year costs" also include the cost for substitution of the electromechanical type of electric power meters with electronic ones. These are being amortised on a 10-year basis (weighted average of their residual useful life), referring to recognition of recovery of that cost in electric power rates.

The consolidation difference derives from the consolidation of certain direct and indirect subsidiaries.

II. Property, plant and equipment

Property, plant and equipment	2015	2014	Change
	240,462,606	238,613,254	1,849,352

Property, plant and equipment	2014	Change Area / Non-recurring Transaction	Increases	Decreases	Amortisation	Other changes	2015
Land	17,283,410	-	-	-	-	5,424,263	17,283,410
Buildings	26,427,800	-	293,234	82,971	-	772,233	26,707,894
Accumulated depreciation for buildings	-	227,161	-	25,701	750,504	-	-
	6,595,241	-	-	-	-	227,161	7,320,044
Land and buildings	37,115,969	5,899,504	293,234	57,270	750,504	5,969,335	36,671,260
Plant and machinery	356,864,214	-	9,508,340	1,984,183	-	3,910,234	367,204,910
Accumulated depreciation for plant and machinery	-179,358,041	917,232	-	1,721,269	12,010,380	-	-
						578,957	189,308,877
Plant and machinery	177,506,173	176,463	9,508,340	262,914	12,010,380	3,331,277	177,896,033
Industrial and commercial equipment	30,458,460	-	2,160,876	1,272,346	-	380,993	31,656,086
Accumulated depreciation for industrial and commercial equipment	-	71,987	-	1,074,138	1,515,720	-	-
	21,104,110	-	-	-	-	167,346	21,641,051
Industrial and commercial equipment	9,354,350	90	2,160,876	198,208	1,515,720	213,647	10,015,035
Leased assets	-	-	-	-	-	-	-
Accumulated depreciation for leased assets	-	-	-	-	-	-	-
Assets held under finance leases	13,022,240	-	288,457	-	-	-	13,310,697
Accumulated depreciation for assets held under finance leases	-	-	-	-	433,844	-	-
	9,722,596	-	-	-	-	-	10,156,440
Other property, plant and equipment	-	-	-	-	-	-	-
Accumulated depreciation for other property, plant and	-	-	-	-	-	-	-

equipment							
Gratuitously transferable assets	15,547,667	-	311,520	-	137	-	1
Accumulated depreciation for gratuitously transferable assets	-	-	-	-	-	914,031	167,986
Other assets	7,684,680	-	599,977	-	137	1,347,875	167,985
Work in progress and advances	6,952,082	-	4,201,128	25,533	-	-	2,067,125
Total	238,613,254	6,075,877	16,763,555	492,996	15,624,479	7,279,149	240,462,606

The amounts shown in the column “Change in area” which have to be considered together with the amounts shown in the column “Other changes”, refer both to CogasPiù Energie S.r.l. – which was acquired during the year – and the change related to AIM Bonifiche which, although it had been deconsolidated, was merged with AIM Vicenza S.p.A. in 2015.

This latter transaction is tied to the most significant change, involving a total of Euro 6,108,597 and mainly composed of the land and property complex located in the industrial zone of Marghera (VE).

The column “Other changes” also includes the changes due to reclassification and attribution of work in progress recognised during previous years, and additional attributions of non-current assets including an adjustment to the Accumulated depreciation for Photovoltaic Plants amounting to Euro 346,030.

Assets held under finance leases

(Article 2427(1)(2) Italian Civil Code)

This item includes assets that were acquired through finance lease transactions. They have been recognised in this account in accordance with the International Financial Reporting Standards. The most important amount concerns the Lonigo photovoltaic plant, for about Euro 3 million, and new purchases of vehicles and machinery for the collection and processing of waste.

Gratuitously transferable assets

(Article 2427 (1) (2) Italian Civil Code)

This item includes the costs incurred for construction of the controlled land fill plant located in Grumolo delle Abbadesse, inclusive of the value of the owned land on which the land fill has been created.

The plant on which the old land fill was created, which started operation in 1999, has been completed. Its cost did not increase in 2015.

Its depreciation, which has increased since the previous year, is based on exploitation of the biogas produced by the plant in relation to its operating costs. Since 2011, depreciation is charged in proportion to the forecast of electric power generated, since the land fill is now completely full.

Moreover, the costs of land used for the expanded land fill and associated incidental costs continue to be depreciated. Depreciation of the land began in 2012 and is charged on a straight-line basis for ten years. It is based on the duration of the land lease with SIA, an associated company of Valore Ambiente S.r.l., which operates the expanded new land fill. When cultivation of the land fill is completed, the land itself is to be transferred free of charge to the lessee.

The expansion of the land fill, which is the responsibility of SIA S.r.l., is depreciated in direct proportion to the quantities of waste delivered in terms of a unit of volume.

Capital grants

In 2015, the company recognised capital grants totalling Euro 393,162, referring to two buses that entered service during the year.

Work in progress and advances

(Article 2427(1)(2) Italian Civil Code)

“Work in progress” refers to costs incurred for the purchase and construction of various plants, new vehicles and equipment that have not yet entered service.

Revaluations and write-downs made during the year

(Article 2427(1), sub-paragraphs 2 and 3-bis, Italian Civil Code)

No write-downs and revaluations were recognised in 2015.

III . Long-term investments

Long-term investments	2015	2014	Change
	12,264,638	10,506,452	1,758,186

Equity investments

Indirect subsidiaries

The value of these subsidiaries, totalling Euro 32,155, refers to the following companies that are not consolidated for the reasons given in the introduction.

Name	Head office	Functional	Share capital Equity	Earnings/ Loss	Shareholders' value	% Stake	Net currency
Torretta Rijeka doo	Croatia	HRK	75,000	-17,131	-33,838	100%	32,153
Rasha S.r.l.- in liquidation	Vicenza	EUR	10,000	-3,350	2,230	54.12%	0
Total							32,153

In regard to the company Torretta Rijeka, the provision for liabilities has been recognised in the amount of Euro 27,000 to cover contingent risks of impairment of the equity investment.

The companies are shown with the percentages of SIT S.p.A., 75% controlled by AIM Vicenza S.p.A..

Associates

The value of equity investments in associates totals Euro 5,494,403.
The associates are listed as follows.

Direct associates

The following companies are indirect associates:

Name	Head office	Share capital	Shareholders' equity	% Stake
Centro Idrico Novoledo S.r.l.	Villaverla (VI)	90,000	447,923	50
Acovis S.r.l.	Sandrigio (VI)	100,000	307,064	26
S.I.V.E. S.r.l.	Legnago (VR)	147,470	908,604	24.73
Assocogen S.r.l.	Vicenza	10,000	-303,188	37

Indirect associates

The following companies are indirect associates, through the companies AIM Mobilità S.r.l. and AIM Energy S.r.l., which are wholly owned.

Name	Head office	Share capital	Shareholders' equity	% Stake
Società Vicentina Trasporti Scrl	Vicenza	60,000	62,747	33.33
2V Energy S.r.l.	Vicenza	2,000,000	2,420,633	50
Soenergy S.r.l.	Argenta (FE)	2,500,000	4,571,246	15

The following other indirect associates belong to the SIT subgroup and are reported here with indication of the percentages of SIT S.p.A., which is 75% controlled by AIM S.p.A..

Name	Head office	Share capital	Shareholders' equity	% Stake
Nuova Logica Energia S.r.l.	Verona	10,000	10,682	50
Legnago Servizi S.p.A.	Legnago (VR)	120,000	1,545,279	49
Acovis S.r.l.	Sandrigio (VI)	100,000	307,064	48
Futura S.p.A.	Florence	7,000,000	4,754,824	20

The figures refer to the financial statements at 31 December 2015.

The following is noted:

- Assocogen S.r.l.: this company went bankrupt in 2009. The equity interest in that company has been fully written down.
- Soenergy S.r.l. is a national operator on the natural gas and electric power market that is wholly owned by the public. Fifteen per cent of its share capital was acquired in January 2013, but it has been considered an “associate” after the Shareholders Agreements made between AIM Energy and Soelia to define its governance and the operating aspects connected with the procurement of gas and electric power.
- The equity investment in Futura S.p.A. represents a long-term, strategic investment for the SIT Group, aimed at the construction and operation of solid urban waste sorting plant with the production of waste-to-fuel.
A pledge has been made on the shares constituting the equity investment in Futura S.p.A., representing 20% of its share capital and having a par value of Euro 1,400,000. This pledge was made in favour of the banks that made a loan to Futura S.p.A. for construction of the waste-to-fuel plant in Grosseto.

The following table illustrates the carrying value of the equity investment in each company:

	31/12/2015	31/12/2014
DIRECT SHARHOLDING		
Centro Idrico Novoledo S.r.l.	203,962	180,556
Acovis S.r.l.	79,837	76,358
S.I.V.E. S.r.l.	224,698	213,271
	508,497	470,185
INDIRECT SHAREHOLDING		
S.V.T. Scrl	20,914	20,813
S.I.A. S.r.l.		
2V Energy S.r.l.	1,210,318	1,020,735
Soenergy S.r.l.	1,457,250	1,571,468
	2,688,482	2,613,016
INDIRECT SHAREHOLDING 75%		
Legnago Servizi S.p.A.	757,185	502,073
Cisat - in liquidation		1,033
Acovis S.r.l.	121,640	121,640
Futura S.p.A.	1,400,000	1,400,000
Nuova Logica Energia S.r.l.	17,099	14,099
BLUEOIL S.r.l.		
Associazione Centro Studi	1,500	1,500
	2,297,424	2,040,345
Total Associates	5,494,403	5,123,546

In regard to S.I.A. S.r.l. and BLUEOIL S.r.l., the value of the equity investment has not been reported since they are fully consolidated companies.

c) Other companies

Description	31/12/2015	31/12/2014
Agrilux S.r.l.	1,295,029	1,156,479
CO.GES A. S.r.l.	46,091	46,091
Vicenza Futura S.p.A.	29,175	29,175
Fondazione G.Rumor	86,815	86,815
Banca Etica	33,350	33,350
Other	15,157	15,157
Total Other enterprises	1,505,617	1,367,067

The 100% shareholdings in direct and indirect associates have been recognised at equity.
The 75% shareholdings in associates and the equity investments in other enterprises are recognised at cost, except for Legnago Servizi S.p.A. and Agrilux S.r.l., which have been recognised at equity.

Receivables from subsidiaries

The amount of this item, Euro 68,000, is unchanged from 2014. It refers to the non-interest-bearing loan made to Torretta Rijeka (not consolidated) for its participation in the land auction as part of outstanding litigation in Croatia.

Receivables from associates

The amount of this item, Euro 460,000 (Euro 675,729 in 2014) refers to the loan made to the associate Futura S.p.A. in Florence to cover planned investments and financial requirements.

Receivables from parent company

The amount of this item, Euro 2,612,239 (unchanged from the previous year), corresponds to the prepayments on concession instalments made to the City of Vicenza. They will be discounted from the payment of instalments for the last ten years of the concession (from 2020 to 2029), which the companies formed with the spin-off have with the City of Vicenza.

Receivables from others

These include the following items:

- the receivable for sales of equity investments (Euro 415,082) deriving from sale of the equity investment of SIT Istra (Croatia). As security for that sale, the buyer gave its permission to establish a mortgage on land it owns in favour of SIT. This receivable, which was written down in 2009, was restored to its face value in 2013.
In fact, the directors believe that after the actions taken and opinions given by lawyers, the premises exist for full recovery of the receivable.
- other receivables for security deposits and residual receivables totalling Euro 1,672,535.

The following table summarises the contents of this item:

Description	2015	2014	Change
Receivables for sale of equity investments	415,082	415,082	0
Security deposits and other receivables	1,672,535	198,693	1,473,842
Total	2,087,617	613,775	1,473,842

The increase during the year mainly refers to the security deposit of Euro 1,200,000 paid on the account of the associate, 2V Energy, as security for an electric power dispatching agreement, replacing a previously given security bond.

C) Current assets

Current assets	2015	2014	Change
	208,845,673	169,144,994	39,700,679

I. Inventories

Inventories	2014	Increases	Decreases	Other changes	2015
Raw materials, supplies, and consumables	3,576,872	64,391	- 94,556	- 3,557	3,543,150
Allowance for write-down of raw materials, supplies and consumables	- 381,881	- 31,415	16,337	- 348	- 397,307
Raw materials, supplies, and consumables	3,194,991	32,976	78,219	3,905	3,145,843
Work in progress and semi-finished products	-	-	-	-	-
Contract work in progress	13,137	-	13,137	-	-
Finished products and merchandise	139,501	-	-	76,163	215,664
Advances on stocks	-	-	-	-	-
Total	3,347,629	32,976	91,356	72,258	3,361,507

Inventories had a total value of Euro 3,361,507 at 31 December 2015. This value is net of the allowance for inventory write-downs, amounting to Euro 397,307.

The inventories mainly consist of materials for maintenance of the services, the pro-rated share of fuel used to operate the Mincio thermoelectric power plant, and fuel and spare parts for the entire company vehicle fleet.

The Euro 13,137 decrease in contract work in progress relates to work on the photovoltaic plants attributed to AIM Ecoenergy S.r.l..

The amount of Euro 215,664 represents the value of finished products at 31 December 2015 for the SIT Group environmental hygiene area.

II. Receivables

All receivables are in Euro, with no account items in foreign currency.

No receivables have a term longer than five years, except for a portion of deferred tax assets that, by virtue of their being tied to the depreciation of assets, will be used according to the lifetime of the assets to which they refer.

The net amount is broken down according to due dates:

Current receivables	2015	Amount due within 12 months	Amount due in 1-5 years	Amount due after 5 years
Trade receivables	95,811,026	95,811,026	-	-
Receivables from subsidiaries	-	-	-	-
Receivables from associates	2,882,510	2,882,510	-	-
Receivables from parent companies	28,386,522	28,386,522	-	-
Tax receivables	1,916,550	1,916,550	-	-
Deferred tax assets	14,900,101	14,900,101	-	-
Other receivables	15,548,795	15,543,052	5,743	-
Total	159,445,504	159,439,761	5,743	-

Receivables from users and customers

This item, gross of the allowance for doubtful accounts of Euro 13,719,064, totals Euro 109,530,090 and is comprised:

- by receivables deriving from the sale and distribution of gas and electricity, public lighting, and heat for Euro 87,385,898;
- by other services related to the activity of Igiene Ambientale, by the companies Valore Ambiente S.r.l., AIM Vicenza S.p.A., and SIT S.p.A., for Euro 12,241,533;
- by other services related to the Local Public Transport and Sosta activities, amounting to Euro

- 1,960,402;
- by the fee for use of water and sewer-purifications plants, and other services related to the invoices issued and to be issued to Acque Vicentine S.p.A., for Euro 5,378,931;
 - by lease instalments on the buildings managed on behalf of the City of Vicenza and other services for other activities, amounting to Euro 2,563,326.

Trade receivables	2015	2014	Change
Short-term receivables from customers/users	71,202,036	71,573,021	- 370,985
Invoices to be issued to customers/users	38,328,054	31,496,310	6,831,744
Receivables from Group companies	-	-	-
Allowance for doubtful short-term trade receivables	- 11,912,260	- 10,226,304	- 1,685,956
Allowance for unpaid rents	- 1,806,804	- 1,221,502	- 585,302
Trade receivables	95,811,026	91,621,525	4,189,501

The account “Invoices to be issued to customers and users” is largely comprised of service consumption not yet invoiced at 31 December 2015, for the supply of methane gas and electric power, and by invoices for plant and network services and use.

The change in the scope of consolidation, due to the company CogasPiùEnergie, has caused a total increase of Euro 4,977,366.

Receivables from associates

The Receivables from associates, which total Euro 2,882,510, are from:

- Soenergy S.r.l. and 2V Energy S.r.l. for Euro 1,875,497, related to trade receivables for the sale of gas and electricity and partly to financial receivables;
- Associates of the SIT Group, for Euro 969,715;
- Centro Idrico Novoledo S.r.l., for Euro 37,298.

Receivables from associates	2015	2014	Change
Short-term financial receivables from associates	757,183	1,175,834	- 418,651
Short-term trade receivables from associates	2,125,327	862,218	1,263,109
Receivables from associates	2,882,510	2,038,052	844,458

Receivables from Controlling Entity

The amount of this receivable, which rose from Euro 20,913,693 at 31 December 2014 to Euro 28,386,522 at the end of this year, net of the allowance for doubtful accounts.

The short-term receivables from the parent company mainly refer to contributions made by the regional government towards the purchase of buses.

The trade receivables from the Controlling Entity – the City of Vicenza – concern the services related to various ordinary and special maintenance work on City assets, the consideration owed for the Global Service, the consideration stemming from the Local Public Transport service agreement, and the supply of gas and electricity for consumer use.

They are broken down further as follows:

- invoices issued for miscellaneous services at 31 December 2015, for Euro 11,525,511;
- invoices to be issued for work in progress and various activities, mainly on City property, for Euro 5,943,011;
- invoices to be issued, for adjustments on the local public transport service agreement and other services provided in relation to AIM Mobilità, for Euro 8,712,757;
- utility bills issued at 31 December 2015, for Euro 295,198.

Receivables from parent companies	2015	2014
Short-term receivables from the parent company City of Vicenza	2,077,045	2,085,894
Short-term trade receivables from the parent company City of Vicenza	26,476,477	18,891,601
Allowance for write-down of short-term receivables from the parent company City of Vicenza	- 167,000	- 63,802
Receivables from parent companies	28,386,522	20,913,693

The changes in the comprehensive allowance for doubtful accounts, both for receivables from customers and lessees, and for receivables from the City of Vicenza:

Allowance for doubtful accounts	Net amount at 31/12/2014	Change in area	Accrual	Use	Net amount at 31/12/2015
Allowance for Doubtful Accounts – Trade Receivables	10,226,306	310,795	2,808,219	-1,433,060	11,912,260
Allowance for Doubtful Accounts – Unpaid Rents	1,221,502		659,097	-73,795	1,806,804
Allowance for Doubtful Accounts – City of Vicenza	63,802		131,572	-28,374	167,000
Total	11,511,610	310,795	3,598,888	-1,535,229	13,886,064

Tax receivables and deferred tax assets

Tax receivables total Euro 1,916,550, while Deferred tax assets total Euro 14,900,101.

Tax receivables	2015	2014	Change
Receivables from Tax Authorities	1,075,439	2,638,740	- 1,563,301

IRES receivable	286,092	732,803	-	446,711
IRAP receivable	523,704	470,430	-	53,274
Other tax receivables within 12 months	31,315	206,879	-	175,564
Tax receivables	1,916,550	4,048,852	-	2,132,302

The “Receivables from Tax Authorities” mainly refers to the VAT receivable at 31 December 2015 for several companies not participating in the Group VAT consolidation scheme.

The deferred tax assets total Euro 14,900,101 and refer to:

- deferred tax assets related to higher statutory depreciation charges that are not recognised for tax purposes and charged to adjust the remaining useful life of certain capital assets;
- deferred tax assets on the capital grants for plants in previous years, related to depreciation but according to tax rules different from statutory rules;
- accruals to various provisions, including the allowance for doubtful accounts, which is higher than what is allowed by tax law;
- deferred tax assets on suspended revenue of Global Service;
- deferred tax assets for greater, non-deductible net interest expenses;
- accelerated taxation of sundry costs that are tax deductible in subsequent years.

For the portion related to depreciation and contributions, the deferred tax assets will be used according to the same depreciation method used for the plants, and will thus continue after the next five years.

The amount of deferred tax assets indicated above reflects the changes introduced by Law 208/2015, Stability Law 2016, whose publication in the Official Gazette on 30 December 2015 mandates taking account of the reduction in the IRES (corporate income tax) rate from 27.5% to 24% beginning 1 January 2017, for the purpose of recognising deferred taxes in the financial statements for the years ended at 31 December 2015.

For more details on the change in deferred tax assets, reference is made to the table at the end of the notes to the consolidated financial statements, pursuant to sub-indent 14) of Article 2427 Italian Civil Code.

Receivables from others

The amount of Euro 15,548,795 is detailed in the following table:

Other receivables	2015	2014		Change
Receivables from the national government	4,920,178	9,751,470	-	4,831,292
Receivables from the regional government and local entities	726,831	1,273,114	-	546,283
Receivables from other entities	5,741,957	7,026,867	-	1,284,910
Receivables from Group companies	-	-	-	-
Short-term receivables from employees	-	-	-	-
Receivables from shareholders	-	-	-	-
Receivables for earnest money and advances	2,757,940	2,890,832	-	132,892

Other short-term receivables	1,396,146	2,837,116	-	1,440,970
Other medium-long term receivables	5,743	5,718		25
Other receivables	15,548,795	23,785,117	-	8,236,322

The “Receivables from the national government” consist of:

- excess prepayments for excise taxes, paid during the year to the UTF or other entities, for gas and electricity, which will be settled through the absorption of subsequent debt instalments. The amounts of this excess 31 December 2015 totalled Euro 2,878,041 to the national government (and, analogously, Euro 725,272 to the Region);
- a receivable requested in reimbursement on excise taxes for liquid propane gas, related to local public transport, totalling Euro 521,355;
- application for IRES refund pursuant to Decree Law 185/2008 and Decree Law 201/2011, for the higher tax paid for previous periods, in consequence of the failure to deduct the IRAP portion of labour costs. Altogether, the Group has a receivable of Euro 1,513,870;
- residual receivables for Euro 6,912.

The Receivables from other entities refers to:

- Euro 3,610,073 for contributions to the Equalisation Fund for the Electric Power Sector, referring solely to the energy efficiency certificates for gas and electricity, in compliance with AEEG Resolution no. 219/04;
- Euro 2,234,840 for contributions to be collected from the Equalisation Fund for the Electric Power Sector – “*Cassa Conguaglio per il Settore Elettrico*” (now called CSEA – “*Cassa per i Servizi Energetici e Ambientali*” – the Fund for Energy and Environmental Services), for the continuity of service, the income portion of the rate components, and the adjustments for equalisation of electric power and gas;
- Euro -102,956 for adjustment of residual receivables.

The Receivables for earnest money mainly refer to the pre-contract for purchase and sale signed in 2009 with the City of Vicenza for the real estate located on Via Fusinieri, Vicenza. The memorandum accounts show the commitment related to that agreement.

The “Other receivables due within 12 months” total Euro 1,396,146 and mainly include receivables from resellers for travel and lodging, advances paid to the contracting entity for the call for tenders to distribute gas, and sundry items to be paid for cost components accrued during the year.

The geographic allocation of receivables at 31 December 2015 is not significant since almost all of them are claimed from Italian persons and entities (Article 2427(1)(6) Italian Civil Code).

III. Financial assets not held as non-current assets

The “Other securities” for Euro 37 thousand refer to short-term investments.

IV. Cash and cash equivalents

Cash and cash equivalents	2015	2014	Change
	46,001,662	8,108,189	37,893,473

Cash and cash equivalents	2015	2014	Change
Bank and postal accounts	45,541,131	7,449,481	38,091,650
Checks	400,244	596,164	- 195,920
Cash and cash on hand	60,287	62,544	- 2,257
Total	46,001,662	8,108,189	37,893,473

The statement shows cash and cash equivalents and cash and cash equivalents on hand at 31 December 2015. The bank overdrafts are properly classified in the item "Bank borrowings".

D) Accruals and deferrals

Accrued income and prepaid expenses	2015	2014	Change
	1,498,511	1,619,008	- 120,497

These measure income and expenses whose accrual occurs before or after the related cash movement and/or documentation. They are recognised irrespective of the date on which the related income and expenses are received or paid and covering two or more financial years and allocable on a time basis.

The criteria adopted in making these measurements are illustrated in the first part of these notes to the financial statements.

Accrued income and prepaid expenses	2015	2014	Change
Accrued income for interest	-	-	-
Accrued income for rents	-	-	-
Other accrued income	311	188	123
Accrued income	311	188	123
Prepaid expenses for fees and sundry expenses	249,823	385,574	- 135,751
Prepaid multi-year expenses	1,303,900	1,311,195	- 7,295
Other prepaid expenses	- 55,523	- 77,949	22,426
Prepaid expenses	1,498,200	1,618,820	- 120,620
Discount on loans	-	-	-
Total	1,498,511	1,619,008	- 120,497

The composition of this item is broken down as follows (Article 2427(1)(7) Italian Civil Code):

- Euro 721,379 for the prepayment of a portion of the instalment paid to Acovis S.r.l. in connection with the lease agreement for the business unit including the plastic processing plant;
- Euro 406,169 for prepayment of taxes and expenses on new mortgage loans contracted since 2009;
- Euro 370,963 for complex prepaid expenses related to surety bonds, insurance, sundry fees, taxes on vehicles, and accrued future expenses related to construction of the Lonigo photovoltaic plant;
- Euro 311 for accrued income.

The prepaid expenses having a term longer than five years total Euro 288,104.

Liabilities
A) Shareholders' equity

Total Shareholders' equity	2015	2014	Change
	172,888,586	165,551,615	7,336,971

Shareholders' equity	2014	Change Area	Allocation of Net		2015
			Increase	Income (Loss) Other changes	
Share capital	71,293,000				71,293,000
Additional paid-in capital	-				-
Revaluation reserve	-				-
Legal reserve	488,441			61,085	549,526
Statutory reserves	30,568				30,568
Treasury share reserve	-				-
Extraordinary reserve	-				-
Reserve for shareholders' contributions	-				-
Merger reserves	63,382,373				63,382,373
Other reserves	146,384			460,610 -122,092	484,902
Other reserves	63,528,757			460,610 -122,092	63,867,275
Retained earnings (losses)	23,498,186	4,981		3,767,685 -15,165	27,255,687
Profit (loss) for the year	4,989,380		7,370,313	-4,989,380	7,370,313
Group shareholders' equity	163,828,332	4,981	7,370,313	-700,000 -137,257	170,366,369
Non-controlling interest in share capital and reserves	1,673,406	5,184		49,877 500,668	2,229,135
Minority interests	49,877		293,082	-49,877	293,082
Non-controlling interests	1,723,283	5,184	293,082	0 500,668	2,522,217
Shareholders' equity	165,551,615	10,165	7,663,395	-700,000 363,411	172,888,586

Share capital

The share capital of AIM Vicenza S.p.A. totals Euro 71,293,000, wholly owned by the City of Vicenza and consisting of 1,425,860 ordinary shares, valued at Euro 50 each.

Other reserves

The reserve items are composed as follows:

- Legal reserve for Euro 549,526
- Statutory reserve for Euro 30,568
- Reserves deriving from mergers through takeover of AIM Reti S.r.l. and Amcps S.r.l., which took place in 2010, totalling Euro 63,382,373;

- Other Reserves for Euro 484,902.

Retained earnings/(losses)

When the financial statements at 31 December 2014 were approved, the shareholder resolved to allocate the profit of Euro 1,221,695 as follows:

- Euro 61,085 to the legal reserve
- Euro 460,610 to the other reserves
- Euro 700,000 to the shareholder City of Vicenza

The remaining item “retained earnings” constitutes the progressive result of consolidation activities.

Group interest in profit for the year

The financial year 2015 closes with group interest in profit amounting to Euro 7,370,313.

Change in scope and Minority interests

The following changes in the scope of consolidation occurred during the year, as previously mentioned in the introduction:

- the scope of consolidation includes CogasPiù Energie S.r.l. for a share of 51%;
- AIM Bonifiche S.r.l. is excluded from the scope of consolidation, with its values being reported in the financial statements of AIM Vicenza S.p.A. in consequence of their merger.

The column “Change in scope” shows the values at 1 January 2015, while the column “Other changes” shows the consolidation ledger entries that concern the two companies.

Therefore, the minority interests refer to:

- 25% of the SIT Group, including the share owned by third parties in SIT S.p.A., in TreV Ambiente S.r.l. and Blueoil S.r.l.;
- 49% of AIM Ecoenergy S.r.l.;
- 51% of SIA S.r.l.;
- 49% of CogasPiù Energie S.r.l..

The account “Minority interests” totals Euro 2,522,217, including the minority interest in profit, Euro 293,082.

Reference is made to the end of this document for the statement for reconciliation of Shareholders' equity and profit (loss) for the year of the parent company and consolidated Shareholders' equity and profit (loss).

B) Provisions for liabilities and charges

Provisions for liabilities and charges	2015	2014	Change
	23,973,399	17,899,727	6,073,672

The following table shows the changes during the year:

Provisions for liabilities and charges	2014	Accrual	Reversal	Other changes	2015
Provision for employee pensions	158,515	-	-	-	158,515
Provision for employee pensions and similar obligations	158,515	-	-	-	158,515
Provisions for taxes, including deferred tax liabilities	6,914,288	85,751	-335,048	-	5,840,699
				824,292	
Warranty provision	-	-	-	-	-
Provision for cyclical maintenance and sundry expenses	114,195	155,000	-	-	269,195
Provision for future charges on sundry plants	7,558,802	1,999,478	-	2,456,043	10,989,785
Provision for losses of investees	103,500	-	-	1,033	102,467
Provision for litigation costs	393,196	35,144	-	9,000	419,340
Provision for social welfare and municipal public housing	301,136	35,320	-	-	336,456
Other provisions for liabilities	2,356,095	2,437,303	-	1,371,530	5,856,942
			307,986		
Other provisions for liabilities	10,826,924	4,662,245	-	3,827,573	17,974,185
			1,342,557		
Total	17,899,727	4,747,996	-	3,003,281	23,973,399
			1,677,605		

The Provision for employee pensions is comprised by the costs for directors' severance indemnity and totals Euro 158,515. There have been no changes from the previous year.

The Provision for deferred taxes, amounting to Euro 5,840,699, relates to:

- higher depreciation recognised off the books and from tax differences;
- taxes on realised gains and other deferred taxes.

The amount of the provision for deferred taxes indicated above reflects the changes introduced by Law 208/2015, Stability Law 2016, whose publication in the Official Gazette on 30 December 2015 mandates taking account of the reduction in the IRES (corporate income tax) rate from 27.5% to 24% beginning 1 January 2017, for the purpose of recognising deferred taxes in the financial statements for the years ended at 31 December 2015.

For more details on the change in the "Provision for deferred taxes", reference is made to the table at the end of the notes to the consolidated financial statements, pursuant to sub-indent 14) of Article 2427 Italian Civil Code.

The item "Provision for future charges on sundry plants", totalling Euro 10,989,785, consists of the following principal items:

- the provision for expenses of work to complete the land fill in Grumolo delle Abbadesse (VI), Euro 1,946,586; the technical report updated at 31 December 2015 by the land fill technical manager has

- reconfirmed the adequacy of the aforementioned provision to guarantee performance of the work to complete the filled portion of the land fill;
- the provision for expenses of work to complete expansion of the same land fill, which is the responsibility of SIA S.r.l., and which rose from Euro 657,285 to Euro 907,463;
 - the provision for costs related to the disposal of wastes still stocked at the Marghera (VE) plant, Euro 1,852,034;
 - the provision for additional post-operation costs of the Lonigo land fill (in which have been reclassified previous provisions that had been recognised in “Trade payables”) for Euro 2,278,402;
 - the provision of Euro 3,760,000 is for a prudent accrual to cover the reduced production capacity of the Mincio Thermoelectric Power Plant: this type of electric power generation plant is suffering from the persistent economic crisis and reduced margins of the production unit due to the contribution made by renewable energy sources on the electric market.
- The producers in this sector are still awaiting a ministerial decision that should regulate plant remuneration, the “capacity payment”.

The item “Other provisions for liabilities”, totalling Euro 5,856,942, mainly consist of:

- the provision for expenses and possible interest resulting from litigation in previous years with the “*Autorità dell’Energia Elettrica e Gas*” (Electric Power and Gas Authority), in which an appeal has been filed with the “*Consiglio di Stato*” (Council of State), and provisions for liabilities that might derive from other litigation, which can be quantified in their amount but not when they will occur in time, for a total of Euro 1,177,000;
- the provision accrued at SIA S.r.l., for deferred depreciation allowances on the land fill to be built, which will be gradually used to adjust the accrued depreciation allowances charged against future years. The amount has risen from Euro 1,194,405 to Euro 1,454,261;
- the provision for charges related to the concessions with various municipalities and with the City of Vicenza for the distribution of gas, in light of the fact that litigation is under way with the former for extension of the distribution service. Consequently, the amount previously allocated to “Trade payables” has also been reclassified. The total amount at 31 December 2015 was Euro 2,100,130. For the portion related to the City of Vicenza, an initial provision of Euro 453,000 has been prudently accrued to reflect the shorter duration of the concession itself in consequence of current law, given award of the contract for gas distribution, which will presumably not take place before 1 January 2018.

The “Provision for cyclical maintenance and expenses” (Euro 269,195) reflects accruals made, for the 5% portion owned by the Mincio Thermoelectric Power Plant, related to the liquidation for maintenance work on the power plant and restoration of the turbogas plants. It also includes an accrual for maintenance work to be performed on gas pipes due to problems that have been found.

C) Employee severance indemnities

Employee severance indemnities	2015	2014	Change
	15,842,973	16,596,565	- 753,592

The accrued provision, totalling Euro 15,842,973, represents the actual payable at 31 December 2015

towards employees on the payroll at that date, net of advances paid.

Employee severance indemnities	
Net amount at 31/12/2014	16,596,565
Portion accrued in the income statement	2,245,072
Portion of provision used	- 3,125,104
Other changes	126,440
Net amount at 31/12/2015	15,842,973

The decrease includes the amounts to be paid to the INPS Treasury Fund, the supplemental social security funds, and what was paid to resigned employees. The amount of “Other changes” reflects the change in the scope of consolidation.

D) Payables

Payables	2015	2014	Change
	287,160,556	266,251,039	20,909,517

Payables are recognised at their face value, and their due dates are broken down as follows:

Payables	2015	Amount due within 12 months	Amount due in 1-5 years	Amount due after 5 years
Bonds	-	-	-	-
Convertible bonds	-	-	-	-
Payables to shareholders for loans	323,899	-	323,899	-
Bank borrowings	153,364,365	55,724,685	52,709,745	44,929,935
Payables to other lenders	2,945,228	335,095	2,610,133	-
Advances	3,690,880	3,690,880	-	-
Trade payables	49,992,215	49,992,215	-	-
Notes payable	-	-	-	-
Payables to subsidiaries	-	-	-	-
Payables to associates	19,114,976	19,114,976	-	-
Payables to affiliates	-	-	-	-
Payables to parent companies	24,801,939	24,801,939	-	-

Tax payables	17,923,004	17,923,004	-	-
Payables to social security and welfare institutions	2,279,460	2,279,460	-	-
Other payables	12,724,590	12,681,047	43,543	-
Total	287,160,556	186,543,301	55,687,320	44,929,935

Payables to shareholders for loans

The amount of Euro 323,899 represents the payable owed by the company Blueoil for loans made shareholders to assure the company had the necessary financial resources during its start-up to purchase capital assets.

Bank borrowings

The net amount of bank borrowings at 31 December 2015 was Euro 153,364,365, broken down as follows:

Bank borrowings	2015	2014	Change
Short-term bank loans	18,777,850	6,578,186	12,199,664
Bank account overdrafts	24,906,997	57,944,191	- 33,037,194
Banks for advances	12,039,838	22,667,791	- 10,627,953
Bank borrowings due within 12 months	55,724,685	87,190,168	- 31,465,483
Medium-long term bank loans	97,639,680	52,443,124	45,196,556
Bank borrowings due after 12 months	97,639,680	52,443,124	45,196,556
Bank borrowings	153,364,365	139,633,292	13,731,073

This payable corresponds to an analogous increase in Cash and Cash Equivalents, under Current Assets, amounting to Euro 37.9 million.

This item is composed of:

- Euro 36,946,835 for the debt exposure to banks for current account overdrafts;
- Euro 116,417,530 for the effective payable on principal for short and long-term mortgage loans, broken down as follows:

Existing mortgage loans	due date	Residual amount at 31/12/2014	Increases	Decreases	Residual amount at 31/12/2015
Cassa Depositi e Prestiti – Sosta	2022	249,943		25,641	224,302
Cassa Depositi e Prestiti – Scavi	2022	977,851		101,241	876,610
Cassa Depositi e Prestiti – calore	2022	108,650		11,249	97,401
Banca OPI – Enel unit	2023	9,562,500		1,125,000	8,437,500
Cassa di Risparmio BZ - gas	2017	956,209		413,120	543,089
Unicredit B.Impr. – sundry investments	2018	6,034,710		1,724,203	4,310,507
Unicredit B.Impr. – sundry TLR	2018	1,458,333		416,666	1,041,667
Unicredit B.Impr. – Valore Amb.	2018	990,652		283,043	707,609
Banca Nazionale del Lavoro - TV gas tender	2017	13,448,276		1,379,310	12,068,966
Banca Etica – fotovoltaic	2017	843,920		333,403	510,517

Banca Popolare Vicenza – offices	2025	8,452,681	698,593	7,754,088
Friuladria - debt consolidation	2017	1,679,914	656,942	1,022,972
Monte Paschi Siena - debt consolidation	2019	9,125,523	1,826,998	7,298,525
Banco Desio - debt consolidation	2018	5,000,000	1,195,442	3,804,558
Banco Popolare - debt consolidation	2018		2,000,000	176,289
Banca Nazionale del Lavoro - investments	2019		2,500,000	312,500
Banca Etica - bus	2020		1,000,000	93,349
Veneto Banca - investment TLR	2022		3,000,000	94,029
Banca Intesa - debt consolidation	2025		10,000,000	0
Banca Etica - debt consolidation	2016		2,600,000	0
Banco Popolare - debt consolidation	2016		1,200,000	0
EIB - sundry investments	2030		30,000,000	0
EIB - sundry investments	2025		15,000,000	0
Unicredit B.Impr.- SIT	2015	89,570		89,570
Cassa Rurale Art. Brendola - SIT	2017	42,578		15,259
Banca Popolare Emilia Romagna -SIT	2019		1,000,000	20,028
Banca Popolare di Vicenza -TreV	2020		97,500	9,403
Total		59,021,310	68,397,500	11,001,280
				116,417,530

After new medium-long term loans were negotiated, the company streamlined its own financial position, by reducing its recourse to short-term debt.

The debts are not secured by any collateral, except for:

- three loans to purchase corporate offices, secured by a mortgage;
- several loans for which collection authorisations for bills and invoices issued were provided.

Payables to other lenders

The amount of this item, totalling Euro 2,945,228, is for payables on capital assets acquired under finance leases and recalculated in accordance with IAS 17, affecting the parent company and certain subsidiaries.

The short-term portion (due within 12 months) totals Euro 335,095, while the portion due after 12 months amounts to Euro 2,610,133.

Advances from users - customers

This item totals Euro 3,690,880 and consists of:

- Euro 3,467,583: advances on consumption and security deposits paid by users when they make the gas and electricity supply agreements, which will be returned to the customers when the agreement is terminated. Pursuant to resolution no. 200/99 of the Autorità per l’Energia ed il Gas, these advances are credited to the users that pay their utility bills by direct debit on their bank accounts. This item is considered short-term, since all users may be classified as a “free” user, and thus could opt out of the agreement at any time.
- The item “Advances” for Euro 223,297 consists of advances paid for cemetery work and the portion of charges for electricity hook-ups paid by users which still had to be performed at the end of the year.

In a change from the previous year, the multi-year deferred income method for contributions to gas hook-ups alone has been reintroduced, by using the same duration of the assets to which they refer.

Law 9, paragraph 16 of 21 February 2014 has adjusted the ways used to determine the value of the reimbursement to the outgoing operator indicated in Legislative Decree 164/2000 (Letta Decree). Consequently, it has become necessary to operate with the deferrals method to align the net statutory residual value of the capital assets to the future value of the reimbursement.

Trade payables

This item, totalling Euro 49,992,215, consists only of payables due within 12 months. The reduction in payables due after 12 months refers to reclassification under Provisions for Liabilities and Charges those amounts related to “post-operation” of the Lonigo land fill.

Trade payables	2015	2014	Change
Trade payables due within 12 months	25,114,991	31,023,205	- 5,908,214
Payables for invoices to be received	24,877,224	26,218,889	- 1,341,665
Payables to Group companies	-	-	-
Trade payables due within 12 months	49,992,215	57,242,094	- 7,249,879
Trade payables due after 12 months	-	2,293,631	- 2,293,631
Trade payables due after 12 months	-	2,293,631	- 2,293,631
Trade payables	49,992,215	59,535,725	- 9,543,510

Payables to associates

The payables to associates totalled Euro 19,114,976 at 31 December 2015. The largest part of the payable comprises commercial transactions with 2V Energy S.r.l. and Soenergy S.r.l. for invoices received and invoices to be received.

Payables to associates	2015	2014	Change
Loans payable to associates within 12 months	-	15,000	- 15,000
Trade payables to associates within 12 months	19,114,976	21,886,846	- 2,771,870
Payables to associates	19,114,976	21,901,846	- 2,786,870

Payables to Controlling Entity

The payables to the City of Vicenza, the controlling entity, total Euro 24,801,939, as shown in the following table:

Payables to parent companies	2015	2014	Change
Payables to the controlling entity City of Vicenza within 12 months	20,964,302	5,244,845	15,719,457
Trade payables to the controlling entity City of Vicenza within 12 months	3,837,637	5,429,938	- 1,592,301

Payables to the controlling entity City of Vicenza after 12 months	-	-	-
Payables to parent companies	24,801,939	10,674,783	14,127,156

The payables to the City of Vicenza due within 12 months consist of:

- Euro 17,654,655 for receipts on the environmental hygiene tax. The increase from the previous year is due to the settlement in early 2016 of the TARES/ TARI tax, whose management has been delegated by the City to AIM Vicenza S.p.A., including collection activities;
- Euro 2,685,000 in allocated profits reported on the financial statements for 2013-2014;
- Euro 624,647 for other payables on reimbursements for costs incurred and repayment of mortgage loan instalments.

The trade payables to the City of Vicenza, all of which for concession fees, consideration for the service agreement, and rental expenses applicable to 2014 and previous years, are broken down as follows:

- Euro 4,257,036 for invoices received;
- Euro -419.399 for invoices and credits to be received.

The net amount of payables and receivables from the controlling Entity is in favour of the AIM Group, for about Euro 3.6 million.

Tax payables

The breakdown of this item is shown in the following table:

Tax payables	2015	2014	Change
Tax payables due within 12 months	-	-	-
Payables for methane gas excise taxes and e.e., miscellaneous others	5,268,311	4,188,335	1,079,976
Payables for CCSE components	5,821,238	5,019,907	801,331
Payables to tax authorities for IRPEF	1,221,776	1,217,779	3,997
Payables to tax authorities for VAT	1,466,062	2,043,876	- 577,814
Payables for IRES	3,632,704	42,128	3,590,576
Payables for IRAP	125,845	17,291	108,554
Short-term tax payables for management of land fill and environment	387,068	527,430	- 140,362
Tax payables	17,923,004	13,056,746	4,866,258

The largest amounts relate to the net amount for excise taxes owed to UTF and tax surcharges owed to the Region of Veneto, for gas and electricity (Euro 5,268,311), and the net amount for rate components to be paid to the Equalisation Fund for the Electric Power Sector – “Cassa Conguaglio per il Settore Elettrico” (Euro 5,821,238).

The excise taxes and Equalisation Fund payments were all made by 31 March 2016.

At the end of the year, the total IRES (corporate income tax) liability was Euro 3,632,704, while there was largely a receivable from Tax Authorities in the previous year.

Payables to social security and welfare institutions

The payables to social security and welfare institutions, totalling Euro 2.279.460, were as follows:

- Euro 1,053,317 to INPS and separate pension fund “gestione separata”
- Euro 676,950 to INPDAP
- Euro 549,193 to supplemental social security institutions

Payables to others

The payables to others are comprised of:

Other payables	2015	2014	Change
Payables for third party security deposits	2,544,553	2,705,071	- 160,518
Payables to various entities	3,740,136	3,129,625	610,511
Payables for earnest money and advances	199,964	152,313	47,651
Short-term payables to employees	1,742,878	1,930,725	- 187,847
Payables for unused holiday leave and employee severance indemnities (TFR)	2,323,613	2,189,312	134,301
Other short-term payables	2,129,903	1,872,980	256,923
Payables to Group companies	-	-	-
Payables to employees	-	-	-
Other payables due after 12 months	43,543	-	43,543
Other payables	12,724,590	11,980,026	744,564

The “Payables to employees” includes accrued compensation and performance bonuses for 2015 to be paid in the following year.

“Payables to other entities” and “Other payables” are mainly composed of:

- amount owed to Cassa Conguaglio S.E. for general equalisation for the sale and distribution of electric power and gas during the previous years, Euro 2,550,811;
- payables for amounts yet to be paid for purchase of equity investments and payables to third-party shareholders, totalling Euro 963,708;
- payables to FTV S.p.A. for common management of the ticketing service in the mobility sector, and to Acque Vicentine S.p.A., for a total amount of Euro 865,658, which is being settled in the first few months of 2016;
- other amounts to be paid, which include costs accrued in the year that has ended or in previous years, whose final accounting will be made in 2016.

E) Accruals and deferrals

Accrued expenses and deferred income	2015	2014	Change
	39,151,538	35,018,183	4,133,355

These are the items accrued and recognised during the year, according to the accrual method.
This item is broken down as follows:

Accrued expenses and deferred income	2015	2014	Change
Accrued expenses for interest	-	-	-
Other accrued expenses	275,160	72,757	202,403
Accrued expenses	275,160	72,757	202,403
Deferred income for capital grants	30,570,486	31,364,527	- 794,041
Deferred income for public transport subscriptions	808,595	756,834	51,761
Deferred income for telecommunication fees	2,475,423	641,643	1,833,780
Deferred income for global service	1,246,735	1,718,246	- 471,511
Other deferred income	3,775,139	464,176	3,310,963
Deferred income	38,876,378	34,945,426	3,930,952
Accrued expenses and deferred income	39,151,538	35,018,183	4,133,355

The deferred income for capital grants, amounting to Euro 30,570,486, refers to prepaid revenue related to capital grants to be applied as deferred income over the years that the assets are used, in proportion to their depreciation allowances.

Since 2015, “Deferred income” has included the amount for revenue from gas hook-up contributions. This change in accounting treatment became necessary in response to the demands imposed by the call for tenders to distribute gas.

The increase in deferred income for telecommunication fees refers to development of the fibre optic network leasing activity, with new agreements made with sector operators.

The accrued expenses and deferred income are broken down as follows:

Description	Within	After	After	Total
	12 months	12 months	5 years	
Deferred income for capital grants	1,848,447	7,127,207	21,594,832	30,570,486
Deferred income for telecommunication fees	236,099	737,398	1,501,926	2,475,423
Deferred income for Global service	415,533	831,202	0	1,246,735
Other accrued expenses and deferred income	4,811,392	16,939	30,563	4,858,894
Total	7,311,471	8,712,746	23,127,321	39,151,538

Memorandum accounts

(Article 2427 (1) (9) Italian Civil Code)

Memorandum accounts	2015	2014
Guarantees given to others	29,939,773	13,206,863
Guarantees given to subsidiaries	13,704,299	10,046,477
Guarantees given to associates	30,543,160	20,728,360
Guarantees given to affiliates	-	-
Guarantees given to parent companies and other group entities	123,656	60,922
Guarantees given	74,310,888	44,042,622
Other memorandum accounts	17,953,986	18,469,452
Guarantees received	26,589,766	24,815,041
Total	118,854,640	87,327,115

The guarantees to third parties are broken down in turn into:

- security bonds for contracts to provide collection services, construction, and management of plants and land fills and other services included in the activities of the SIT Group, for Euro 1,125,500;
- other security bonds and guarantees to third parties, suppliers, and Public Entities, for Euro 42,642,228, mainly in guarantee of the payment of excise taxes, for contracts to purchase raw materials, gas, and electric power, and contracts for miscellaneous services and work.

The guarantees to associates consist of letters of patronage and security bonds totalling Euro 30,543,160, of which Euro 19,482,453 issued for operation of the company 2V Energy S.r.l..

The other memorandum accounts contain:

- the commitment of Euro 308,314 for a pre-contract of purchase and sale stipulated with the City of Vicenza on 28 September 2009 for the property complex with existing buildings standing on it, located on Via Fusinieri;
- another commitment of Euro 1,807,250 for an additional portion of land on which the call option has been exercised, and referring to the same pre-contract mentioned above;
- the commitment of Euro 7,194,465, constituting the portion financed by the City of Treviso, for the plants granted to AIM Vicenza S.p.A. under concession for operation of the gas distribution service. They will be given to the new operator for use upon expiry of the concession;
- the nominal value of the shares representing 20% of the equity capital owned by SIT in the associate Futura S.p.A. (Euro 1,400,000), which have been pledged to the banks that made a loan to that company;
- additional guarantees for contracts to provide collection services, construction, and management of plants and land fills, and other services included in the activities of the SIT Group, for Euro 7,222,315.

The security bonds received from third parties refer to the guarantees on supply contracts or on work contracts for the services operated by the various group companies.

Information about financial instruments

In regard to the provisions of Article 2427-bis Italian Civil Code, it is noted that AIM Vicenza S.p.A. made an agreement on 17 November 2005 to guarantee against the risk of fluctuation in the interest rate related to the loan received from Unicredit Banca S.p.A.

That agreement allows AIM to hedge itself against the risk of excessive fluctuation in the floating rate applied to the loan covered by the aforementioned agreement, which is kept in the collar of 2% - 5%.

The characteristics of the agreement are as follows: the notional amount on which IRS is calculated amounted to Euro 7.92 million at 31 December 2015. The market value, which is determined by estimating the discounted cash flows estimated on the basis of the agreement, is Euro -274 thousand. The existing contract expires on 15 June 2018.

SIT S.p.A. is not party to any existing transactions in financial instruments.

ANALYSIS OF INCOME STATEMENT

Revenue, income, and expenses have been shown net of returns, discounts, rebates, and premiums, and the taxes directly connected with the sale of products and performance of services.

A) Value of production

Value of production	2015	2014	Change
	301,733,631	283,482,732	18,250,899

Revenue from sales and services
Revenue by category of activity

(Article 2427 (1) (10) Italian Civil Code)

Revenue is broken down as indicated in the following table:

Revenue from sales and services	2015	2014	Change
Methane gas revenue	113,595,377	111,894,363	1,701,014
Electric power revenue	79,448,859	66,561,425	12,887,434
Thermal energy revenue	4,499,755	4,250,735	249,020
Telecommunication revenue	810,300	735,487	74,813
Environmental hygiene revenue	25,720,878	25,714,320	6,558
Land fill revenue	984,062	994,270	- 10,208
Plant management revenue	8,980,181	10,825,057	- 1,844,876
Mobility revenue	12,670,709	12,334,167	336,542
Valore Città revenue	8,249,192	7,955,492	293,700
Global Service revenue	5,830,123	5,772,746	57,377
Revenue for services and fees	0	137,224	- 137,224
Miscellaneous revenue A1	3,379,720	3,352,471	27,249
TOTAL	264,169,157	250,527,757	13,641,400

The growth in “Electric power revenue”, largely due to the 40.5% increase in the quantity sold from the previous year, is offset by the 1.85% decrease in power sold to customers enjoying reduced rates.

The increase in “Methane gas revenue” is largely attributable to the entry of Cogaspiù Energie S.r.l. into the Group.

The decrease in “Plant management revenue” is attributable instead to operation of the SIT Group.

The “Valore Città revenue” refers to the fees and work that the parent company bills under the concession made with the City of Vicenza. At the same time, these items are subject to recoupment by

the subsidiary Valore Città.

The “Global Service revenue” derives from the various services operated under concession from the City of Vicenza, pursuant to the agreement approved by the City Council with resolution no. 50 of 13 July 2009.

Finally, the miscellaneous revenue includes services charged by group companies to Acque Vicentine, and incidental revenue for distribution, deriving from contracts and work for gas and electric power customers.

Changes in finished products inventories and contract work in progress

The amount recognised, Euro 76,163, consists of the change that took place during the year for finished products and/or work in progress, while the amount of Euro -13,137 represents the change in work on photovoltaic plants.

Additions to internally produced non-current assets

This account is comprised by the costs incurred for the construction of plants built on a time and materials basis and capitalised as intangible assets and property, plant and equipment, for a grand total of Euro 10,598,320.

This item, and the related contra entries for the same amount in the respective cost components on the Income Statement, consists of the capitalisation of expenses to create non-current assets made with internal production factors of the Group. These largely consist of materials in inventory and labour provided by the various companies and divisions.

Other revenue and income

This item is broken down in the following two tables:

Grants for current expenses	2015	2014	Change	
Grants for current expenses of local public transport service agreement	9,297,912	9,309,725	-	11,813
Grants for current expenses from extra-urban municipalities	750,000	716,937		33,063
Grants for current expenses from C.C.S.E.	4,414,013	4,851,307	-	437,294
Other grants for current expenses	537,199	586,268	-	49,069
Contributions by users for hook-ups	242,777	503,241	-	260,464
Capital grants by users (operating contributions)	1,262,899	1,227,001		35,898
TOTAL	16,504,800	17,194,479	-	689,679

Others	2015	2014	Change
Ordinary gains on intangible assets	-	-	-
Ordinary gains on property, plant and equipment	150,724	173,614	- 22,890
Recovery of provisions for other taxes and duties	-	-	-
Recovery of other provisions for liabilities	272,273	429,434	- 157,161
Services provided to miscellaneous companies	200,123	194,726	5,397
Compensation for damage, penalties	693,595	411,585	282,010
Sale of equipment and materials	23,127	25,358	- 2,231
Recovery of costs and miscellaneous services	288,660	175,192	113,468
Rental income	128,464	131,727	- 3,263
Advertising concessions	217,669	261,706	- 44,037
Revenue from contingencies and adjustment of estimates	7,403,184	6,220,518	1,182,666
Miscellaneous revenues A5	1,020,509	680,012	340,497
TOTAL	10,398,328	8,703,872	1,694,456

The contributions from the service contracts for local public transport refer to the service contracts made effective 1 January 2001 with the City of Vicenza.

The contributions made by municipalities consist of rate hikes to be charged to the municipal governments, as stipulated in the agreement, for the service provided in neighbouring municipalities.

The contributions from the *Cassa Conguaglio del Settore Elettrico* (now named *Cassa per i Servizi Energetici ed Ambientali*), for Euro 4,414,013, relate both to the consideration envisaged for energy efficiency certificates and the amounts of equalisation for electric power and gas services provided to AIM Servizi a Rete S.r.l. and AIM Vicenza S.p.A..

The items for contributions by users refer to the contributions for operating expenses of hook-ups and the annual contributions made for the extension of networks and plants, calculated in the same ways as the depreciation of the plants to which the contributions refer.

As highlighted in the section on deferred income, since 31 December 2015 this item has reflected the change in treatment of gas hook-up contributions.

The “Revenue from contingencies and adjustment of estimates” refers to the updated values and estimates of previous years, mainly for:

- equalisation assessments and miscellaneous contributions from the *Cassa Conguaglio del Settore Elettrico* for distribution and metering of gas and electric power referring to previous years and for energy efficiency certifications, totalling Euro 1,300,860;
- elimination of payables from previous years, which are no longer collectible due to termination of relationship with the creditors, for Euro 2,780,000;
- adjustment on employee cost arrears, amounting to Euro 443,856;
- non-existent liability for excess revenue for 2001, amounting to Euro 428,351.
- adjustments to payables or receivables for difference in estimates, adjustments of invoices for previous years, mainly for gas, electric power, and environmental hygiene services, and compensation collected for damage, with a grand total of Euro 1,818,250.

This item is completed by additional contingent income and adjustments to previous costs, recognised at the various companies of the Group, which otherwise constitute adjustments to previous valuations.

Revenue by geographic area

(Article 2427 (1) (10) Italian Civil Code)

The aforementioned revenue has been realised by the various group companies, mainly in the city and province of Vicenza and in the city of Treviso, except for the sales company AIM Energy, whose revenue comes from customers served in 2478 municipalities and 99 provinces in Italy, but concentrated mainly in the Region of Veneto.

B) Costs of production

Costs of production	2015	2014	Change
	283,243,957	267,619,559	15,624,398

Raw materials, supplies and merchandise

This item is broken down as follows:

Raw materials, supplies and merchandise	2015	2014	Change
Supplies and consumables	7,510,263	7,685,837	- 175,574
Raw materials Water	23,925	15,872	8,053
Raw materials Gas	73,606,527	79,131,600	- 5,525,073
Raw materials Electricity	23,562,617	20,803,205	2,759,412
Raw materials CTE Fuels	1,907,128	1,109,565	797,563
Raw materials Fuel	1,632,486	2,120,734	- 488,248
TOTAL	108,242,946	110,866,813	- 2,623,867

The table summarises the purchases of water, methane gas, electricity, fuel for thermoelectric power plants ("CTE"), fuel, spare parts, and consumables. This last category also includes those used to perform internal work.

The decrease in the cost for raw materials Gas is related to what was explained at the item Sales revenue.

Costs for services

This item is broken down as follows:

Costs for services	2015	2014	Change
Maintenance work, repairs	10,505,836	9,951,051	554,785
Performance of services and adjustment of capitalised items	1,907,740	3,061,151	- 1,153,411
Waste transport and disposal	6,270,402	8,011,361	- 1,740,959
Collection and cleaning management	-	-	-
Transport of gas and electric power	51,653,147	38,579,444	13,073,703
Advertising and promotion	863,931	891,625	- 27,694
Commercial services, billing, meter reading	655,963	594,898	61,065
Professional legal and notary advice	558,772	674,580	- 115,808
Insurance	1,815,672	1,887,648	- 71,976
Other services	1,868,935	1,433,694	435,241
Miscellaneous services for employees	1,771,282	1,532,430	238,852
Bank, postal, and telephone services	1,780,233	1,534,128	246,105
Directors' remuneration	326,545	408,581	- 82,036
Statutory auditors' remuneration	219,996	217,887	2,109
Supply services	481,378	449,643	31,735
Safe-keeping and security service	510,086	516,439	- 6,353
Cleaning and garaging	750,753	699,283	51,470
Miscellaneous distribution costs	1,045,652	258,667	786,985
TOTAL	82,986,323	70,702,510	12,283,813

The increase in gas and electric power transport cost stems from the increase in sales.

The decreases in performance of services refer to the reduced quantity of work performed and the change in capitalisation.

Leases and rentals

Leases and rentals	2015	2014	Change
Rent expenses paid to the City of Vicenza	137,628	137,431	197
Fees for service contracts paid to the City of Vicenza	-	795,720	- 795,720
Concession fees paid to the City of Vicenza	1,104,889	762,687	342,202
Concession fees paid to other municipalities	1,961,076	2,681,294	- 720,218
Other concession fees	97,500	32,500	65,000
Fees for shunts and miscellaneous	150,731	147,434	3,297
Other rent expenses	764,279	652,945	111,334
Finance lease and rental fees	- 31,465	33,338	- 64,803
TOTAL	4,184,638	5,243,349	- 1,058,711

The Euro 795,720 fee for the service contract owed to the City of Vicenza, and the concession fee of Euro 762,687 charged until 2014, decreased overall by Euro 453,518.

During the year, the fees for gas distribution were recalculated with the City of Vicenza, in response to the changes that occurred over the years and in view of the coverage tender, as envisaged by current law, in the amount of a new concession fee of Euro 600,000 to be paid to the City itself until the new operator of the Coverage takes over.

The total amount of this concession fee to the City of Vicenza for use of the networks and plants, considering all Group services, is Euro 1,104,889.

The concession fees to the municipalities include the fees paid to the City of Treviso and to other municipalities in the Province of Vicenza for management of the gas distribution service.

That cost has to be considered together with the accrual of Euro 728,600 to Other provisions. That amount has been prudently accrued in anticipation of definition of the relationships with certain municipalities, consequent to expiry of the stipulated agreements and in view of the call for tenders for gas distribution.

The “Other rent expenses” includes lease of the property housing the head office of SIT S.p.A. and the various operating units of the Group.

Personnel costs

This item consists of the entire outlay for employees, including merit increases, promotions, cost of unused holiday leave, and statutory provisions for collective bargaining agreements.

Personnel costs	2015	2014	Change
Wages and salaries	31,373,011	30,683,323	689,688
Social security and welfare contributions	10,062,925	9,847,678	215,247
Employee severance indemnities	2,245,072	2,234,461	10,611
Employee pensions and similar obligations	301,991	300,767	1,224
Cost of after work recreation contributions	30,794	45,775	- 14,981
Cost of unused holiday leave	9,089	700	8,389
Other personnel costs	205,548	186,475	19,073
Other costs	245,431	232,950	12,481
TOTAL	44,228,430	43,299,179	929,251

The employees on the payroll at 31 December 2015, broken down by category, changed as follows from the previous year:

Headcount	2015	2014	Change
Senior managers	12	12	0
White collar and middle managers	367	344	23
Blue collar	536	547	-11
Total	915	903	12

The average equivalent workforce (AEW) changed as follows:

AEW on payroll	2015	2014	Change
Senior managers, white collar, and middle managers	352.5	339.9	12.6
Blue collar	532.5	539.6	- 7.1
Total	885.0	879.5	- 5.5

Amortisation and depreciation

Amortisation and depreciation	2015	2014	Change
Amortisation of formation and expansion costs	305,751	322,663	- 16,912
Amortisation of research, development, advertising costs	31,616	26,368	5,248
Amortisation of know-how	634	634	-
Amortisation of concessions from Vicenza and other municipalities	3,050,647	2,936,660	113,987
Amortisation of goodwill	231,308	2	231,310
Amortisation of consolidation difference	8,095	64,585	- 56,490
Amortisation of software	1,497,614	1,673,033	- 175,419
Amortisation of leasehold improvement costs	3,673,468	3,264,506	408,962
Amortisation of multi-year costs	272,294	270,179	2,115
Amortisation	9,071,427	8,558,626	512,801
Depreciation of buildings	750,505	749,472	1,033
Depreciation of land	-	-	-
Depreciation of plant and machinery	12,010,380	12,151,809	- 141,429
Depreciation of industrial and commercial equipment	1,515,718	1,527,269	- 11,551
Depreciation of leased assets	-	-	-
Depreciation of assets held under finance leases	433,844	375,238	58,606
Depreciation of other property, plant and equipment	-	-	-
Depreciation of gratuitously transferable assets	914,031	899,336	14,695
Depreciation	15,624,478	15,703,124	- 78,646

As previously pointed out in the comments on Intangible assets, the availability of public property and indisposable assets, in the form of “use and enjoyment rights”, have been counted since 1999 towards calculation of the profit (loss) for the year according to the duration of the concession agreements.

Impairment of receivables among current assets and cash and cash equivalents

The item in question totals Euro 3,598,888 and refers to the accrual made during the year to the allowance for doubtful accounts.

	2015	2014	Change
Accrual to the allowance for doubtful accounts	3,598,888	3,281,243	317,645

Change in raw materials, supplies and merchandise

The Euro 49,144 change stems from the difference between the value of final and initial inventories of raw materials and supplies indicated in the corresponding item of the balance sheet, inclusive of the increase in the provision for inventory obsolescence.

Provisions for liabilities and Other accruals

Accruals	2015	2014	Change
Accrual of provisions for other taxes and duties	-	-	-
Accrual of other provisions for liabilities	160,000	-	160,000
Provisions for liabilities	160,000	-	160,000
Accrual of provisions for welfare contributions	35,320	31,793	3,527
Accrual of provisions for litigation costs	35,144	50,000	- 14,856
Accrual of provisions for cyclical maintenance	155,000	5,000	150,000
Accrual of provision for future charges on sundry plants	1,999,478	1,131,881	867,597
Accrual of provision for losses of investees	-	-	-
Accrual of provision for tax charges	-	-	-
Other provisions	2,277,303	403,852	1,873,451
Other provisions	4,502,245	1,622,526	2,879,719
TOTAL	4,662,245	1,622,526	3,039,719

The total provisions accrued during the year, amounting to Euro 4,662,245, consist of:

- the accrual of Euro 678,020 for the work to complete expansion of the land fill and deferred depreciation allowances on it, allocated to SIA S.r.l.;
- the accrual of Euro 1,504,000 for the plant at the Mincio Thermoelectric Power Plant due to its reduced production capacity, as previously indicated in the comments on the provisions of the balance sheet;
- accruals of Euro 1,181,000 for costs related to the gas distribution service, both for the City of Vicenza and for neighbouring municipalities, as previously commented on in the item "Leases and rentals";
- miscellaneous accruals for about Euro 1.3 million, to cover liabilities that might arise from various disputes and litigation, or charges whose amount is reasonably quantified but whose occurrence in time is not certain.

Other operating costs

This item, for a total amount of Euro 10,595,438, is broken down as follows:

Other operating costs	2015	2014	Change
Ordinary losses on intangible assets	-	-	-
Ordinary losses on property, plant and equipment	448,088	91,973	356,115
Taxes other than income tax and duties	776,370	716,599	59,771
Losses on receivables	1,521	94,109	- 92,588
Vehicle ownership taxes	108,307	107,009	1,298
Grants and donations	193,578	235,280	- 41,702
Contributions to the Autorità per l'Energia ed il Gas	81,731	81,179	552
TEE quotas and rate components	3,929,872	3,211,548	718,324
Electric power and gas equalisation quotas	2,082,776	1,646,675	436,101
Non-deductible pro-rated VAT	101,280	94,516	6,764
Contingent expenses and correction of estimates	2,326,378	1,463,539	862,839
Other operating costs	545,537	413,423	132,114
TOTAL	10,595,438	8,155,850	2,439,588

The "TEE quotas and rate components" include:

- Euro 3,345,273, due to the cost applicable to 2015 for energy efficiency certificates and additional purchase of CO2 quotas;
- the total amount of Euro 584,599, for components of the provision for measures and work to save energy and service quality, the provision for exceptional events and other price components that constitute costs.

The amount of Euro 2,082,776 refers to the costs applicable to 2015 for the equalisation quota for the distribution, metering, and sale of both gas and electric power.

The "Contingent expenses and correction of estimates" mainly refer to:

- differences in estimates of revenue and costs of different sectors relating to previous years, totalling Euro 877,433;
- transfer of the portion of deferred income for hook-ups in 2014 for Euro 340,508, insofar as since 2015, as pointed out in the section on deferred income, deferred income itself includes the amount related to revenue for gas hook-up contributions;
- invoices for transport and sundry services, for Euro 807,729.

This item is completed by additional costs and adjustments to previous revenue, recognised at the various companies of the Group, which otherwise constitute adjustments to previous valuations.

C) Financial income and expenses

Financial income and expenses	2015	2014	Change
	- 5,606,646	- 5,545,160	- 61,486

This item is composed of:

- Investment income for Euro 288
- Other financial income for Euro 408,550
- Interest and financial expenses for Euro - 6,015,484

Income from equity investments

This item, amounting to Euro 288, refers to the dividend from Ascopiave S.p.A..

Other financial income

Financial income, for a grand total of Euro 408,550, is broken down as follows:

- Interest on receivables among non-current assets, Euro 1,384
- Interest income from associates, for Euro 12,641;
- Other financial income from third parties, for Euro 394,525, as shown below:

Other financial income	2015	2014	Change
Interest on bank and postal accounts	15,446	10,524	4,922
Commercial interest income and discounts	379,079	316,393	62,686
Income on options and similar items	-	-	-
Other financial income	-	-	-
TOTAL	394,525	326,917	67,608

Interest and other financial expenses

Financial expenses, for a grand total of Euro 6,015,484, are broken down as follows:

- interest owed to parent companies (City of Vicenza), and other companies for Euro 41,089;
- interest expenses to others for Euro 5,974,395, as shown in the following table:

Other financial expenses	2015	2014	Change
Interest expenses on bonds	-	-	-
Interest expenses on medium-long term bank borrowings	2,399,570	1,801,717	597,853
Interest expenses on short-term term bank borrowings	3,066,466	3,650,644	- 584,178
Interest expenses on finance lease payables	114,468	116,218	- 1,750
Interest on other medium-long term payables - security deposits	2,374	33,397	- 35,771
Interest on other short-term payables	335,389	207,801	127,588
Ordinary losses on investments in subsidiaries	-	-	-
Ordinary losses on other short-term securities	-	-	-
Other financial expenses	60,876	80,447	- 19,571
TOTAL	5,974,395	5,890,224	84,171

As previously mentioned in the comment on bank borrowings, we highlight the shift in interest expenses during the current year from short-term payables to medium-long term payables, consequent to the streamlining and consolidation of short-term debt.

D) Adjustments to financial assets

Adjustments to financial assets	2015	2014	Change
	687,508	660,348	27,160

Revaluations and Write-downs

This item, amounting to Euro 687,508, refers to revaluation of the equity investments due to consolidation by the equity method.

E) Non-recurring income and expenses

Non-recurring income and expenses	2015	2014	Change
	243,612	478,794	- 235,182

This item, is shown in the tables below, is composed as follows:

- Non-recurring income for Euro 2,253,863;
- Non-recurring expenses for Euro -2,010,251.

Non-recurring income

Non-recurring income	2015	2014	Change
Income from gains on disposal	-	-	-
Other contingent income	1,673,619	84,288	1,589,331
Annual portion of capital grants	580,244	675,285	- 95,041
TOTAL	2,253,863	759,573	1,494,290

The amount recognised in contingent income is mainly composed of:

- Euro 745,332 for adjustment to the accumulated depreciation from previous years for photovoltaic plants and car parks;
- Euro 824,292 for recalculation of the IRES rate of 24% on deferred taxes, as illustrated in the section on provisions for liabilities and charges.

Non-recurring income includes use of the *Annual portion of capital grants*, totalling Euro 58,244. This use is related to depreciation of the plants whose construction received grants, especially from the Region of Veneto.

Non-recurring expenses

Non-recurring expenses	2015	2014	Change
Non-recurring expenses from losses on disposal	11,333	-	11,333
Non-recurring expenses for taxes from previous years	1,930,744	214,721	1,716,023
Non-recurring expenses for other contingent expenses	68,174	66,058	2,116
TOTAL	2,010,251	280,779	1,729,472

Analogously to the deferred taxes, the “Other non-recurring expenses” include the amount of Euro 1,750,923 for adjustment of the deferred tax assets, based on a 24% IRES tax rate. Additional expenses have been charged for taxes from previous years for differences found in the final income tax returns.

Income tax for the year

Income tax for the year	2015	2014	Change
	6,150,753	6,417,898	- 267,145

Income tax	2015	2014	Change
I.R.E.S.	7,668,066	5,694,689	1,973,377
I.R.A.P.	1,185,130	2,285,058	- 1,099,928
Current taxes	8,853,196	7,979,747	873,449
Deferred taxes	- 250,263	- 153,009	- 97,254
Prepaid taxes	- 2,452,180	- 1,408,840	- 1,043,340
Deferred (prepaid) taxes	- 2,702,443	- 1,561,849	- 1,140,594
TOTAL INCOME TAX	6,150,753	6,417,898	- 267,145

The total for current taxes includes the “Robin Tax” for Euro 756,434, deriving from application of the

6.5% rate (reduced from the 10.5% in the previous year), according to the introductory law affecting electric power and gas distribution and sale companies (Decree Law 138/2011).

Profit for the year

The financial year 2015 closes with AIM Group interest in profit amounting to Euro 7,370,313.

Pursuant to Article 2427(1)(14) Italian Civil Code, the following required information is provided on deferred and prepaid taxes:

PREPAID TAXES	Net amount at 31/12/2014	Increases	Decreases	Rate adjustment	Net amount at 31/12/2015
• Prepaid taxes for statutory depreciation allowance greater than the tax amount and deferred depreciation	5,560,527	579,214	-234,331	-703,852	5,201,558
• Prepaid taxes on grants for plants with different taxation than statutory provisions	3,827,904	283,872	-121,386	-492,420	3,497,970
• Prepaid taxes on excess allowance for doubtful accounts	3,000,123	692,026	-202,863	-364,712	3,124,574
• Prepaid taxes on accruals to provisions to legal reserve and other provisions	286,725	345,223	-34,226	-58,696	539,026
• Prepaid taxes on accruals for provision for disposal of inventory and environmental restoration	581,540	-	-	-64,821	516,719
• Prepaid taxes on suspended revenue of Global Service	457,123	-	-114,272	-43,636	299,215
• Other costs deductible in cash rather than on accrual basis	86,419	27,589	-56,081	-7,351	50,576
• Prepaid taxes on excess of net non-deductible interest expenses	1,077,299	1,188,966	-1,067,364	-1,057	1,197,844
• Other prepaid taxes	387,277	109,843	-10,123	-14,378	472,619
Total	15,264,937	3,226,733	-1,840,646	-1,750,923	14,900,101

DEFERRED TAXES	Net amount at 31/12/2014	Increases	Decreases	Rate adjustment	Net amount at 31/12/2015
• Deferred taxes for portion of tax depreciation greater than statutory allowance	6,637,158	8,911	-190,509	-822,437	5,633,123
• Taxes on gain of business unit TV1	133,727	-	-60,210	-	73,517
• Other deferred taxes	143,403	76,840	-84,329	-1,855	134,059
Total	6,914,288	85,751	-335,048	-824,292	5,840,699

Other information

Pursuant to law, the total remuneration owed to the directors and members of the Board of Statutory

Auditors is reported here (Ref. Article 2427(1)(16), Italian Civil Code).

The amount of directors' remuneration includes the performance bonus that they received, and the reimbursement for travel expenses.

Title	Remuneration
Directors' remuneration	326,545
Statutory auditors' remuneration	219,996

As provided by law, it is noted that the fees accrued during the year for services provided by the independent auditor are those set in its mandate, except for the revaluations as provided by law (ISTAT) (Reference: Article 2427(1)(16) Italian Civil Code).

The fees paid to BDO S.p.A. for the financial year 2015 are shown in the following table:

Company	Remuneration
AIM VICENZA S.p.A.	38,872
AIM ENERGY S.r.l.	33,290
AIM SERVIZI A RETE S.r.l.	23,029
AIM MOBILITA' S.r.l.	15,765
VALORE AMBIENTE S.r.l.	12,001
VALORE CITTA' AMPCS S.r.l.	14,055
AIM BONIFICHE S.r.l.	0
S.I.T. S.p.A.	17,132
	154,144

APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following documents contain additional information complementing the consolidated financial statements for the year ended at 31 December 2015:

Appendix:

- no. 1 Statement for reconciliation of the statutory financial statements of the parent company and the consolidated financial statements.

THE SOLE DIRECTOR
Mr Paolo Colla

Vicenza, 13 June 2016

APPENDIX 1

Statement for reconciliation of the statutory financial statements of the parent company and the consolidated financial statements 2015

	SHAREHOLDERS' EQUITY AT 31/12/2014	RECLASSIFICATION	CHANGES IN SHAREHOLDERS' EQUITY	PROFIT FOR THE YEAR AT 31/12/2015	SHAREHOLDERS' EQUITY AT 31/12/2015
Shareholders' equity and profit for the year as reported in the separate financial statements of the Parent Company	136,562		-822	2,624	138,364
Elimination of book value of consolidated investees	-94,556		4,949	-432	-90,039
Interest in shareholders' equity and profits	112,199		-1,870	8,257	118,586
Reversal of impairment of equity investments and provisions to cover loss	10,624		-4,500	1,500	7,624
Valuation by equity method of investments in associates	2,017		-689	507	1,835
Elimination of intercompany gains and capitalisation	-233		-	-202	-435
Reversal of dividends of subsidiaries	-2,670		2,099	-4,958	-5,529
Effect of recognition of leasing according to IAS 17	-188		-	-37	-224
Tax effect	73		-	112	184
Group's interest in shareholders' equity and profit for the year	163,828		-832	7,370	170,366
Minority interest in shareholders' equity and profit for the year	1,724		505	293	2,522
Shareholders' equity and profit for the year as reported in the consolidated financial statements	165,552		-327	7,663	172,889

A.I.M. Vicenza S.p.A.

One-man company (subject to management and coordination by the City of Vicenza)

Registered office: Contrà Pedomuro S. Biagio 72 – Vicenza
Share capital Euro 71,293,000 fully paid in
Vicenza Companies Register registration number
and Tax Identification Number 95007660244

**REPORT ON OPERATIONS
CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015**

Dear Shareholder

The AIM Group was formed beginning in 2005 to operate as flexibly as possible in the public services sector, including through possible partnerships with other entities providing public services in the same sector. So, in this context, the consolidated financial statements are an important tool for information, complementing the individual company financial statements, and presenting the balance sheet, financial position, and income statement of the Group.

The Sole Director of the Parent Company has exercised the right granted by Article 2364 Italian Civil Code and the by-laws, which allow postponing the date for which the ordinary shareholders' meeting is called until the later deadline of one hundred eighty days.

These consolidated financial statements of AIM Vicenza S.p.A. for the year 2015 are compared with those for 2014.

The consolidated companies are described as follows:

AIM Vicenza S.p.A.

Founded in 1906, it provides a number of public services in the municipality of Vicenza and other municipalities. In particular, it holds concessions/agreements for:

- operation of the Global Service, under an agreement stipulated in 2009 with the City of Vicenza. It consists in maintaining roads, including the related services for car parks and public lighting over a ten-year period;
- the distribution of gas in the municipality of Treviso, under an agreement made in 2005 for twelve years;
- the management and maintenance of part of the networks and plant necessary to provide public services, following the merger with AIM Reti S.r.l. in 2010, whose concession was initially made in 2000 with the City of Vicenza;
- management and maintenance of all the properties of the City of Vicenza, from schools to institutional buildings, sports buildings, and Public Housing. The company also manages its own real estate assets, including its own photovoltaic plants and those of the City Government;
- management of the integrated waste cycle;
- since 1 January 2015, the planning, construction, and operation of broadband fibre optic connections. That project covers municipal territory and enables residents to receive the most modern multimedia services offered by national operators, although it might be expanded to outside communities.

In January 2015, AIM Bonifiche S.r.l. has been merged with AIM Vicenza S.p.A., on the basis of a Deed under the hand and seal of Notary Muraro, Notary's Register no. 74394 of 6 November 2015 and in implementation of the AIM Group Industrial Plan 2014-2018.

AIM Vicenza S.p.A. uses subsidiaries to operate the aforementioned activities. Finally, the company offers administrative and general services to the subsidiaries, through special service agreements.

The controlling Entity is the City of Vicenza, which owned the entire share capital of Euro 71,293,000 (equal to the share capital) at 31 December 2015.

AIM Energy S.r.l.

This company was formed on 28 June 2002 with the name AIM Vendite S.r.l., wholly controlled by AIM Vicenza S.p.A.. It has share capital of Euro 6,500,000, and its purpose is to sell methane gas to retail and wholesale customers. This company began operations on 1 January 2003, after contribution by AIM Vicenza S.p.A. of the “gas sale” business unit on 31 December 2002. The subsequent takeovers and mergers of Berica Energia S.r.l. and Generazione 4 S.p.A., and acquisition of the electricity and heat sales to subsidized users business unit have allowed the company to expand its sales activities in the gas, electricity, and heat sectors for all types of customers, with simultaneous change of the company name to AIM Energy S.r.l..

Two newcos were formed in 2012, AIM Ecoenergy S.r.l. and 2VEnergy S.r.l.. They are 51% and 50% owned, respectively. As indicated in their memoranda of association, these two companies submitted their first annual reports in 2013.

In March 2015, AIM Energy completed its purchase of 51% of the capital of Cogaspiù Energie S.r.l., an Abruzzo company operating in the natural gas sales market.

AIM Ecoenergy S.r.l.

This company was formed on 29 October 2012, but it filed its first financial statements in 2013. It is 51% owned by the Group.

The company operates in the renewable energy sector, and its principal purpose is the sale, installation, and operation of photovoltaic plants.

AIM Servizi a Rete S.r.l.

This company results from the takeover and merger of AIM Vicenza Gas S.p.A. and AIM Vicenza Telecomunicazioni S.p.A. with AIM Vicenza Energia S.p.A..

It is currently composed of the Gas, Energy, District Heating, and Distribution Services Divisions.

The Gas Division distributes methane gas throughout municipal territory and in certain municipalities of the Province of Vicenza and Padua.

The Energy Division has distributed electric power throughout the municipal territory of Vicenza since the thirty-year agreement was made with the Ministry of Productive Activities (Decree of 3 May 2001). The electric power generation system is composed of several power plants. The most important of these is located in the Municipality of Ponti sul Mincio (MN), which is jointly owned by other Local Public Services Companies operating in Northern Italy. The system is physically interconnected, through a high voltage transport network, to the national grid operated by “Gestore Rete Trasmissione Nazionale” (national grid manager).

The District Heating Division generates electric power and thermal energy and distributes thermal energy in the territory of the City of Vicenza.

The Distribution Services Division is mainly involved in billing and support services for the principal ones.

AIM Mobilità S.r.l.

The company was formed effective 1 January 2005 after the partial demerger of AIM Vicenza S.p.A.. It currently operates the local urban and interurban public transport services in the municipalities of Vicenza, Altavilla Vicentina, Creazzo, Monteviale, Costabissara, Torri di Quartesolo, Caldogno, Monticello Conte Otto, Gambugliano, Longare, Sovizzo, Bolzano Vicentino, Arcugnano, and Quinto Vicentino, transporting about 11 million passengers and travelling nearly 4 million kilometres a year.

After transfer of the car park business unit by AIM Vicenza S.p.A., since 2010 the company has also managed various car parks and parking stalls located in the city.

Valore Ambiente S.r.l.

Formed on 14 May 2002, its main purpose is to collect, transport, and dispose of industrial, commercial, and urban wastes, special wastes and general waste, draining of septic tanks, pulverisation of wastes and distribution through incineration, various complementary work, digging, motor transport of things on behalf of others, and urban waste pick up, with the disposal of urban and industrial wastes, management and construction of disposal plants. The company was wholly acquired by AIM Vicenza S.p.A. in September 2006.

After the Environmental Hygiene business unit was transferred by AIM Vicenza S.p.A., the company has also managed the urban waste collection activities in the city and cleaning of public streets and sidewalks since September 2009, in addition to the disposal of solid urban wastes. This latter activity has been limited to the management of remaining volumes since 2011. The subsequent formation by Valore Ambiente of the company SIA S.r.l. (Società Intercomunale Ambiente S.r.l., which is 51% owned by CIAT) has permitted realisation and management of the Grumolo delle Abbadesse land fill expansion.

Società Intercomunale Ambiente S.r.l.

This was formed in 2011 by Valore Ambiente S.r.l., with transfer of the “Land Fill Expansion” business unit. After transfer of the business unit, Valore Ambiente S.r.l. sold 51% of the share capital to CIAT. The corporate purpose of the company is the construction and expansion of the solid urban waste land fill at Grumolo delle Abbadesse, in addition to management and all similar, related, and connected activities supporting the functionality of that land fill. In view of achieving maximum plant efficiency and economy, a service agreement was made between SIA S.r.l. and Valore Ambiente S.r.l.. Through this agreement, the latter entity provided its own technical and administrative expertise and know-how accumulated in the integrated waste cycle management sector.

Valore Città Amcps S.r.l.

Valore Città Amcps S.r.l. was incorporated on 15 June 2010, with share capital of Euro 30 thousand. On 1 January 2011, the company received the former Amcps business unit from AIM Vicenza S.p.A., after its boundaries were defined and the unit was appraised.

The company performs road maintenance, cemetery management, management and collection of rents on Public Housing, and maintenance of the buildings owned by the City of Vicenza.

SIT – Società Igiene Territorio S.p.A.

On 12 November 2002, AIM Vicenza S.p.A. acquired a 60% stake in S.I.T. S.p.A.. The purpose of the company is the construction and management of solid urban waste treatment and recovery plants and sorted waste collection. In turn, the company controls other companies that all operate in the same sector, as specifically indicated in the notes to the financial statements. In 2008, AIM raised its equity investment in SIT S.p.A. to 75%.

Profit (loss) for the year

The financial year in question ended with profit of Euro 7,370,314, net of the non-controlling interest in the profit of SIT S.p.A., SIA S.r.l., and AIM Ecoenergy S.r.l., amounting to Euro 293,082.

Highlights from the income statements of the Group companies are illustrated as follows:

Euro	Value of production	Costs of production	Profit (loss) for the year
AIM Vicenza S.p.A.	63,049,771	59,872,708	2,623,931
AIM Energy S.r.l.	179,096,632	172,018,554	4,635,672
AIM Ecoenergy S.r.l.	56,623	193,056	- 118.057
AIM Servizi a Rete S.r.l.	56,842,242	51,558,479	1,927,976
AIM Mobilità S.r.l.	21,671,169	21,573,230	26,229
Valore Ambiente S.r.l.	20,220,558	18,074,918	1,843,920
Valore Città Amcps S.r.l.	16,647,052	16,294,260	113,753
Società Igiene Territorio S.p.A.	13,846,048	14,493,515	- 636.462
Società Intercomunale Ambiente S.r.l.	4,693,592	3,430,884	824,824
Cogaspiù energie S.r.l.	9,384,392	9,135,458	179,761

The results of the individual Group companies as compared with the results from the previous year are illustrated as follows:

thousands of Euro	Full year 2015	Full year 2014
AIM Vicenza S.p.A.	2,624	1,222
AIM Energy S.r.l.	4,636	2,547
AIM Ecoenergy S.r.l.	-118	-146
AIM Servizi a Rete S.r.l.	1,928	2,496
AIM Mobilità S.r.l.	26	13
Valore Ambiente S.r.l.	1,844	1,589
Valore Città Amcps S.r.l.	114	74
Società Igiene Territorio S.p.A.	-636	-437
Società Intercomunale Ambiente S.r.l.	825	472
Cogaspiù energie S.r.l.	180	--
GROUP'S PROFIT FOR THE YEAR	7,663	5,039
of which minority interests	293	-50
GROUP'S NET PROFIT FOR THE YEAR	7,370	4,989

* not consolidated

Significant events that occurred during the year

The following documents were signed in early 2015 between AIM Vicenza S.p.A. and the City of Vicenza for a three-year term: a new Service Agreement, Technical Rules, and Services Charter. These documents were intended to regulate provision of the street and city square cleaning service, and the collection, transport, recovery, and disposal of solid urban wastes produced in the municipal territory.

After the formation of Rete Ambiente Veneto – with the participation of AIM Vicenza S.p.A., Alto Vicentino Ambiente S.r.l., Contarina S.p.A., and Ecoambiente Rovigo – based on cooperation among these various companies while preserving the autonomy of the participating firms, in February 2015 the parties approved the Rules for joint acquisition of goods and services. AIM Vicenza S.p.A. in its capacity as lead member, won an initial joint call for tenders to purchase vehicle fuel, with this being accomplished for the benefit of all participants.

Beginning 1 January 2015, as indicated in the Industrial Plan 2014-2018, AIM VI S.p.A. acquired the “Design/operation of telecommunications/telephone system” business unit from the Telecommunications Division of AIM Servizi a Rete S.r.l. This resulted in the creation of a free-standing I.C.T. (Information and Communication Technology) service.

The proposal for takeover and merger of AIM Bonifiche S.r.l. with AIM Vicenza S.p.A. was filed on 30 June 2015. The deed of merger was drafted under the hand and seal of Notary Muraro on 6 November 2015, effective from 1 January 2015. The main aim of this transaction was to streamline the structure of the Group.

The perimeter of the GCU and Gestione del Credito (Credit Management) business unit was defined during the year, with the aim of transfer from AIM VI S.p.A. to Aim Energy S.r.l., effective 1 January 2016. All of these activities are aimed at streamlining both operating management and relationships with customers/users.

The different transactions executed by the AIM Group include the relationship with the EIB (European Investment Bank). At the beginning of 2015, the EIB disbursed to the Company an initial tranche of Euro 30 million against a total loan of Euro 45 million, approved on the basis of projects prepared by the AIM Group and accepted as adequate by the lender. A portion of that loan will be allocated to the special purpose companies that have incurred and will incur investment costs.

The second and remaining tranche of Euro 15 million was disbursed in December 2015. At the financial level, the AIM Group has continued to streamline its relationships with the credit system. Its principal aims are:

- rebalancing the Group's assets,
- recovering sources of financing for the development of investments,
- limiting/reducing its net financial position.

Moreover, during the year the AIM Group has undertaken several studies to assess possible integrations with other providers of local public services, to strengthen its operations and develop its businesses. All of this is consistent with the goals of the aforementioned Industrial Plan.

AIM Energy S.r.l.

The positive effects generated by the products “Ben Spesa”, “Idea Fissa Luce e Gas”, “Solido Risparmio” (ranked as one of the best nationwide), and “Porta un Amico” continued in 2015.

Given continuation of the negative business cycle, commercial action in the micro-business segment involved pre-sales check-up and assessment of the reliability of potential customers.

Significant increases in micro-business as measured by the number of customers and annual consumption led to the extension of an agreement with a major business association in the commercial sector, which chose AIM Energy as the sole provider of electric power to its own members.

Historic collaborations for gas in the industrial sector were confirmed, while award of the contract to provide power in 2015 to a major hotel chain was a major accomplishment in the electric power business, as measured by the quantities sold.

Online services were upgraded in the customer area on the website, and the new app of AIM Energy was released in 2015. This app offers users a range of available functions via the smartphone, with push memo alerts on current billing and due dates.

The company continued developing the Customer Relationship Management project in 2015. It aims to implement a system allowing the firm easy and punctual management of commercial and customer loyalty initiatives, and the massive uploading of external agency and branch office contracts.

In March 2015, AIM Energy completed its purchase of 51% of the capital of Cogaspiù Energie S.r.l., an Abruzzo company operating in the natural gas sales market.

AIM Mobilità S.r.l.

The service was developed during 2015 in accordance with the usual criteria of satisfying customer needs, particularly in regard to punctuality, safety, comfort, and compliance with the parameters established in the existing service agreement. Since August 2015, the focus has been on the purchase of transport tickets via SMS text message, as offered to customer with discounted rates (amounting to 4%-8%).

The “La Ricaricabile” (rechargeable) card has firmly established itself on the market. This is a smart card, cip on paper, which can be recharged at the commercial branches of AIM, the automatic tellers located near the car parks, and “intelligent parking meters”, located throughout Vicenza.

The evening transport service has been streamlined with the creation of new subscriptions that offer customers various options between daytime and/or night time use.

As part of management of the car park service, the online subscriptions renewal function has been activated, giving customers the possibility to make payments at any time, 24 hours a day, 365 days a year. The monitoring of parked cars has been improved through the use of new PDAs which, by using the vehicle license plate, can check the validity of the existing subscription.

The company has continued to manage the car parks outside the trade fair grounds on behalf of AIM Vicenza S.p.A., guaranteeing quality service especially when large exhibitions are held.

On the basis of guidelines originally received from the City of Vicenza, including when the plan to streamline the company and its subsidiaries was made, the company has worked together with FTV S.p.A. in 2015 and the beginning of 2016 in joint discussions to assess the integration of the respective scopes of local public transport service, in order to achieve unified management effective from 1 March 2016. With an agreement last 25 February, AIM Mobilità S.r.l. and thus transferred their respective transport units to SVT S.r.l..

Valore Ambiente S.r.l.

In 2015, the indicator of sorted trash reached 67.2%, with spikes of 69% during the last several months of the year.

The customer satisfaction data give a positive view of the Company-End User relationship, with a Comprehensive Satisfaction Index of 90 out of 100 (89.6). The

comparison with past surveys shows how this index has steadily risen since 2003, reaching its highest point in 2011-2015.

Overall, reorganisation of the system, with the introduction of integrated door-to-door collection, has involved nearly 70% of all customers thus far. Of these, nearly half are served with the “door-to-door” system of home pick-up, and extended in large part (60%) to paper and plastic.

At the regional level, ARPAV places Vicenza in second place in the Region of Veneto. This region is also at the top of national rankings in terms of sorted trash collection. Vicenza is one of the top-ranking provincial capitals in Italy having a population of more than 100,000: Ispra 8th place; Legambiente 10th place out of 45 provincial capitals. The recent survey published in 2014 by Sose, an Agency of the Ministry of Economy and Finance, ranks Vicenza among the virtuous municipalities in terms of its waste management, providing services exceeding the average standard of services provided by entities having similar characteristics and, in contrast, historic expenditure that falls short of the average, so that there is a -0.52% difference between historic expenditure and spending requirements.

Valore Città Amcps S.r.l.

During the “post in-house” phase, the company, which no longer had any territorial limits, successfully participated in several calls for tender by the neighbouring municipalities, obtaining satisfactory results. Work continued on extending the telecommunication networks, achieving good results both in terms of construction time and revenue. The same results were achieved with the turnkey construction of a major pipeline replacement for the Gas Division of AIM Servizi a Rete S.r.l.. Both cases involved new activities that offer a glimpse on what may be an area for growth in the Excavation sector.

Ordinary maintenance on City of Vicenza owned property remained at the same quality and quantitative levels of 2014. This resulted from the continuation of a series of initiatives in the Soil and Signalling Sectors that had already been implemented in 2014. This caused an increase in non-urgent work, which can thus be planned with greater detail.

The company worked for AIM Econenergy S.r.l. in the installation of photovoltaic panels.

In the perspective of the Group priority to streamline and improve efficiency in human resource management, additional staff members were seconded from the Green Public Department to Valore Ambiente S.r.l..

S.I.T. S.p.A.

The company continued with its streamlining/cost-containment measures to improve overall profitability.

The collection of mixed packaging materials in the Vicenza industrial zone, which had begun in December 2014, continued on behalf of Valore Ambiente S.r.l.. Moreover, an extension was obtained until 31 December 2018 on the contract to collect urban waste from the Municipality of San Bonifacio (VR), while public contracts were won for collection until 2020 in the Municipalities of Costabissara and Bolzano Vicentino.

The company was awarded the contract in the call for tenders issued by Futura S.p.A. of Florence for the renewal of A.I.A. no. 981/2008. This involves compliance work on rain water run-off ponds, measurement and control stations, an AMD treatment plant, and waste line at the Grosseto plant.

The contract with Corepla was renewed until 31 March 2017 for sorting plastic at the Sandrigo plant.

AIM Servizi a Rete S.r.l.**The Gas Division**

Operation of the methane gas Distribution Service continued in 2015 in the municipalities of Altavilla Vicentina, Arcugnano, Bolzano Vicentino, Bressanvido, Grumolo delle Abbadesse, Longare, Montegalda, Monticello Conte Otto, Pozzoleone, Quinto Vicentino, Torri di Quartesolo, Villaverla, Gazzo, and Grantorto in the Province of Padua and in the provincial capitals Vicenza and Treviso (the latter on behalf of the Parent Company).

At 31 December 2015, the active customers served totalled 133,527, of whom 87,924 in the Vicenza area.

The methane gas distribution network in the Vicenza area, of two municipalities in the Province of Padua and in the City of Treviso, grew by a total of 1,439.9.

With a letter dated 29 December 2014, the City of Vicenza, in its position as contracting authority, officially launched the call for tenders for “the Award of the natural gas distribution service contract in ATEM Vicenza 1”, as provided by Legislative Decree 226 of 12 November 2011. The requested data were provided in 2015, and an advisor was retained as consultant to handle the tender activities. The current deadline for publication of the call for tenders for ATEM Vicenza is September 2016.

The Energy Division

Electric power consumption rose in 2015. This is attributable to the specific weather conditions, mainly during July and August, dominated by long periods with high outdoor temperatures, which generated high electric power consumption to cool building interiors. The Energy Division has practically completed its activities for the installation of remote controlled BT electronic meters, with 99% of the old meters having been replaced by the end of 2015.

The preparation of working drawings, specifications, and bills of quantities for the two new 132 KV AT/MT primary transformer substations at Monte Crocetta (CP M. Crocetta) and Viale Rumor (CP Pace2) was completed. A call for tenders for their construction will be issued by the end of 2015. The primary substations mentioned above will be connected to the 132 KV primary national power grid, at Monteviale, by the new 132 kV transmission line, currently being constructed by Terna.

In the second half of 2015, a design for energy conversion and modernisation of existing lamps with LED lamps was prepared and presented to the City of Vicenza. The purpose of this change is to achieve a significant reduction in current power consumption.

The District Heating Division

During 2015 the thermal energy sales were lower than forecast due to weather conditions, with average temperatures being higher than the historic average.

From February to December, the “Vicenza” geothermal well was tested with prolonged operating times, in accordance with the authorisations received. This made it possible to assess the effect of greater extraction of the resource on aquifer conditions. Considering the expiration of the geothermal concession, which occurred in July 2015, The Region of Veneto issued an extension to use the well until July 2017, insofar as the regulatory compliance work necessary for issuing the call for tenders for the thirty-year reassignment of the resource was still being completed.

AIM Vicenza S.p.A.

General Services Division

General Services are comprised by the staff services that perform activities covering the needs of all business lines and all companies.

Among the various activities performed by the General Services Division on behalf of Group companies, we remark in particular on:

- the support provided by the Administration, Finance and Control Service, both for the activities defining the perimeter of the “Management of customers and users and credit recovery” business unit for its subsequent transfer to AIM Energy, and for those activities related to deconsolidation of the “Local Public Transport” business unit, slated for transfer to SVT;
- continuation of the customers and users Management Service in adopting measures to improve customer relations and streamline the processes connected with the handling of customer matters. The process of acquiring documents has been computerised with software that has accelerated data entry operations;
- in particular, the Personnel and Organisation Service has handled the preparation of training courses for employees, beginning with the head staff of the company and the service, with seminars being offered on the need to develop the business culture and team spirit of management.
- Following the aforementioned acquisition of the TLC business unit, the Information and Communication Technology (ICT) Service undertook development and streamlining of the service connected with telecommunications. This led to making an agreement with Vodafone. This agreement called for the provision in IRU of optic fibre pairs for hooking up 215 cabinets for 18 years, including the maintenance and on-call service.

Global Service

The new Bonollo–Mazzini-Cairolì roundabout was completed in 2015 (for Euro 200,000), as were the working drawings, specifications, and bills of quantities for the new Camaldolesi bicycle path, Strada Scuole Anconetta (Monticello Conte Otto).

The most important special maintenance work includes the repair of sidewalks and storm drains.

Property

The work performed in 2015 amounted to Euro 721 thousand and refers to special maintenance, building redevelopment, and new construction.

The most important work includes the continuation of work on redevelopment of the head office of Valore Città in Sant'Agostino and conclusion of the working drawings, specifications, and bills of quantities for the construction of new canopies covering the raw materials depots, as part of the logistic upgrading work performed pursuant to Article 39 of the Region of Veneto Water Protection Plan (PTA).

As part of the logistic streamlining of the AIM Group, a call for tenders has been issued for the first part of construction work on the new environmental centre at the Vicenza Est area.

Environmental Hygiene

The revenue generated by the Environmental Hygiene Division of AIM S.p.A. is comprised by the value indicated in the Financial Plan for the issuance of TARI (waste tax).

In turn, AIM Vicenza S.p.A. pays the special purpose company Valore Ambiente S.r.l. compensation for performance of the waste collection and disposal and cleaning service in the City of Vicenza.

Treviso Gas Distribution

AIM Vicenza S.p.A. has assigned management of the gas distribution activity in the territory of Treviso to its subsidiary AIM Servizi a Rete S.r.l..

The commitments of AIM in the City of Treviso during the reference period concern management of the service and satisfaction of the contractual obligations agreed with the City.

Capital Expenditure

Capital expenditure totalling Euro 18.7 million was made in 2015, as illustrated in the following table:

(thousands of Euro)	Full year 2015	Full year 2014
AIM Vicenza S.p.A.	2,920	3,400
AIM Energy S.r.l.	209	75
AIM Ecoenergy S.r.l.	--	16
AIM Servizi a Rete S.r.l.	11,111	9,369
AIM Mobilità S.r.l.	1,429	3,029
Cogaspiù Energie S.r.l.	270	--
Società Igiene Territorio S.p.A.	535	992
Valore Ambiente S.r.l.	1,784	1,205
Società Intercomunale Ambiente S.r.l.	315	337
Valore Città Amcps S.r.l.	99	264
TOTAL	18,672	18,711

* not consolidated

The principal items of capital expenditure in the individual companies refer to:

Descrizione	Società/Divisione	CONS 2015
ESTENSIONE RETE TLC PER PROGETTO FTTCAB	AIM SAR / TLC	1.342.791
MISURATORI GAS	AIM SAR / GAS	894.733
NUOVE CABINE SECONDARIE E MANUTENZIONE STRAORDINARIA	AIM SAR / ENERGIA	785.415
ACQUISTO N. 2 AUTOBUS DA MT 18	AIM MOBILITA'/TPL	775.108
MANUTENZIONE STRAORDINARIA ALLACCI GAS	AIM SAR / GAS	687.108
GLOBAL SERVICE	AIM SPA / GS	646.510
NUOVI ALLACCI GAS	AIM SAR / GAS	536.924
RIFACIMENTO QUADRI MT CABINA PRIMARIA PASUBIO	AIM SAR / ENERGIA	527.979
CONNESSIONI PASSIVE PERMANENTI	AIM SAR / ENERGIA	482.717
POTENZIAMENTO INFORMATICO SISTEMI CENTRALI	AIM SPA / SERVIZI GENERALI	429.649
MANUTENZIONE STRAORDINARIA MEZZI	VALORE AMBIENTE	394.693
MISURATORI GAS	AIM SPA / GAS TV	354.420
ACQUISTO N. 2 AUTOCOMPATTATORI A PRESA LATERALE	VALORE AMBIENTE	354.210
NUOVO MACCHINARIO E INTERVENTI SU IMPIANTO SELEZIONE PLASTICA DI SANDRIGO	GRUPPO SIT	350.257
ACQUISTO STRUTTURE DI RACCOLTA	VALORE AMBIENTE	325.573
ESTENSIONE RETE TLC PER COLLEGAMENTO CABINE ELETTRICHE PRIMARIE	AIM SAR / TLC	315.917
NUOVI ALLACCI GAS TREVISO	AIM SPA / GAS TV	291.045
RIQUALIFICAZIONE SEDE S. AGOSTINO	AIM SPA / PATRIMONIO	277.781
MANUTENZIONE STRAORDINARIA RETE GAS - CONTRA' VITTORIO VENETO - VICENZA	AIM SAR / GAS	252.236
ACQUISTO N. 2 COMPATTATORI POSTERIORI	VALORE AMBIENTE	231.437
NUOVI MISURATORI ELETTRICI	AIM SAR / ENERGIA	229.767
MANUTENZIONE STRAORDINARIA BUS	AIM MOBILITA'/TPL	216.208
POSA ELETTRODOTTO DA CABINA PACE2 A CABINA S. SILVESTRO	AIM SAR / ENERGIA	186.138
NUOVA TUBAZIONE IN MEDIA PRESSIONE - VIALE DELL'INDUSTRIA E VIA ARSENALE - VICENZA	AIM SAR / GAS	149.426
IMPLEMENTAZIONE SW GESTIONALI DISTRIBUZIONE ENERGIA	AIM SAR / ENERGIA	143.658
ACQUISTO ESCAVATORE GOMMATO CON POLIPO	VALORE AMBIENTE	136.000
PROGETTAZIONE NUOVA SEDE VALORE AMBIENTE	AIM SPA / PATRIMONIO	132.408
ESTENSIONE RETE TLC - CONTRA' VITTORIO VENETO E MOTTON PUSTERLA	AIM SAR / TLC	127.346
ADEGUAMENTO MAGAZZINO S. AGOSTINO	AIM SPA / PATRIMONIO	127.310

Human resources

The average equivalent workforce during 2015 as broken down by company is illustrated as follows:

(number)	Full year 2015	Full year 2014
AIM Vicenza S.p.A.	144.4	137.7
AIM Energy S.r.l.	20.7	20
AIM Servizi a Rete S.r.l.	138.1	144.7
AIM Mobilità S.r.l.	251.7	249.4
Cogaspiù Energie S.r.l.	12.5	--
Società Igiene Territorio S.p.A.	64	63
Valore Ambiente S.r.l.	131	132.4
Società Intercomunale Ambiente S.r.l.	6.7	7.5
Valore Città Amcps S.r.l.	116.5	123.5
TOTAL	885.6	879.7

In 2015, the cost of labour totalled Euro 44.2 million. The following table compares this with the values for 2014.

(thousands of Euro)	Full year 2015	Full year 2014
AIM Vicenza S.p.A.	8,327	7,607
AIM Energy S.r.l.	945	984
AIM Ecoenergy S.r.l.	--	45
AIM Servizi a Rete S.r.l.	7,632	8,002
AIM Mobilità S.r.l.	11,428	10,998
Cogaspiù Energie S.r.l.	509	--
Società Igiene Territorio S.p.A.	3,091	3,081
Valore Ambiente S.r.l.	6,247	6,292
Società Intercomunale Ambiente S.r.l.	378	397
Valore Città Amcps S.r.l.	5,671	5,822
TOTAL	44,228	43,299

Operating performance

The condensed balance sheet and income statement for the year are illustrated as follows.

Consolidated Balance Sheet

Reclassified Balance Sheet	Net amount at 31/12/2015	Net amount at 31/12/2014	Change
Net intangible assets	75,945,624	81,433,421	- 5,487,797
Net property, plant and equipment	240,462,606	238,613,254	1,849,352
Long-term investments	12,196,638	10,438,452	1,758,186
Non-current assets	328,604,868	330,485,127	- 1,880,259
Inventories	3,361,507	3,347,629	13,878
Trade receivables	95,811,026	91,621,525	4,189,501
Other receivables	63,671,478	66,067,651	- 2,396,173
Accrued income and prepaid expenses	1,498,511	1,619,008	- 120,497
Short-term operating assets	164,342,522	162,655,813	1,686,709
Short-term trade payables	49,992,215	57,242,094	- 7,249,879
Advances	3,690,880	3,846,871	- 155,991
Tax and social security payables	20,202,464	15,336,084	4,866,380
Other payables	56,641,505	44,556,655	12,084,850
Accrued expenses and deferred income	20,628,834	17,773,154	2,855,680
Short-term operating liabilities	151,155,898	138,754,858	12,401,040
Short-term operating capital	13,186,624	23,900,955	- 10,714,331
Medium-long term trade payables	-	2,293,631	- 2,293,631
Employee severance indemnities (TFR)	15,842,973	16,596,565	- 753,592
Other medium-long term liabilities	42,496,103	35,144,756	7,351,347
Medium-long term liabilities	58,339,076	54,034,952	4,304,124
Net invested capital	283,452,416	300,351,130	- 16,898,714
Shareholders' equity	- 172,888,586	- 165,551,615	- 7,336,971
Medium-long term net financial position	- 100,573,712	- 55,441,242	- 45,132,470
Short-term net financial position	- 9,990,118	- 79,358,273	69,368,155
Equity and net financial debt	- 283,452,416	- 300,351,130	16,898,714

The structural indices are shown in the following table to describe the financial solidity of the company:

Structural indices	Net amount at 31/12/2015	Net amount at 31/12/2014
Equity minus non-current assets	- 155,784,282	- 165,001,512
Equity divided by non-current assets	0.53	0.50

The AIM Group has improved the composition of its assets and liabilities, with the

following effects:

- reinforcement of the solidity of the company, with consequent improvement in its rating;
- possibility to raise capital from others at lower costs;
- greater efficiency in managing the overall costs of the company, in the event of new capital expenditure on the acquired assets, inter alia through their natural and rational capitalisation.

Financial highlights

The net financial position at 31 December 2015 is illustrated as follows:

Net Financial Position:	Net amount at 31/12/2015	Net amount at 31/12/2014	Change
Bank accounts	45,541,131	7,449,481	38,091,650
Cash and cash equivalents hand	460,531	658,708	- 198,177
Treasury shares	-	-	-
Cash, cash equivalents, and treasury shares	46,001,662	8,108,189	37,893,473
Financial assets not held as non-current assets			
Bank borrowings (due within 12 months)	- 55,724,685	- 87,190,168	31,465,483
Payables to other lenders (due within 12 months)	- 335,095	- 344,294	9,199
Short-term financial payables	- 56,059,780	- 87,534,462	31,474,682
Short-term financial receivables	68,000	68,000	-
Short-term net financial position	- 9,990,118	- 79,358,273	69,368,155
Bank borrowings (due after 12 months)	- 97,639,680	- 52,443,124	- 45,196,556
Payables to other lenders (due after 12 months)	- 2,934,032	- 2,998,118	64,086
Payables for other loans (due after 12 months)	-	-	-
Medium-long term financial payables	- 100,573,712	- 55,441,242	- 45,132,470
Medium-long term financial receivables	-	-	-
Medium-long term net financial position	- 100,573,712	- 55,441,242	- 45,132,470
Net Financial Position	- 110,563,830	- 134,799,515	24,235,685

We confirm the trend for improvement in the net financial position of the Group, with its exposure having been reduced significantly from the previous year. To offer a better description of this trend, the following table contains several balance sheet indices compared with the indices for the balance sheet from the previous year.

Indices	Net amount at 31/12/2015	Net amount at 31/12/2014
Quick ratio	1.00	0.74
Debt to equity ratio	2.12	2.03
Equity to non-current assets ratio	1.01	0.83

Consolidated Income Statement

Value Added Income Statement	Net amount at 31/12/2015	Net amount at 31/12/2014	Change
Value of production	301,733,631	283,482,732	18,250,899
External costs	206,058,489	195,135,731	10,922,758
Value Added	95,675,142	88,347,001	7,328,141
Cost of labour	44,228,430	43,299,179	929,251
Gross operating profit	51,446,712	45,047,822	6,398,890
Amortisation, depreciation, write-downs and other provisions	32,957,038	29,184,649	3,772,389
EBIT	18,489,674	15,863,173	2,626,501
Financial income and expenses	- 4,919,138	- 4,884,812	- 34,326
Income (loss) from ordinary operations	13,570,536	10,978,361	2,592,175
Net non-recurring components	243,612	478,794	- 235,182
Pre-tax income (loss)	13,814,148	11,457,155	2,356,993
Income tax for the year	- 6,150,753	- 6,417,898	267,145
Net profit	7,663,395	5,039,257	2,624,138
Minority interest in profit	293,082	49,877	243,205
	293,082	49,877	
Group share in profit	7,370,313	4,989,380	2,380,933

To offer a better description of the company income statement, the following table contains several earnings indices compared with the indices from the income statement for the previous year.

Earnings indices	Net amount at 31/12/2015	Net amount at 31/12/2014
net ROE	4.43%	3.04%
gross ROE	7.99%	6.92%
ROI	3.43%	3.16%
ROS	6.35%	5.79%

All of the earnings indices show improvement from the previous year.

Summary of income statement

Turnover

The value of production of the A.I.M. Vicenza S.p.A. Group was Euro 301.7 million, marking a comprehensive increase of 6.44% from the previous year. The change has to be attributed especially to the quantities of electric power on the free market, which rose by

40.5% from 2014.

External costs

External costs, which totalled Euro 206 million, rose on aggregate by 5.60%. This change is directly related to what was mentioned hereinabove in regard to revenue. Compared with the previous year, the costs for raw materials, supplies and consumables fell by -2.37%. The provision of services rose by +17.38%, which also has to be related to higher service revenue.

Added value

Due to the earnings dynamics illustrated above, added value totalled about Euro 95.67 million, for an improvement of 0.5% in terms of impact on the value of production from the previous year.

Cost of labour

The cost of labour was Euro 44.22 million, for an increase of 2.15% from the previous year, but with limited impact of 2.79% on added value.

Gross operating profit

Gross Operating Profit (EBITDA) totals Euro 51.44 million, or 17.1% of the Value of Production. There was an increase of 7.55% in terms of impact on the value of production from the previous year.

Amortisation, depreciation, and provisions

These accounts rose by 2.66% overall.

Amortisation and depreciation rose from Euro 24.3 million to Euro 24.7 million.

The accrual to the allowance for bad debts amounted to Euro 3.6 million, while other accruals totalled Euro 4.5 million.

EBIT

The performance of ordinary operations made it possible to achieve an operating result of Euro 18.5 million, or 6.1% of the Value of Production (5.6% in 2014).

Financial income (loss)

Financial income and expenses, together with the value adjustments to financial assets, shows a net loss of Euro 4.9 million, equal to 1.64% of the value of production (1.71% in 2014).

Non-recurring income (loss)

Non-recurring income was a positive Euro 243 thousand.

Gross profit (loss)

Consolidated pre-tax income was Euro 13.81 million.

Income tax for the year

The current, prepaid, and deferred income tax for the year totals Euro 6.15 million.

Profit (loss) for the year

The profit of the Group was Euro 7,370,313, net of minority interests (amounting to a profit of Euro 293,082). This marks a 47.71% improvement from 2014.

Research and development

Pursuant to Article 2428(2)(1), the Group did not engage in any research and development activities.

Environmental risk

In accordance with statutory and regulatory requirements, the Group has implemented all the plans envisaged for management of environmental risk. It has obtained and punctually renews its ISO 14001 certification, which is synonymous with efficient environmental management.

Relations with the parent

The controlling Entity is the City of Vicenza, which owned the entire share capital of Euro 71,293,000 (equal to the share capital) at 31 December 2015.

The Group had the following relationships with the controlling Entity:

Financial payables	Financial receivables	Trade payables	Trade receivables
20,964,301	4,689,284	3,837,638	26,309,477

In particular, these include:

The payables to the City of Vicenza consist of the concession fees, service agreement consideration, rent and lease instalments, reimbursement of administrative costs, profits allocated from the previous years, and the new TARES/TARI (waste tax), whose management has been assigned by the City to AIM Vicenza S.p.A., including the collection activity.

The trade receivables from the Controlling Entity – the City of Vicenza – concern the supply of gas and electricity for consumer use, the services related to various ordinary and special maintenance work on City assets, the consideration owed for the Global Service, the consideration stemming from the Local Public Transport service agreement, and capital grants for buses, as determined by the Region of Veneto.

Policies for various hedging activities

Credit risk

Credit risk is the Group's exposure to potential losses deriving from the failure to fulfil the commercial and financial obligations taken on by the counterparties. There are no significant concentrations of credit risk, since this risk is mitigated by the fact that credit exposure is spread over a large number of customers. The financial receivables referring to trade receivables are recognised on the balance sheet net of the allowance for bad debts calculated on the basis of the risk of counterparty default, which is determined in turn by considering available information on the solvency of the customer and considering historic data. Individually significant transactions, for which there is objective evidence of partial or total impossibility of recovery, are written down on an individual basis.

Financial instrument risk

In regard to the provisions of Article 2427-bis Italian Civil Code, it is noted that AIM Vicenza S.p.A. made an agreement on 17 November 2005 to guarantee against the risk of fluctuation in the interest rate related to the loan received from Unicredit Banca S.p.A.

That agreement allows AIM to hedge itself against the risk of excessive fluctuation in the floating rate applied to the loan covered by the aforementioned agreement, which is kept in the collar of 2% - 5%. The characteristics of the agreement are as follows: the notional amount on which IRS is calculated amounted to Euro 7.916 million at 31 December 2015. The market value, which is determined by estimating the discounted cash flows estimated on the basis of the agreement, is Euro -273.63 thousand. The existing agreement will expire on 15 June 2018.

Liquidity risk

Liquidity risk is the risk that financial resources might be difficult to obtain. The two principal factors that determine the liquidity of the Group are, on the one hand, the resources generated or used by its operating and investment activities and, on the other hand, the due dates and renewal of debt. The Group has adopted a series of policies and processes to streamline the management of financial resources, thereby reducing liquidity risk:

- centralised management of cash inflows and outflows
- maintenance of an adequate level of available liquidity
- acquisition of adequate credit facilities
- monitoring of prospective liquidity conditions, in relation to the business planning process.

Market risk

In regard to interest rate risk, the Parent Company constantly monitored the situation during 2015 by negotiating the best conditions applied by the banking system as compared with market prices for the purpose of proceeding with its financial restructuring, aimed at containing its debt as envisaged in the Industrial Plan 2014-2018.

The Group has no exchange rate risk (or currency risk), since the Group exclusively operates on the Italian market.

Compliance with resolutions by the *Autorità per l'Energia Elettrica il Gas e il Sistema Idrico* (Electric Power and Gas and Water System Authority)

In 2015, the Group companies that operate activities covered by the AEEGSI (Electric Power and Gas and Water System Authority) continued to update the measures adopted to implement the program of compliance measures for functional separation of the natural gas and electric power distribution activities pursuant to Resolution no. 11/07.

With Resolution no. 231/2014/R/COM, AEEGSI issued new measures in regard to the obligations of keeping separate accounts for the electric power and gas sectors.

In regard to keeping separate accounts for the consolidated financial statements of the Group, the parent company AIM Vicenza S.p.A. has exercised the option indicated in Article 20.2 of the TUIC.

Each Group entity subject to the Authority regulation prepares separate annual accounts for their individual activities and individual units as indicated in Articles 4 and 6 and then, by the stipulated deadline, sends them via the indicated procedures.

The companies subject to the “accounting unbundling” are as follows:

- AIM Vicenza S.p.A
- AIM Servizi a Rete S.r.l.
- AIM Energy S.r.l.
- Valore Ambiente S.r.l
- S.I.T. S.p.A.
- 2VEnergy S.r.l. (associate of AIM Energy S.r.l.).

Significant events after the end of the financial year and outlook

Some of the significant events that occurred after the end of the financial year were:

- In the appendix to its Organisation, Management and Control Model, as envisaged in Legislative Decree 231/2001, AIM Vicenza S.p.A. has adopted:
 1. the “Three-year Corruption Prevention Plan” in compliance with the provisions of Law 190/2012. This plan identifies the principal corruption risks and related remedies. It indicates the objectives, timing, and procedures for adopting and implementing anti-corruption measures;
 2. the “Three-year Transparency and Integrity Program” as prescribed by Legislative Decree 33/2013 (in implementation of Law 190/2012). This program implements the most general principle of transparency, pursuant to Article 1(34) of Law 190/2012.
- With a public deed on 25 February 2016, AIM Mobilità S.r.l. and FTV S.p.A. transferred their transport units to SVT S.r.l. This was done in completion of the industrial rationalisation plan of the companies and corporate shareholdings resolved by the Province and City of Vicenza.

Then, in completion of the aforementioned integration and also to continue with the streamlining and efficiency improvement processes stipulated by the Industrial Plan 2014-2018, the “Central Supporting Services for the Local Public Transport Activity” business unit was transferred to SVT S.r.l.
- In accordance with the decision by the Vicenza City Council, with an agenda dated January 2016, AIM Vicenza S.p.A. issued a public call for tenders to select an advisor. It chose such an advisor, which has been commissioned to prepare a study that would describe the possible

scenarios for industrial and financial development of the AIM Group.

- AIM Vicenza S.p.A., also acting in view of streamlining and as envisaged in the Industrial Plan 2014-2018, has initiated preparations to proceed with merger of its subsidiary AIM Mobilità S.r.l. by 2016.

AIM Energy S.r.l.

In February 2016, the company won the call for tenders to supply natural gas to the American bases in Vicenza and Pisa.

Moreover, a major values campaign was launched to purchase energy from renewable sources certified with Guarantees of Origin. The green energy campaign represents the starting point for devoting more attention to the environment and eco-sustainability, with special interest in experimenting with new technologies to be offered to end customers.

Further structuring of the website layout has begun, to improve its navigability and usefulness, by upgrading the services offered in the restricted area.

The layout for invoices has been changed to comply with the template issued by AEEGSI.

AIM Mobilità S.r.l.

With a Deed under the hand and seal of Notary Muraro on 25 February, AIM Mobilità S.r.l. and FTV S.p.A. transferred their local public transport units to SVT S.r.l., thereby creating a de facto single operator for the service in the Optimal Territorial Area of the Province of Vicenza. Again in view of streamlining and as envisaged in the Industrial Plan 2014-2018, preparations have begun to proceed with merger of the subsidiary AIM Mobilità S.r.l. with AIM Vicenza S.p.A. by 2016.

AIM Servizi a Rete S.r.l.

The company will continue with renewal and development of the networks and plant of the Gas, Electricity, and District Heating Divisions, supported in part by an EIB loan obtained by the AIM Group.

The Fifth Regulatory Period began in January 2016. This effectively modifies the structure of the rate components for the transmission service, rate regulation of the distribution service and the metering service, and the procedures for recognition of investments.

The collection and transmission of data to the Contracting Authority – City of Vicenza in anticipation of a call for tenders that is expected to be issued in September 2016.

As envisaged in the “Guidelines” issued by the Ministry of Economic Development, the Gas Division will engage in discussions with the Municipal Administrations and their designated technicians, for definition of the exact V.I.R. (*Valore industriale residuo degli impianti*, Residual Industrial Value of the plants), and the update at 31 December 2015 of the quantitative data and technical reports pursuant to Article 4 of Ministerial Decree 226/11.

Valore Ambiente S.r.l.

The company will continue work on the project to revise the urban waste management system, with completion of the external area and the neighbourhoods along the boundaries of the controlled access systems, with the door-to-door home pick-up system extended to paper and plastic (external area) and the cylinder depository system (boundary area).

An extraordinary effort is dedicated to overall renewal of the vehicle fleet, with a financial commitment of over Euro 5 million, partly financed by the EIB.

S.I.A. S.r.l.

In 2016 the company will begin the process of acquiring authorisations and carrying out the procedures for issuing calls for tender needed to build the on-site treatment plant for the percolated residue taken from the land fill.

S.I.T. S.p.A.

Repositioning of the company will continue in 2016 to reinforce its structure and improve its capacity to generate added value, inter alia on the basis of the Industrial Plan 2014-2018 of the AIM Group, which owns 75% of the company. Plans call for the two to create an environmental centre in the reference area.

Valore Città Amcps S.r.l.

The company will continue consolidating its presence on the market with high added value businesses, such as: Energy Efficiency Improvements, Eco-Building, Restoration, Facility Management, Global Service, and the Emergency for Territorial Entities. All of these sectors need the commitment of great professional expertise that has already been accumulated over time.

THE SOLE DIRECTOR
Mr Paolo Colla

Vicenza, 13 June 2016

AIM VICENZA SPA and subsidiaries

Company subject to management and coordination by the CITY OF VICENZA

Registered office: Contrà Pedemuro S. Biagio 72 – Vicenza

Share capital Euro 71,293,000 fully paid in

Vicenza Companies Register and Tax Identification Number 95007660244

Report of the Board of Statutory Auditors on the consolidated financial statements at 31 December 2015

Shareholders,

The consolidated financial statements at 31 December 2015 have been prepared on the basis of fair consolidation principles, in accordance with Legislative Decree 127 of 9 April 1991, and are comprised by the Balance Sheet, Income Statement, and the Notes to the Financial Statements. They are completed by the Report on Operations, in which the Sole Director gives a full disclosure of the information required by law.

We note that:

- the scope of consolidation includes the Subsidiaries identified according to the criteria indicated in Article 26 of Legislative Decree 127/1991;
- the accounting policies adopted by the consolidate companies are properly described in the Notes to the Financial Statements;
- the line-by-line consolidation method is used.

We acknowledge that the report on operations contains the data and information required by applicable law, fully describing operating performance and providing the information requested in regard to the assets, liabilities, and financial position of the Consolidated companies, and those concerning investments in research, development, and the use of financial instruments.

Moreover, we inform you that while performing our functions, we have:

- obtained information from the Sole Director on a quarterly basis in regard to the activity performed and the most significant economic, financial, and capital transactions executed in connection with group relationships;
- received information from the management body in regard to the composition of the group, and we have verified the existence of equity investment relationships;
- received, on the basis of direct audits and discussions with the Sole Director of the Company that he himself has appropriately documented the relationships and transactions executed by the subsidiaries and associates;
- held period meetings and periodically exchanged information with the independent auditor.

Following our reviews and the results illustrated hereinabove, and considering the unqualified opinion on the consolidated financial statements transmitted by the Independent Auditor to the Board of Statutory Auditors, we acknowledge with this report that there are no omissions or material facts to be reported to the shareholders.

Vicenza, 13 June 2016

The Board of Statutory Auditors

[three signatures]

Report of the Board of Statutory Auditors

Consolidated Financial Statements 2015

Independent auditors' report pursuant to art. 14 of legislative decree dated January 27, 2010 n° .39

To the Sole Shareholder of
A.I.M. Vicenza S.p.A.

Report of the consolidated financial statements

We have audited the accompanying consolidated financial statements of A.I.M. Vicenza Group, which comprise the balance sheet as of 31 December 2015, the statement of income and related explanatory notes.

Sole Director's responsibility for the consolidated financial statements

The Sole Director is responsible for the preparation of the consolidated financial statements that give a true and fair view in compliance with the Italian regulations and accounting principles governing financial statements.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to art. 11, paragraph 3 of Legislative Decree No. 39/2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of A.I.M. Vicenza Group as at 31 December 2015 and of the result of its operations for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.



Other matter

The consolidated financial statements for the year ended 31 December 2014 were audited by the auditor in charge at the time who expressed an unmodified opinion on those statements on 10 June 2015.

Report on compliance with other laws and regulation

Opinion on the consistency of the consolidated financial statements with the report on operations and of certain information set out on corporate governance and ownership structure

We have performed the procedures required by auditing standard (SA Italia) NO. 720B in order to express an opinion, as required by law, on the consistency of the report on operations, which is the responsibility of the Sole Director of A.I.M. Vicenza S.p.A., with the consolidated financial statements of A.I.M. Vicenza S.p.A.. In our opinion, the report on operations is consistent with the consolidated financial statements of A.I.M. Vicenza Group as of 31 December 2015.

Padova, 13 June 2016

BDO Italia S.p.A.

Riccardo Vogliotti
(Partner)

Stefano Bianchi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers