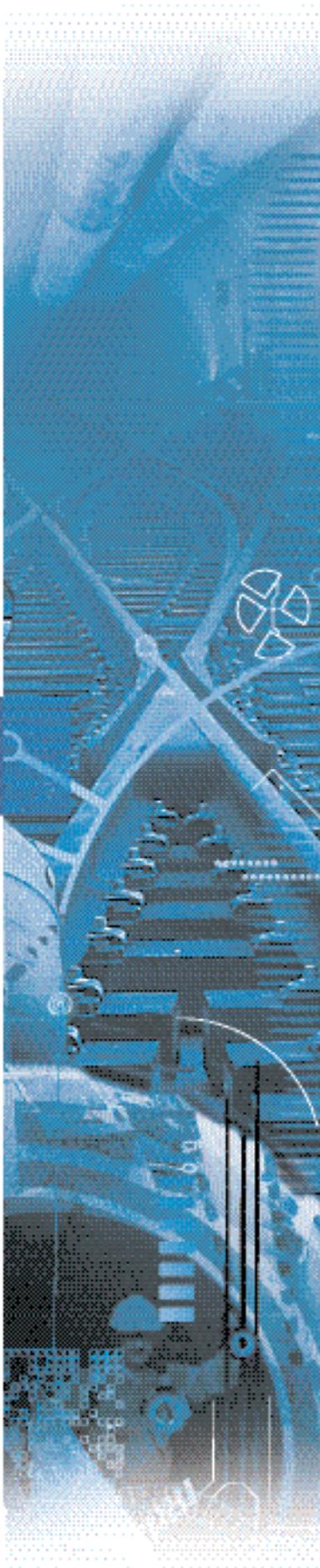




IMPREGILO GROUP
2012 Annual Report



Impregilo S.p.A.

Share capital euro 718,364,456.72 - Registered office in Milan, Via dei Missaglia 97

Tax code and Milan Company Registration no. 00830660155

R.E.A. no. 525502 - VAT no. 02895590962

This document is available at: www.impregilo.it

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COMPANY OFFICERS

Board of directors (i)

Chairperson Claudio Costamagna

Chief executive officer Pietro Salini

Directors Marina Brogi

Giuseppina Capaldo

Mario Giuseppe Cattaneo

Roberto Cera

Laura Cioli

Massimo Ferrari

Alberto Giovannini

Pietro Guindani

Claudio Lautizi

Geert Linnebank

Laudomia Pucci

Giorgio Rossi Cairo

Simon Pietro Salini

Executive committee (°)

Pietro Salini

Claudio Costamagna

Laura Cioli

Massimo Ferrari

Claudio Lautizi

Risk and control committee (°)

Mario Giuseppe Cattaneo

Alberto Giovannini

Pietro Guindani

Remuneration and appointment committee (°)

Marina Brogi

Geert Linnebank

Laudomia Pucci

Related party transactions committee (°)

Alberto Giovannini

Marina Brogi

Giuseppina Capaldo

Geert Linnebank

Board of statutory auditors (ii)

Chairperson Alessandro Trotter

Standing statutory auditors Fabrizio Gatti (iii)

Nicola Miglietta

Independent auditors

PricewaterhouseCoopers S.p.A.

(i) Appointed by the shareholders on 17 July 2012; in office until approval of the financial statements as at and for the year ending 31 December 2014.

(ii) Appointed by the shareholders on 28 April 2011; in office until approval of the financial statements as at and for the year ending 31 December 2013.

(iii) Became standing statutory auditor on 13 July 2012.

(°) Appointed by the board of directors on 18 July 2012.

IMPREGILO GROUP STRUCTURE AT 31 DECEMBER 2012



IMPREGILO GROUP STRUCTURE AT 31 DECEMBER 2012

CONSTRUCTION

IMPREGILO S.p.A. 100

CIGLA S.A.	100
CSC Impresa Costruzioni S.A.	100
Grupo ICT II S.a.s.	100
Impregilo Colombia S.a.S.	100
Imprepar S.p.A.	100
Bocoge S.p.A.	100
- Imprepar S.p.A.	100
J.V. Igl S.p.A.-S.G.F. INC S.p.A.	100
- Impregilo S.p.A.	99
- S.G.F. INC S.p.A.	1
S.A. Healy Company	100
S.G.F. - I.N.C. S.p.A.	100
Suropca C.A.	100
- Impregilo S.p.A.	99
- CSC S.A.	1
PGH Ltd	100
Vegas Tunnel Constructors	100
- Impregilo S.p.A.	40
- Healy S.A.	60
Consorzio Torre	94.6
Lambro S.c.r.l.	94.44
Consorzio C.A.V.E.T.	75.98
Consorzio C.A.V.TO.MI.	74.69
Consorzio Impregilo OHL	70
- Impregilo Colombia S.a.S.	70
Empresa Constr. Angostura L.t.d.a.	65
Impregilo Lidco Libya Co.	60
Consorzio Cociv	54
Constructora Ariguani S.a.s.	51
Impregilo-Terna SNFCC J.V.	51
Reggio Calabria - Scilla S.c.p.a.	51
Salerno-Reggio Calabria S.c.p.a.	51
Metro Blu S.c.r.l.	50
Grupo Unidos Por El Canal S.A.	48
Pedelombarda S.c.p.a.	47
Eurolink S.c.p.a.	45
Barnard Impregilo Healy J.V.	45
- Impregilo S.p.A.	25
- Healy S.A.	20
Passante di Mestre S.c.p.a.	42
La Quado S.c.a.r.l.	35
Shimmick-FCC-Igl S.p.A -J.V.	30

OTHER 220 COMPANIES

TOTAL 314

CONCESSIONS

IMPREGILO INTERNATIONAL INFRASTRUCTURES N.V. 100

Impregilo Parking Glasgow Ltd	100
Impregilo New Cross Ltd	100
IGLYS S.A.	100
- Impregilo Intern. Infrastruc. N.V.	98
- Incave S.r.l.	2
Mercovia S.A.	60
Ochre Solutions Holding L.t.d.	40
Società Autostrade Broni-Mortara S.p.A.	40
Yuma S.A.	40
EcoRodovias Infraestrutura e Logistica S.A.	6.5
Puentes del Litoral S.A.	26
- Impregilo S.p.A.	22
- Iglys S.A.	4
Consorzio Agua Azul S.A.	25.5
Yacylec S.A.	18.67

OTHER 36 COMPANIES

ENGINEERING & PLANT CONSTRUCTION

FISIA ITALIMPIANTI S.p.A. 100

Fisia Babcock Engineering CO. Ltd.	100
- Fisia Babcock Environment Gmbh	100
Fisia Babcock Environment Gmbh	100
- Impregilo Intern. Infrastruc. N.V.	100
Steinmuller International Gmbh	100
- Fisia Babcock Environment Gmbh	100
Gestione Napoli S.p.A. (in liq.)	99
- Fisia Italmimpianti S.p.A.	54
- Impregilo S.p.A.	24
- Fisia Babcock Environment Gmbh	21
Shanghai Pucheng T.P.E. Co. L.t.d.	50
- Fisia Babcock Environment Gmbh	50

OTHER 6 COMPANIES

USW CAMPANIA PROJECT

FIBE

Fibe S.p.A.	99,998
- Impregilo S.p.A.	99,989
- Impregilo Intern. Infrastruc. N.V.	0,003
- Fisia Babcock Environment Gmbh	0,003
- Fisia Italmimpianti S.p.A.	0,003





Malawi
Malaysia
Mali
Malta
Marocco
Mauritius
Mexico
Monaco
Mozambique

Nepal
Netherlands
Niger
Nigeria
Norway

Pakistan
Panama
Paraguay
Peru
Poland
Portugal

Qatar

Romania
Russia
Rwanda

Saudi Arabia
Senegal
Singapore
Slovenia
Somalia
South Africa
South Korea
Spain
Sudan
Syria
Swaziland
Sweden
Switzerland

Tanzania
Thailandia
Tunisia
Turkey

Uganda
United Arab Emirates
Uruguay
USA

Venezuela

Yemen

Zambia
Zimbabwe

THE CURRENT PRESENCE







IMPREGILO

ف الط
Ab Dhabi

GUSAN



GROUP HIGHLIGHTS



INTRODUCTION

Impregilo group closed 2012 with total revenue of euro 2,281.0 million (2011: euro 1,878.2 million), an operating loss of euro 25.5 million (2011: operating profit of euro 128.4 million) and a profit attributable to the owners of the parent of euro 602.7 million (2011: euro 177.4 million). As described in more detail later in this report, the transactions related to the investment held by Impregilo group in the jointly controlled Brazilian group EcoRodovias are presented in the 2012 income statement and that for the previous year (for comparative purposes), pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations.

The parent, Impregilo S.p.A., recorded total revenue of euro 1,367.0 million (2011: euro 1,123.3 million), an operating profit of euro 110.8 million (2011: euro 211.8 million) and a profit for the year of euro 738.6 million (2011: euro 56.1 million).

For the purposes of a more consistent comparison with the prior year results, it should be remembered that the 2011 operating profit for both the group and the parent had benefitted from the positive non-recurring effects (euro 50.0 million) of the reassessment of certain risk positions for which the previously made provisions were released in full.

As part of the group's programme to concentrate on its core business, it finalised agreements for the sale to third parties of its investment (22.74%) in the Brazilian holding company EcoRodovias Infraestrutura e Logistica S.A. ("Ecorovodias"), held via the group company Impregilo International Infrastructures N.V., towards the end of October 2012.

As provided for by these agreements (full information about which has been made available to the market pursuant to article 71 of the Regulation implementing Legislative decree no. 58/1998, adopted by Consob with resolution no. 11971/1999 and subsequent amendments), the group sold 3.74% of its investment in EcoRodovias to third parties on 31 October 2012 and another 19% at the end of December 2012. It subsequently sold the rest of its investment (6.5%) in January 2013. Pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations, the 2012 results of the group of companies headed by EcoRodovias (previously recognised using the proportionate consolidation method) have been presented separately (but combined) from the results of the continuing operations of Impregilo group. The corresponding 2011 comparative figures were restated using the same approach.



With respect to the key events of the year, one of the most significant disputes in which several group companies had been involved since 2005 about the construction of the Acerra waste-to-energy plant was at long last settled in June 2012. The out-of-court agreements proposed by the relevant municipalities to the group at the end of 2011, which it accepted, were finally executed after significant delays towards the end of June 2012 with collection of the compensation due to Impregilo (euro 355.6 million) and collection of the proceeds from the sale of the related net assets.

2012 **total revenue** is euro 2,281.0 million compared to euro 1,878.2 million for 2011.

The **group's operating loss** amounts to euro 25.5 million (2011: operating profit of euro 128.4 million), with a return on sales (R.o.S.) of -1.1% (6.8%). The Construction and Engineering & Plant Construction segments contributed profits of euro 0.9 million (R.o.S. of 0.0%) and euro 20.8 million (R.o.S. of 9.4%) (2011: operating loss of euro 40.0 million), respectively. The Concessions segment made an operating loss of euro 0.6 million.

The group's other segments made an operating loss of euro 1.8 million (operating loss of euro 4.4 million for 2011), while the corporate structure's net costs came to euro 44.7 million (euro 36.2 million).

Financing income (costs) and gains (losses) on investments came to a negative euro 29.3 million compared to a negative euro 55.5 million for 2011.

The **profit from discontinued operations** amounts to euro 717.0 million (profit of euro 119.7 million for 2011). Considering that mentioned above in respect of application of IFRS 5 to the transactions involving the EcoRodovias investment, this profit mainly consists of the operating profit contributed by the Brazilian group up until sale of the jointly controlled investment together with the net gain on sales made in 2012 and the related measurement of the group's residual investment at year end.

The **profit attributable to the owners of the parent** for the year is euro 602.7 million (euro 177.4 million for 2011). Both years benefitted from the non-recurring effects described earlier.

The **net financial position** at 31 December 2012 is euro 566.7 million compared to net financial indebtedness of euro 527.1 million at 31 December 2011. Therefore, the debt/equity ratio is a negative -0.31.

At year end, the group's **order backlog** amounts to euro 16.8 billion, including euro 10.6 billion brought in by the Construction and Engineering & Plant Construction segments and euro 6.2 billion related to the residual Concessions segment order backlog.

The group acquired **new contracts** worth euro 1,662.5 million during the year.

The parent's 2012 total **revenue** is euro 1,367.0 million compared to euro 1,123.3 million for 2011).

Its **operating profit** comes to euro 110.8 million (euro 211.8 million for 2011 including the positive non-recurring effects of euro 50.0 million described earlier) with a R.o.S. of 8.1% (18.9% in 2011).

The parent's **financing income (costs) and gains (losses) on investments** come to a positive euro 671.4 million compared to a negative euro 106.5 million for 2011).

The parent's **profit** for the year is euro 738.6 million compared to a profit of euro 56.1 million for 2011 while its net **financial position** at 31 December 2012 amounts to euro 666.7 million (net financial indebtedness of euro 224.3 million at 31 December 2011).



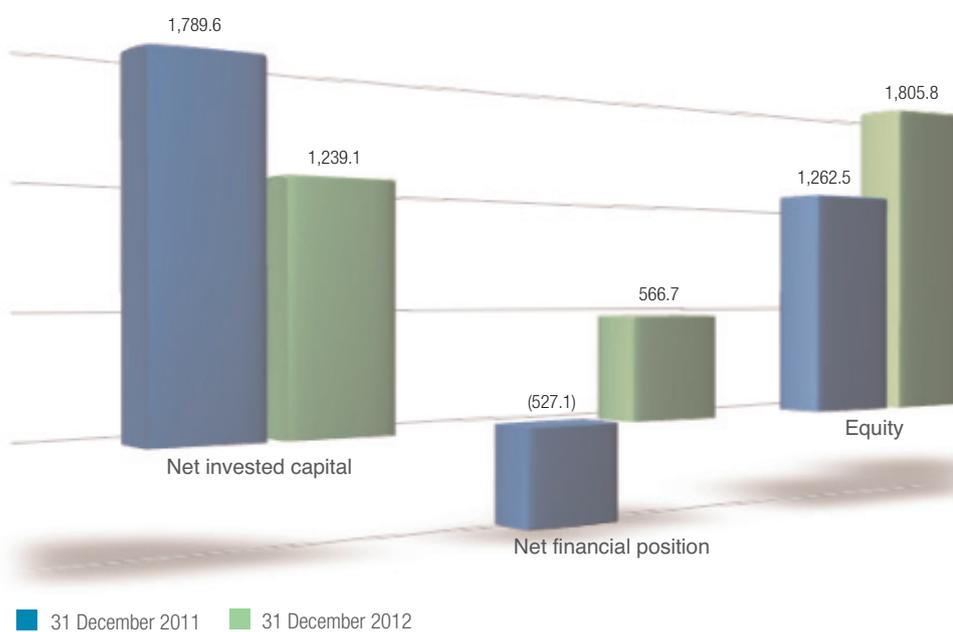
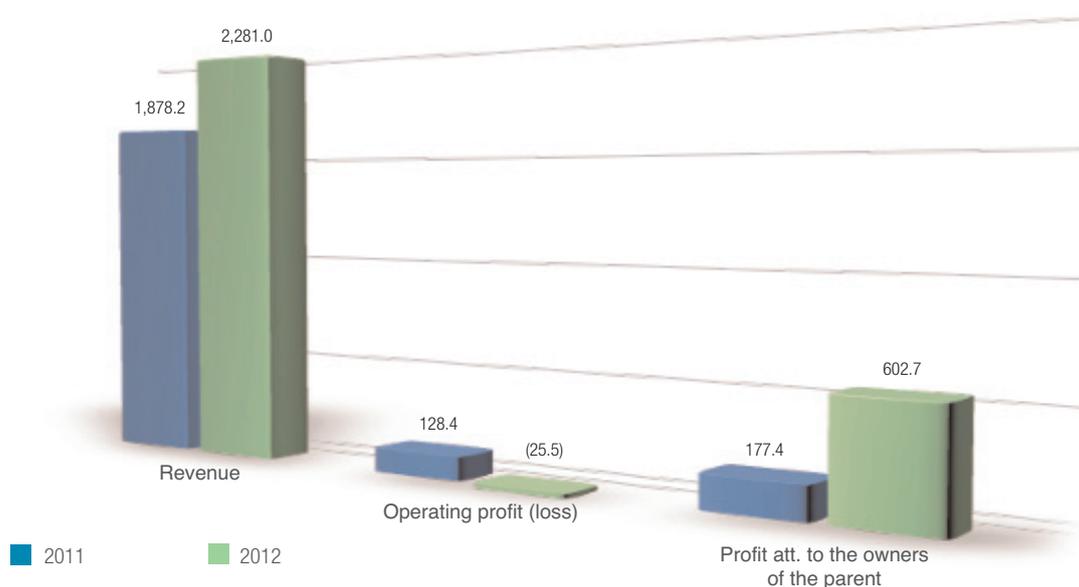
FINANCIAL HIGHLIGHTS

(in millions of euros)

Impregilo group

The paragraph "Alternative performance indicators" in the "Other information" section gives a definition of the financial statements indicators used to present the group's highlights.

Following the three-instalment sale during the last quarter of 2012 and early 2013, EcoRodovias group's operations have been considered as discontinued operations pursuant to IFRS 5. The 2011 corresponding figures were restated accordingly.



CONSOLIDATED INCOME STATEMENT

(in millions of Euros)	2012	2011(*)
Revenue	2,281.0	1,878.2
Costs	(2,196.7)	(1,687.8)
Gross operating profit	84.3	190.4
Gross operating profit %	3.7%	10.1%
Operating profit (loss)	(25.5)	128.4
R.o.S.	-1.1%	6.8%
Net financing costs	(30.7)	(59.3)
Net gains on investments	1.4	3.8
Profit (loss) before tax	(54.8)	72.9
Income tax expense	(59.3)	(12.8)
Profit (loss) from continuing operations	(114.0)	60.1
Profit from discontinued operations	717.0	119.7
Profit attributable to the owners of the parent	602.7	177.4

(*) Following the three-installment sale during the last quarter of 2012 and early 2013, EcoRodovias group's operations have been considered as discontinued operations pursuant to IFRS 5. The 2011 corresponding figures were restated accordingly.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euros)	31 December 2012	31 December 2011
<i>Non-current assets</i>	408.2	790.4
<i>Goodwill</i>	30.4	76.7
<i>Non-current assets held for sale, net</i>	307.6	478.6
<i>Provisions for risks, post-employment benefits and employee benefits</i>	(118.5)	(156.4)
<i>Other non-current assets, net</i>	51.0	54.3
<i>Net tax assets</i>	137.6	135.5
<i>Working capital</i>	422.8	410.5
Net invested capital	1,239.1	1,789.6
Equity	1,805.8	1,262.5
Net financial position (indebtedness)	566.7	(527.1)
<i>Debt/equity ratio</i>	<i>-0.31</i>	<i>0.42</i>



SEPARATE INCOME STATEMENT

(in millions of Euros)	2012	2011
Revenue	1,367.0	1,123.3
Costs	(1,224.4)	(887.8)
Gross operating profit	142.6	235.5
Gross operating profit %	10.4%	21.0%
Operating profit	110.8	211.8
R.o.S.	8.1%	18.9%
Net financing costs (income)	1.5	(30.3)
Net gains (losses) on investments	669.9	(76.2)
Profit before tax	782.2	105.3
Income tax expense	(43.6)	(49.2)
Profit from continuing operations	738.6	56.1
Profit for the year	738.6	56.1

SEPARATE STATEMENT OF FINANCIAL POSITION

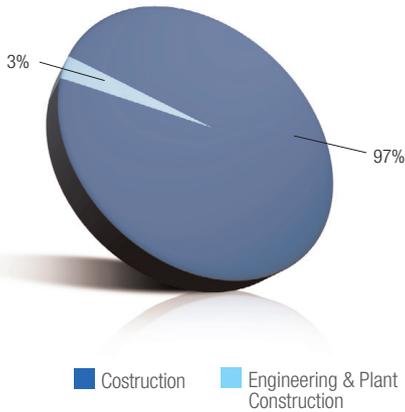
(in millions of Euros)	31 December 2012	31 December 2011
<i>Non-current assets</i>	646.1	654.9
<i>Provisions for risks, post-employment benefits and employee benefits</i>	(264.9)	(33.4)
<i>Other non-current assets, net</i>	89.0	142.5
<i>Net tax liabilities</i>	(30.2)	(27.8)
<i>Working capital</i>	575.6	468.3
Net invested capital	1,015.6	1,204.6
Equity	1,682.3	980.3
Net financial position (indebtedness)	666.7	(224.3)
Debt/equity ratio	-0.40	0.23



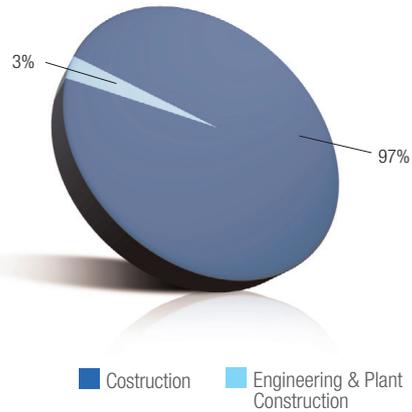
ORDER BACKLOG

Construction, Engineering & Plant Construction

December 2012
(total euro 10,587 mil.)

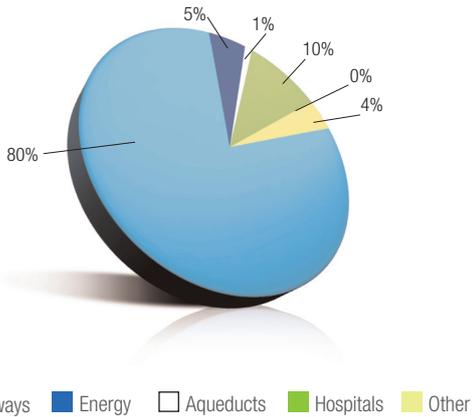


December 2011
(total euro 13,076 mil.)

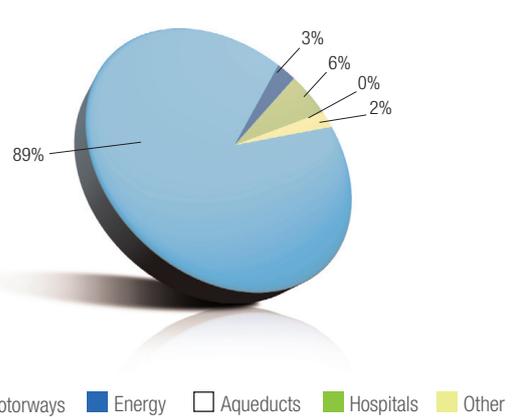


Concessions

December 2012
(total euro 6,261 mil.)



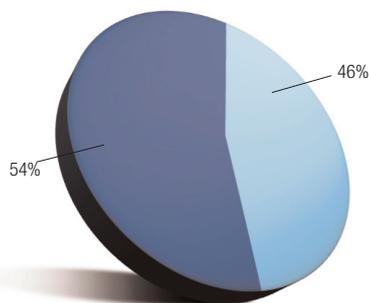
December 2011
(total euro 12,010 mil.)



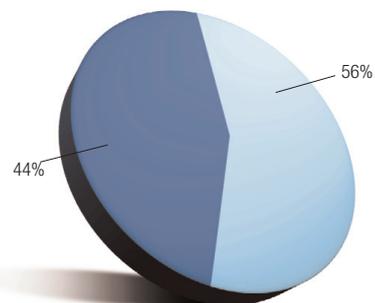
ORDER BACKLOG BY GEOGRAPHICAL SEGMENT

Construction, Engineering & Plant Construction and Concessions

December 2012
(total euro 16,848 mil.)



December 2011
(total euro 25,086 mil.)

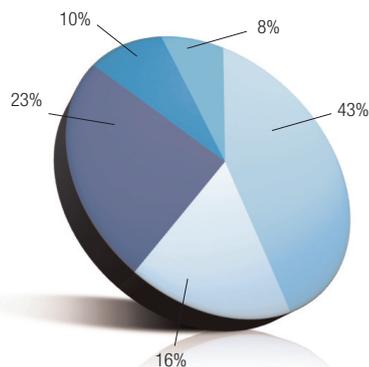


■ Italy ■ Abroad

REVENUE BY GEOGRAPHICAL SEGMENT

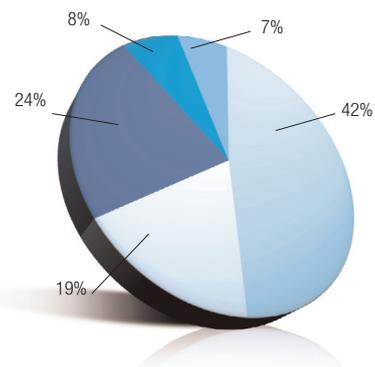
December 2012

(Italy euro 522.6 mil. - Abroad euro 1,758.4 mil.)



December 2011

(Italy euro 457.5 mil. - Abroad euro 1,420.7 mil.)



■ Italy ■ Europe ■ Americas ■ Middle East and Asia ■ Other



DIRECTORS' REPORT - PART I



ANALYSIS OF IMPREGILO GROUP'S AND PARENT'S FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE YEAR

This section includes the group's and parent's reclassified income statement and reclassified statement of financial position, as well as a breakdown of their net financial position at 31 December 2012. It also includes a summary of the main changes in the consolidated income statement, compared to those for the year ended 31 December 2011, and in the statement of financial position, in comparison with the related figures at 31 December 2011.

Unless indicated otherwise, figures are provided in millions of Euros and those shown in brackets relate to the previous year.

The paragraph "Alternative performance indicators" in the "Other information" section gives a definition of the financial statements indicators used to present the group's and parent's financial position and results of operations for the year.

Pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations and as a result of the sale of the group's investment in the jointly controlled Brazilian holding company EcoRodovias, the 2012 results of the group of companies headed by EcoRodovias (previously recognised using the proportionate consolidation method) have been presented separately (but combined) from the results of the continuing operations of Impregilo group. The corresponding 2011 comparative figures were restated using the same approach.

As a result of the sale, EcoRodovias group has been excluded from the consolidation scope at 31 December 2012. Given the effects of this exclusion on Impregilo group's key figures compared to 2011 and in order to facilitate an analysis of the changes in these figures in 2012 and solely for information purposes, the following table shows the variations in the reclassified consolidated statement of financial position at 31 December 2012 compared to that at 31 December 2011 in two separate columns. The first column shows the variations due to the exit of EcoRodovias from the consolidation scope while the second shows the other variations not due to this event.



INTRODUCTION

This section briefly describes the key factors that significantly affected the group's domestic and international operations during the year to facilitate a more thorough understanding of developments in the results achieved by its core Construction, Concessions and Engineering & Plant Construction businesses.

The ongoing credit crunch, a result of the financial crisis that still affects the European Union in particular with flow-on effects on other similarly developed economic systems, has also indirectly hit sectors that are usually anti-cyclical such as the large-scale infrastructural works construction sector, which is the group's main business. These effects were seen in relations with the tendering administrations, with the group's partners and/or suppliers and its customers. Specifically, major customers' organisational and financial capacities have been negatively affected, leading to them having to roll out their infrastructural development plans with schedules that are much more uncertain compared to previous years. This uncertainty has also affected normal contractual developments.

Specifically, one of the most critical situations relates to the Panama contract. Recently, however, other critical situations have cropped up for certain projects to construct hydroelectric plants in South America (Colombia and Chile) and to build motorway infrastructure in Italy.

This complex situation has meant that the Construction segment's profitability has decreased considerably in 2012, notwithstanding the foreseen increase in production and revenue, affecting the segment's total results.

The Engineering & Plant Construction segment had already recorded large losses in previous years on contracts to construct desalination plants in the Arabian Gulf. However, starting from the second half of this year, some positive signs of recovery were seen in both profitability and commercial terms. The group company FISIA Italmimpianti, which leads the international market for large desalination plants, successfully settled certain disputes with customers in Qatar that had arisen in previous years. Accordingly, it obtained recognition of a large part of its claims and was able to revise upwards the previously made estimates and to record an overall operating profit.



GROUP PERFORMANCE

Reclassified consolidated income statement of Impregilo group

(Euro/000)	Note (**)	2012	2011(***)	Variation
Operating revenue		2,200,382	1,812,092	388,290
Other revenue		80,609	66,077	14,532
Total revenue	32	2,280,991	1,878,169	402,822
Costs	33	(2,196,714)	(1,687,785)	(508,929)
Gross operating profit (*)		84,277	190,384	(106,107)
<i>Gross operating profit % (*)</i>		<i>3.7%</i>	<i>10.1%</i>	
Amortisation and depreciation	33	(109,755)	(61,988)	(47,767)
Operating profit (loss) (*)		(25,478)	128,396	(153,874)
<i>Return on Sales (*)</i>		<i>-1.1%</i>	<i>6.8%</i>	
Financing income (costs) and gains (losses) on investments				
Net financing costs	34	(30,720)	(59,287)	28,567
Net gains on investments	35	1,431	3,828	(2,397)
Net financing costs and net gains on investments		(29,289)	(55,459)	26,170
Profit (loss) before tax		(54,767)	72,937	(127,704)
Income tax expense	36	(59,270)	(12,819)	(46,451)
Profit (loss) from continuing operations		(114,037)	60,118	(174,155)
Profit from discontinued operations	17	717,036	119,671	597,365
Profit for the year		602,999	179,789	423,210
Non-controlling interests		(340)	(2,395)	2,055
Profit for the year attributable to the owners of the parent		602,659	177,394	425,265

(*) The section "Other information" gives a definition of these indicators.

(**) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.

(***) Following the three-installment sale during the last quarter of 2012 and early 2013, EcoRodovias group's operations have been considered as discontinued operations pursuant to IFRS 5. Accordingly, the 2011 corresponding figures were restated consistently.

Revenue

Total revenue for 2012 is euro 2,281.0 million (euro 1,878.2 million), including euro 1,758.4 million earned abroad (euro 1,420.7 million). The improvement is mainly due to the Construction segment (+26.3%).

(Euro/000)	2012	2011	Variation
Construction	2,043,959	1,618,130	425,829
Concessions	18,443	16,442	2,001
Engineering & Plant Construction	221,953	246,322	(24,369)
Other segments and eliminations	(3,364)	(2,725)	(639)
Total revenue	2,280,991	1,878,169	402,822

Operating loss

The group's operating loss amounts to euro 25.5 million (profit of euro 128.4 million). The Construction and Engineering & Plant Construction segments contributed profits of euro 0.9 million (R.o.S. of 0.0%) and euro 20.8 million (R.o.S. of 9.4%). The Concessions segment made an operating loss of euro 0.6 million.

The group's other segments made an operating loss of euro 1.9 million (euro 4.4 million), while the corporate structure's net costs come to euro 44.7 million.

The contraction in the Construction segment's operating profit is mainly due to the difficulties encountered on the Panama Canal contract, several contracts for hydroelectric plants in Colombia and Chile and motorway infrastructure in Italy. As a result, the group has had to revise its cost forecasts for the related contracts, after which they have an estimated total operating loss of euro 184.0 million. The group recognised this amount in profit or loss.

Financing income (costs) and gains (losses) on investments

The group recorded net financing costs of euro 30.7 million (euro 59.3 million) while net gains on investments amount to euro 1.4 million (euro 3.8 million).

The improvement in net financing costs is mainly due to the contractually provided-for recognition of default interest from Venezuelan customers (euro 20.3 million) and the reduction in the group's gross net financial indebtedness, partly thanks to collection of the legally-due compensation in 2012 related to the Acerra waste-to-energy plant. The default interest arises from delays in paying regularly approved progress billings in previous years. In February 2013, the Venezuelan bolivar was depreciated against the US dollar. As required by IAS 21 and IAS 10, the group will recognise the immaterial effects of this depreciation in 2013.

Profit from discontinued operations

This item shows a profit of euro 717.0 million (euro 119.7 million). Considering that mentioned earlier in respect of application of IFRS 5 to the transactions involving the EcoRodovias investment, this item mainly consists of the operating profit contributed by the Brazilian group up until sale of the jointly controlled investment together with the net gain on sales made in 2012 and the related measurement of the group's residual investment at year end.

Non-controlling interests

Non-controlling interests in the subsidiaries contributed negatively to the profit for the year attributable to the owners of the parent and amount to euro 0.3 million. The contribution for 2011 was a negative euro 2.4 million.



THE GROUP'S FINANCIAL POSITION

Reclassified consolidated statement of financial position

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Total variation	of which:	
					Ecorodovias	Other
Non-current assets	1-2-3-5	408,275	790,423	(382,148)	(343,568)	(38,580)
Goodwill	4	30,390	76,743	(46,353)	(46,353)	-
Non-current assets held for sale, net	17	307,588	478,613	(171,025)	186,386	(357,411)
Provisions for risks	24	(98,285)	(137,300)	39,015	27,806	11,209
Post-employment benefits and employee benefits	23	(20,234)	(19,084)	(1,150)	-	(1,150)
Other non-current assets, net	7-8-25	50,991	54,290	(3,299)	7,897	(11,196)
Net tax assets	9-14-28	137,576	135,432	2,144	(533)	2,677
<i>Inventories</i>	10	95,376	93,890	1,486	(627)	2,113
<i>Contract work in progress</i>	11	864,368	757,779	106,589		106,589
<i>Advances on contract work in progress</i>	26	(844,440)	(750,712)	(93,728)		(93,728)
<i>Loans and receivables</i>	12	1,062,865	1,011,133	51,732	(18,836)	70,568
<i>Payables</i>	27	(818,599)	(727,897)	(90,702)	14,749	(105,451)
<i>Other current assets</i>	15	296,268	255,126	41,142	(12,502)	53,644
<i>Other current liabilities</i>	29	(233,069)	(228,808)	(4,261)	12,117	(16,378)
Working capital		422,769	410,511	12,258	(5,099)	17,357
Net invested capital		1,239,070	1,789,628	(550,558)	(173,464)	(377,094)
Equity attributable to the owners of the parent		1,800,954	1,255,559	545,395	699,105	(153,710)
Non-controlling interests		4,851	6,928	(2,077)	(389)	(1,688)
Equity	18	1,805,805	1,262,487	543,318	698,716	(155,398)
Net financial position (indebtedness)		566,735	(527,141)	1,093,876	872,180	221,696
Total financial resources		1,239,070	1,789,628	(550,558)	(173,464)	(377,094)

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.

Net invested capital

This item decreased by euro 550.6 million on the previous year end to euro 1,239.1 million at 31 December 2012. As disclosed in the introduction to this section, the table above shows changes in the consolidated statement of financial position at 31 December 2012 compared to the previous year end in two separate columns: the first for the changes entirely due to the Brazilian group EcoRodovias' exit from the consolidation scope and the second which shows changes due to the group's normal operating activities. The Brazilian group is not included in the consolidation scope at 31 December 2012 as the group lost joint control after Impregilo sold parts of its investment therein held through its subsidiary Impregilo International Infrastructures N.V. in the last quarter of the year. The shareholder agreements which provided for the joint control were terminated. At year end, the group's remaining investment in the Brazilian group (6.5%) has been recognised in accordance with IFRS 5. It was subsequently sold at the start of 2013.

As a result of the above, the main changes in the group's net invested capital compared to that at 31 December 2011, other than those caused by the EcoRodovias transaction, are principally due to the factors listed below:

- a decrease of euro 53.7 million in net property, plant and equipment and intangible assets, due to normal amortisation and depreciation (euro 109.8 million) and disposals (euro 20.6 million), net of investments made for certain large construction contracts; exchange rate gains came to euro 5.8 million;
- an increase of euro 15.1 million in non-current financial assets, following the capital paid-in for certain Italian projects (the Milan outer east bypass and the Jonica highway), currently under construction;
- a decrease of euro 357.4 million in non-current assets held for sale, net, following collection of the legally due compensation for the Acerra waste-to-energy plant during the year. The group had already recognised the effects of these transactions in 2011 but the delays of the public administration in settling its debts extended into the first half of 2012 meant that the group could only settle the dispute in financial terms in 2012;
- a reduction in the provisions for risks, mainly as a result of the occurrence of certain events in 2012 for which the provisions had been set up previously. These events are described in more detail later in this Annual Report and did not give rise to significant additional costs compared to the estimates made when the group set up the provisions;
- net changes in post-employment benefits and employee benefits and net tax assets arose on the group's normal operations;
- a decrease of euro 11.2 million in other non-current assets, net, principally due to the reclassification of a part of certain loans and receivables of the Concessions segment that are due within one year;
- an increase of euro 17.4 million in working capital. The main changes in working capital related to developments in the group's operating activities and the greater production on certain domestic and international contracts during the year. They are summarised below:
 - contract work in progress and inventories increased by euro 108.7 million, related to significant progress on the Construction segment contracts (euro 125.8 million for contract work in progress) offset by a further decrease for the Engineering & Plant Construction segment (euro 19.2 million), mostly due to the stage of completion of large desalination sector projects. Inventories increased by euro 2.1 million;
 - advances on contract work in progress increased by euro 93.7 million, principally as a result of amounts received for the construction contracts in Colombia, the United Arab Emirates and Panama;
 - loans and receivables increased by euro 70.6 million while payables grew by euro 105.5 million, leading to a net reduction in working capital. Both variations are mostly due to progress on certain foreign construction contracts (Romania, the United Arab Emirates and Venezuela);
 - other current assets increased by euro 53.6 million, mainly as a result of advances paid to suppliers and subcontractors for certain large foreign construction contracts. Other current liabilities increased by euro 16.4 million for a number of normal reasons, described in more detail in the notes to the consolidated financial statements, presented later in this Annual Report.



Net financial position

At 31 December 2012, the group has a net financial position of euro 566.7 million compared to net financial indebtedness of euro 527.1 million at 31 December 2011, a net improvement of euro 1,093.9 million. At group level, the debt/equity ratio is -0.31 at year end, due to the fact that its financial position is positive.

As described earlier about the exit of EcoRodovias group from the group's consolidation scope, the euro 872.2 million effect of the group's sale of its investment in the Brazilian group on its net financial position is due to the fact that it no longer comprises the latter group's net financial indebtedness included at 31 December 2011 (positive effect of roughly euro 121.6 million) and it made a net gain on the sale (euro 750.6 million).

The main changes in the group's net financial position during 2012 included the parent's payment of dividends of euro 36.6 million and collection of the compensation of euro 355.6 million for the Acerra waste-to-energy plant dispute.

Impregilo has given guarantees of euro 102.2 million in favour of unconsolidated group companies securing bank loans. The euro 25.0 million increase on 31 December 2011 is due to the roll out of new concession activities in Italy.

The group's net financial position at 31 December 2012 is summarised in the following table.

Net financial position of Impregilo group

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Variation
Non-current financial assets	6	4,960	4,578	382
Other current financial assets	13	10,590	4,743	5,847
Cash and cash equivalents	16	1,243,086	678,389	564,697
Total cash and cash equivalents and other financial assets		1,258,636	687,710	570,926
Non-current bank loans	19	(104,634)	(49,846)	(54,788)
Bonds	20	(148,840)	(416,022)	267,182
Finance lease payables	21	(40,028)	(53,556)	13,528
Total non-current indebtedness		(293,502)	(519,424)	225,922
Current portion of bank loans and current account facilities	19	(225,043)	(614,873)	389,830
Current portion of bonds	20	(113,689)	(43,946)	(69,743)
Current portion of finance lease payables	21	(22,785)	(8,897)	(13,888)
Total current indebtedness		(361,517)	(667,716)	306,199
Derivative assets	13	1,091	-	1,091
Derivative liabilities	22	(5,265)	(7,081)	1,816
Non-current financial assets (self-liquidating)	6	11,375	5,249	6,126
Current portion of factoring payables	19	(10,168)	(10,627)	459
Non-current portion of factoring payables	19	(33,915)	(15,252)	(18,663)
Total other items in net financial indebtedness		(36,882)	(27,711)	(9,171)
Net financial position (indebtedness) - continuing operations		566,735	(527,141)	1,093,876
Net financial position (indebtedness) including discontinued operations		566,735	(527,141)	1,093,876

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.

PERFORMANCE OF THE PARENT IMPREGILO S.p.A.

Reclassified separate income statement

(Euro/000)	Note (**)	2012	2011	Variation
Operating revenue		1,302,378	1,085,461	216,917
Other revenue		64,626	37,860	26,766
Total revenue	27	1,367,004	1,123,321	243,683
Costs	28	(1,224,361)	(887,823)	(336,538)
Gross operating profit (*)		142,643	235,498	(92,855)
<i>Gross operating profit % (*)</i>		<i>10.4%</i>	<i>21.0%</i>	
Amortisation and depreciation	28	(31,826)	(23,732)	(8,094)
Operating profit (*)		110,817	211,766	(100,949)
<i>Return on Sales (*)</i>		<i>8.1%</i>	<i>18.9%</i>	
Financing income (costs) and gains (losses) on investments				
Net financing income (costs)	29	1,508	(30,300)	31,808
Net gains (losses) on investments	30	669,886	(76,168)	746,054
Net financing (income) costs and net gains (losses) on investments		671,394	(106,468)	777,862
Profit before tax		782,211	105,298	676,913
Income tax expense	31	(43,605)	(49,232)	5,627
Profit for the year		738,606	56,066	682,540

(*) The section "Other information" gives a definition of these indicators.

(**) The note numbers refer to the notes to the separate financial statements where the items are analysed in detail.

Revenue

2012 revenue amounts to euro 1,367.0 million (euro 1,123.3 million). The 21.7% increase principally relates to certain foreign contracts (mostly in the United Arab Emirates, South Africa and Romania) and some motorway contracts in Italy.

Other revenue mainly relates to cost recoveries from group companies and prior year income.

Operating profit

The operating profit is euro 110.8 million (euro 211.8 million) with a Return on Sales of 8.1% (18.9%). The parent's 2011 operating profit was positively affected by the non-recurring effect of euro 50.0 million following the updating of the assessments made in previous years about certain risks related to the USW Campania projects and ongoing legal proceedings.

The 2012 operating profit is affected by the corporate structure's costs of euro 44.7 million.



Financing income (costs) and gains (losses) on investments

The parent recorded net financing income of euro 1.5 million (net costs of euro 30.3 million) while net gains on investments amount to euro 669.9 million (net losses of euro 76.2 million).

The increase in net financing income is a result of the following:

- smaller net financial expense of approximately euro 8.6 million due to interest rate trends and the improvement in the parent's overall indebtedness during the year, especially the short-term indebtedness in foreign currencies other than the US dollar, which has interest rates that are considerably higher than those of the stronger economies;
- smaller net exchange rate losses (including fair value losses on financial instruments) of euro 11.5 million compared to the previous year. In February 2013, the Venezuelan bolivar was depreciated against the US dollar. As required by IAS 21 and IAS 10, the group will recognise the immaterial effects of this depreciation in 2013.

Net gains on investments of euro 669.9 million (net losses of euro 76.2 million) mostly refer to:

- the subsidiary Impregilo International Infrastructures N.V.'s distribution of dividends of euro 900 million;
- the reversal of impairment losses of roughly euro 21 million on investments in subsidiaries following the results of the impairment tests (described in more detail in the notes to the separate financial statements presented later in this Annual Report); and
- the recognition of impairment losses on the carrying amount of investments in joint ventures and special purpose entities (SPE), based on their equity and revised forecasts of contract costs which gave rise to a net estimated loss of roughly euro 248 million.



FINANCIAL POSITION OF THE PARENT IMPREGILO S.p.A.

Reclassified statement of financial position

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Variation
Non-current assets	1-2-3	646,122	654,923	(8,801)
Provisions for risks	20	(253,477)	(21,336)	(232,141)
Post-employment benefits and employee benefits	19	(11,403)	(12,015)	612
Other non-current assets, net	5-6	89,031	142,542	(53,511)
Net tax liabilities	7-12-23	(30,221)	(27,816)	(2,405)
<i>Inventories</i>	8	32,763	35,603	(2,840)
<i>Contract work in progress</i>	9	490,758	330,898	159,860
<i>Advances on contract work in progress</i>	21	(74,813)	(85,924)	11,111
<i>Loans and receivables</i>	10	647,868	620,071	27,797
<i>Payables</i>	22	(512,968)	(414,225)	(98,743)
<i>Other current assets</i>	13	51,659	34,911	16,748
<i>Other current liabilities</i>	24	(59,715)	(53,027)	(6,688)
Working capital		575,552	468,307	107,245
Net invested capital		1,015,604	1,204,605	(189,001)
Equity	15	1,682,283	980,319	701,964
Net financial position (indebtedness)		666,679	(224,286)	890,965
Total financial resources		1,015,604	1,204,605	(189,001)

(*) The note numbers refer to the notes to the separate financial statements where the items are analysed in detail.

Net invested capital

This caption decreased by euro 189.0 million.

The main variations of the year contributing to the decrease are described below:

- a decrease of approximately euro 20.0 million in property, plant and equipment due to depreciation and limited disposals at certain building sites being closed down, net of investments of euro 17.1 million, mostly related to foreign contracts;
- an increase in non-current financial assets due to, on the one hand, reversals of impairment losses on equity investments (approximately euro 21 million) as a result of the impairment tests (see the notes to the separate financial statement of Impregilo S.p.A. presented later in this Annual Report) and to the full impairment of the group's investments in joint ventures and special purpose entities (roughly euro 8 million). This impairment was due to the statements of financial position prepared by certain SPEs based on revised forecasts of contract costs. Given the characteristics of SPEs and the expected outcome on their contracts, the parent also had to recognise the portion of the loss exceeding their fully-impaired carrying amounts in the provisions for risks on investments (approximately euro 240 million);
- an increase of euro 232.1 million in the provisions for risks, due to the variation described above for the SPEs (euro 240.1 million) and a roughly euro 8.0 million reduction after the occurrence of the events in 2012 for which accruals had been made in the past;

- a decrease of euro 53.5 million in other non-current assets, net, mainly due to the collection by certain subsidiaries of compensation for the Acerra waste-to-energy dispute, which allowed them to repay part of the loans from the parent, granted to assist them cover the default of the relevant public administrations;
- an increase of euro 107.2 million in working capital due to the significant upturn in business volumes in 2012.

Net financial position

At 31 December 2012, the parent has a net financial position of euro 666.7 million compared to net financial indebtedness of euro 224.3 million at 31 December 2011.

With respect to the changes in working capital in 2012, the main events that contributed to the improvement in the parent's net financial position were the distribution of ordinary dividends of euro 36.6 million, collection of loan assets from subsidiaries of euro 51.1 million and receipt of dividends of euro 900.0 million from the subsidiary Impregilo International Infrastructures N.V. at the end of 2012, net of the offsetting of intragroup liabilities of euro 136.6 million.

The following table shows the parent's net financial position at 31 December 2012 and changes therein:

Net financial position of Impregilo S.p.A.

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Variation
Non-current financial assets	4	4,960	75	4,885
Other current financial assets	11	-	687	(687)
Cash and cash equivalents	14	876,983	155,912	721,071
Total cash and cash equivalents and other financial assets		881,943	156,674	725,269
Non-current bank loans	16	(78,295)	(7,551)	(70,744)
Finance lease payables	17	(16)	(29)	13
Total non-current indebtedness		(78,311)	(7,580)	(70,731)
Current portion of bank loans and current account facilities	16	(105,243)	(351,516)	246,273
Current portion of finance lease payables	17	(28)	(21)	(7)
Total current indebtedness		(105,271)	(351,537)	246,266
Derivative assets	11	1,091	-	1,091
Derivative liabilities	18	(65)	(1,628)	1,563
Current portion of factoring payables	16	(10,168)	(10,212)	44
Non-current portion of factoring payables	16	(22,540)	(10,003)	(12,537)
Total other items in net financial indebtedness		(31,682)	(21,843)	(9,839)
Net financial position (indebtedness)		666,679	(224,286)	890,965

(*) The note numbers refer to the notes to the separate financial statements where the items are analysed in detail.





DIRECTORS' REPORT - PART II

PERFORMANCE BY BUSINESS SEGMENT

This section provides an analysis of the main results and most significant events that affected the group's operations during the year, broken down by business segment.

Corporate, coordination and supervision of Impregilo S.p.A.'s main investments; this is carried out by central units forming part of the parent;

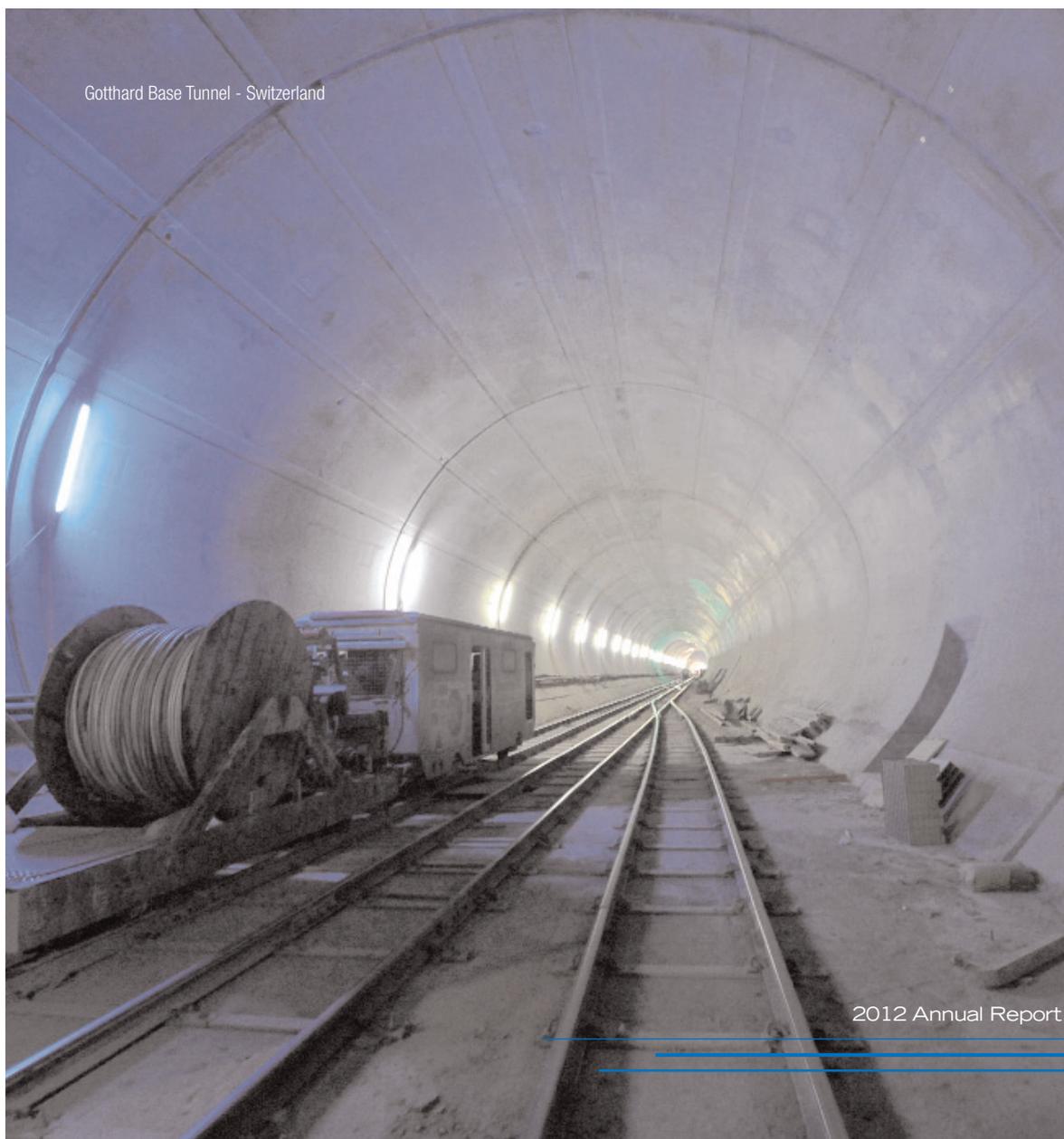
Construction, business headed by Impregilo S.p.A.;

Concessions, business coordinated by Impregilo International Infrastructures (the Netherlands) and carried out through subsidiaries, jointly controlled entities and associates;

Engineering & Plant Construction, business headed by FISIA Italmimpianti and FISIA Babcock Environment (Germany).

The tables on the following pages highlight the contribution of the individual business segments to the consolidated results, and provide a breakdown of net invested capital by business segment.

The remaining waste disposal activities in the Campania region ("USW Campania projects") are discussed in a separate section of this Report.



2012 performance by business segment

(Euro/000)	Construction	Concessions
Operating revenue	1,971,861	16,846
Other revenue	72,098	1,597
Total revenue	2,043,959	18,443
Costs		
Purchases, sub-contracts and other operating expenses	(1,616,813)	(11,812)
Personnel expenses	(316,708)	(6,431)
Provisions and impairment losses	(3,719)	-
Total costs	(1,937,240)	(18,243)
Gross operating profit (loss)	106,719	200
<i>Gross operating profit (loss) %</i>	<i>5.2%</i>	<i>1.1%</i>
Amortisation and depreciation	(105,801)	(805)
Operating profit (loss) before non-recurring items	918	(605)
<i>Return on Sales</i>	<i>0.0%</i>	<i>n.a.</i>
Operating profit (loss)	918	(605)
Profit (loss) from discontinued operations		720,717

Consolidated statement of financial position as at 31 December 2012 by business segment

(Euro/000)	Construction
Total non-current assets	599,198
Assets held for sale, net	
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	(50,613)
Net tax assets	
Working capital	244,800
Net invested capital	793,385
Equity	
Net financial position	
Total financial resources	

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
213,127	2	(1,454)	-	2,200,382
8,826	198	(2,110)	-	80,609
221,953	200	(3,564)	-	2,280,991
(150,880)	(1,348)	2,485	(23,168)	(1,801,536)
(45,913)	(696)	1,079	(29,116)	(397,785)
(1,302)	-	-	7,628	2,607
(198,095)	(2,044)	3,564	(44,656)	(2,196,714)
23,858	(1,844)	-	(44,656)	84,277
10.7%	<i>n.a.</i>			3.7%
(3,099)	(5)	-	(45)	(109,755)
20,759	(1,849)	-	(44,701)	(25,478)
9.4%	<i>n.a.</i>			<i>n.a.</i>
20,759	(1,849)	-	(44,701)	(25,478)
	(3,681)			717,036

Concessions	Engineering & Plant Construction	USW Campania projects	Eliminations and unallocated items	Total
78,117	49,691	791	(289,132)	438,665
186,386		121,202		307,588
37,437	(7,642)	(30,432)	(16,278)	(67,528)
			137,576	137,576
29,606	134,108	13,322	933	422,769
331,546	176,157	104,883	(166,901)	1,239,070
			1,805,805	1,805,805
			(566,735)	(566,735)
				1,239,070



CORPORATE

Corporate activities are centralised within the parent, Impregilo S.p.A., and relate to the following:

- coordination, control and strategic planning of the group's activities;
- centralised planning and management of human and financial resources;
- management of administrative, tax, legal/corporate and institutional communications requirements;
- administrative, tax and management support to group companies.

The net cost of corporate activities before non-recurring items amounts to euro 44.7 million (euro 36.2 million before non-recurring items). The increase in these non-recurring items mainly relate to the impact on the corporate structures of certain events of a management nature in 2012 which entailed the central structures' greater involvement than in the recent past, including in terms of the greater assistance by external consultants.

Risk areas

Tax litigation

Extensive information has been provided in previous years about the parent's dispute commenced in 2008 with the tax authorities concerning an assessment challenging the tax treatment of impairment losses and losses certain investments held by it in 2003. The most significant issue relates to the parent's sale of its entire investment in the Chilean operator Costanera Norte S.A. to Impregilo International Infrastructures N.V. in that year.

The dispute is currently before the Supreme Court following the tax authorities' appeal notified on 5 November 2010. The second level court ruling was filed on 11 September 2009 reversing the first level ruling and fully cancelling the assessment about the key issue raised by the tax authorities about redetermination of the sales price for the investment in Costanera Norte S.A..

Other litigation

The corporate structure is not currently involved in any major litigation. Except for that disclosed in greater detail later on about the USW Campania projects, the only litigation relates to the parent's transfer of its registered office from Sesto San Giovanni (Milan) to Milan commenced by the lessor of the previously leased premises in 2009. The lessor has in fact challenged the existence of just cause which the parent claims justifies its early termination of the lease which was due to expire in 2012. The parties commenced an arbitration proceeding and the parent was found to be the losing party. Although the arbitration tribunal's findings could be challenged, in order to properly examine the challengeable issues and to decide on the most suitable action to be taken, assisted by its legal advisors, the parent has recognised the loss arising from the arbitration award in profit or loss. Moreover and pursuant to the contract signed with Immobiliare Lombarda S.p.A., as original lessor of the current registered office, Impregilo has the right to be held harmless from claims made by the previous lessor that exceed euro 8 million. It had already considered this aspect in previous years when assessing the potential risk of the dispute.



CONSTRUCTION

Impregilo S.p.A. heads the Construction business segment, which encompasses all projects relating to the construction of large-scale infrastructure, such as dams, hydroelectric plants, motorways, railways, metros, underground works, bridges and similar works.

The business segment recorded revenue of euro 2,044.0 million (euro 1,618.1 million) and an operating profit of euro 0.9 million (euro 161.5 million) for the year.

During the year, the Construction segment continued to manage projects relating to the construction of large-scale infrastructure.

In particular, the most significant events that affected the year in relation to the main contracts, broken down by geographical segment, are the following.

Italy

Salerno - Reggio Calabria Motorway: Lots 5 and 6

This project relates to the improvement and upgrading of the last section of the Salerno-Reggio Calabria motorway, between Gioia Tauro and Scilla (Lot 5) and between Scilla and Campo Calabro (Lot 6). Impregilo's share of the contract is 51%.

The important disputes with the customer regarding Lot 5 were resolved positively before 2012 and new critical issues have only recently been identified. They are due to the difficulty in obtaining the productivity targets and the critical social-environmental conditions at the building sites. As a result, Impregilo has revised the forecasts of contract costs identifying a loss, which has been fully recognised in profit or loss, of the year 2012.

Work was 87.1% complete on Lot 5 at 31 December 2012 and 57.7% complete on Lot 6.

Pedemontana Lombarda motorway

This contract entails the final and executive designs and construction of the first section of the Como and Varese ring roads and the connector between the A8 and the A9 motorways (from Cassano Magnago to Lomazzo) with construction of roughly 26 kilometres of motorway and secondary roads, including roughly 7 kilometres of tunnels.

The final designs were approved and Rider no. 1 was agreed in February 2010. This Rider confirmed the contract's price of euro 880 million and provided for and regulated the early execution of certain works and related executive designs without modifying the contractually provided-for timing. As well as the approval of the executive designs, an Addendum to Rider no. 1 was agreed (increasing the work defined as "early works") in December 2010 and the works were partly delivered on 7 December 2010.

However, starting from 2011 and throughout 2012, the customer has encountered increasing difficulties in meeting its contractually provided for financial commitments. Despite this, the general contractor commenced construction as per the agreed work schedule and the procedures provided for by contract to safeguard itself in relation to the above difficulties. To this end, it reached an agreement with the customer in early 2013 whereby if the customer is still in financial straits after 31 March 2013, this will constitute the contractual grounds for halting the works.

At 31 December 2012, 38.8% of the work was complete.



Third lane of the A4 Venice-Trieste motorway (Quarto d'Altino - San Donà di Piave)

In November 2009, the joint venture led by Impregilo as lead contractor won the tender for the planning and execution of the works to widen to three lanes the A4 Venice-Trieste motorway between the municipalities of Quarto d'Altino and San Donà di Piave (VE). The contract is worth euro 224 million.

The works involve widening the motorway over a length of 18.5 km by building a third lane and include, in particular, the construction of two new viaducts with an overall length of about 1.4 km over the Piave River, the construction of four bridges, nine overpasses, four motorway underpasses and the rebuilding of the San Dona di Piave motorway exit.

At 31 December 2012, 32.1% of the work was complete.

High-speed/capacity Milan-Genoa Railway Project

The project for the construction of this railway line was assigned to Consorzio CO.C.I.V. as general contractor with the TAV (as operator on behalf of Ferrovie dello Stato)/CO.C.I.V. agreement of 16 March 1992. Impregilo is the project leader.

As described in previous years, this project's pre-contractual stage has been complicated and difficult, with developments from 1992 to 2011 on various fronts, including many disputes.

Following enactment of Law decree no. 112/2008, converted into Law no. 133/2008, and the 2010 Finance Act, which provided that the contract was to be split into construction lots, for the first of which CIPE (the interministerial committee for economic planning) has already decided the related funding, the parties recommenced discussions to ascertain whether it is possible to start work again and to discontinue the claims for compensation under the ongoing dispute as specifically provided for by the 2010 Finance Act.

The contract for the works on the Terzo Valico dei Giovi section of the high speed/capacity Milan - Genoa railway line was signed in November 2011. The works assigned to the general contractor CO.C.I.V., led by Impregilo with a 54% interest, approximate euro 4.8 billion. Construction is to take place in lots, as provided for by the 2010 Finance Act. The first lot, already financed by CIPE for euro 500 million, includes works



Lake Mead Intake, Las Vegas – U.S.A.

and activities for euro 430 million. CIPE has also assigned the funds for the second lot as per its resolution no. 86/2011, published in the Italian Official Journal no. 65 of 17 March 2012. The Court of Auditors recorded the funding of the second lot (euro 1.1 billion) on 5 March 2012. CO.C.I.V. and RFI agreed commencement of Lot 2 for euro 617 million on 23 March 2013.

Regardless of the provisions of the above contract, the proceedings commenced by the consortium for the legal recognition of the activities carried out in previous years are still ongoing.

At 31 December 2012, 8.3% of the work was complete.

Milan outer east by-pass

In February 2009, following the bid made by the joint venture comprising Impregilo as lead contractor, an agreement was signed with Concessioni Autostradali Lombarde for the design, construction and operation of the Milan outer east by-pass on a project financing basis. CIPE approved the definitive project on 3 August 2011 and it was subsequently filed with the Court of Auditors on 24 February 2012 and published in the Italian Official Journal on 3 March 2012.

The infrastructure operation concession agreement has a term of 50 years from completion of the works, which are scheduled to take six years, including the design stage.

At 31 December 2012, 3.8% of the work was complete.

Line 4 of the Milan metro

Impregilo, leader and lead contractor of a joint venture consisting of Astaldi, Ansaldo STS, AnsaldoBreda, Azienda Trasporti Milanese (the Milan municipal transport company) and Sirti, was provisionally awarded the tender called by the Milan municipality for the selection of a private partner of a public/private partnership to which the concession for the engineering, construction and subsequent operation of Line 4 of the Milan metro will be given. The new line, which will be fully automated (i.e., driverless), will cover a 15.2 km stretch from Linate to Lorenteggio. The contract includes the final and executive design and construction of two single-track tunnels, one in each direction, with 21 stations and a depot/workshop.

The investment, mainly for the civil works, the supply of technological services and mechanical equipment, is roughly euro 1.7 billion, two thirds of which is financed by the Italian state and the Milan municipality. Impregilo and Astaldi will be equally responsible for the civil works.

At 31 December 2012, 1.1% of the work was complete.

Jonica highway

At the end of 2011, Impregilo and Astaldi were awarded the tender called by ANAS (the Italian national roads authority) for the construction of the third maxi-lot of the Jonica highway no. 106 as general contractor. This new contract is worth approximately euro 791 million, of which 40% for Impregilo. The new infrastructure will stretch over 38.0 km from the junction with highway no. 534 to Roseto Capo Spulico (CS). The contract includes the construction of roughly 13.0 km of tunnels, roughly 5.0 km of viaducts and 20.0 km of embankments as the main works. It is scheduled to take approximately seven years and eight months, including 15 months to develop the designs (final and executive) and for the preliminary work with the other six years and five months dedicated to the construction work.

At 31 December 2012, 0.8% of the work was complete.



Abroad

Venezuela - Puerto Cabello - La Encrucijada Railway

This project consists of the construction of civil works of the railway line along approximately 110 km, connecting Puerto Cabello and La Encrucijada.

Impregilo signed a contract addendum with the Venezuelan Independent Railway Institute for completion of the Puerto Cabello - La Encrucijada line in November 2011. The addendum includes extension of the line from the city of Moron to the port of Puerto Cabello. These new works are worth approximately euro 763 million (Impregilo's share is 33.33%).

At 31 December 2012, 58.2% of the work was complete.

Venezuela - San Juan de los Morros - San Fernando de Apure Railway and Chaguaramas - Cabruta Railway

Impregilo is involved (33.33% interest) in the construction of two new railway lines: "San Juan de los Morros - San Fernando de Apure" (252 km) and "Chaguaramas - Las Mercedes-Cabruta" (201 km).

The projects comprise the design and installation of a railway superstructure, the construction of 11 stations and nine logistics centres as well as the laying of 453 km of new lines.

Work was 26.8% complete for the "San Juan de los Morros - San Fernando de Apure" line at 31 December 2012.

It was 35.7% complete for the "Chaguaramas - Cabruta" line at the reporting date.

Greece - Thessalonica metro project

This project relates to the construction of the automated metro in Thessalonica. The contract was signed in 2006 and Impregilo is involved in the civil works together with the Greek construction company Aegek S.A. and Seli S.p.A.. The project entails the construction of an automated light metro system with the excavation of two 9.5-km tunnels and 13 new underground stations.

At 31 December 2012, 30.6% of the work was complete.

Romania - Orastie - Sibiu motorway

In April 2011, Impregilo was awarded the tender for the engineering and construction of Lot 3 of the Orastie - Sibiu motorway by the Romanian National Road & Highways Company (CNADNR). The contract is worth approximately euro 144 million and is 85% funded by the European Community and 15% by the Romanian government. It includes the construction of 22.1 km of a four-lane dual carriageway stretch of motorway with hard shoulders and a total width of 26 metres. The Orastie - Sibiu project is part of a larger project, Motorway corridor no. 4, which will link the city of Nadlac on the Hungarian border with the city of Constanza on the western shore of the Black Sea.

At 31 December 2012, 66.6% of the work was complete.

United States - Lake Mead tunnel

In 2008, Impregilo won the international tender called by the Southern Nevada Water Authority (SNWA) for the construction of an articulated water extraction and transportation system from Lake Mead to the Las Vegas area to increase water supplies for drinking and domestic use. Lake Mead is one of the biggest reservoirs in the US. The contract is worth US\$ 447 million.

At 31 December 2012, 60.7% of the work was complete.



US - San Francisco Central Subway

At the end of June 2011, the board of directors of the San Francisco Transportation Agency awarded Impregilo group (in a consortium with the American company Barnard) the contract to extend the city's Central Subway line. The contract is worth US\$ 233 million and Impregilo has a 45% share therein with its subsidiary SA Healy. It covers the underground extension of the existing surface line in the city centre, with two new single-track tunnels for a total length of 5 km to be excavated with two 6.40-metre diameter TBMs. It is expected to take 35 months.

At 31 December 2012, 21.3% of the work was complete.

South Africa - Ingula hydroelectric plant

The procedures for the participation of Impregilo, CMC of Ravenna and a local company in construction of a hydroelectric plant in South Africa were finalised in March 2009. Impregilo has a 39.2% share of the project ("Ingula Pumped Storage Scheme"), which is currently worth approximately euro 948 million. It consists of the construction of a generating and pumping plant with total installed capacity of 1100 MW which will generate electricity at peak times and reuse the water pumping it into the upper reservoir during times of less demand.

At 31 December 2012, 77.2% of the work was complete.

Widening of the Panama Canal

In July 2009, Impregilo obtained official confirmation that the consortium of which it is a member (Grupo Unido por el Canal), along with Sacyr Vallehermoso (Spain), Jan de Nul (Belgium) and the Panama-based Constructora Urbana (Cusa), had been awarded the contract for the construction of a new system of locks as part of the project to widen the Panama Canal. The bid was for US\$ 3.22 billion.

The contract is one of the largest and most important civil engineering projects ever to take place. It involves the construction of two new series of locks, one on the Atlantic side and another on the Pacific side, which will allow an increase in commercial traffic through the Canal and better meet developments in the sea freight market with bigger ships that have greater capacity (the Post Panamax ships) compared to those that can currently use the existing locks.

Reference should be made to the "Risk areas" paragraph of this section for information about certain critical issues affecting this contract.

At 31 December 2012, 43.4% of the work was complete.

United Arab Emirates - Abu Dhabi hydraulic tunnel - Lots 2 and 3

Impregilo is engaged in two lots of the Strategic Tunnel Enhancement Programme (STEP) in the United Arab Emirates that includes construction of a 40-km long deep sewer tunnel, which will collect the waste water from the island and mainland of Abu Dhabi and channel it to the Al Wathba treatment station. Impregilo is constructing 25 km of the tunnel. The contract is worth approximately US\$ 445 million.

At 31 December 2012, 87.5% of the work was complete on Lot 2 and 59.1% on Lot 3.

Colombia - Hydroelectric project on the Sogamosa River

In December 2009, Impregilo was awarded the tender to build a hydroelectric plant on the Sogamoso River in north-western Colombia, about 40 km from the city of Bucaramanga.

The project comprises construction of a 190-metre high, 300-metre long dam and an underground power station, which will house three turbines with installed capacity of 820 MW. The contract is currently worth roughly euro 590 million and the customer is ISAGEN S.A., a public/private operator active in power generation in Colombia.

Impregilo has already completed the preliminary work for the dam, which includes construction of two diversion tunnels of roughly 870 metres long and a diameter of 11 metres, as well as a system of access tunnels and roads to the underground station.

With respect to the main project, construction of the dam, critical issues came to light in the second half of 2011, which negatively impacted both production levels and the related profitability. These issues included, in particular, the exceptionally adverse weather conditions affecting a large part of Colombia, which significantly delayed the river diversion activities, the concurrent presence of geological conditions that are very different to those provided for in the contract and the changes in the scope of work requested by the customer. Some of the most significant claims made by Impregilo were accepted in early 2012 while other claims are still pending. While the group deems it reasonable to expect further positive developments in the above disputes, the estimated costs to complete the contract at 31 December 2012 give rise to a loss which the group has recognised in its 2012 income statement.

At 31 December 2012, 74.3% of the work was complete.

Colombia - "Ruta del Sol" motorway

At the end of July 2010, the group won the tender for the operation under concession of the third motorway lot of the "Ruta del Sol" project in Colombia. This concession, awarded to a group headed by Impregilo and including the Colombian companies Infracon, Grodco, Tecnica Vial and the private investment fund RDS (owned by Bancolombia and Fondo Pensioni Proteccion), includes the upgrading, widening to four lanes and operation of the two motorway sections between the cities of San Roque and Ye de Cienaga and the cities of Carmen de Bolivar and Valledupar. The related investment approximates US\$ 1.3 billion. The concession contract provides for total revenue of roughly US\$ 3.7 billion (of which 40% for Impregilo), including revenue from tolls and a government grant of US\$ 1.7 billion, to be provided during the construction stage. The concession will have a 25-year term, including six years for the design and infrastructure modernisation stage and 19 years for operation.

At 31 December 2012, 3.0% of the work was complete.

Chile - Angostura hydroelectric project

Impregilo was awarded the contract for a hydroelectric project in Chile currently worth approximately euro 250 million by Colbun S.A., a Chilean company active in the power generation sector, at the end of June 2010.

The plant will be located in the Angostura area roughly 600 km south of the capital Santiago.

The contract includes construction of a main dam, 152-metres long and 63-metres high, a secondary dam, 1.6-km long and 25-metres high, and an underground power chamber housing three generators with installed power of 316 MW. The generated electricity will approximate 1540 Gwh per annum.

Certain critical issues were identified in the second half of 2011 due to both increasing social-environmental issues, as the conditions are very different to those envisaged during the bid stage, and the building site operating conditions, partly due to variations requested by the customer. This situation led the group to commence legal proceedings against the customer, and its claims were partly recognised in 2012.

At 31 December 2012, 85.2% of the work was complete.



Order backlog

The Construction segment's order backlog at 31 December 2012 is as follows:

(Impregilo's share in millions of Euros)

Area/Country	Project	Residual backlog at 31 December 2012	Percentage of total	Percentage of completion
High speed		2,486.1	24.1%	
Italy	Mestre motorway connector	29.7	0.3%	92.3%
Italy	Salerno-Reggio di Calabria motorway Lot 5	81.1	0.8%	87.1%
Italy	Salerno-Reggio di Calabria motorway Lot 6	116.2	1.1%	57.7%
General Contracting		227.0	2.2%	
Italy	Genoa metro	1.6	0.0%	96.8%
Italy	Highway 36/Milan motorway connector	66.1	0.6%	78.1%
Italy	Spriana landslide	1.7	0.0%	95.9%
Italy	New offices of the Lombardy Regional Authorities	0.2	0.0%	99.9%
Italy	Pedemontana Lombarda - Lot 1	253.2	2.5%	38.8%
Italy	Riviera Scarl	3.4	0.0%	70.3%
Italy	Milan outer east by-pass	381.5	3.7%	3.8%
Italy	A4 building of third lane	53.2	0.5%	32.1%
Italy	Milan metro Line 4	414.3	4.0%	1.1%
Italy	Jonica highway	313.9	3.0%	0.8%
Italy	Broni - Mortara	392.6	3.8%	0.0%
Italy	SGF	23.5	0.2%	
Other work in Italy		1,905.1	18.5%	
Total work in Italy		4,618.3	44.8%	
Greece	Support Tunnel Achelos	6.7	0.1%	23.7%
Greece	Thessalonica metro	197.2	1.9%	30.6%
Greece	Stavros Niarchos Cultural Center	164.2	1.6%	0.9%
Romania	Orastie-Sibiu motorway	48.1	0.5%	66.6%
Switzerland	Transalp Tunnel	22.7	0.2%	93.5%
Switzerland	CSC	131.3	1.3%	
Europe		570.2	5.5%	
Dom. Republic	Consorcio Acueducto Oriental	0.9	0.0%	99.4%
Dom. Republic	Guaigui hydraulic plant	71.4	0.7%	12.5%
Venezuela	Puerto Cabello - Contuy Ferrocarriles	646.0	6.3%	58.2%
Venezuela	Puerto Cabello - Contuy Ferrocarriles stations	483.9	4.7%	8.0%
Venezuela	Chaguaramas railway	226.5	2.2%	35.7%
Venezuela	San Juan de Los Morros railway	580.3	5.6%	26.8%
Venezuela	OIV Tocoma	84.6	0.8%	92.2%
Panama	Widening of the Panama Canal	616.6	6.0%	43.4%
Chile	Angostura	22.8	0.2%	85.2%
Colombia	Sogamoso	125.4	1.2%	74.3%
Colombia	Ruta del Sol motorway	431.1	4.2%	3.0%
Colombia	Quimbo	142.0	1.4%	40.3%
Brazil	Serra Do Mar	5.5	0.1%	89.3%
USA	Vegas Tunnel - Lake Mead	145.0	1.4%	60.7%
USA	San Francisco Central Subway	62.5	0.6%	21.3%
USA	Gerald Desmond Bridge	142.9	1.4%	3.3%
America	SGF	2.5	0.0%	
Americas		3,789.8	36.7%	
United Arab Emirates	Step Deep Tunnel Sewer Contract T-02	22.1	0.2%	87.5%
United Arab Emirates	Step Deep Tunnel Sewer Contract T-03	60.9	0.6%	59.1%
Qatar	Abu Hamour	93.6	0.9%	0.0%
Iraq	IECAF - Engineering Services for the Al-Faw Port	11.5	0.1%	33.5%
Asia		188.0	1.8%	
Africa	Rivigo	51.3	0.5%	74.3%
Africa	Lidco	1,002.5	9.7%	11.7%
Africa	Ingula	83.6	0.8%	77.2%
Africa	SGF - Il nuovo Castoro	11.5	0.1%	
Africa		1,148.9	11.1%	
Total Abroad		5,696.9	55.2%	
Total Construction		10,315.1	100.0%	

The section on the segment's Risk areas comments on the Libyan contracts which are worth euro 1,002.5 million.



Acquisition of new contracts

US - New Gerald Desmond Bridge at Long Beach

On 24 July 2012, Impregilo, Shimmick Construction (USA) and FCC Construction (Spain) were awarded the tender called by the Long Beach port authority for the engineering and construction of the new Gerald Desmond bridge at Long Beach (California). The contract is worth roughly US\$ 650 million (Impregilo's share: 30%). The new bridge will be approximately 610 metres long with a main span of roughly 300 metres and access viaducts of roughly 2 km.

Greece - New National Library and National Opera: the Stavros Niarchos Foundation Cultural Centre in Athens

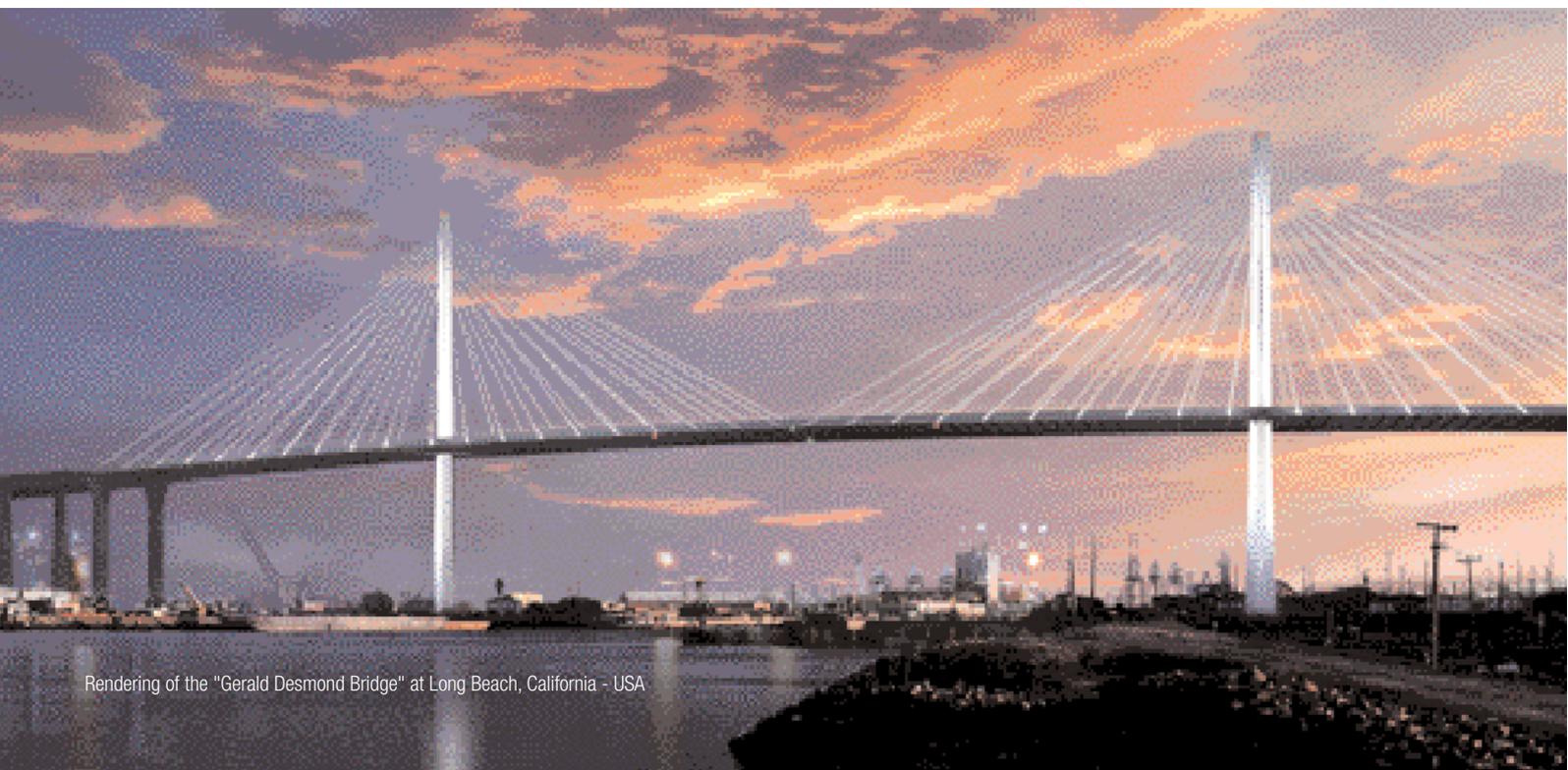
Towards the end of the year, the group was awarded the contract for the new Stavros Niarchos Foundation Cultural Centre (SNFCC) in Athens, Greece as part of a joint venture with the Greek company Terna S.A.. The contract is worth approximately euro 325 million (Impregilo's share: 51%) and is guaranteed and financed in full by the Stavros Niarchos Foundation. Designed by the architectural firm Renzo Piano Building Workshop (RPBW), the project is an ecologically sustainable multifunctional centre located about 4.5 km from central Athens on a 232,000 square metre site consisting largely of public parkland. It will be completed in 38 months. The initiative also provides for the construction of the new Greek National Opera, with a main 1,400-seat theatre and an experimental 400-seat theatre, and the National Library for the general public, to house up to 750,000 books. Upon completion of the construction work, the contract assigns facility management operations (operation and maintenance) at the SNFCC to the joint venture for a five-year period, for an additional amount of approximately euro 10 million.

Qatar - storm water drainage tunnel in Doha

In October 2012, Impregilo was awarded the tender for the design and construction of a storm water drainage tunnel for the collection of surface water and groundwater in the city of Doha by the Public Works Authority of Qatar.

The contract involves the construction of a 9.5-km main water collection tunnel with a diameter of 4.5 metres, as well as the installation of 21 access shafts. The tunnel will be bored using two TBMs.

Impregilo's share of the contract is euro 100 million and it will take four years.



Rendering of the "Gerald Desmond Bridge" at Long Beach, California - USA

Risk areas

Libya

Impregilo is active in Libya through its subsidiary Impregilo Lidco Libya General Contracting Company (Impregilo Lidco) in which it has a 60% interest. The other shareholder is Libyan.

In the past, the subsidiary had acquired important contracts for the construction of:

- infrastructural works in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- a new Conference Hall in Tripoli.

With respect to the political upheaval in Libya from February 2011 to the date of this Report, the subsidiary has always acted in accordance with the contractual terms and the investments made up until the deterioration of the country's political situation are fully covered by the contractually provided for advances.

The works covered by the contracts agreed by the Libyan subsidiary are works of national interest which are currently expected to be continued. It is clear that there is considerable doubt about the subsidiary's effective ability to carry out the contracts compared to the forecasts made before the crisis exploded. Accordingly, Impregilo does not expect to develop its revenue in this country in the near future.

The group commenced the procedures necessary to restart industrial activities during the year, even though the local situation continues to be complicated and full security conditions are not guaranteed. However, it picked up commercial and contractual relations with the customers to open up the building sites again and rediscuss the economic conditions originally provided for in the related contracts. During the year, the group obtained access to more precise information about the figures that impact its consolidated financial statements. As a result, Impregilo updated the carrying amounts of the Libyan subsidiary's assets, liabilities, revenue and expense in its consolidated financial statements in line with its accounting policies, based on the information gathered during the year and the valuations performed by the subsidiary's independent legal advisors. Compared to the situation presented in the group's 2011 consolidated financial statements, which was based on the latest available figures at 31 March 2011, the subsidiary's net assets have been impaired by approximately euro 26.1 million to reflect the above events in relation to contract work in progress. These losses were included in contract work in progress as the group deems them recoverable considering the renewed contacts with customers. Net cash and cash equivalents held in Libya decreased by roughly euro 10.1 million due to costs incurred locally in the period from 31 March 2011 to the end of 2012.

In early 2013, the group carried out a physical count of the plant, machinery and supplies for the main building sites recognised for euro 29.9 million although complete access to all the sites where the assets are held was not possible for safety reasons. Given that any additional costs that may arise following completion of the count would be covered by the customers as per the contractual terms for force majeure, as also assessed by the legal advisors assisting the subsidiary, the group does not believe that any new significant risks will arise from the above valuations with respect to the recovery of the company's net assets, thanks in part to the actions taken and requests and claims presented to the customer.

The group is monitoring the situation closely and it cannot be excluded that events which cannot currently be foreseen may take place after the date of preparation of this Report that require changes to the assessments made to date.



Tax litigation - Iceland

With respect to the contract for the construction of a hydroelectric plant in Karanjukar (Iceland) that the group successfully completed in previous years, a dispute arose with the local tax authorities in 2004 about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site. Impregilo was firstly wrongly held responsible for the payment of the withholdings on this remuneration, which it therefore paid. Following the definitive ruling of the first level court, the company's claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company's claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the wrongly paid withholdings of euro 6.9 million (at the original exchange rate) and the related interest accrued to date of euro 6.0 million. Impregilo had prudently impaired the interest amount in previous years, despite a previous local court ruling and the opinion of its consultants that confirmed its grounds, and only continued to recognise the unduly paid principal. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On 8 February 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying the infraction of the free exchange of services and requested the government to provide its observations about this. Based on the above considerations and reasonings, Impregilo does not believe objective reasons exist to change the valuations made about this dispute.

Ente irriguo Umbro-Toscano - Imprepar

The group was informed that part of the sill above the surface discharge of the Montedoglio dam in the Arezzo province had been damaged on 29 December 2010. The Irrigation Body notified Imprepar in January 2011 that "*investigations and checks are being carried out to ascertain the reasons and responsibilities for the damage*". As the transferee of the "sundry activities" business unit, which includes the "Montedoglio dam" contract, Imprepar informed the body that the activities related to the damaged works were carried out by another company in 1979 and 1980, from which Impregilo (then COGEFAR) only took over the contract in 1984. The works had been tested and inspected with positive results. Imprepar specifically explained its non-liability for any damage caused by the event in its communication to the Body and does not believe that there are reasons to modify its related assessments, supported by the opinion of its legal advisors.

During the year, the managers of Ente Acque Umbre Toscane and the works manager signed a service order requesting the contractor to immediately prepare executive designs and commence the related works at its own expense and under its own responsibility. Imprepar challenged these acts in full. However, the amounts involved are not significant.

Imprepar deems it too early to be able to assess any risks arising from the Montedoglio dam contract other than those already assessed in 2011, given the above recent developments and supported by its legal advisors.

Widening of the Panama Canal

Certain critical issues have arisen during the first stage of full-scale production which, due to their specific characteristics and the materiality of the work to which they relate, have made it necessary to revise downwards the estimates on which the early phases of the project had been based. The most critical issues relate to, *inter alia*, the geological characteristics of the excavation areas with respect to the raw materials necessary to produce the concrete and the processing of such raw materials during normal production activities.



The considerable differences between the actual conditions and those planned for are critical and have been provided for in the prudent estimates of the cost to complete the contract made on the basis of recent production trends and considering that the inefficiencies will gradually be absorbed. Given the relations with the customer, with which these issues are constructively discussed on an ongoing basis, and the long timeframe of the contract, the group believes that the estimates, consistently with those made during preparation of the interim financial report at 30 June 2012, are reasonable and supported by the contract.

Bridge crossing the Messina Strait and roadway and railway connectors from Calabria to Sicily

In March 2006, as lead contractor of the joint venture created for this project (interest of 45%), Impregilo signed a contract with Stretto di Messina S.p.A. for its engagement as general contractor for the final and executive designs and construction of the Messina Strait Bridge and related roadway and railway connectors.

A bank syndicate also signed the financial documentation required in the General Specifications after the joint venture won the tender, for the concession of credit lines of euro 250 million earmarked for this project. The customer was also given performance bonds of euro 239 million, as provided for in the contract. Reduction of the credit line to euro 20 million was approved in 2010.

Stretto di Messina S.p.A. and Eurolink S.c.p.A. signed a rider in September 2009 which covered, *inter alia*, suspension of the project works carried out since the contract was signed and until that date. As provided for by the rider, the final designs were delivered to the customer and its board of directors approved them on 29 July 2011.

Law decree no. 187 was issued on 2 November 2012 providing for "Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. (the customer) and for local public transport". Following enactment of this decree and given the potential implications for its position as general contractor, Eurolink (led by Impregilo) notified the customer of its intention to withdraw from the contract under the contractual terms, also to protect the positions of all the Italian and foreign partners involved in the joint venture. However, given the immense interest in constructing the works, the general contractor also communicated its willingness to review its position should the customer demonstrate its real intention to carry out the project. To date, the ongoing negotiations have not been successful despite the parties' sincere interest in coming to an agreement. Eurolink has commenced various legal proceedings in Italy and the EU, arguing that the provisions of the above decree are contrary to the Constitution and EU laws and that they damage Eurolink's legally acquired rights under the contract. It has also requested that Stretto di Messina be ordered to pay the amounts requested by the general contractor due to the termination of the contract for reasons not attributable to it. As a result, Impregilo group's order backlog at 31 December 2012 was adjusted to reflect discontinuation of the contract. Considering the complex nature of the various legal proceedings and although the legal advisors assisting Impregilo and the general contractor are reasonably positive about the outcome of the proceedings and the recoverability of the remaining assets recognised for this contract, it cannot be excluded that events not currently foreseeable may arise in the future which would require the current assessments to be revised.



CONCESSIONS

Group activities in this business segment relate to the management of investments in numerous subsidiaries and other investees that hold concessions, mainly for the management of motorway networks, plants that generate energy from renewable sources, electricity transmission, integrated cycle water systems and the management of non-medical hospital service activities.

The segment is headed by Impregilo International Infrastructures N.V., the Dutch sub-holding company wholly owned by Impregilo S.p.A.. It coordinates the segment.

As already mentioned in previous sections of this Report and in line with the group's new strategies identified in the second half of 2012, followed by preparation of the 2013-2015 business plan, approved in December 2012, the Concessions segment took steps to make the most of its main assets that are no longer considered strategic for the group's core business during the year. The main event in this respect concerned the investment held by Impregilo International Infrastructures in the jointly controlled Brazilian group EcoRodovias Infraestrutura e Logística S.A. (originally 29.74% of the holding company). The group company sold its entire investment in separate instalments to third parties starting from October 2012 and concluding in January 2013. As a result and pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations, the Brazilian group's results, previously consolidated using the proportionate method, have been recognised as discontinued operations.

Considering the circumstances for which complete disclosure about the transactions involving the sale of the investment was published pursuant to article 71 and Annex 3B (table 3) to the Regulation implementing Legislative decree no. 58 of 24 February 1998, adopted by Consob with resolution no. 11971 of 14 May 1999 and subsequent amendments on 31 October 2012 and 26 January 2013, for the purposes of this section, it should be noted that gains of roughly euro 721 million were recognised as a result of the transactions that took place in 2012, including approximately euro 538.7 million of net gains on the sales of the year. Additional information is provided in the notes to the consolidated financial statements presented later in this Annual Report about the transactions.



Cordoba access motorway - Argentina

The following tables summarise the key figures of the Concessions backlog at year end, split by business segment.

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy	Tangenziale Esterna S.p.A.	15.5	33	Not yet active		
	Broni - Mortara	40	50	Not yet active		
Argentina	Iglys S.A.	98		holding		
	Autopistas Del Sol	19.82	120	active	1993	2020
	Puentes del Litoral S.A.	26	59.6	active	1998	2023
	Mercovia S.A.	60	18	active	1998	2023
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	40	465	active	2011	2036

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy	Milan metro Line 4	31.05	15	Not yet active	-	-

ENERGY FROM RENEWABLE SOURCES

Country	Operator	% of investment	Installed voltage	Stage	Start date	End date
Argentina	Yacilec S.A.	18.67	T line	active	1994	2088
	Enecor S.A.	30.00	T line	active	1992	2088

INTEGRATED WATER CYCLE

Country	Operator	% of investment	Pop. served	Stage	Start date	End date
Argentina	Aguas del G. Buenos Aires S.A.	42.58	210 k	liquidation		
Peru	Consorcio Agua Azul S.A.	25.50	740 k	active	2002	2027

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
GB	Impregilo Wolverhampton Ltd.	20.00	150k medical visits	active	2002	2032
	Ochre Solutions Ltd.	40.00	220	active	2005	2038
	Impregilo New Cross Ltd.	100.00		holding		

CAR PARKS

Country	Operator	% of investment	No. of parks	Stage	Start date	End date
GB	Impregilo Parking Glasgow Ltd.	100.00	1400	active	2004	2034



Given that, as a result of the sale of the EcoRodovias investment, the group has sold the most significant concession activities to third parties, its remaining order backlog covers two main business areas: the first in Argentina, Peru and the UK, thanks to investments in active operators, and the second in green field projects, which include contracts for motorway infrastructures in Italy and Peru. Construction activities are still underway for these contracts and the operator will only become operational in the future.

No significant events or circumstances took place in 2012 and the Concessions segment companies continued their normal activities in line with their objectives identified by the company heading the segment, Impregilo International Infrastructures.

This section briefly describes the main projects of the Concessions segment by country.

Argentina

The group operates in Argentina via its subsidiary Mercovia S.A. and several associates and other investees.

The subsidiary Mercovia S.A. continued its activities recording a substantial breakeven. Negotiations are still ongoing for the associate Puentes del Litoral S.A. to redefine the financial terms of the concession agreement.

Italy

The Italian Concessions segment has recently won three large projects for which construction has not yet been fully commenced:

- (i) Milan outer east by-pass: motorway contract for the doubling of the connection between the A1 and A4 motorways along an external new route compared to the current east by-pass. Impregilo's share of the contract is 15.5%.
- (ii) Milan metro Line 4: this contract entails construction of a new metro line from Linate to Lorenteggio in Milan. Impregilo's share of the contract is 29%.
- (iii) Broni - Mortara motorway: the contract includes the design, construction and 43-year operation of a new roughly 50-km long motorway section between Lombardy and Piedmont. Impregilo's share of the contract is 40%.



ENGINEERING & PLANT CONSTRUCTION

The Engineering & Plant Construction segment, headed by FISIA Italmimpianti and FISIA Babcock Environment (Germany), includes the operation of plants for the desalination of sea water, fume treatment and waste-to-energy processes.

The Engineering & Plant Construction segment includes the Chinese company Shanghai Pucheng Thermal Power Energy Co. Ltd, 50% held by FISIA Babcock and consolidated on a proportionate basis. The Engineering & Plant Construction segment's order backlog solely includes the contractual amounts of the engineering contracts and environment services. It does not include the Chinese company's estimated future revenue. In order to present the group's future revenue consistently, this figure is included in the Concessions segment in the graphs set out in the section on the group's highlights of this Report. The general data related to transactions with the grantor are summarised below:

Country	Company	% of investment	Installed voltage	Pop. served	Stage	Start date	End date
China	Shanghai Pucheng Thermal Power Energy Co. Ltd	50.00	17 mw	1.6 m	active	2004	2034

In line with the new strategies for the group, based on which the new 2013-2015 business plan was drawn up and approved in December 2012, the Engineering & Plant Construction segment has been included in those activities to be sold in order for Impregilo to concentrate its future development on its core construction business. The reasons for this are the critical issues encountered in the last few years, especially with respect to the desalination sector. Accordingly, activities undertaken during the year included recovery of the assets of FISIA Italmimpianti, still being contested, in relation to the USW Campana projects and other contracts for desalination plants in the Arabian Gulf area for which significant disputes had been commenced with customers in previous years. The segment also concentrated on developing FISIA Babcock Environment's business to avail of the best opportunities to enhance its value while concurrently maintaining its leadership position in its current strategic market sectors.

The business segment's revenue amounted to euro 222.0 million for the year (euro 246.3 million) and the operating profit totalled euro 20.8 million (operating loss of euro 40.0 million).

The contraction in business volumes is mainly due to FISIA Italmimpianti's position. Following substantial completion of its projects and given the stagnation of the large-scale desalination plant market which has considerably limited demand for new infrastructure, this group company has had to limit its operations to the management of certain important disputes, especially those for certain plants built in Qatar.

As a result of these situations and their related assessment, FISIA Italmimpianti had made large losses in previous years and encountered financial difficulties due to customers' undue retentions on services already provided and not yet paid. However, starting from the second half of 2012, progress has been made with these disputes and a settlement agreement was signed in December 2012 for one of the two contracts, covering some of FISIA Italmimpianti's main issues. With respect to the second contract, the international arbitration hearing was completed in February 2013 fully accepting FISIA Italmimpianti's claims with the favourable ruling by the arbitration tribunal in full. The financial effects of these positive outcomes has been seen in early 2013 and the group company has revised its assessments of the related contracts. The related positive effects of approximately euro 20 million have been recognised in the 2012 income statement.

Finally, during 2012, following the settlement proposed by the Italian public administrations about transfer of title to the Acerra waste-to-energy plant, already included in the group's results for 2011, and collection of the compensation in 2012, both FISIA Italmimpianti and FISIA Babcock have finally managed to collect their receivables for this contract. This has been especially positive for FISIA Italmimpianti, allowing it to return to a more healthy financial position.



Order backlog

The Engineering & Plant Construction segment's order backlog at 31 December 2012 is as follows:

(in millions of Euros)

Area/Country	Project	Residual backlog at 31 December 2012	Percentage of total	Percentage of completion
FISIA Italmimpianti				
Middle East	Jebel Ali L2	2.9	1%	98.5%
Middle East	Ras Abu Fontas B2	7.3	3%	96.4%
Middle East	Jebel Ali M	18.0	7%	97.6%
Middle East	Jebel Ali M - spare parts	8.6	3%	1.8%
Middle East	Ras Abu Fontas A1	5.6	2%	98.3%
Middle East	Shuaiba North	6.6	2%	98.1%
Middle East	Shuaiba North - spare parts	14.5	5%	21.1%
Middle East	Takreer CbdC	21.2	8%	0.3%
Italy	Other	0.3	0%	n.a.
Total FISIA Italmimpianti		85.0	31%	
FISIA Babcock				
Germany	Datteln REA	2.0	1%	94.0%
Germany	Moorburg - ESP	2.4	1%	95.0%
Germany	Manheim Block 9 RRA	35.3	13%	57.0%
Netherlands	Maasvlakte Block 3 REA	3.8	1%	91.0%
Turkey	Yildizlar Orta FGD	1.1	0%	16.0%
Panama	Paco - FGD	13.2	5%	7.0%
	Other Abroad	2.2	1%	n.a.
Fume treatment		60.0	22%	
Germany	Moskau WtE	95.5	35%	16.0%
Germany	Krefeld WtE	1.5	1%	98.0%
Germany	Ruhleben WtE	5.0	2%	96.0%
Germany	Wuppertal K 13 EfW	11.2	4%	53.0%
Lithuania	Klaipeda WtE	3.1	1%	92.0%
Korea	An-Yang EfW	1.8	1%	25.0%
	Other Abroad	0.9	0%	n.a.
Waste-to-energy		119.0	44%	
	Italy	0.4	0%	n.a.
	Abroad	7.5	3%	n.a.
Other		7.9	3%	
Total FISIA Babcock		186.9	69%	
TOTAL ENGINEERING & PLANT CONSTRUCTION		271.9	100%	

Risk areas

The considerable slow-down in industrial production seen in international markets due to the widespread financial crisis, which began in previous years, continues to be highly critical for the markets in which FISIA Italmimpianti, the company which heads the segment, operates. The Arabian Gulf countries, which are FISIA Italmimpianti's key markets, have not yet recommenced their development programmes halted in 2008 in an organised manner. Although this has critical repercussions on the company's order backlog, the group company acquired a contract to build a new desalination plant worth approximately US\$ 28 million towards the end of the year.

Even if this contract's value is not comparable to those acquired in previous years, it represents the first important step towards recovery, also considering the technologies provided for in the contract, which are an interesting alternative to those used for the large plants built in the past.

IMPREGILO GROUP RISK MANAGEMENT

Impregilo group uses its complex and articulated risk management process as an important strategic tool in achieving its objectives in terms of creating utmost value for, and protecting shareholders.

The diversification of the group's operating activities, both in core business sectors and in discontinued operations, means management faces a wide variety of issues, which, in many cases, are difficult to foresee. Depending on the various operating situations and the different resulting risk types that can arise, management has created specific ongoing management and monitoring strategies to limit as far as possible fluctuations in cash flows due to the development of situations that arise.

To this end, the risk areas existing currently are described in the sections on each segment's performance so as to allow comparison with the comments given in the 2011 Annual Report and an analysis of any new situations that have arisen at the date of preparation of this Report.

These descriptions are integrated by additional general considerations about risks common to the entire group's operations. The key types of risks identified and monitored by Impregilo are:

- (i) **operational risk** being the risk related to performance of contracts and relationships with individual customers.
- (ii) **financial risk**, split into the following components:
 - **market risk** deriving from the group's exposure to interest rate fluctuations, exchange rate fluctuations and, with respect to the Engineering & Plant Construction Segment, commodity price volatility;
 - **credit risk** deriving from the group's exposure to potential losses arising from the customers' non-compliance with their obligations;
 - **liquidity risk** deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

The notes to the consolidated and separate financial statements give detailed information about management of these risks.



NON-CURRENT ASSETS HELD FOR SALE

I.1 USW CAMPANIA PROJECTS: THE SITUATION UP TO 31 DECEMBER 2009

As already described in detail in previous reports, Impregilo group became involved in the urban solid waste disposal projects in the Province of Naples and other provinces in Campania at the end of the 1990's through its subsidiaries FIBE and FIBE Campania (the "companies").

From 2000 to 2003, the companies completed the construction of the RDF plants, built for them by other Impregilo group companies, namely FISIA Italmimpianti (for the electromechanical parts) and Impregilo Edilizia e Servizi (for the civil works) and took the steps necessary to produce RDF and store it temporarily until the waste-to-energy plants were ready.

Over the years, the situation began to become increasingly critical due to the following main factors:

- non-commencement by the Campania Regional Authorities of the scheduled separated waste collection with the related agreed volumes, an essential factor underpinning the project and service contracts agreed by the companies with the government commissioner;
- inadequate landfill areas made available by the government commissioner;
- commencement of activities at the Acerra waste-to-energy plant, which should have commenced as per the contract in early 2001, only in August 2004 following the extraordinary intervention of more than 450 policemen who cleared the work areas occupied since January 2003 by demonstrators;
- the Santa Maria La Fossa waste-to-energy plant only obtained the E.I.V. (environmental impact valuation) in 2007, although activities should have started there concurrently with those at Acerra;
- on 12 May 2004, the Naples public prosecutor seized the plants with their concurrent release on attachment bond as part of proceedings which included investigation of the directors of the group companies involved in the project (FIBE, FIBE Campania and FISIA Italmimpianti) and top management of the commission;
- an increasing number of municipalities, companies and inter-municipality consortia started to not pay the tariffs due to the companies for the treatment of their waste with the result that the companies saw a significant rise in receivables leading to the inevitable financial tension;
- given this critical situation, the banks that had granted FIBE project financing to construct the RDF plants and waste-to-energy plant at Acerra suspended all further disbursements (they had granted euro 173.5 million); moreover, the negotiations aimed at agreeing similar funding for the RDF plants and waste-to-energy plant of FIBE Campania (at Santa Maria La Fossa) were interrupted; these circumstances worsened the two companies' financial positions and that of the entire Impregilo group (as Impregilo Edilizia e Servizi, FISIA Babcock and FISIA Italmimpianti were engaged to build the RDF plants and the waste-to energy plants and FISIA Italmimpianti also provided plant management services).

Given this situation, beginning from early 2005, measures and procedures were adopted at top institutional levels following the direct involvement of the Italian government to return the project to its original status and normal operating conditions. Specifically:

- the overdue receivables for the waste tariffs through to 31 December 2004 should have been recovered following issue of Law decree no. 14 of 17 February 2005 (converted into Law no. 53 of 15 April 2005) whereby the Cassa Depositi e Prestiti should have ensured payment of the outstanding amounts under a specific procedure of roughly 60 days;
- recovery of the receivables overdue after that date should have taken place by the appointment of *ad acta* commissioners by the extraordinary government commissioner using its powers assigned by the Prime Minister's Order ("OPCM") no. 3397 of 28 January 2005;



- the problems related to the judicial seizure of the plants would have been resolved by implementation of a “Programme for structured and management actions for RDF plants” prepared by the commissioner and subject, for certain aspects, to the approval of the Naples public prosecutor, which should have allowed their release from seizure within a short period of time as per the “Conformity Deed” signed by FIBE and FIBE Campania;
- with respect to the availability of the landfill areas, the government commissioner issued an order on 7 December 2004 for the “Montesarchio” landfill and another for the “Campagna” landfill on 1 April 2005. These orders established that, upon the closure of the then used landfills, two new sites in the Campania region would be set up and used to ensure at least one year of regular performance of the project and giving rise to the concurrent reasonable belief that the issue of the landfills could be managed positively after that time period.

Based on these assumptions, the directors of both FIBE and FIBE Campania approved a business plan for the period of the service on a going concern basis.

However, a number of events took place in the following months that significantly negatively altered the assumptions inferred from the legal and administrative measures. Specifically:

- the Cassa Depositi e Prestiti had not yet shown any signs of applying the measures set out in Law decree no. 14/2005 (converted into Law no. 53/2005) many months after its issue and, therefore, the receivables overdue at 31 December 2004 were still outstanding with further problems about the collection of those that became due in 2005;
- following social-political agreements, the government commissioner had delayed the use of one of the two previously authorised landfills and had not allowed preparation of the second. This implied that, in order not to disrupt services, FIBE and FIBE Campania had to use private landfills outside the region fully bearing the very high and unplanned disposal and transportation costs from April. No feedback from the commissioner was received about their request for reimbursement;
- meanwhile, the government commissioner, with a claim form of May 2005, took legal action claiming compensation from FIBE, FIBE Campania and FISIA for alleged damage being the costs it incurred in the past to transport waste outside the region (subsequent parts of this section give more information about this dispute);
- the banks that had given the first instalment of euro 173.5 million of the project financing agreed with FIBE not only confirmed that they would not provide the rest of the financing but also formally requested that the project financing structure be dismantled as it was no longer considered suitable given the critical situation of the USW Campania project.

In this situation, Law decree no. 245 (converted into Law no. 21 of 27 January 2006) was issued on 30 November 2005 and became applicable on 15 December 2005. It:

- terminated the contracts between FIBE S.p.A, FIBE Campania S.p.A. and the extraordinary government commissioner for the Campania Waste Emergency on an *ope legis* basis on 15 February 2005 “*without prejudice to any claims arising from the terminated contracts*” (article 1.1);
- required the commissioner to:
 - identify “*urgently*”, with a “*swift EU*” procedure, the new parties to which the waste disposal service for Campania should have been awarded, taking over the contracts from FIBE and FIBE Campania (article 1.2);
 - construct “*the landfills ... continue work to build the waste-to-energy plants at Acerra and Santa Maria la Fossa*” (article 6.2).
The measure did not in any way establish the procedures or contracts to be introduced/agreed for the plants’ final use.



- c) provided that, pending the identification of new providers of the waste treatment service (the "transition period") *until the awarding of the contract and, however, no later than 31 May 2006* (article 6.1 which extended the emergency state until this date), FIBE and FIBE Campania were to continue to provide the service, *in full compliance with the coordination activities carried out by the government commissioner* against their right to claim payment from the commissioner's office of expenses and costs incurred in this regard (article 1.7, as modified by the aforesaid Law decree no. 263/2006 - article 1.4 of Prime Minister's Order no. 3479/05);
- d) set specific regulations for:
- (i) "*speeding up the procedure to obtain payment*" of the waste disposal tariffs (article 2);
 - (ii) "*guaranteeing that the separate waste collection objectives are met ... and resolution of the current emergency situation*" (article 5).

In order to assist the tender procedure described in paragraph "b.i.", FIBE and FIBE Campania complied with the commissioner's request in March 2006 to formalise a sale promise, irrevocable until 30 September 2006 ("statements of promises to sell"). They thus committed themselves to selling the following assets to the commissioner (or parties indicated by it upon the outcome of the tender):

- the waste-to-energy plant in Acerra at its carrying amount on 15 December 2005, increased by additional entries made by the current owner FIBE for work carried out and to capitalise financial expense and technical costs in the period between 16 December 2005 and the payment date;
- the land on which the waste-to-energy plant of Santa Maria La Fossa is to be constructed, owned by FIBE Campania, for its carrying amount at 15 December 2005;
- sundry equipment used to manage the waste treatment plants and RDF stocking sites, owned by FIBE, FIBE Campania and FISIA Italimpianti, at their carrying amount at 15 December 2005;
- the RDF stocking sites and related stocked materials of FIBE and FIBE Campania at their carrying amount at 15 December 2005.

The tenders published on 31 March 2006 also provided that the parties would have had to pay FIBE and FIBE Campania for the right to use the RDF plants (which are owned by the government commissioner) the *unamortised costs incurred by the previous providers of the service up until 15 December 2005*.

The tender called on 31 March 2006 was not awarded since only two bids were presented, one of which by an ineligible bidder.

With respect to this situation, the public institutions involved showed their intention to begin a new procedure, calling bids from throughout the European Union and committing themselves to conducting the procedure in a significantly shorter time span than the previous one. They asked FIBE and FIBE Campania to renew their "statements of promises to sell" as described above. This request was accepted and the statements were renewed until 31 March 2007.

In August 2006, the tender for the allocation of the urban solid waste disposal services for the Campania region was called again. The assets to be sold and the amounts were unchanged from the previous tender.

Given the continued critical waste situation in the region, the government issued two law decrees aimed at resolving it. Specifically:

- (i) Law decree no. 263 of 9 October 2006 (converted into Law no. 290 of 6 December 2006) which, *inter alia*:
 - (i) appointed a new commissioner, the head of the Civil Protection Department, who reported directly to the Prime Minister (article 1.1);
 - (ii) cancelled the tender called in August 2006 (article 3.1);
 - (iii) required the new commissioner to redefine "*the conditions for allocation of the waste disposal service in Campania*" (article 3.1);



- (iv) amended Law no. 21/2006 establishing that the current holders of the contract were required to continue to provide the service until the tender was closed, and this “*on the basis of the necessary transfer of duties to the new holders, including those related to personnel and any movable and immovable property that should be transferred, considering their use, age and maintenance*” (article 3.1-bis);
 - (v) provided for measures aimed at ensuring the effective separate collection of urban solid waste (article 4);
 - (vi) extended the transition period for the waste emergency situation in Campania until 31 December 2007 (article 1.1);
- (ii) Law decree no. 61 of 11 May 2007 (converted into Law no. 87 of 5 July 2007) which, *inter alia*:
- (i) opened, “*also to avoid new emergency situations*”, new sites to be used as landfills (article 1.1);
 - (ii) requested the commissioner to identify “*urgently ... also by directly engaging parties other than the current service providers ... the best possible solutions for the treatment and disposal of waste and possible disposal of waste bales*” (article 2);
 - (iii) requested the commissioner to adopt “*a plan for introduction of an integrated waste cycle in Campania*” (article 9).

On 5 July 2007, concurrently with the issue of the aforesaid legal measure, a new extraordinary commissioner for the waste emergency in Campania was appointed, namely the Naples Prefect.

Following specific requests presented by FIBE and FIBE Campania, on 10 August 2007, the new commissioner provided for the speeding up of the process aimed at reimbursing the two companies the costs incurred by them to manage the service which they had not yet received and for the direct payment, by means of advances, of personnel expenses and the costs of strategic subcontractors engaged in providing the service with them.

In Autumn 2007, the commissioner recommenced the procedures for the preparation of a new tender to identify an USW service operator. To overcome the problems that beset the previous tenders, the commissioner started an in-depth preliminary survey of the actual situation of the plants and equipment as well as the related labour required to provide the service under tender. It was assisted in this by FIBE and FIBE Campania. This survey was based on formats that reflected those underlying the original contracts with FIBE and FIBE Campania that had been terminated:

- a) geographical: the survey focused on two areas: the Province of Naples and other provinces;
- b) technical: the existing RDF plants and the Acerra waste-to-energy plant, still under construction.

A new tender was called in December 2007 for solely the USW disposal service in the Province of Naples. The Prime Minister issued a decree dated 28 December 2007 extending the waste emergency status of Campania until 30 November 2008.

At the start of the first quarter of 2008, the commissioner received expressions of interest from two major industrial groups active in the waste treatment and energy generation sector. After having requested and obtained an extension of the tender until the end of January 2008, they withdrew from the procedure, communicating their doubts about the existence of *both* appropriate guarantees from the body calling the tender about the availability of landfills for the waste from the RDF processing *and* suitable certainty about the availability of the benefits provided for under measure “CIP6” for the Acerra waste-to-energy plant under construction for the sale of electricity generated by the plant at favourable tariffs.

Given this situation and the further worsening in the waste collection and disposal emergency in the region, the Prime Minister issued Orders nos. 3656 and 3657 of 6 February and 20 February 2008, respectively:

- (i) the first confirmed the benefits provided for by the “CIP6” measure for the Acerra waste-to-energy plant: these benefits were confirmed by Law no. 31 of 28 February 2008 whereby, during conversion of the “*Milleproroghe decree*” “*for the plant ... in Acerra ... the government grants and incentives provided for by the Interministerial price committee resolution no. 6 of 29 April 1992 ... are due*”;



(ii) the second authorised the elimination of the waste treated by the RDF plants and currently stored in the region in the waste-to-energy plant under construction.

In addition, the Prime Minister's Order no. 3653 of 30 January 2008:

- (i) appointed a commissioner to wind up the commission activities at 31 December 2007 and speed up transfer of the ordinary integrated waste management cycle for the Campania region to the municipalities;
- (ii) gave this commissioner a mandate to identify all the outstanding receivables up to 31 December 2007, by preparing a suitable financial plan; and
- (iii) organised an institutional conference involving the commissioner, the president of the Campania region and the provincial presidents in order to facilitate the gradual transfer to the relevant bodies and municipalities, manage the transition period and the procedures for the definitive transfer of the works.

The commissioner, appointed with Prime Minister's Order no. 3563/08, provided that:

- 1) with order no. 001/08 of 1 February 2008, the companies were obliged to *"guarantee until further instructions the continuous cycle working of the former RDF plants (still functional) in Campania, with costs and charges to be recognised pursuant to Prime Minister's Order no. 3479/05 – including for any overtime worked by the two companies' employees – by the commissioner appointed with Prime Minister's Order no. 3653/08"*;
- 2) with its subsequent order no. 048/08 of 14 March 2008, the companies' obligation to:
 - (i) *"ensure waste disposal service continuation in the Campania region, management of the companies and use of the assets as available in compliance with the coordination activities carried out by the commissioner until the awarding of the service to the new providers and, however, not after 30 November 2008"*;
 - (ii) *"agree the necessary contracts with all the parties, whose operations are necessary to correctly provide the waste disposal service"*;
 - (iii) *"ensure compliance within the plants, as available, with workplace safety regulations"*.

Payment to FIBE S.p.A. and FIBE Campania S.p.A. for their services provided to meet their obligations under the terms of this Order should have been made by the commissioner in accordance with article 1.4 of Prime Minister's Order no. 3479 of 14 December 2005.

FIBE and FIBE Campania appealed against these measures before the Lazio – Rome Regional Administrative Court which issued its ruling no. 7280/08 on 23 July 2008, stating the impossibility to proceed with the appeal due to the intervening lack of interest, considering the medio tempore regulations governing the entire sector, which is of particular relevance and significance to the companies and is satisfactory to the shareholders.

After issue of these orders, the government intervened again directly enacting significant measures aimed at resolving the existing critical situation, including the allocation of the position as extraordinary commissioner for the waste emergency in Campania, which had been held to then by the under-secretary of state who reported to the Prime Minister, to the head of the Civil Protection Department.

These measures were:

- a) Law decree no. 90 of 23 May 2008 and Law decree no. 107 of 17 June 2008, both converted into Law no. 123 of 14 July 2008. The conversion law, inter alia:
 - (i) confirmed FIBE's obligation to complete the Acerra waste-to-energy plant (see article 6-bis.4);
 - (ii) expressly authorised *"use of the Acerra waste-to-energy plant"* (see article 5.2) and combustion of the "eco-bales" (see article 5.1);



- (iii) authorised “*construction of the Santa Maria La Fossa waste-to-energy plant*” (see article 5.3) and “*construction of a waste-to-energy plant in the Naples municipality*” (see article 8.1);
 - (iv) provided for the possible allocation of the benefit of the CIP 6 “*for the waste-to-energy plants located in the Salerno, Naples and Santa Maria La Fossa municipalities*” (see article 8-bis.1);
 - (v) definitively authorised Impregilo group's exit from the waste disposal business, transferring “title” to the RDF plants “*located in their municipalities*” to the provincial authorities (see article 6-bis.1) and providing for “*the involvement of the Armed Forces for the technical and operating management of the plants*” (see article 6-bis.3);
 - (vi) ordered “*an assessment of the value*” of the RDF plants and Acerra waste-to-energy plant by a panel of five experts appointed by the president of the Naples Appeal Court, “*also for the possible purchase against consideration by the new service operator*” and that the assessment of the RDF plants be carried out considering “*their effective use, age and maintenance*” (see article 6.1);
 - (vii) established that the commissioner would directly pay the fees of third parties (i.e., unrelated to the former service providers) in order to release FIBE and FIBE Campania from financial burdens during their services they might be called to provide to the commissioner (i.e., completion of the Acerra waste-to-energy plant). This system was also to be applied to the *reporting* of the operating costs incurred by the two companies in the period from 16 December 2005 to 31 December 2007, which the commission still has not settled;
 - (viii) extended the state of emergency to 31 December 2009.
- b) Law decree no. 97 of 3 June 2008, converted into Law no. 129 of 2 August 2008 which, inter alia, required the Ministry for Economic Development, together with the Ministry for the Environment, to establish “*the methods to provide government incentives, as per resolution no. 6 of 29 April 1992 of the Interministerial price committee, to the waste-to-energy plants located in the municipalities of Salerno, Naples and Caserta*”;
 - c) Order of the Prime Minister no. 3685 of 19 June 2008 which provided for, *inter alia*:
 - (i) transfer of the “*operating resources present in each plant*” to the provincial authorities that gain title to the RDF plants;
 - (ii) taking over of the employees of the RDF plants (other than management) by the Provincial Authorities using term employment contracts;
 - d) Decree no. 3299 of 30 June 2008 and letter no. 1882 of the same date, both issued by the under-secretary of state which, *inter alia*, include orders related to:
 - (i) completion by FIBE of the Acerra waste-to-energy plant;
 - (ii) transfer of management of the RDF plants to the municipalities.

These measures were of fundamental importance given that, in short:

- a) the Acerra waste-to-energy plant was finished; accordingly, the work completion certificate was signed on 11 September 2009 and the test certificate issued on 16 July 2010;
- b) combustion of the “eco-bales” was expressly provided for at this plant;
- c) an additional two waste-to-energy plants were to be built, benefiting from CIP 6, like the Acerra waste-to-energy plant;
- d) management of the RDF plants had been definitively taken from FIBE and FIBE Campania and title thereto had been transferred to the Campania municipal authorities while they were to be managed by the Armed Forces.



Following enactment of these measures, and as coordinated by the relevant commission offices, FIBE and FIBE Campania took steps to ensure they were fully implemented. Specifically:

- a) possession of all the plants and related assets by the relevant commission offices was completed with contracts signed on 30 July and 7 August 2008;
- b) in July 2008, the relevant authority commenced a preliminary investigation to identify the costs already incurred and not yet paid to third parties for work performed after the contracts had been terminated and the activities currently ongoing and required to complete the roll out of the Acerra waste-to-energy plant;
- c) after the due meetings with the trade unions, the procedure to decrease FIBE's personnel and to transfer them to the relevant *ad acta* commissioners of the Campania provinces was completed.

A new operator was identified in December 2008 during the procedure to allocate management of the nearly operative waste-to-energy plant, namely a leading Italian company which currently owns other major waste-to-energy plants.

Subsequently, the commissioner ordered the return of the individual assets given to the *ad acta* commissioners to the companies with a number of orders (no. 0021331, no. 0021332, no. 0021333, no. 0021334 and no. 0021335 of 12 November 2008 of the Technical operational head under Prime Minister's Order no. 3705 of 18 September 2008), based on an assessment of their inoperability, pursuant to Prime Minister's Order no. 3693/2008. The companies questioned these orders with FIBE letter no. U/08/462 of 18 November 2008, querying their content and affirming that they had been fully excluded from the integrated waste management system and had no further management obligations with respect to works and assets indisputably used as part of such system.

This was followed by order no. 0022743 of 21 November 2008 of the Technical-operational head under Prime Minister's Order no. 3705 of 18 September 2008, which substantially reiterated the content of the previous return measure and contested the role of FIBE and FIBE Campania as the mere service providers from 15 December 2005, with the related implied continued obligation for them to manage the offices, sites and plants that were not necessary for the waste treatment service as part of the assessment carried out by the municipalities after the "temporary" takeover by the *ad acta* commissioners.

These measures were appealed against with the relevant Lazio – Rome Regional Administrative Court which handed down its decision no. 2537 of 13 March 2009 accepting the appeal and quashing the measures. The under-secretary appealed against this ruling and FIBE and FIBE Campania filed a cross appeal.

The Council of State issued its opinion on the appeal made by the under-secretary on 26 January 2010 with ruling no. 290/2010, confirming Impregilo group's reasoning and thus quashing the claims made by the under-secretary about the alleged inoperability of the sites under dispute. Pending this decision, on 22 July 2009, the under-secretary, via the *ad acta* commissioners, again ordered the companies to take back the sites. FIBE and FIBE Campania appealed against this order to the Lazio Regional Administrative Court.

On 5 March 2009, the Prime Minister issued Order no. 3745 for the start-up and provisional use of the Acerra waste-to-energy plant until completion of the tests with positive results. The plant's first line was rolled out on 18 March 2009 while the third and last line began operating on 8 May 2009 with the plant's full operation on 14 September 2009.

On 18 March 2009, the Prime Minister issued Order no. 3748 with the intention to "fully settle all aspects related to the transfer of waste to the Acerra waste-to-energy plant". The order provided for the transfer of only waste produced and stored from the date on which the service contracts were terminated with the companies (15 December 2005) to this plant. No mention was made of the waste produced before this date.

This order was challenged promptly before the Lazio Regional Administrative Court.



Moreover, given the legal provisions described above under which the group, and specifically FIBE S.p.A., is only obliged to complete the Acerra waste-to-energy plant, FIBE Campania S.p.A. was merged into FIBE S.p.A. in 2009. The merger became effective from 1 November 2009 with accounting effect backdated to 1 January 2009.

In December 2009, the *ad acta* commissioner, appointed by the Regional Administrative Court to recover the receivables due to the two companies from the Campania municipalities for the waste disposal service provided until 15 December 2005, completed the first key stage of its engagement, checking the receivables (of FIBE and FIBE Campania) and the payables (of the municipalities). It also determined the additional amounts due to FIBE for default interest accrued until 15 December 2005. Specifically, the *ad acta* commissioner found that the amounts claimed by FIBE and those recorded by the municipalities were substantially the same with respect to:

- a) amounts due to the former service providers for waste disposal tariffs of approximately euro 138 million;
- b) amounts due to the former service providers for default interest accrued to 15 December 2005 of approximately euro 8 million;
- c) collections recorded by the local authorities as tariffs and interest of approximately euro 39 million.

Following this procedure, the *ad acta* commissioner stated it would have submitted the check of the differences between the amounts documented by FIBE and those presented by the municipalities to the Regional Administrative Court, especially with respect to approximately euro 8 million (tariffs and interest), which FIBE states has been collected by the municipalities but which the municipalities deny having collected, alleged compensation due by the municipalities to FIBE of roughly euro 38 million, default interest accrued after 15 December 2005 to 31 December 2008 calculated by FIBE to approximate euro 40 million and additional collections that the municipalities hold FIBE has collected but which FIBE claims it has not collected for another approximate euro 4 million.

There are still large differences between the municipalities' and FIBE's figures, the assessment of which has been resubmitted to the Regional Administrative Court by the *ad acta* commissioner. However, the commissioner is expected to issue a payment order to the municipalities owing amounts to FIBE as described above, showing its determination to resolve the situation, even if with more than four years' delay, by settling at least the amounts due to the former service providers at the contract termination date.

1.2 USW CAMPANIA PROJECTS: DEVELOPMENTS FROM 1 JANUARY 2010

Following termination of the state of emergency of the waste situation in Campania, as provided for by Law no. 123/2008, previously set for 31 December 2009, Law decree no. 195/2009, amended and converted into Law no. 26 of 26 February 2010, was approved on 30 December 2009. This law includes, *inter alia*, certain significant measures as summarised below:

- a) the missions, provided for as part of the emergency under Law no. 123/2008, are to be replaced by two units, an Operating Unit and an Emergency Unit which will be included in "the Civil Protection Department under the Prime Minister";
- b) the Emergency Unit is to identify the assets and liabilities "arising from the operations carried out during the waste emergency period in Campania and related to the commissioner and the under-secretary of State for the waste emergency", organise such assets and liabilities using a procedure similar to that used for bankruptcy proceedings and allocate the limited financial resources earmarked by the government for the unit under this procedure;
- c) the amount for the Acerra waste-to-energy plant was determined to be euro 355 million. Transfer of title to the plant by Impregilo group to the Campania Regional Authorities (or the Prime Minister - Civil Protection Department or a private body) is to take place by 31 December 2011 in accordance with the Prime Minister's new decree and after checking the related financial resources. Until then, the former service provider will be paid a monthly lease payment of euro 2.5 million for 15 years. The payments for the 12 months before transfer of title will be deducted from the consideration to be paid as well as the amounts advanced to the former service provider, pursuant to article 12 of Law decree no. 90/2008, as advances for work in progress when the plant was being built;



- d) the Acerra plant cannot be sold, disposed of, given as pledge or security nor can other registrations or damaging acts be made for it until title has been transferred;
- e) the former service provider is required to pay additional amounts for guarantees which are considerably higher than the current best practices for the engineering & plant construction sector. The plant is to be managed by a new operator starting from 2010, despite the guarantees given and that it still belongs to Impregilo group.

The preliminary work for the final testing was carried out in the first two months of 2010 and the related certificate was issued on 16 July 2010 confirming the procedure's successful completion.

Pending conversion of Law decree no. 195/2009 into law, the group companies affected by the measure immediately appealed against it in early 2010 before the Lazio Regional Administrative Court.

The appeal before the Lazio Regional Administrative Court refers to the damage to FIBE's rights as owner of the Acerra waste-to-energy plant with the purchase and mandatory lease of the plant without immediate compensation to the company. FIBE has also requested (in addition to the referral of the proceedings to the Court of Strasburg or the Constitutional Court) an injunction against the documents related to the sale of the plant and the amounts already collected and to be collected by the department from GSE related to the sale of electrical energy by the plant, which the legislative measure allocated ex-lege to the Civil Protection Department.

Following the hearing of 24 November 2010, the Regional Administrative Court:

- a) with **order no. 5032/2010**, filed the day after, rejected the precautionary motion, noting that "*at present, the **periculum in mora assumption would not seem to exist** as Law decree no. 195/2009, as amended by the conversion law no. 26/2010, quantified the consideration for the transfer of title to the waste-to-energy plant to be euro 355 million payable before 31 December 2011 and, moreover, provided for a monthly lease payment for use of the plant of euro 2,500,000*". This order was challenged by FIBE with an appeal currently pending as RG no. 10469/2010, which will be linked to that being prepared against the interim ruling referred to below;
- b) with **order no. 1992/2010**, referred the issue of unlawfulness of articles 6 and 7.1/2/3 of Law decree no. 195/2009 to the Constitutional Court considering the principles protecting title set in the European Convention on Human Rights. Specifically, the issue of the unconstitutionality of these articles was deemed to be grounded as:
 - the plant's value is tied to the law's conversion date, 26 February 2010, but is based on the Italian National Authority for Alternative Energy's (ENEA) estimate which clearly valued the asset in 2005 and 2006;
 - the plant's value, estimated in this manner, is unlawfully decreased by the lease payments made in the first 12 months before the transfer deed;
 - the time when the former owner's right to the receivable arises is not specified;
 - the party to which the asset is to be transferred is not identified;
 - the transfer date is not identified;
 - basically, the financial resources necessary for the asset's transfer are not identified.

Based on these reasons, the unconstitutionality of the law is deemed to be not openly without grounds and the issue has been transferred to the Constitutional Court so that it can decide on the highlighted points;

- c) with **interim ruling no. 39180/2010**, found inadmissible the "*appeal in the part in which the non-allocation of the revenue to the appellant arising from the sale of electrical energy generated at the Acerra waste-to-energy plant is challenged and, as a result, states the issue of constitutional lawfulness to be irrelevant with respect to article 7.5 of Law decree no. 195/2009 converted, with amendments, by Law no. 26/2010*"; it also stated "*the issue of constitutional lawfulness with respect to article 7.4/6 of Law decree no. 195/2009 converted, with amendments, by Law no. 26/2010 to be manifestly unfounded*".



With respect to the appeal hearing against the interim ruling, the Council of State transferred the hearing for the constitutionality of article 7.4/5/6 of Law decree no. 195/2009 to the Constitutional Court with its **ruling no. 5117 on 14 June 2011** (oversetting the Regional Administrative Court's ruling). The issue relates to whether the municipalities are to retain the availability, use and benefits of the Acerra waste-to-energy plant, with the possible optional agreement of a lease agreement subject moreover to vexatious and unlawful conditions and guarantees. The Council of State noted the lack of automatism in paying the related compensation after acquisition of access to the plant and stated "*the clear violation of constitutional and international principles (EU Treaty and the European Convention of Human Rights) protecting title.*"

The date set for the Constitutional Court hearing was 18 April 2012, when it was postponed to 3 July 2012 and then to 18 September 2012, when it was deferred again to an unknown date. The date for the hearing before the European Court of Human Rights about the group's appeal no. 36485/10 filed on 22 June 2010 has not yet been set.

During the last few months of 2011, the public bodies against which the above appeals had been made, especially the Civil Protection Department under the Prime Minister, proposed a number of meetings with the group with the result that an agreement was reached to settle the dispute concerning the Acerra waste-to-energy plant. This agreement, the full terms and conditions precedent of which were confirmed towards the end of 2011, provides for the recognition of FIBE's legitimate compensation of an all-inclusive amount of euro 355,550,240.84 as owner of the plant for the (i) detachment of the asset - determined by the challenged measures of Law decree no. 195/2009 - and for (ii) use of the asset, pending finalisation of the administrative procedures required to transfer title. It also provides for the discontinuation of the related disputes and enforcement actions commenced by FIBE in the meantime to protect its rights. The financial conditions of this agreement, compared to the previously-made assessments about this dispute, led to the recognition of euro 68.8 million, net of the related tax effects, in the profit from discontinued operations at 31 December 2011.

Completion of the procedure, which should have taken place before the end of 2011, as provided for both by Decree law no. 195/2009 and the agreements proposed in 2011 by the Department for Civil Protection, was deferred in accordance with the measures of Law decree no. 216/2011 ("Milleproroghe decree") to early 2012, as a result of issues tied to the complicated administrative procedures.

Prime Minister's Order of 16 February 2012 provided for transfer of title to the plant to the Campania regional authorities and identified the financial resources to be used to pay the amount to FIBE (together with subsequent Law decree no. 16 of 2 March 2012 converted into Law no. 44/2012 of 26 April 2012).

Finally, the following should be noted:

- a) Article 12.8-10 of **Law decree no. 16 of 2 March 2012, converted with amendments into Law no. 44 of 26 April 2012** provided that:
 8. "*The Campania regional authorities are authorised to use the 2007-2013 Development and Cohesion Fund for the regional development plan to purchase the Acerra waste-to-energy plant pursuant to article 7 of Law decree no. 195 of 30 December 2009, converted with amendments by Law no. 26 of 26 February 2010. The necessary funds of euro 355,550,240.84 will be transferred to the regional authorities.*
 9. *As a result of the purchase as per paragraph 8, the funds already earmarked pursuant to article 18 of the aforementioned Law decree no. 195/2009 to pay the lease payment as per article 7.6 of the same Law decree are to be transferred to the same regional authorities as state aid.*
 10. *For tax purposes, payment by the Campania regional authorities of the amount set out in paragraph 8 is to be considered as the out-of-court compensation payment between the private and state parties as it settles all claims of the plant owner as per article 6 of the aforementioned Law decree no. 195/2009. Any deed executed as part of the order set out above is exempt from tax.*
- b) **Decree no. 17226** of the Ministry for the Economy and Finance amending the budget was adopted on 14 March 2012;



c) Article 3.4 of **Law decree no. 59 of 15 May 2012**, converted into Law no. 100 of 12 July 2012, ordered that:

«4. Considering the Council of Ministers' resolution of 16 February 2012, adopted in its meeting of 14 February 2012, pursuant to article 61.3 of Law decree no. 5 of 9 February 2012, converted with amendments by Law no. 35 of 4 April 2012, and filed with the Court of Auditors on 23 March 2012, covering the transfer of title to the Acerra waste-to-energy plant to the Campania regional authorities, and the related decree no. 17226 of 14 March 2012 of the Ministry for the Economy and Finance, setting out changes to the budget, the 2007-2013 Development and Cohesion Fund's resources for the regional development plan needed to purchase the above plant of euro 355,550,240.84, as per article 12.8 of Law decree no. 16 of 2 March 2012 converted with amendments by Law no. 44 of 26 April 2012, were transferred directly to the creditor which owned the Acerra waste-to-energy plant, settling all its claims, by the relevant department of the Ministry for Economic Development. Given that the transfer is performed on behalf of the Campania regional authorities, the provisions of article 12.10 of the above Law decree no. 16/2012, converted with amendments by Law no. 44/2012, hold true for the authorities for tax purposes. All guarantees provided for by the Italian Civil Code in the Campania regional authorities' favour, as purchaser of the plant, remain in place. The effects of the purchase, in terms of the resources and net indebtedness, arising from implementation of this paragraph, will be dealt with pursuant to paragraph 4-bis»;

d) Pursuant to the above legal provisions, the amount specified above was paid to FIBE S.p.A..

On 7 December 2010, the Prime Minister's decree no. 903 was published in the Italian Official Journal calling for information about the waste emergency commissioners' debts (as provided for by Law decree no. 195/2009 in connection with termination of the state of emergency) and granting a 60-day period from its publication for presentation of the related applications. The Emergency Unit (which has now been replaced by the Technical-Administrative Unit), set up for this purpose by the aforesaid Law decree no. 195/2009, received claims for euro 2,403,801,269.74 related to those already made in court (including receivables for tariffs prior to December 2005, receivables for 2006/2007 and receivables for the RDF plants) and claims for compensation (damage arising from the greater costs and loss of profits from the ex lege termination of the service contracts and damage as per the counterclaim already presented in the civil proceedings pending before the Naples Court). The payment of the consideration for the Acerra waste-to-energy plant was not applied for as it does not fall within the responsibility of the Emergency Unit (now the Technical-Administrative Unit) and is covered by the legal action already commenced and described earlier.

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II. THE LITIGATION CURRENTLY PENDING FOR THE USW CAMPANIA PROJECTS

II.1 The administrative litigation

A) In October 2006, FIBE and FIBE Campania took legal action before the Lazio Regional Administrative Court censuring the commissioner's failure to comply with its obligations under Law decree no. 245/2005 (converted into Law no. 21/2006), namely: (i) recovery of amounts due by municipalities for waste disposal services outstanding at the date of termination of the contracts (15 December 2005); and (ii) identification of landfills for organic waste and stockpiles generated by the RDF plants and preparation and implementation of a plant maintenance plan.

After accepting the precautionary motion presented by FIBE and FIBE Campania (in its ruling of 11 October 2006, confirmed by the Council of State on 7 November 2006), in its decision no. 3790 filed on 27 April 2007, the Court found that:

(i) FIBE and FIBE Campania effectively provided the waste disposal service under the 2000 and 2001 contracts up until 15 December 2005 and had the right to request completion of the legally-provided for procedure for collection of outstanding receivables by the municipalities;



- (ii) due to the *ope legis* termination of the service contracts, FIBE and FIBE Campania “with effect from 15 December 2005 merely provided the service on behalf of the commissioner [waste disposal] and had definitively lost title thereto”;
- (iii) the commissioner was to complete the procedure aimed at meeting the companies’ requests within 45 days;
- (iv) an *ad acta* commissioner to take the necessary measures within a further 45 days, should the local administrative bodies not fulfil their obligations, was to be appointed.

The commissioner appealed against this ruling with the Council of State. Ruling no. 6057 of 28 November 2007 rejected the appeal, fully confirming the ruling of the Lazio Regional Administrative Court.

As a result of the newly introduced regulations mentioned earlier, the companies are no longer interested in completing the procedure for identification of the landfills for organic waste and stockpiles generated by the RDF plants and preparation and implementation of a plant maintenance plan, given that they are to be transferred to the relevant municipalities. However, they continue to be interested in completion of the procedure for the recovery of their outstanding receivables for services provided up until 15 December 2005.

As already described in point I.2, the *ad acta* commissioner appointed by the Regional Administrative Court to recover the receivables due to the two companies from the municipalities in Campania for the waste disposal services provided until 15 December 2005, completed the first important step of its engagement in December 2009, checking the receivables (of Impregilo group) and payables (of the municipalities) and determined that the group is also due default interest accrued to 15 December 2005.

- B) The Lazio Regional Administrative Court confirmed the findings of its ruling no. 3790/2007 in its ruling no. 7280 of 23 July 2008, reiterated by the Council of State decision no. 6057/07, as confirmed and integrated by the *medio tempore* regulations and aforesaid Law decrees nos. 90/08 and 107/08, converted into Law no. 123/08 and following laws.

This ruling, which is practically final as it has not been appealed against by the municipalities, is very important for the companies as, in the justification section, it reconstructs the role and responsibilities attributable to the former service providers after 15 December 2005 – “mere executors” of the commissioner’s orders – and to the commissioner – sole responsibility for the waste disposal service and coordination activities, required to identify the best solutions for waste disposal. The ruling concurrently establishes that all obligations imposed on the former service providers by law ceased to exist on 31 December 2007, contrary to the extension measures challenged with the previous regulations governing the conditions and limits of the specific emergency measures. Moreover, the *medio tempore* regulations also affected the orders as they were applied to past negotiations involving the companies whereby “no further activities are requested except for those to allow the taking over of management of the plants, employees and assets as well as transactions with third parties by the municipalities and the Armed Forces”. Given the above, the Regional Administrative Court concluded “It can logically be deducted that the commissioner is required to meet the obligations”.

- C) In December 2008, FIBE and FIBE Campania challenged a number of orders before the Lazio Regional Administrative Court whereby the parties appointed by the commissioner for technical and operating activities (Technical-operational head under Prime Minister’s Order no. 3705/2008 and the *ad acta* commissioners for the provinces) obliged the companies to re-acquire possession of certain areas and stocking sites, which such parties had acquired in August 2008, as these areas and stocking sites were not deemed necessary to provide the service, requesting the concurrent declaration of - “(i) the inexistence of any obligation to manage the offices, sites and plants used at any time as part of the integrated waste treatment system in Campania for the companies in the light of the ruling sector regulations which fully regulated the previous situations in full compliance with the Lazio Regional Administrative Court’s ruling no. 3790/2007, confirmed by the Council of State with ruling no. 6057/2007 and the Lazio Regional Administrative Court ruling no. 7280 of 23 July 2008 about the nature of the relationships between the municipalities, FIBE and FIBE Campania and third parties, (ii) the municipalities’ obligation to comply with the relevant instructions in the above court ruling no. 3790/2007, confirmed by the Council of



State with ruling no. 6057/2007 and the Lazio Regional Administrative Court ruling no. 7280 of 23 July 2008 about the nature of the relationships between the municipalities, FIBE and FIBE Campania and third parties”.

Following the hearing of 19 January 2009, the Regional Administrative Court suspended the enforceability of the challenged measures and accepted the appeal made by FIBE and FIBE Campania in its ruling no. 2357/09 on 13 March 2009, cancelling the challenged measures.

The municipalities appealed against this ruling to the Council of State on 8 July 2009. The companies presented themselves for the related proceeding and made a cross appeal against the same ruling, requesting that the reprimands deemed to have been covered by the first level hearing and particularly related to the non-existence of the assumptions about the inoperability of the sites for the purposes of the waste management service, be examined and allowed. They also requested that the reprimands related to the inexistence of any obligation for them to manage the offices, sites and plants used at any time for the integrated waste treatment system in Campania in line with the sector regulations and to the existence of the municipalities' obligation to comply with the rulings of the Lazio Regional Administrative Court no. 3790/07, confirmed by the Council of State's ruling no. 6057/07 and the Lazio Regional Administrative Court ruling no. 7280 of 23 July 2008 about the nature of the relationships between the municipalities, FIBE and FIBE Campania and third parties be examined and allowed as well.

On 22 July 2009, the under-secretary of State notified FIBE and FIBE Campania via the *ad acta* commissioners of new orders to take back the above sites. The companies have appealed to the Regional Administrative Court.

On 26 January 2010, the Council of State issued ruling no. 290/2010 definitively confirming the cancelling of the orders issued in December 2008, freeing FIBE from any obligation to manage the sites which, according to the municipalities, were not suitable for their activities.

Specifically, this ruling analysed Prime Minister's Order no. 3693/2008 deeming that the challenged orders were unlawful as contrary to the reference legislation due to the erroneous valuation of the concept of the operability of the assets for the waste management service.

The Council of State based its assessment of the operability of the sites on article 183.1.D) of Legislative decree no. 152/2006, which expressly defines the concept of waste management as the collection, transportation, recycling and elimination of waste, including monitoring of these activities as well as of the landfill after it has been closed.

This led to confirmation of the operability of the assets, the return of which had been ordered, for the waste management service as a whole, with the related statement of unlawfulness of the challenged measures.

Despite this outcome, the party engaged under Law no. 26/2010 to manage the sites in the Province of Caserta and, subsequently, the party engaged to manage the sites in the Province of Naples and Benevento took new action to see FIBE S.p.A. charged with the custody costs for the sites.

The company presented a motion for the cancellation of this action to the relevant judicial authority which was rejected on 25 October 2010. However, following the request for clarifications about the custodian obligations, the Fifth Criminal Chamber of the Naples Court established in its order of 24 November 2010 that the official receiver has “*as its sole scope and responsibility that of ensuring the integrity of the seals, the property under seizure and to report any dangers to the judicial authority*”. This clarification bears out the company's thesis, supported by its legal advisors, that the official receiver is exempt from any liability once it diligently and promptly informs the relevant authority of any events that could in any way compromise the integrity of the property under seizure and that the persons indicated as official receivers are behaving in this way.

The civil proceedings before the Naples Court initiated by S.A.P.NA. S.p.A., a local company set up by the Naples provincial authorities, form part of this situation. It challenged its takeover of title to certain temporary and definitive areas and stocking sites with roughly 40



rulings; these areas and sites had already been found to be inoperable by the *ad acta* commissioners in their measures of December 2008 challenged by FIBE S.p.A. and which led to the Lazio Regional Administrative Court's ruling no. 2357/09 and the Council of State's ruling no. 290/10. S.A.P.NA. also requested it be held harmless by FIBE S.p.A. and/or the government commissioner from the *medio tempore* operating costs incurred and to be incurred.

FIBE S.p.A. has appeared before the courts in the various proceedings which are still ongoing.

- D) FIBE and FIBE Campania appealed to the Lazio Regional Administrative Court again on 30 April 2009 (RG no. 3770/2009) disputing the commissioner's slackness in completing the administrative procedures for the recording and recognition of the costs incurred by the former service providers for the services provided as required by law and the work ordered by the municipalities and carried out by the companies during the transition period (16 December 2005 - 31 December 2007). They requested the Court state the unlawfulness of this silence and verify the municipalities' obligation to finalise the procedure in a suitable timeframe, with the concurrent appointment of an *ad acta* commissioner that would take the measures required of the defaulting commissioner should the latter not respond within the set timeframe. Upon conclusion of the hearing of 24 June 2009, the Court stated the appeal was inadmissible in its ruling no. 7070/2009 and that with respect to "*checks into financial claims, even when based on obligations assumed by law*", the companies should not have already activated the special silence procedure but should have filed a specific action for declaration and satisfaction to the Court on an exclusive jurisdiction basis.

On this basis, the companies filed a new appeal with the Lazio Regional Administrative Court (RG no. 7338/2009), which had exclusive jurisdiction pursuant to article 4 of Law decree no. 90/2008, for the issue of the necessary rulings on the declaration and payment orders against the local governments, including on an admonitory basis. The admonitory motion was quashed as the Court did not accept the assumptions for issue of a payment order. The merits hearing has yet to be held. While awaiting a date for the related hearing, a preliminary motion was notified and subsequently filed on 8 April 2010 for the appointment of a court-appointed expert that, after examining the documentation presented, identified the amount of:

- a) *the sum due by the local governments for the management activities reported by the companies from 16 December 2005;*
- b) *the amount already paid by the municipalities for this service;*
- c) *the amount of the payable already checked and acknowledged but not yet paid by the municipalities as per the administrative measures already issued and added to the court records;*
- d) *the amount not yet checked or paid by the municipalities for the services reported by the companies;*
- e) *the amount due by the municipalities for the services entrusted to the companies and provided by them since 16 December 2005;*
- f) *the amount already paid by the municipalities for the services as per point e);*
- g) *the amount of the payable already checked and acknowledged but not yet paid by the municipalities as per the administrative measures already issued and added to the court records;*
- h) *the amount of the payable not yet checked or paid by the municipalities for the services provided as requested by such local governments by FIBE S.p.A. and FIBE Campania S.p.A., based on the documentation added to the court records;*
- i) *specified the consultancy role based on the verification of the above documents, the amount of the municipalities' payables for all the activities imposed on and carried out by FIBE S.p.A. and FIBE Campania S.p.A. for them, starting from 16 December 2005, net of the amount already paid for such services and any other issue that this court will consider.*

The companies presented a specific withdrawal request for the timely setting of the related hearing, after which the Regional Administrative Court issued its interim ruling no. 3669 ordering that the "checks" of the accounting documentation presented for reporting purposes



be carried out to ascertain if the claims made in court are grounded. It has reserved its decision until this procedure is completed. Accordingly, the Court requested that La Sapienza Rome University carry out the check. It filed a partial appraisal on 29 January 2013 covering the period from 15 December 2005 to 31 December 2006. In February 2013, the court granted an extension to 30 April 2013 for the filing of the definitive appraisal for all the periods considered.

- E) With their appeal notified on 18 May 2009 (RG no. 4189/09), the companies challenged Prime Minister's Order no. 3748/09 before the Lazio Regional Administrative Court whereby only refuse produced and stored after the date of termination of the service contracts with the companies (15 December 2005) was to be transferred to the Acerra waste-to-energy plant. A date for the related hearing has yet to be set.

While they are convinced that the obligation to dispose of the bales produced and stored in Campania (regardless of the solution chosen by the municipalities about which waste was to be disposed of first), remains solely with the municipalities, the companies have prudently appealed against this order with the relevant Lazio Rome Regional Administrative Court.

- F) The Lazio Regional Administrative Court issued its ruling no. 3886 on 5 May 2011 on FIBE's appeal (RG no. 9942/2009) for the municipalities' non-payment of FIBE's unamortised costs at 15 December 2005 for the Campania RDF plants. It accepted FIBE's appeal and ordered the municipalities pay FIBE euro 204,742,665 plus legal and default interest from 15 December 2005 until settlement. This ruling correctly reconstructs the transactions between the parties as per the reference contractual terms and legislation. It confirms that the municipalities recouped the RDF plants as a result of termination of the service contracts and are therefore obliged to pay the former service providers the unamortised costs at the contract termination date (15 December 2005) as expressly stated by the municipalities. The Regional Administrative Court based its quantification of the claim on FIBE's accounting figures and the considerations set out by the municipalities in the previous calls to tender for the service.

The municipalities have appealed against the ruling with a petition (RG 6313/11) notified on 11 July 2011 which was heard on 13 December 2011 after which the Council of State rejected the appeal made by the municipalities with its ruling no. 868/2012 filed on 20 February 2012 and ordered that the parties bear their own legal costs.

The public prosecutor has proposed an appeal be made to the Supreme Court against the Council of State's ruling, alleging the administrative judge's lack of jurisdiction. FIBE, in turn, has presented a statement of defence and a counterclaim challenging the municipalities' arguments and appearing against the Council of State's ruling with its counterclaim in the part in which it holds that it had first to rule about jurisdiction (even though it was favourable) rather than acknowledging the tardiness of the appeal and, therefore, invalidating it. The public prosecutor then presented its statement of defence to FIBE's counterclaim. The hearing was set for 26 March 2013. Following FIBE's commencement of the enforcement procedure, the municipalities proposed to the Council of State that the ruling be suspended. Following the hearing of 15 January 2013, the Council of State granted the requested suspension pursuant to article 111 of the Code for Administrative Procedures, limiting it to the amount exceeding euro 61,422,799.50 (30% of the amount ordered).

- G) The Campania Regional Administrative Court handed down order no. 292 of 23 February 2012 rejecting the appeal RG 301/2012 made by S.A.P.N.A. for suspension of the ministerial measure which requested that the local company provide the results of the characterisation plan and implementation of urgent safety measures for the contaminated groundwater at the Settecainati landfill (Giugliano municipality) owned by FIBE. The local company sued FIBE for its alleged liability for the contamination and its obligation to characterise and implement urgent safety measures. The court order included S.A.P.N.A.'s obligation to pay the precautionary court costs. Pending a date for the merits hearing, S.A.P.N.A. challenged the order before the Council of State which rejected the appeal on 23 May 2012 confirming the first level ruling.
- H) The Lazio Regional Administrative Court ruling of 5831 of 26 June 2012 stated the lack of its jurisdiction in favour of Court of Public Waters. FIBE has appealed against this ruling with appeal RG 7434/2008 and subsequent additional grounds. FIBE requested that the



commission and ministerial measures ordering the communication of the results of the surface and groundwater characterisation plan and urgent safety measures be cancelled – the measures provide that if FIBE fails to comply therewith, the substitute damaging powers are activated -, as well as the recognition of the real cost and the inspection and reclamation of the environmental damage to the landfill in Cava Giuliani in the Giugliano municipality.

The ruling has been summarised before the Court of Public Waters which deferred the hearing to 9 October 2013.

- l) The Lazio Regional Administrative Court ruling no. 6033/2012, published on 3 July 2012 and notified on 13 September 2012, joined and rejected the appeals RG 10397/2007, 10398/2007 and 2770/2012 and related additional grounds presented by FIBE for the cancellation of the commission and ministerial measures requiring the characterisation plan and urgent safety measures, - the measures provide that if FIBE fails to comply therewith, the damaging powers are activated -, for the Pontericcio site, the RDF production plant and storage area and the Cava Giuliani site and storage area. The company appealed against this ruling to the Council of State (RG 7313/2012) as it would appear to be tainted by the obvious misrepresentation of the facts as it is based on contamination at a site different to those referred to in the ruling. Reference is mistakenly made to contamination of the landfill in Cava Giuliani (as shown in the court-appointed expert's report to the Caserta public prosecutor, prepared for the criminal proceedings RGNR 15968/2008), appealed against with appeal RG 7434/2008 (see letter H) above). On 12 November 2012, the council of state rejected FIBE's precautionary motion for suspension of the execution of the ruling. A date for the merits hearing has not yet been set.

Following rejection of the precautionary motion by ruling no. 6033/2012, FIBE decided to inform the Ministry for the Environment and the other relevant authorities of its willingness to voluntarily execute ruling no. 6033/2012 in its communication of 13 December 2012. However, it does not admit its liability as the merits hearing has yet to be held and it has also reserved the right to resubmit the costs of executing the ruling.

II.2 The civil litigation

The government commissioner presented a claim form in May 2005 requesting compensation from FIBE, FIBE Campania and FISIA Italmimpianti for alleged damage of approximately euro 43 million. During the hearing, the commissioner increased its claims to over euro 700 million, further to the additional claim for damage to its reputation, calculated to be euro 1 billion.

The companies appeared before the court to dispute the claims made by the government commissioner and lodged a counterclaim requesting compensation for damage and sundry charges determined before the court of first instance for more than euro 650 million, plus another claim for damage to their reputation of euro 1.5 billion. They also complained about the significant delay (compared to that provided for in the 2000 and 2001 contracts) in the issue of the authorisations required to construct the waste-to-energy plants and the related delay in the construction of such plants. These delays led to *both* the lengthening of the temporary stocking periods of the produced "eco-bales" and an increase in the stocked "eco-bales" with the related need to find bigger stocking areas: circumstances that led to the incurring of greater costs by FIBE and FIBE Campania.

In the same proceeding, the banks that issued FIBE and FIBE Campania's performance bonds to the government commissioner also requested that the commissioner's claim be rejected. In addition, they requested to be held harmless by Impregilo from the commissioner's claims. Impregilo appeared before the court and disputed the banks' requests.

The hearing was finalised with ruling no. 4253 of 11 April 2011 confirming the administrative court's jurisdiction rather than that of the ordinary court. The public prosecutor has appealed against this ruling and the related hearing before the Naples Appeal Court was set for 13 November 2012. FIBE regularly appeared before the court.



With the "resumption statement" of 1 August 2012, the Ministry for Justice and the Cassa delle Ammende summarised the ruling for execution of the sureties for euro 13,000,000.00 before the Milan Court. These sureties had been given by certain major banks to guarantee execution of the measures imposed by the Naples public prosecutor as part of the seizure of the RDF plants.

The group companies appeared before the Milan court (RG 57109/2012) challenging the grounds of the claims, alleging, *inter alia*, the invalidity of the policy as it was activated after its expiry date and the lack of grounds for its execution. In turn, they summonsed the government commissioner.

The proceeding was deferred during the first hearing of 17 January 2013 until the outcome of the hearing of 5 December 2013 is known. Finally, at civil court level, the public administration has recently commenced proceedings challenging FIBE's operations with respect to the complex management of the receivables and payables arising from the "contractual management" period. Although these are separate to the other proceedings described above, they refer to the same claims filed by FIBE in the administrative courts for which the *ad acta* commissioner is still taking action (see point II.1.A) Accordingly and assisted by the group's legal advisors, FIBE's fully compliant conduct during the "contractual" period can reasonably be confirmed and the risk of a negative outcome of these proceedings is merely possible.

The company's legal advisors hold that the public administration's claims can reasonably be challenged considering the counterclaims and, moreover, the admissibility of legal compensation given the circumstances.

* * *

II.3 The criminal litigation

In September 2006, the public prosecutor at the Naples Court served Impregilo S.p.A., Impregilo International Infrastructures N.V., FIBE S.p.A., FIBE Campania S.p.A., FISIA Italimpianti S.p.A. and Gestione Napoli S.p.A. in liquidation with a "Notice of the conclusion of the preliminary investigations about the administrative liability of companies" related to the alleged administrative crime pursuant to article 24 of Legislative decree no. 231/2001 as part of a criminal case against several former directors and employees of the above companies, investigated for the crimes as per article 640.1/2.1 of the Criminal Code in relation to the tenders for management of the urban solid waste disposal cycle in Campania. Following the preliminary hearing of 29 February 2008, the Judge for the Preliminary Hearing at the Naples Court accepted the request for a hearing made by the public prosecutor.

The hearing for the merits of the case is still ongoing and is in the trial stage hearing the defence council's witnesses and technical experts. The Court has accepted the exception proposed by the companies' defence council and has stated the unlawfulness of the civil parties' claims against the bodies involved pursuant to Legislative decree no. 231/2001. Therefore, all their claims made in the preliminary hearing have been found to be inadmissible.

Moreover, the public prosecutors Messrs. Noviello and Sirleo presented an additional charge pursuant to article 517 of the Criminal Procedural Code in the hearing of 15 June 2011 against just the individuals for the crime as per article 110 of the Criminal Code, article 81, second paragraph of the Criminal Code and article 53-*bis* of Legislative decree no. 22/97, now article 260 of Legislative decree no. 152/06.

The Public Prosecutor requested the following **precautionary measures** relating to:

- "assets", pursuant to article 19 of Legislative decree no. 231/2001 (seizure: of the RDF production plants and Acerra waste-to-energy plant; approximately euro 43 million belonging to the Impregilo group companies; receivables of approximately euro 109 million due to FIBE and FIBE Campania from municipalities in Campania); and

- “interdiction”, pursuant to article 9 of Legislative decree no. 231/2001 (or: ban on negotiating with public bodies; exclusion from subsidies, loans and similar assistance, ban on advertising goods and services).

In its ruling of 26 June 2007, the Judge for the Preliminary Investigation ordered the precautionary seizure of the profit from the alleged crime, estimated to approximate euro 750 million; specifically, the Judge ordered the precautionary seizure of:

- euro 53,000,000.00, equal to the amount advanced by the commissioner to construct the plants in provinces other than Naples;
- the total amount of euro 301,641,238.98 for the regularly collected waste tariffs;
- certain, liquid and due receivables due from the municipalities and not yet collected of euro 141,701,456.56;
- the expense incurred by the commissioner for the disposal of the USW and related processing at the RDF plants of euro 99,092,457.23;
- euro 51,645,689.90 being the missing guarantee deposit, payment of which had been agreed to guarantee correct compliance with contractual obligations;
- amounts received as premiums for the collection service performed on behalf of the commissioner and municipalities to be determined upon enforcement;
- euro 103,404,000.00 being the value of the works carried out to build the Acerra waste-to-energy plant up to 31 December 2005.

In the ruling of 26 June 2007, the Judge for the Preliminary Investigation also ordered that the companies were banned from contracting with public bodies for one year with respect to waste disposal, treatment and waste-to-energy activities as an interdiction measure; this finished in June 2008.

The precautionary measures ordered by the Judge for the Preliminary Investigation did not imply the expropriation of the assets but their “blocking” as they continued to be owned by the parties to which they “belonged” and could only be expropriated after the relevant rulings had been issued by the Naples Court, the Court of Appeals and the Supreme Court. However, the precautionary measure was partly executed with the seizure of liquidity of approximately euro 124.8 million deposited by Impregilo, FISIA Italimpianti, FIBE and FIBE Campania with several banks as well as receivables of approximately euro 190 million of FIBE and FIBE Campania from local administrative bodies for activities performed prior to 15 December 2005.

The precautionary seizure measure was appealed against on 7 July 2007. The Review Court however rejected the appeal on 24 July 2007.

The precautionary seizure measure, confirmed by the Review Court, was appealed against with the Supreme Court on 5 November 2007.

The Second Chamber of the Supreme Court, charged to hear the appeal, referred the relevant ruling to the United Chambers on 23 January 2008 which, on 27 March 2008, cancelled and deferred the seizure measure:

- a) on one side, confirming the principle whereby “*the profit from the crime ... is the direct and immediate economic benefit of the crime and can be accurately calculated net of the effective use obtained by the damaged party, as part of the bilateral relationship with the body*”;
- b) on the other, noting that neither the Judge for the Preliminary Investigation nor the Naples Review Court correctly applied this principle. Specifically, as the United Chambers stated: “*the reasoning on which [the Review Court’s decision] is based, while considering the factual issues of the events examined, leads to partial and simplistic legal considerations with respect to the concept of “profit”, it does not take into account the notion as specifically set out and, based solely on the serious breach of contract by the service providers, ends by identifying the assets that can be seized in an abstract manner, without properly checking the relationship between the illegal act and the advantage obtained*”.



The Supreme Court also analysed the individual items subject to the precautionary seizure in detail, concluding that:

- (i) none of the above items, except for the tariff net of VAT, constitute "profit from crime";
- (ii) the amount of the tariff (net of VAT) that could legitimately be seized is to be determined deducting the value of the services provided by FIBE and FIBE Campania to the benefit of the municipalities from the tariff. In this respect, the following should be emphasised:
 - the Supreme Court recognises that "*the service provided*" by FIBE and FIBE Campania "*was not always characterised by illegality and took place over a long period of time without being formally challenged by the municipalities*";
 - the Lazio Regional Administrative Court and the Council of State (with the mentioned rulings no. 3790/2007 and 6057/2007) recognised that these companies effectively provided the waste disposal service entrusted to them under the 2000 and 2001 contracts up until 15 December 2005.

Following this Supreme Court ruling, with its order filed on 7 August 2008, the Naples Review Court ordered that the measure be cancelled and the assets effectively seized be immediately returned. On 18 August 2008, the Naples public prosecutor presented an appeal to the Supreme Court against this order assigned to the Second Chamber. The latter Chamber in its hearing of 16 April 2009 "*cancel(led) the challenged measure except for the part relating to the seizure of euro 301,841,238.98 and ordered the forwarding of the acts to the Naples Court to be re-examined*".

The related hearing was held on 20 October 2009 when the Naples Review Court examined the valuation returned to it by the Supreme Court of the additional sums exceeding the amount of euro 301,841,238.98, for which the release from seizure was confirmed. The ruling was published on 2 February 2010, more than three months after the hearing. Subsequently, the Review Court readjusted the items that the Naples Judge for the Preliminary Investigation had indicated in the first ruling of July 2007 as subjectible to seizure. The adjustment excluded from the seizable items the tariffs collected from the former service providers up to 15 December 2005, the exclusion of which had already been ordered by the aforesaid Supreme Court ruling, approximately euro 103 million related to the works for the Acerra waste-to-energy plant at 15 December 2005, euro 53 million related to the advances provided by the commissioner to build the RDF plants outside the Province of Naples, approximately euro 26 million of receivables for waste fraction as well as other immaterial items of approximately euro 182 million, which, added to the approximate euro 301 million as per the second Supreme Court ruling, decrease the total seizable amount to approximately euro 483 million. However, the same court ordered that the following items were to be seized:

- documents representing receivables of euro 115.5 million (equal to the receivables not yet collected at 15 December 2005 that the Judge for the Preliminary Investigation had calculated to be euro 141.7 million in July 2007, less approximately euro 26 million related to receivables for the disposal of waste and waste fraction as allegedly "*the activities of the joint venture have benefitted the community*");
- approximately euro 99 million of costs allegedly incurred by the commissioner to dispose of the waste outside the region; and
- approximately euro 52 million for the guarantee deposit to be collected in the case of non-performance of contractual obligations.

Immediately after the Review Court's ruling, the seizure measure was again enacted.

The group companies appealed again against the Review Court's ruling again before the Supreme Court and also lodged an enforcement objection pursuant to article 666 of the Criminal Procedural Code with the Naples Court demurring that, in their opinion and that of its legal advisors, the enforcement proceeding has defects of form and substance. The second proceeding was settled on 29 October 2010 when the Supreme Court's First Chamber decided that the Naples Ordinary Court was competent to execute the requested seizure contrary to the motion that promoted the Judge for the Preliminary Investigation's offices at the Naples Court as the appropriate body. The Supreme Court hearing of 17 June 2010 accepted the group companies' appeal, ordering the cancellation, with no further deferral for review, of the seizure of approximately euro 99 million and approximately euro 52 million, as well as quashing, with deferral for review, of the seizure of documents



representing receivables of euro 115 million to allow the Review Court to ascertain that the receivables due to FIBE are certain, liquid and due and also the effective seizability of such receivables pursuant to article 19.1 of Legislative decree no. 231/2001 which excludes seizure of profit for the part that can be returned to the damaged parties.

The Supreme Court also rejected the appeal made by the public prosecutors.

The Review Court was also supposed to rule about the part related to the receivables in the hearings of 26 November 2010 and 2 February 2011. The group's legal advisors had filed motions for the disqualification of two judges in relation to this proceeding. Following the hearing held to discuss these issues on 25 October 2011 before the Naples Appeal Court, the disqualification motions were rejected and the appeal hearing set for 11 January 2012. The Court reserved its decision after this hearing.

On 15 June 2012, the Review Court filed its order stating that "accepting the review request presented in the interests of FISIA Italmobiliare S.p.A., FIBE S.p.A., FIBE Campania S.p.A. and Impregilo S.p.A. against the precautionary seizure measure issued by the Judge for the Preliminary Investigation at the Naples Court, Rosanna Saraceno, on 26 June 2007, orders the cancellation of this seizure measure for the documents representing the receivables due to the joint venture from the municipalities for the elimination of USW of euro 115,521,757.27 arising from that of euro 141,701,456.56 related to the waste elimination tariff not yet collected by the joint venture, net of the proceeds from the service to the public for the waste collection service provided, calculated to be euro 26,179,69.29". The Naples public prosecutors have not appealed against this order to the Supreme Court. Therefore and with respect to the last released item (receivables), the final judgement has been passed.

As part of the same proceeding, for which the precautionary stage has been completed with final judgements being handed down for all items making up the original seizure request, that is currently at a trial stage, Impregilo, FISIA Italmobiliare and FIBE were notified early in the second quarter of 2010 of a new appeal presented by the Naples public prosecutor to the Review Court about a new precautionary measure it intended to impose. In addition to the appeal against the Review Court's ruling about the new seizure measure which was rejected by the Supreme Court as described above, the Naples public prosecutor commenced a new precautionary seizure action for part of the alleged profit from the crime for which the Supreme Court had already issued its final judgement on 16 April 2009, involving approximately euro 300 million related to the waste disposal tariffs collected by FIBE and FIBE Campania before 15 December 2005 and for which the Supreme Court had confirmed the Naples Review Court's previous decision, which excluded seizure, in its latest ruling (see above).

The acts show that the first appeal made by the public prosecutor was rejected by the relevant court (Fifth Chamber of the Naples Court) as it did not identify any "new" issues compared to the situation which had led to the original seizure. The public prosecutor's new measure also recalculated the amount to be seized: euro 245,915,263.98 compared to the original euro 301,641,238.98 as per the previous appeals. Following the public prosecutor's appeal about the tariff collected, in its hearing of 19 May 2010, the Review Court postponed the hearing to discuss the public prosecutor's motions to 26 November 2010 and then 2 February 2011. The Court filed its decision on 11 May 2011 rejecting the public prosecutor's appeal. The public prosecutor at the Naples Court appealed against this decision with the Supreme Court and the related hearing before the Second Chamber on 29 September 2011 quashed the order issued by the Naples Review Court and returned the case to it "so that the review judge examines all the evidence again, including that acquired through interrogations in other proceedings and wrongly held to be unusable, as long as it was already provided when the measure was requested". A new hearing was set to be heard on 15 November 2011.

Following this hearing, the Naples Review Court again rejected the public prosecutor's appeal in its decision of 6 February 2012. Its reasoning is that, pursuant to the instructions in the Supreme Court's deferral, the public prosecutor's appeal does not include elements useful to overthrow the final judgement already appealed against. It confirmed the rejection of the seizure measure made by the public prosecutor.



This last ruling, challenged again by the public prosecutor who filed an appeal to be heard by the Sixth Chamber of the Supreme Court on 17 May 2012, is a significant breakthrough in the complicated and complex proceedings. Indeed, the ruling sums up by saying that “*To supersede this “final judgement” [editor’s note: which had previously excluded the seizability of the amounts requested by the public prosecutor], it would have been necessary to*

- *differentiate on the basis of specific and exact assessments of the consideration for the regular services provided for by contract (without considering whether there had been non-compliance issues) from that which was the profit from the crime (based on specific and exact assessments, the financial advantage directly obtained from the crime (seizable profit) and the consideration received for lawful services ...).*
- *... only after having specifically identified the profit from the crime, separate from the consideration for the properly provided service in criminal terms (without considering any profits from any total or partial non-compliance) - and, subsequently, to calculate any benefit received by the public body as a result of the asset arising from the fraud”.*

This information was not provided as there is no new evidence differentiating the fraudulent conduct from the simple contractual non-compliance.

Following the above hearing of 17 May 2012, the Sixth Criminal Chamber of the Supreme Court ruled that the public prosecutor’s appeal was inadmissible, confirming the decisions taken by the Naples judges and denying the existence of new evidence that would overthrow the final judgement about the “tariffs” passed down by the Second Chamber of the Supreme Court on 16 April 2009.

* * *

During 2008, as part of a new inquiry by the Naples Court into waste disposal and related activities in the region carried out after the *ope legis* termination of the contracts (15 December 2005), the Judge for the Preliminary Investigations issued personal preventive seizure measures upon the request of the public prosecutor against certain managers and employees of FIBE, FIBE Campania and FISIA Italmimpianti and managers of the commissioner’s office.

As part of this inquiry, the former service providers and FISIA Italmimpianti are again challenged for the administrative liability of companies under Legislative decree no. 231/01. The related acts describes how this is *both* a continuation of the previous investigations and a separate proceeding based on new allegations.

The preliminary hearing was concluded on 29 January 2009 with all the defendants being committed for trial. In the pre-trial hearing, the civil actions brought against the companies were found to be inadmissible. Moreover, on 16 December 2009, the Naples Court declined its jurisdiction and ordered that the documents be transferred to the Rome public prosecutor. The Rome Court set the date for the preliminary hearing as 27 October 2010 when it was postponed by the Judge for the Preliminary Hearing to 13 December 2010 due to the erroneous notice notification about the hearing to FIBE’s legal advisor. In the subsequent hearing of 10 January 2011, the Judge for the Preliminary Hearing at the Rome Court cancelled certain charges made against the chief executive officer in office when the events took place and deferred the hearing to 23 March 2011, which was deferred again to 21 September 2011, then to 14 December 2011 and finally to 28 March 2012. The Judge deferred to the Supreme Court the decision about the conflict in jurisdiction and the other subjective positions and other charges, holding the Naples Court competent to decide on these positions. The related hearing before the First Chamber of the Supreme Court was held on 6 July 2011. No ruling was handed down as the First Chamber is awaiting the United Chamber’s decision about a similar case. However, following the decision of the Chief Justice of the Supreme Court, the “similar but related to another issue” matter was not heard by the United Chamber and, therefore, the Second Chamber of the Supreme Court took its decision and ruled that the Judge for the Preliminary Hearing at the Rome Court is competent to judge on all the charges for all the defendants on 2 March 2012. Therefore, the proceeding was



to be recommenced with a preliminary hearing before the Rome Judge set for 16 May 2012, which was then deferred to 26 September 2012 as the case was assigned to another Judge for the Preliminary Hearing replacing Mr. Mancinetti who had been transferred to another position. On 26 September 2012, the new Judge, Mr. Saulino, took over the different parts of the proceeding and set the dates for the extraordinary hearings as 10 and 31 January 2013 and 14 March 2013 as a continuation of the preliminary hearing, after which he stated the inadmissibility of the sole civil party that had asked to join the criminal proceeding. The public prosecutor requested that all the defendants and legal entities involved be committed for trial pursuant to Legislative decree no. 231/2011. The preliminary hearing was finished on 21 March 2013 and all the positions have been committed for trial before the Collegial Tenth Chamber, First Bench, of the Rome Court to be heard on 16 July 2013. The group companies involved in the new proceeding are fully convinced of the legitimacy of their actions, also because their activities are not only expressly covered by Law no. 21/2006 but were carried out merely on behalf of the commissioner (see the rulings of the Lazio Regional Administrative Court and Council of State in paragraph II.A.).

In January 2011, FIBE joined the proceeding no. 61604/10 RGNR as the injured party against MP Nicola Cosentino at the Santa Maria Capua Vetere Court. The allegation to be examined during the trial, which legitimises FIBE's position as an "injured party" is that Mr. Cosentino contributed significantly *"to the planning and implementation of the project aimed - especially through the consortium company [...], the consortium [...], and other consortia in the Province of Caserta controlled by him - at setting up a competitive integrated cycle in Campania to compete with that lawfully managed by FIBE-FISIA Italmimpianti, thus boycotting the latter two companies in order to take over the entire management of the related financial cycle and moreover create an unlawful independent management at provincial level (i.e., local management of the waste disposal cycle, directly managing the landfills, where the waste is stored, taking action to build and manage a waste-to-energy plant and manipulating the activities of the waste emergency government commissioner)"*.

On 27 January 2011, an order for immediate judgement was issued against the defendant and FIBE was specifically identified as an injured party. As already disclosed, this proceeding is at the trial stage.

On 23 December 2011, as the party involved pursuant to Legislative decree no. 231/01, FIBE S.p.A. was notified of the completion of the preliminary investigations related to another investigation by the Naples public prosecutor. The allegation relates to the charging of article 24 of Legislative decree no. 231/01 relating to the committing of the crime covered and punished by article 81, second paragraph, and articles 110 and 640.I/II of the Criminal Code committed jointly and with the prior agreement of the defendants (individuals) and other parties to be identified with respect to management of the urban waste water purification service using purification systems.

Specifically, certain individuals working in the commission and for FIBE S.p.A. have allegedly actively encouraged and induced other accomplices to implement stratagems and tricks to hide and conceal the very poor management of the above purification systems.

FIBE S.p.A. is accused as it has allegedly presented documents reporting among the other items related to the elimination of USW the cost of transferring leachate, while not mentioning why the leachate had been transferred to plants that did not have the necessary legal authorisation, technical qualifications and residual purification capacity.

The public prosecutor will probably request that the Judge for the Preliminary Hearing at the Naples Court hear the case. However, as again it relates to events challenged in the period after the contracts were terminated, when the companies' activities were not solely specifically ordered by Law no. 21/2006 but also carried out on behalf of the commissioner, FIBE is fully convinced that it acted in accordance with the law.



III. THE DIRECTORS' CONSIDERATIONS ABOUT THE SITUATION AT 31 DECEMBER 2012

The group's situation with respect to the USW Campania projects at 31 December 2012 continues to be extremely complex and uncertain (as can be seen from the wealth of the above information), notwithstanding the recent positive events.

Although they cannot be considered fully final as they have been challenged by the municipalities, the recent rulings of the administrative courts, especially with respect to the claims about the costs of the RDF plants not yet paid at the service contract termination date (15 December 2005), as described earlier, are positive and important as they support the group's affirmation that it has behaved correctly and its related assessments made to date.

While the group is convinced that the pending proceedings at different levels (administrative, criminal and civil) will show its correct behaviour and considering the recent decisions of the administrative courts about the areas in the Giugliano municipality (see points II.1.H and II.1.I), although they are still pending with respect to their merits and the risk of a negative outcome has been deemed merely possible, assisted by the group's legal advisors, the exact timing of when the various proceedings will be closed cannot yet be established precisely.

Therefore considering that the group's legal advisors agree with it that developments in the ongoing litigation will show the correctness of the group's activities and although the assessments developed and modified over the years are reasonable and prudent, based on the legal and regulatory framework and supported by the opinion of the group's legal advisors, given the complexity and range of the different litigation disclosed in the previous sections, the group cannot exclude that events may arise in the future that cannot currently be foreseen which might require changes to these assessments.



HUMAN RESOURCES AND ORGANISATION

At 31 December 2012, the group's workforce was as follows (including changes during the year):

	31 December 2011	Increase	Decrease	31 December 2012
Managers	186	18	(31)	173
White collars	3,451	512	(976)	2,987
Blue collars	8,739	4,349	(4,849)	8,239
Total	12,376	4,879	(5,856)	11,399
Italy	955	150	(120)	985
Abroad	11,421	4,729	(5,736)	10,414
Total	12,376	4,879	(5,856)	11,399

The average workforce for the year is summarised in the following table:

	Corporate	Construction	Concessions	Engineering & Plant Construction	Total
Managers	27	119	6	29	181
White collars	129	2,387	253	451	3,220
Blue collars		7,276	656	557	8,489
Total	156	9,782	915	1,037	11,890
Italy					970
Abroad					10,920
Total					11,890

Training

The group's training strategy consisted both in providing training about individual skills as well as the following issues:

- Legislative decree no. 231/2001: the refresher seminars were designed to go over the various crimes and legal provisions, to present recent changes in the legislative decree and to reinforce the role of the Organisational, management and control model.
- Legislative decree no. 163/2006 covering public contracts: the courses were open to all those employees who deal with the provisions of this legislative decree during their work. The objective was to present the reference legal framework and the general system for public works, advertising bans applicable in various situations and, specifically, the limits and conditions for subcontracting.
- Legislative decree no. 81/2008: in line with Impregilo's traditional focus on health and safety in the workplace and as part of its long-term training courses, training about this legislative decree was provided to management during the year. The objective was to explain the reference legal framework, the fundamental principles for safety management and organisation and to identify and assess risks, as well as communications and training. The courses also presented the parent's integrated quality, safety and environmental management system.
- Risk management: the group rolled out a number of training activities aimed at making employees aware of risk prevention and management issues.



SAFETY, THE ENVIRONMENT AND QUALITY

The quality, environmental and safety management system (the "QAS system") is increasingly integrated into the group and applied to all its contracts. It complies with the UNI EN ISO 9001 (quality), UNI EN ISO 14001 (environmental) and BS OHSAS 18001 (health and safety) regulations as the quality management system was certified in 1997, the safety management system in 2003 and the environmental management system in 2007.

A QAS management system and certification is a guarantee for all stakeholders (shareholders, employees, customers, suppliers, local communities, public administrations, etc.) and an important tool to ensure increasingly efficient and effective performances (which is the legislation's fundamental aim). It also exonerates the group from administrative liability pursuant to Legislative decree no. 231/2001.

Adoption of the QAS management system has assisted the group to meet the objectives set out in its QAS policy, specifically:

- minimisation and, where possible, elimination of potential negative environmental impacts and risks associated with its activities/products/services for employees and any other parties possibly exposed thereto;
- enhancement of the social fabric and protection of the areas in which the group works;
- respect for the environment and employees' health and safety, including the employees of subcontractors at building sites and in all work environments;
- utilisation of processes, technologies and materials that allow less use of natural resources, especially non-renewable sources, and the least possible impact on quality, the environment and safety of employees, including by resort to innovative techniques, the use of renewable resources, also through sustainable design;
- limitation of waste generation by recycling products/materials, when possible;
- protection of natural habitats inside protected sites and protection of endangered animals and plants.



Impregilo has appointed a QAS Management Representative who, assisted by the QAS Body and senior management, is in charge of the following for the correct application of the QAS management system:

- implementation of the standards set out in the quality-environment-safety guidelines during contracts;
- training of head office and site personnel through refresher courses;
- updating personnel and the entire organisation about management's commitments taken on with the "Quality, Environment and Safety Policy", also by using the "The Bridge Impregilo Global Intranet" portal;
- scheduling regular internal audits to check the organisation's working;
- proposing possible changes to improve the group's performance to senior management.

The Sustainability Report

Over the last few years, Impregilo has steadily increased its commitment to social responsibility, thus assisting the creation of a new culture of sustainable management during contract work.

It has published an annual Environmental Report since 2002, which describes the environmental impact of its work and the prevention and mitigation activities put in place for its large-scale works.

In 2009, Impregilo rolled out a more comprehensive reporting process, the first step towards preparation of a Sustainability Report, drawn up in accordance with the guidelines established by the GRI (Global Reporting Initiative). The Sustainability Report thus represents another step along this path.

The report covers the activities carried out by the Impregilo group companies in the year covered by such report.

It can be found in the "Sustainability" section of the parent's internet site (www.impregilo.it) in Italian and English.

Environmental sustainability

Impregilo has voluntarily chosen to adopt an environmental management system compliant with UNI EN ISO 14001 for all its contracts.

Specifically, this system complies with Impregilo's policy to protect the environment, not only for the purposes of sustainable development and success in global markets, but also for:

- its strategic priority;
- ongoing improvement in performance and conduct;
- additional information and training for employees;
- the assessment and prior limitation of the effects of its operations on the environment;
- research and development, to identify increasingly sustainable techniques;
- dialogue with employees and local communities, to jointly resolve any contingent environmental issues;
- commitment to involving customers, suppliers and subcontractors in a more correct and evolved environmental management of their products and services.



The environmental management system allows Impregilo to continue its current policy aimed at:

- ongoing improvement of environmental performances;
- utilisation of an internal organisation to circulate and promote the system's guidelines and instructions with all group companies and in building sites, ensuring their correct application;
- developing the ability to identify and monitor key environmental aspects of its core business, including by setting up special data bases;
- the faster use of the results of technological research, encouraging adoption of increasingly efficient solutions to recycle materials, contain the movement and consumption of raw materials and energy, protect water resources and reduce waste and the clean-up of sites after work.

The complexity and diversity of Impregilo's core business in its three strategic segments - Construction, Engineering & Plant Construction and Concessions - have very different effects on the environment depending on the type of site. Therefore, in order to be able to correctly assess the environmental impact, both the type of work being carried out and where the site is located have to be looked at separately, identifying the related impact factors.

When a new contract is started and based on the work to be carried out, the group identifies significant environmental aspects, i.e., those aspects that could significantly impact the environment. Their identification and subsequent assessment take place using specific procedures, designed by the Health, Quality, Environment and Safety Unit, applicable to all contracts. The procedures include the preparation and updating of a register and identification of actions to improve situations, which are implemented to minimise or eliminate the contract's impact on the environment.

The significance of environmental impacts is assessed using a methodology prepared considering criteria that are given different weights, depending on their importance. These criteria are:

- the probability that the event will occur;
- the seriousness for the environment;
- how long the impact will last;
- how difficult it will be to restore the original situation;
- the effects on the group's reputation.

Once the significant environmental impacts have been identified, the main effects of the contract on the different environmental components are analysed:

- atmosphere,
- natural resources and energy consumption,
- surface and underground watercourses,
- soil and subsoil,
- waste generation,
- noise and vibrations,
- landscape,

which differ depending on the type of work carried out (underground tunnels and works, bridges and viaducts, railway and road works and dams).



ATMOSPHERE

During construction of infrastructure, the most significant direct effects on the atmosphere relate to dust dispersion due to the nature of the key processes: excavation, earthwork, movement of heavy vehicles on dirt tracks, crushing plants and the demolition of existing structures and buildings. In addition, the engines of the building site equipment and self-generating power plants release atmospheric emissions.

The group adopts different methods to limit the creation and dispersion of dust: it regularly dampens access dirt tracks to building sites, vehicles are required to maintain a low speed. Industrial sites and quarries are equipped with tyre washing systems to prevent trucks from spreading dirt on roads, which would cause dust dispersion.

Low impact vehicles are used and undergo regular maintenance to reduce gas and fuel particles emissions.

NATURAL RESOURCES AND ENERGY

Construction of motorways, bridges, dams and railway lines requires the use of large quantities of concrete, water, iron and backfill: all raw materials which are mostly not renewable.

Impregilo is committed to ensuring the most efficient use of these resources and the use of alternative materials, when possible, without affecting the quality, security and functioning of the finished product.

In order to improve its environmental performance, Impregilo has fine-tuned systems to recycle and reduce consumption. When possible, it recycles debris as part of the same contract or uses systems that allow the reuse of water for other specific activities, such as, for example, washing vehicles.

Energy consumption, both in the form of fossil fuels and electric energy, has a strong impact during construction of infrastructure. Reduction of energy consumption is possible by using more efficient equipment or low-consumption vehicles.

Impregilo uses state-of-the-art power rationalisation systems both in the works it constructs and at its building sites, preferring high efficiency means and equipment.

WATER ENVIRONMENT

The effects of construction of a large-scale work on surface or underground watercourses are never insignificant. The impact varies depending on the type of work. Construction of a bridge or a dam inevitably leads to interference of watercourses. Impregilo has procedures to minimise the effects on the habitats of aquatic flora and organisms and on the quality of the water.

Tunnel boring also unavoidably leads to interference of underground watercourses. This is normal in all tunnel work but may become a critical issue if there are large waterbeds. Impregilo adopts the techniques necessary to leave the existing situation as unchanged as possible and to avoid any sort of contamination.

Industrial sites require workshops, cement mixers, prefabricated buildings and other equipment to construct the infrastructure. In order to prevent contamination, the sites have surface isolation layers, water collection systems and purification systems so as to decontaminate the water before it is released back into the streams or rivers.



SOIL AND SUBSOIL

Large-scale works and infrastructure always affect the soil: use of the surfaces, sealing, excavations and backfills, contamination risks.

Earthwork is certainly one of most obvious and typical activities of construction of any work: construction of embankments, cuttings or certain types of dams require the movement of large earth quantities. Large volumes of soil have to be moved to the work front or removed. When the earth does not come from excavations at the building site, the effect on the environment of using earth from quarries or other natural environments has to be considered.

The primary and most visible environmental impact in the case of underground works is the large quantity of material created by the tunnel boring activities and the related traffic due to transport of the muck

When possible and in accordance with the regulations, Impregilo uses the muck at the same site as material to construct other works. Otherwise, it uses it or makes it available to restore deteriorated areas, to clean up disused quarries or construct for public works, such as car parks and parks.

WASTE

Waste generated during construction of large-scale infrastructure and engineering works can be grouped into two separate categories: urban or similar waste and special waste. Urban or similar waste is generated by logistics sites where all the support activities for the industrial production are carried out such as offices, accommodation for non-resident workers, canteens and recreational facilities for workers.

Impregilo avails of the services of local authorised companies for waste collection, recycling and disposal.

Special waste is generated by the actual industrial activities. It includes cement residue and iron scraps, which are usually recycled.

Other types of waste generated in large quantities are packaging (plastic and wood) and sludge from the water purification systems, which are transferred to specific authorised third party systems.

Hazardous waste is a marginal part of the waste generated in a large-scale infrastructure contract. It is usually drain oil and oil filters replaced after maintenance of vehicles, batteries, storage batteries and, in certain cases, tarry residue or other residue from materials used for specific processing.

Impregilo transfers its hazardous waste to authorised third parties.

In all cases, Impregilo operates in compliance with the current legislation and maximum care, using qualified suppliers if necessary.

NOISE AND VIBRATIONS

Excavations, assembly of products, loading and unloading, the use of large machines, movements of machinery all create noise and vibrations.

The perception of noise depends heavily on the location of the sites.

Sensitivity to the issue is greater in built up areas. In this case, areas most subject to noise interference are protected by noise barriers, which can be artificial dunes made of backfills or support structures and absorption panels. Alternatively, if possible, the noise barriers may be one or more rows of trees or shrubs which both absorb the noise and reduce the visual impact. Impregilo adopts mitigation tactics in non-residential areas as well to limit the noise emissions deemed dangerous for the local or migratory fauna.



Ground vibrations are a characteristic of civil engineering sites due to the use of machinery and the movement of large quantities of materials. In order to prevent possible damage to buildings in the surrounding areas, Impregilo has specific state-of-the-art vibration monitoring systems, which are constantly operational.

LANDSCAPE

All infrastructural works have an effect on the landscape.

There is a clear difference between the effect of a building site on the landscape and that of the completed work. The effect of the building site is temporary and can be mitigated by green barriers or fencing, improving the site's visible impact. The actual work will form part of the landscape and, as such, will have to be designed so as to fully integrate into it.

Impregilo adopts policies that consider both of these aspects and provides for the use of the best designers for the most harmonious inclusion of the finished work in the landscape.



Ceneri Base Tunnel - Switzerland



Our social responsibility

An entity's social performance goes beyond economics and extends to how it interacts with its stakeholders.

In line with its Code of Conduct and its Organisational, management and control model, Impregilo adopts best practices for:

- human resources management,
- industrial relations,
- employees' health and safety,
- training,
- communications,
- dialogue with the public administration,
- interaction with the local communities,
- employment of local companies and labour,
- crime prevention.

HUMAN RESOURCES

Impregilo is fully aware that its human resources are fundamental to its existence, development and success. The group is committed to developing their skills and to fostering its employees' skills and potential, encouraging relationships based on mutual trust so that they can meet their growth and improvement targets.

With respect to equal opportunities and especially, gender equality, although the sector has certain characteristics that do not make comparison with other sectors easy, Impregilo is proud to note that roughly one fifth of its headcount is female. This fraction increases to roughly one third if just Italy is considered.

Another aspect of equal opportunities in a period in which the average length of employment necessary to ensure a pension is extending is the distribution of employees by age.

It is interesting to see that age is not a penalising factor and is even irrelevant when considering professional skills. A large proportion of the workforce is in the older brackets, where precious knowhow is held thanks to years of field experience.

INDUSTRIAL RELATIONS

Impregilo's relations with the trade unions are based on loyal and correct conduct.

Although it works in different contexts (Impregilo is active in 30 countries with different standards and traditions), this approach has enabled it to resolve the sometimes complicated problems of the sectors in which it operates constructively.

Accordingly, Impregilo has been able to discuss and resolve issues that often lead to conflict in other sectors, using traditional industrial relations tools.

These negotiations take place using the "advance bargaining" methods and providing for a system of industrial relations split among different levels (national, regional or provincial and "site") to give the right emphasis and deploy the right persons to the various issues and problems to be discussed:



- organisation of work at the building sites to limit difficulties to circulation and the population for execution of the works;
- a responsible and consistent vision of the labour market, especially in the areas where the works take place, facilitating, where possible, access or the return to employment of first-time job seekers and unemployed persons.

EMPLOYEE HEALTH AND SAFETY

Employee health and safety is an essential part of Impregilo's mission. The group carries out many different types of work at its sites involving different risks for the employees involved. Impregilo is strongly committed to providing its employees with ongoing training about their duties, making them aware of the risks they may face. Impregilo has put in place and puts in place all the human and technical resources necessary to meet the objectives set in its QAS policy and in accordance with BS OHSAS 18001.

Thanks to its adoption of a BS OHSAS 18001 certified health and safety management system, Impregilo has achieved important milestones, such as:

- development of a safety culture;
- reduction of work-related accidents;
- prevention of occupational illnesses;
- decrease in insurance costs;
- decrease in administrative and criminal sanctions.

Moreover, integration of the health and safety management system with the other rules for quality (ISO 9001) and the environment (ISO 14001) has meant that Impregilo can continue its main goal of construction with quality and respectful of the environment and its employees' health and safety.

Impregilo complies with the ruling regulations in each country in which it operates and guarantees high standards of health and security in the workplace. In Italy, responsibility for managing issues tied to employees' health and safety, as required by Legislative decree no. 81/2008, is entrusted to specific internal functions, namely the HR and Organisation Head for the corporate offices and the Operating Heads for the contract sector in Italy. They all act as Employers. Pursuant to provisions of the current legislation about the health and safety of employees, Impregilo:

- appoints an Employee Representative for safety at the corporate offices and for each contract;
- informs the employees about the safety organisation unit through communications, meetings and the intranet;
- ensures the involvement of the employees and their representatives in identifying, analysing, assessing and managing risks;
- consults the employees and their representatives about any organisational changes that could affect their health and safety;
- ensures that any information reported by the employees and their representatives is collected and assessed.

All internal departments are required to contribute to ensuring the correct implementation of the management system, pursuant to the relevant regulations and the Organisational, management and control model as per Legislative decree no. 231/2001. Specifically, operating checks of the management system are defined by a specific procedure, which requires preparation of the documentation necessary to identify and manage risks and emergencies related to the different working activities (risk assessment document, operating safety plans, evacuation, fire prevention and first aid plans) and the relevant internal departments.



SAFETY NUMBERS

The health and safety in the workplace indicators improve steadily from year to year, especially in the construction segment, where Impregilo's main activities are carried out.

The centralised database of most common accidents at work for 2012 (partial) compared to the INAIL database (frequency index = no. of accidents/average annual no. of employees x 1,000 and seriousness index = no. of days off work/average annual no. of employees) showed that such indexes at 9.30 and 0.23 improved, respectively, on the previous year (13.77 and 0.41, respectively) and were also considerably better than the national average (39.12 and 1.05, respectively, source: INAIL database for 2007-2009).

Impregilo focused on analysing the causes of accidents and incidents. Building site management carried out the appropriate analyses, assisted when necessary by the authorised doctor and the Prevention and protection service, managers and relevant department heads. Collaboration of the latter two positions is essential to identify the causes and to define the most useful preventive and corrective actions in order to avoid repetition thereof.

In addition to the most commonly used indexes, the group also considers other information useful to best interpret accidents as a whole, identifying the most frequent causes and which require priority action:

- nature of the injury (eg, wound, punctures, bruising, fracture, etc.);
- part of the body injured (eg, head, trunk, pelvis, eyes, etc.);
- form (active, passive, environment, fall, accident);
- agent (eg, machine, lifting and transportation systems, distribution systems, equipment and devices, etc.);
- month in which the accident took place.

The analysis (using numbers and statistics) of accidents, with introduction of new technologies, enabled the additional improvement with respect to safety and prevention of accidents, decreasing the probability and seriousness of accidents.

TRAINING

Development of expertise and knowledge is fundamental to foster Impregilo's human resources. Design, construction, management and project management skills lie at the heart of Impregilo's success as a global leader in its market segments: construction, engineering & plant construction and concessions. Its strong international vocation requires concentrated development of skills which are honed constantly to be effective in diverse contexts and cultures. Accordingly, Impregilo tailors its training programmes considering common factors and local requirements.

Specifically:

- it continued its large-scale training programme, commenced in 2008, about occupational health and safety, especially with regard to the new aspects introduced by the "Consolidated act about health and safety in the workplace" (Legislative decree no. 81/2008), aimed at management and other contract positions involved in implementing the safety and risk prevention management systems;
- a new training programme for managers and junior managers about Legislative decree no. 231/2001 was rolled out, covering administrative liability of entities and the "Organisational, management and control model", adopted pursuant to the decree, and given the recent introduction of new crimes.



COMMUNICATIONS

Impregilo has a well-developed internal communications system, designed to assist the acquisition and exchange of information about aspects and key issues to perform various activities and promote a sense of belonging. Communications with employees and between the diverse departments take place through:

- institutional instruments (financial statements, organisational instructions, operating circulars and other similar instruments);
- electronic and other traditional instruments;
- the internet site and, especially, the Bridge, Impregilo's intranet which hosts documentation about the internal organisation, the integrated QAS system (manual, procedures, operating instructions, etc.), operating and specialist aspects of the various internal departments, and legislative references for company management;
- regular meetings and formal interviews with personnel, which integrate daily exchanges of information between the internal departments, at all levels and in every technical and operating environment.

These communications are integrated by other instruments, such as the Sustainability report and other institutional publications.

Communications are vital to Impregilo also with respect to its relations with local communities. It has specialist PR departments which operate transparently, honestly and in full compliance with their role as information providers. They currently use the following means:

- projects to inform local communities as agreed with the local authorities;
- the Impregilo internet site, which provides complete disclosure about the group, its history, its commitment to sustainable development, its main completed and ongoing projects; it also hosts the financial statements and its communications to the mass media and investors;
- the Sustainability report, enriched from year to year with significant information about the environment, economic and social aspects;
- internet sites, such as You Tube.

DIALOGUE WITH THE PUBLIC ADMINISTRATION

Construction of large-scale works, infrastructure and plants all over the world entails ongoing dialogue with the public administrations of many countries at local and national level, as well as with various international organisations.

Institutional relations are governed by the laws in place in the individual countries, the rules set out in the Organisational, management and control model, which evaluates all the key requirements to operate in full compliance with the law, best practices evoked by the Code of Ethics and dialogue.

With respect to relations with the public administrations and the guidance, assessment and control bodies, Impregilo pays great attention to the regulations and conduct for anti-corruption, environment protection, health and safety, employment and involvement of local players.

As per the above Model, relations with the public stakeholders are always based on full compliance with the principles of consistency, transparency and correctness. Impregilo refuses practices designed to influence the outcome of authorisation procedures, checks and inspections. This refusal is hinged on the group's obligation to make clear who is responsible, ensure the traceability of decisions and actions and by the penalty system. With specific respect to environmental issues and health and safety, Impregilo is committed to applying its QAS system everywhere and to integrating its principles with any local requirements necessary. It is accountable for its actions to monitor the effects of its activities as agreed with the authorities.



INTERACTION WITH THE LOCAL COMMUNITIES

Construction of new infrastructure frequently encounters opposition from local communities.

Impregilo is conscious of the environmental and social impact of its activities and dedicates significant attention to its relations with all the related parties. Collaboration with the local communities of the areas in which it carries out its works is given utmost care.

Impregilo considers the local territory and population during all the stages of infrastructure construction: from the preliminary environmental impact studies to construction through the use of the most evolved technologies available and the voluntary performance of works to compensate or mitigate the activities (such as, for example, improving traffic conditions by constructing new roads to deviate heavy vehicle traffic around built up areas or roundabouts).

Impregilo's current efforts to improve the quality of life in the areas in which it operates mainly consist of its intention to return a natural environment after completion of its work. Environment protection activities and the related communications are designed to promulgate this sense of social responsibility and commitment to ensure sustainable development.

EMPLOYMENT OF LOCAL COMPANIES AND LABOUR

Impregilo always carefully assesses resort to local resources, labour or contractors, even when this is not a condition of the tender and related contractual obligations. It practices this commitment systematically as long as the necessary legal, service and specialisation requirements are met. Local employment means greater economic convenience for all parties and generates benefits for the area in which the work is being constructed.

In 2004, Impregilo was one of the first Italian companies to sign an international agreement with FITBB - the international trade union organisation active in the construction sector - and the Italian construction sector trade unions, CIGL, Filca CISL and Feneal UIL, to adopt and comply with an international code of conduct aimed at combining the rights of employees with its technical-organisational and production requirements in the diverse companies.

CRIME PREVENTION

Impregilo cooperates with all institutions in the areas in which it operates for the safety, transparency and legality of public works. Its approach consists of current practices, inspired by the Code of Ethics and already envisaged by the Organisational, management and control model, and implementation of additional specific agreements with the authorities, such as Legality Protocols to prevent infiltration by organised crime with the relevant police authorities and with the customers. The aim is to reinforce the requirements of the anti-mafia regulations, encouraging a culture of legality and administrative transparency.

These goals are achieved by monitoring and checking activities and supplies at building sites, events that affect the tender companies, labour recruitment procedures, in this case, involving the trade unions, and by creating the conditions that facilitate the presentation of complaints to the authorities and reducing fear of retaliatory measures.



EVENTS AFTER THE REPORTING PERIOD

This section presents the main facts that took place after the reporting period and not yet commented on in the previous sections of this Report.

In January 2013, the group finalised the transaction for sale of its investment in the Brazilian group EcoRodovias to third parties, selling the residual 6.5%. It held this investment through the group company Impregilo International Infrastructures N.V.. Reference should be made to the information document published on 26 January 2013 and prepared pursuant to article 71 and annex 3B (table 3) of the implementation regulation (the Issuer Regulation) of Legislative decree no. 58 of 24 February 1998 (the Consolidated Finance Act), adopted by Consob with resolution no. 11971 of 14 May 1999.

In the same month, Impregilo won the tender called by Minera Panama SA, a subsidiary of the Canadian Inmet Mining Corporation, as part of a joint venture with Salini. The contract covers for the construction of the "Mina de Cobre" project in Panama and consists of the preparatory and preliminary work to develop an important copper mine. Specifically, the contractor will build service roads and new access routes to the mine, located about 120 km from the capital, Panama City, excavate about 45,000,000 m³ of rock and earth and create deposits with the excavated material. The contract is worth roughly US\$ 560.0 million (Impregilo's share is 50%).

In accordance with the relevant ruling regulations, Impregilo was informed about the shareholder Salini S.p.A.'s intention to proceed with a voluntary takeover bid for all the parent's ordinary shares on 6 February 2013. Pursuant to the law, on 16 March 2013, Salini S.p.A. published its Bid Document and the Issuer's communication was also made public, prepared as per article 103 of the Consolidated Finance Act and article 39 of the Issuer Regulation, approved by Impregilo's board of directors on 10 March 2013. It also approved a proposal to distribute dividends of approximately euro 600 million on the same date.

With respect to this proposal, the subsidiary Impregilo International Infrastructures N.V. placed two bond issues of euro 150,000,000 each on 26 November 2010, fully underwritten by Impregilo S.p.A.. They mature on 26 November 2013 and 26 November 2015, respectively. Their outstanding principal at 31 December 2012 was euro 112.5 million and euro 150 million, respectively.

The related contracts include certain clauses whereby, should certain events take place, the bonds have to be redeemed early. Considering the sale of the entire investment in EcoRodovias Infrastruttura e Logistica S.A. by Impregilo International Infrastructures N.V. and the related collection by Impregilo of the dividend distributed by the group company at the end of 2012, Impregilo's adoption of a resolution to distribute dividends of the same amount would imply early redemption of both bond issues. However, with respect to the issue maturing on 26 November 2015, the bondholders have formally agreed to release Impregilo from its obligation while the bond issue maturing on 26 November 2013 will be redeemed early.

Reference should be made to the section on "Non-current assets held for sale" for details on the events that have taken place since 31 December 2012 with respect to the USW Campania projects.

No other significant events took place after the reporting date, further to that disclosed in the notes to the consolidated and separate financial statements.



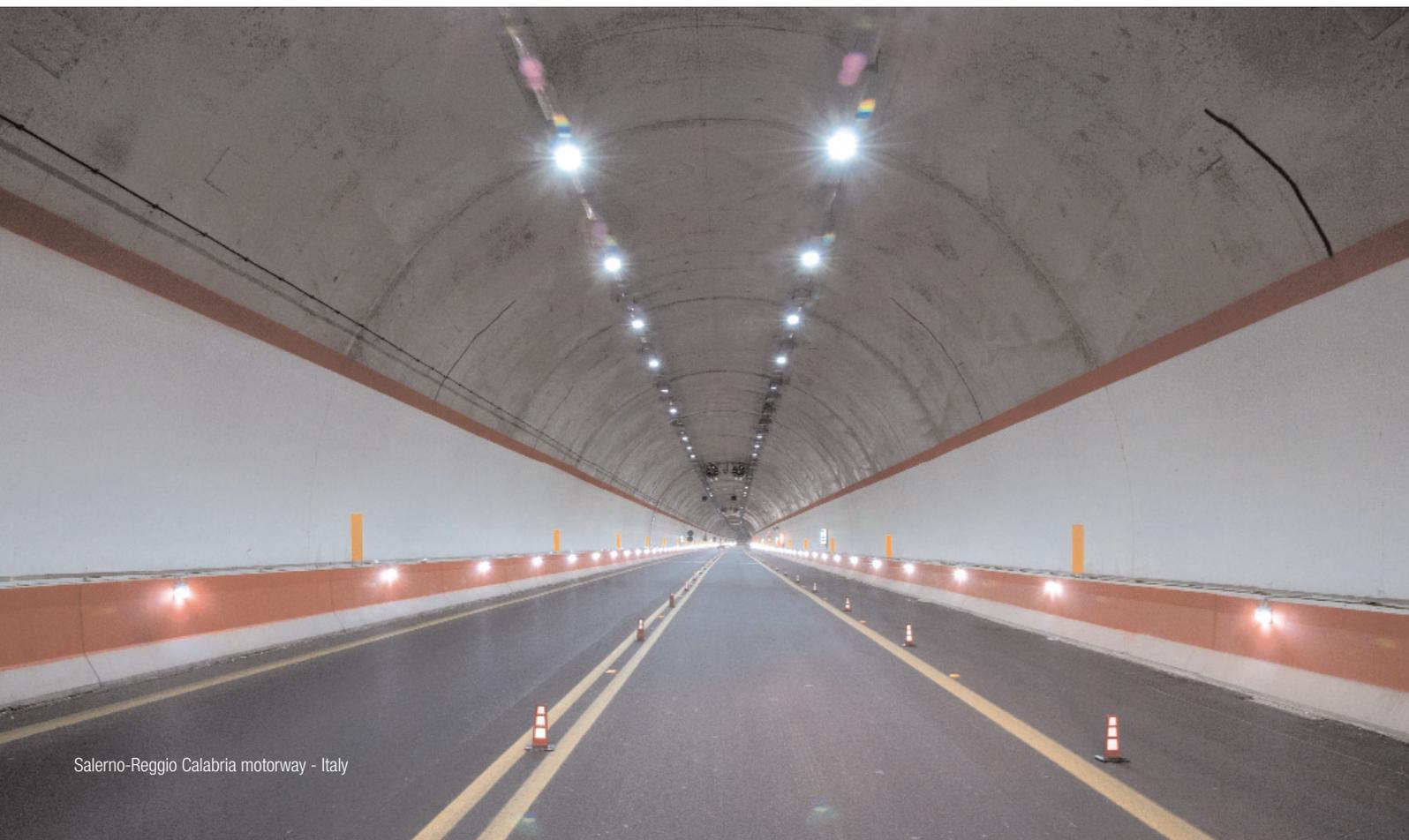
OUTLOOK

The group's performance in early 2013 is in line with the main assumptions in the 2013-2015 business plan approved by the group in December 2012. They provide for concentration on developing the core business of building large-scale infrastructure.

The new financial resources generated by the sale of the investment in EcoRodovias will strengthen the group's financial position as envisaged in the 2013-2015 business plan. This will allow the parent to propose distribution of a dividend of roughly euro 600 million.

As the voluntary takeover bid for all Impregilo's ordinary shares, launched by Salini S.p.A. and commenced on 18 March 2013, was still open at the date of approval of this Report, the effects of completion of this procedure on the group's performance in the other months of this year were not assessed for the purposes of the information given herein. Accordingly, the group expects to see an improvement in its turnover and operating profit during 2013 by its core business, before the effects of the non-recurring extraordinary transactions. This positive growth is in line with the developments forecast in the 2013-2015 business plan.

At the reporting date, the group is still enmeshed in the complex operating and legal situation caused by the criminal and civil proceedings for the USW Campania projects and the elimination of USW in the Province of Naples and other provinces in Campania. This situation continues to be critical for the group's activities. Due to the very complicated nature of the proceedings, which involve government bodies, regional and provincial authorities and municipal authorities in Campania, and the complexity of the related court procedures, the group cannot exclude that events may take place in the future that are not currently foreseeable and which could modify its valuations made to date.



OTHER INFORMATION

Treasury shares

At the date this report was prepared, the parent did not hold any treasury shares either directly or indirectly.

Company bodies

The members of the boards are presented in the section entitled "Company officers".

Judicial investigations - Milan Court (proceedings commenced at the Monza Court)

Following the proceedings initiated by the public prosecutor before the Monza Court for crimes covered by articles 81 and 110 of the Criminal Code and articles 2621 and 2637 of the Italian Civil Code, in which the former chairman of the board of directors and the former CEO of Impregilo at the time of the alleged crimes are under investigation, Impregilo S.p.A. and Imprepar S.p.A. were subjected to a preliminary investigation relating to an alleged administrative violation in relation to the crimes covered by article 25-ter.a) and r), article 5 and article 44 of Legislative decree no. 231/2001.

The public prosecutor notified the company of the allegations against its former chairman and former CEO on 13 October 2005.

The allegation is that the company "prepared and implemented an organisational model not suitable to prevent the crimes" that the directors under investigation allegedly committed and from which it benefited.

The proceedings have been long and torturous and, finally, in the hearing of 12 July 2007, accepting the related exceptions that the defence counsel of the defendants and companies involved in the case had raised since the preliminary hearing, the Milan Court ruled on a preliminary basis "the invalidity of the ruling issued by the Judge for the Preliminary Hearing at the Milan Court on 21 February 2007 in the hearing pursuant to article 416 of the Criminal Procedural Code" and that the acts were to be returned to the Milan public prosecutor's office.

The Milan public prosecutor re-opened the proceeding and presented the Judge for the Preliminary Investigation with a request for its filing in November 2007. On 13 February 2009, the Judge for the Preliminary Investigation accepted the public prosecutor's request for a part of the charges and ordered the filing. As a result, Imprepar S.p.A. was excluded from the proceedings. The Judge referred the acts to the public prosecutor for the formulation of the charges for the part of the request which was not accepted. With respect to the part of the charges for which the Judge for the Preliminary Hearing did not order its filing, the company presented a request for a prompt trial. The public prosecutor requested that a ruling of "dismissal" be handed down for the remaining charges in the hearing of 21 September 2009.

In the hearing of 17 November 2009, Impregilo was acquitted of the first charge due to the lack of an element of the cause of action and of the second as it is not punishable under article 6 of Legislative decree no. 231/01 as it has a suitable organisational model.

On 21 March 2012, the Milan Appeal Court rejected the public prosecutor's appeal against the first level ruling that had cleared Impregilo from the liability as per Law no. 231/01 and fully confirmed this ruling which, inter alia, found the parent's organisational model to be appropriate. The public prosecutor challenged this ruling before the Supreme Court where the proceedings are still pending.

Judicial investigations – Naples Court

Reference should be made to the section on "Non-current assets held for sale" for details on the events that have taken place with respect to the USW Campania projects.



Other proceedings - Milan Court

With respect to proceeding no. 57720/12 in which IGLI S.p.A. has challenged the shareholders' resolutions to remove from office and elect directors of Impregilo S.p.A., the Milan Court rejected the motion to suspend the effectiveness of the resolutions at first and second level. During the hearing of 19 February 2013, the judge assigned the terms as per article 183 of the Code of Criminal Proceedings and set a date for the hearing to discuss the evidence as 1 October 2013.

On 17 October 2012, the Anti-trust Authority commenced an investigation pursuant to article 14 of Law no. 287/90 into the agreements covering future commercial projects entered into by Impregilo with Salini group to check whether article 101 of the TFUE (Treaty on the Functioning of the European Union) had been violated. On 29 January 2013, the Authority communicated the results of its investigation to Impregilo: it did not identify violations of the anti-trust regulations. The Authority authorised the business combination between Impregilo and Salini on 20 February 2013. As a result, the investigation into the alleged violation of article 101 of the TFUE will be formally closed in the next few months without identification of violations.

Other proceedings - Florence Court

With respect to the criminal proceedings commenced against the C.A.V.E.T. consortium and certain individuals, including several former managers of the consortium, the appeal hearing was completed in June 2011 and the related ruling handed down on 27 June 2011 reversed the first level decision in full, thus quashing the measures and fully absolving both the consortium and the individuals of the charges made against them. Following the appeal to the Supreme Court by the Florence public prosecutor, the Supreme Court cancelled part of the ruling issued by the Florence Appeal Court on 18 March 2013. It ordered that the case be returned to the latter court. The reasons for this decision have not yet been made known.

Compliance with the conditions of article 36 of the Stock Exchange Regulation

Impregilo confirms that it complies with the conditions of article 36 of Consob regulation no. 16191 ("Regulation on markets"), based on the procedures adopted before article 36 was effective and the availability of the related information.

Related party transactions

The notes to the consolidated and separate financial statements of Impregilo S.p.A. give details of the main related party transactions performed during the year.

On 4 October 2012, the information document about the strategic commercial and organisational collaboration agreement between Impregilo and Salini S.p.A. was made public.

Research and development

Pursuant to article 2428 of the Italian Civil Code, we note that the group did not undertake any research and development activities during the year.



Alternative performance indicators

As required by Consob communication no. 6064293 of 28 July 2006, details of the performance indicators used in this Report and in the group's institutional communications are given below.

Financial ratios:

Debt/equity ratio: this ratio shows net financial position (shown with a minus sign when negative, i.e., net financial indebtedness) as the numerator and equity as the denominator. The statement of financial position items making up the financial position are given in the related schedules and highlighted with an asterisk (*). The equity items are those included in the relevant section of the statement of financial position. For consolidation purposes, equity used for this ratio also includes that attributable to non-controlling interests.

Performance indicators:

1. Gross operating profit: this ratio shows the sum of the following items included in the income statement:

- a. Total revenue.
- b. Total Costs, less amortisation and depreciation

This can also be shown as the ratio of gross operating profit to total revenue.

2. Operating profit: the operating profit given in the income statement, being the sum of total revenue and total costs.

3. Return on sales or R.o.S.: given as a percentage, shows the ratio of operating profit (as calculated above) to total revenue.







REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE

pursuant to article 123-bis of Legislative decree no. 58/1998
("Consolidated Finance Act") (traditional administration and control model)



1. ISSUER PROFILE

The corporate governance structure adopted by Impregilo S.p.A. (the "Issuer" or the "company") is based on the guidelines set out in the Code of Conduct approved in March 2006, amended in March 2010 and approved in December 2011 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available to the market on Borsa Italiana's website: www.borsaitaliana.it (the "Code"), as it holds that adoption of a structured governance system allows the company to operate at maximum efficiency conditions and also ensures growing levels of transparency which increase investors' confidence in it.

Impregilo is currently the leading general contractor in Italy and one of the most important general construction groups internationally. Thanks to its business and organisational skills, technical and financial expertise, risk management abilities and time and cost optimisation capacity, the group has an unrivalled wealth of expertise and skills which enables it to play a leadership role in the civil engineering large-scale works market and large-scale infrastructure and plant construction business.

The scope of this Report on corporate governance and ownership structure (the "report") is to illustrate the company's corporate governance model and provide a brief description of how it has been implemented.

It is based on the specially designed model prepared by Borsa Italiana S.p.A. (Fourth edition - January 2013).

Salini S.p.A. has launched a voluntary takeover bid for all the ordinary shares of Impregilo S.p.A. which it does not already hold and, therefore, excluding Impregilo's savings shares (the "Bid"), with its Bid Document approved with Consob resolution no. 18496 of 13 March 2013. The offering period will close before the shareholders' meeting of Impregilo called to approve the financial statements at 31 December 2012. Therefore, disclosure in this report about Impregilo's ownership structure refers to the date of this report and may undergo change as a result of the outcome of the Bid before the shareholders' meeting takes place.

2. INFORMATION ON THE OWNERSHIP STRUCTURE (article 123-bis.1 of the Consolidated Finance Act) at 25 March 2013

a) Share capital structure (article 123-bis.1.a) of the Consolidated Finance Act)

Subscribed and paid-up share capital in Euros: **718,364,456.72**

Share categories: **ordinary and savings.**

In their extraordinary meeting of 12 October 2004, the shareholders eliminated the nominal amount of both classes of shares.

	No. of shares	% of share capital	Stock exchange
Ordinary shares	402,457,937	99.60	MTA
Savings shares	1,615,491	0.40	MTA

To date, Impregilo S.p.A. has not issued other financial instruments that give the right to subscribe newly issued shares.

The Issuer does not have stock option plans.

b) Share transfer restrictions (article 123-bis.1.b) of the Consolidated Finance Act)

Impregilo S.p.A. does not have any restrictions on voting rights.

c) Significant investments in share capital (article 123-bis.1.c) of the Consolidated Finance Act)

Based on the statements made in accordance with article 120 of the Consolidated Finance Act, shareholders with investments of more than 2% in the Issuer's ordinary share capital are currently:

Declarant	Direct shareholder, if different to the declarant	% of ordinary shares
IGLI S.p.A.		29.959
SALINI S.p.A.		29.835
UBS AG		2.502

d) Shares that give special rights (article 123-bis.1.d) of the Consolidated Finance Act)

Impregilo S.p.A. has not issued shares that give special rights.

e) Employee involvement in share capital: voting rights exercise mechanism (article 123-bis.1.e) of the Consolidated Finance Act)

Impregilo S.p.A. does not have a plan whereby its employees are involved in its share capital.

f) Restrictions on voting rights (art. 123-bis.1.f) of the Consolidated Finance Act)

Impregilo S.p.A. does not have any restrictions on voting rights.

g) Shareholder agreements (article 123-bis.1.g) of the Consolidated Finance Act)

The Issuer is aware of the following shareholder agreement, considered to be material under article 122 of Legislative decree no. 58 of 24 February 1998:

- shareholder agreement included in the sale agreement between Argo Finanziaria S.p.A. (replaced by Autostrada Torino Milano S.p.A. on 5 March 2012) and Autostrade per l'Italia S.p.A. of 24 February 2012, covering limits to the acquisition of Impregilo shares.

An abstract of the above agreement, made public as required by article 122 of Legislative decree no. 58 of 24 February 1998 and articles 129 and 130 of Consob resolution no. 11971/99, as subsequently amended (the "Issuer Regulation"), is given in an annex to this report.

h) Change of control clause (article 123-bis.1.h) of the Consolidated Finance Act) and by-laws provisions about takeover bids (article 104.1-ter and article 104-bis.1)

The Issuer is not controlled by another entity.

Impregilo's by-laws do not make any provision for takeover bids and, therefore, do not depart from the measures about the passivity rule pursuant to article 104 of the Consolidated Finance Act, nor do they provide for application of the breakthrough rules envisaged by article 104-bis.2/3 of the Consolidated Finance Act.

i) Mandates to increase share capital and to repurchase treasury shares (article 123-bis.1.m) of the Consolidated Finance Act)

The board of directors is not authorised to increase share capital.

The shareholders have not authorised the repurchase of treasury shares.



I) Management and coordination (article 2497 and following articles of the Italian Civil Code)

The company is not managed or coordinated by other companies or entities.

The information required by article 123-bis.1.i) of the Consolidated Finance Act ("*agreements between companies and their directors that provide for compensation in the case of their resignation or dismissal without just cause or if their relationship is discontinued following a takeover bid*") is set out in the remuneration report published pursuant to article 123-ter of the Consolidated Finance Act.

The information required by article 123-bis.1.l) of the Consolidated Finance Act ("*the rules applicable about the appointment and replacement of directors ... and changes to the by-laws, if different to those provided for by law and regulations applicable on a substitute basis*") is disclosed in the section on the board of directors in this report (section 4.1).

3. COMPLIANCE (ARTICLE 123-BIS.2.A) OF THE CONSOLIDATED FINANCE ACT)

Impregilo S.p.A. has complied with the requirements of the original version of the Code of Conduct issued by the Committee for Corporate Governance of Borsa Italiana S.p.A. and the subsequent version published in July 2002.

Following publication of the new Code of Conduct in March 2006 by the above Committee, the Issuer's board of directors' meeting of 20 December 2006 resolved to request the internal control committee perform an in-depth comparative analysis of the company's corporate governance structure compared to the Code requirements and to provide the board with its assessments, opinions and proposals about alignment with the Code and necessary actions.

Based on such analysis and proposals, the board meeting of 12 March 2007 resolved to comply with the Code of Conduct drawn up by the Committee for Corporate Governance of Borsa Italiana S.p.A. (March 2006 version), with the methods and exceptions set out below.

Finally on 16 October 2012, after analysing the individual changes to the December 2011 Code of Conduct and considering that proposed by the risk and control committee in the meeting of 21 September 2012, the board of directors resolved to confirm the Issuer's compliance with the Code of Conduct, as revised in December 2011, using the methods set out below.

Specifically, in order to align the company's corporate governance structure with the standards and criteria of the Code (March 2006 version), on 12 March 2007, the board of directors resolved:

- with respect to criterion 1.C.1.b), to classify FISIA Italmimpianti S.p.A., Impregilo International Infrastructures N.V. and EcoRodovias Infraestrutur e Logística (formerly Primav Ecorodovias) S.A. as "strategic subsidiaries"; to assess the organisational, administrative and accounting structure of the Issuer and strategic subsidiaries Impregilo International Infrastructures N.V. and EcoRodovias Infraestrutur e Logística S.A., setting measures to be adopted for FISIA Italmimpianti S.p.A.'s organisational structure; the group does not currently have an investment in EcoRodovias Infraestrutur e Logística S.A. and, therefore, it is no longer a strategic subsidiary;
- with respect to criterion 1.C.1.f), to adopt the rules described in section 4.3 of this report;
- with respect to criterion 1.C.1.g), to perform once a year, during the meeting held to approve the financial statements, an assessment of the size, composition and working of the board of directors itself and its committees;
- with respect to criterion 1.C.3., to adopt the rules described in section 4.2 of this report;



- with respect to criterion 2.C.1., to confirm the previous assessment stated in the board meeting of 7 July 2005 and, therefore, to consider the directors members of the executive committee as non-executive, given that participation in this committee, considering the frequency of the meetings and subject of the related resolutions, does not entail the systematic involvement of its members in the day-to-day management of the company nor does it lead to a significant increase in their remuneration compared to that received by the other non-executive directors; and, therefore, only the CEO qualifies as an executive director;
- with respect to criterion 2.C.2., as proposed by the chairperson, that the relevant internal functions provide all the directors and statutory auditors with access to the company's intranet site to allow their direct access to the documentation and information posted thereon; and to organise their involvement in the training course on the Organisational, management and control model; on 30 November 2010, a training session was held during a board meeting for the directors and statutory auditors about Legislative decree no. 231/01 and the Issuer's Organisational, management and control model with the attendance of the members of the supervisory board, pursuant to article 6 of Legislative decree no. 231/01, and the company's consultants;
- with respect to criterion 3.C.4., to generally comply with the requirements set by the Code about directors' independence and that any non-compliance therewith should be justified;
- with respect to criterion 3.C.5., that the outcome of the controls performed to check the correct application of the criteria and procedures put in place by the board to assess the independence of its members be communicated by the board of statutory auditors to the market in its report to the shareholders. The board of statutory auditors stated that it complies with this resolution during the board meeting;
- with respect to criterion 3.C.6., that the independent directors meet annually, before the board meeting held to approve the annual financial statements, for self-assessment purposes and that any remedial action to be taken be examined with respect to the role played by independent directors within the board; they report to the board on their findings;
- with respect to criterion 4.C.1., to approve a specific "Procedure for the internal management and external communication of documents and information" to replace the "Internal regulations for disclosing "price sensitive" documents and information to the market", approved by the board of directors on 27 March 2001, as described in paragraph 5 of this report;
- with respect to criterion 5.C.1.c), to make available to the internal control and remuneration committees (now the risk and control committee and the remuneration and appointment committee, respectively) an annual budget of euro 25,000 per committee to be used for any necessary consultancy or other services to carry out their duties. The prior authorisation of outlays is not necessary although the committees are required to document their expenses. They may also avail of internal information and personnel;
- with respect to standard 6.P.2., not to set up an appointment committee as, to date, the shareholders have not encountered difficulties in proposing suitable candidates (and no such difficulties are envisaged) such that the composition of the board of directors complies with that recommended by the Code; following the amendments to the Code approved by the Committee for Corporate Governance in December 2011, the board resolved to rename the remuneration committee as the remuneration and appointment committee on 18 July 2012, giving it the duties envisaged by the Code for the appointment committee;
- with respect to criterion 6.C.1., to comply with the criterion proposing the related change in the by-laws to the shareholders in their extraordinary meeting; the shareholders actually resolved to change the by-laws in their extraordinary meeting of 27 June 2007; following the new rules introduced by Legislative decrees nos. 27 and 39 of 27 January 2010, the board of directors amended article 20 of the by-laws again pursuant to article 24 of the same by-laws, as described in section 4.1 of this report;



- with respect to criterion 7.C.3., to assign the duties as per such criterion to the remuneration committee; and that this committee will appoint a chairperson from among its members and draw up new rules for its working; with its resolution of 2 May 2011, following renewal of the board of directors elected by the shareholders on 28 April 2011 and in order to set up a remuneration committee, the board of directors gave this new committee the duties set out by the Code drawn up by Borsa Italiana's Committee for Corporate Governance (March 2006 edition), as amended in March 2010; on 18 July 2012, the board elected by the shareholders on 17 July 2012 gave the remuneration and appointment committee the duties set out by the Code as revised in December 2011 when setting it up;
- with respect to criterion 8.C.1.a), considering changes in legislation over time and in the organisational structure, to postpone the procedure, and, when and if necessary, to update the "Guidelines for internal control policies" approved by the board of directors on 21 March 2000 with the assistance of the internal control committee; the board adopted a document setting out the "Guidelines for the internal controls of IMPREGILO S.p.A." as proposed by the internal control committee with its resolution of 25 March 2009 replacing the "Guidelines for internal control policies". This document defines and sets out the objectives of the internal controls, the guiding principles and the parties in charge of it (the board of directors, the CEO as the Executive director in charge of internal controls, the internal control committee, the internal control supervisor, the board of statutory auditors, the independent auditors, the manager in charge of financial reporting and the supervisory board pursuant to article 6 of Legislative decree no. 231/01) and the components making up the internal controls being the organisational structure, the proxies and delegation system, the Organisational, management and control model, the Impregilo group Code of Ethics and internal organisational documents;
- with respect to criterion 8.C.1.b), to nominate the CEO as the "Executive director in charge of internal controls"; on 18 July 2012, following appointment of the current board of directors by the shareholders on 17 July 2012, the board confirmed the CEO as the "Director in charge of internal controls and risk management", pursuant to criterion 7.P.3.a) (i) of the Code, as revised in December 2011;
- with respect to the last paragraph of criterion 8.C.1., to set the remuneration of the internal control supervisor after consulting the internal control committee and upon the proposal of the CEO, as the Executive director in charge of internal controls; on 26 August 2011, with the approval of the Executive director in charge of internal controls and the directors making up the internal control committee, the board of directors approved the proposal of the remuneration committee and resolved on the internal control supervisor's remuneration; on 25 September 2012, the board of directors resolved on the remuneration of the internal control supervisor and the internal audit head upon the proposal of the Director in charge of internal controls and risk management and with the favourable opinion of the risk and control committee and the board of statutory auditors;
- with respect to criteria 8.C.1. and 8.C.3., to give the internal control committee the duties and functions set out in letters a), b), c), f) and g) of criterion 8.C.3 and those of criteria 8.C.1 and 9.C.1; moreover, considering the positive opinion of the board of statutory auditors (reiterated by the present statutory auditors in their meeting of 2 May 2011), to assign it the duties and functions set out in letters d) and e) of criterion 8.C.3. without altering the fact that the board of statutory auditors shall carry out such duties and functions in compliance with the methods that allow the board of directors to review its work, which should be made available on a timely basis; that the committee shall appoint a chairperson from among its members and shall draw up operating rules; that the committee shall meet at least four times a year and always when the annual, interim financial and quarterly reports are being approved; on 18 July 2012, the board of directors elected by the shareholders on 17 July 2012 re-elected the risk and control committee and assigned the committee the duties pursuant to article 7 of the Code, as revised in December 2011;



- with respect to criterion 8.C.6., to define the duties of the internal control supervisor in line with such criterion; and that this person also reports to the CEO as the “Executive director in charge of internal controls”;
- with respect to criterion 9.C.1., to replace the “Guidelines for transactions with related parties” ruling until then; the board of directors approved a specific new procedure on 30 November 2010 after receiving the favourable opinion of the related party transactions committee, pursuant to article 2391-bis of the Italian Civil Code and article 4.1/3 of the Consob regulation which sets out instructions for related party resolutions adopted with resolution no. 17221 of 12 March 2010 and subsequently amended with resolution no. 17389 of 23 June 2010; on 29 November 2010, the board of statutory auditors assessed the new procedure’s compliance with the criteria set out in the Regulation; this procedure described in section 12 of this report sets out the rules, methods and criteria aimed at ensuring the transparency and substantial and procedural correctness of related party transactions carried out by the Issuer either directly or via its subsidiaries; subsequently, in its meeting of 20 April and then of 9 July 2012, the board of directors amended the Procedure for related party transactions after receiving the favourable opinion of the related party transactions committee. On 20 April and 9 July 2012, the board of statutory auditors confirmed that the Procedure, as per its latest revision, complies with the requirements of the above Consob regulation;
- with respect to criterion 9.C.2., that, subject to the provisions of article 2391 of the Italian Civil Code, directors with interests, either directly or on behalf of third parties, in a corporate transaction to be approved by the board of directors or executive committee may participate in the related discussions and vote thereon as such participation represents a reason for taking a responsible decision about a transaction about which the director may have greater knowledge than the other directors; that, however, the board of directors or executive committee may ask such directors to leave the meeting during the discussion on a case-by-case basis;
- with respect to standard 10.P.3. and criteria 10.C.6. and 10.C.7., to adopt the “Guidelines for relations with the board of statutory auditors” after the latter’s approval, available on the internet site www.impregilo.it, in the “Corporate Governance - Board of statutory auditors” section.
- with respect to criterion 10.C.7., to propose to the shareholders, in an extraordinary meeting, that the lists of candidate statutory auditors shall be deposited at the company’s registered office at least fifteen (rather than ten, as provided for on 12 March 2007) days before the date set for the meeting; in their extraordinary meeting of 27 June 2007, the shareholders actually modified the by-laws; following the new rules introduced by Legislative decrees nos. 27 and 39 of 27 January 2010, the board of directors amended article 29 of the by-laws again, pursuant to article 24 of the same by-laws, as described in section 13 of this report;
- with respect to criterion 11.C.1., that the document explaining how shareholders may participate in shareholders’ meetings and exercise their voting rights will be published and posted on the internet site www.impregilo.it, in the “Corporate Governance - Shareholders’ meeting” section;
- to note that the company’s corporate governance system already complies with the other provisions of the Code.

Impregilo S.p.A. and its strategic subsidiaries are not subject to non-Italian legislation that would affect the Issuer’s corporate governance structure.



4. BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT (article 123-bis.1.l) of the Consolidated Finance Act)

Article 20) of the Issuer's by-laws states that *"the company is run by a board consisting of fifteen members.*

Those candidates that meet the requirements set by the legislation and regulations in force at the time of their appointment may accept such appointment.

Directors are elected using lists presented by the shareholders that comply with the pro tempore legislation about gender equality (using the methods described below) in which the candidates are set out in consecutive order.

In order to be valid, each list includes at least two candidates that meet the independence requirements established by law. They are shown separately and one of the two heads the list.

The lists shall be deposited at the Issuer's registered office at least twenty-five days before the date of first call of the shareholders' meeting, as detailed in the notice calling the meeting.

Shareholders, shareholders forming part of significant shareholder agreements as per article 122 of Legislative decree no 58/1998, the parent, subsidiaries and jointly controlled entities as per article 93 of Legislative decree no. 58/1998 may not present, or be involved in presenting (also via trustees or nominees), more than one list. Nor can they vote (also via trustees or nominees) for more than one list. Moreover, each candidate may only be present in one list in order to be eligible. Inclusion in more than one list or votes for more than one list is/are not counted.

Only those shareholders that, either individually or together with other shareholders, own shares making up at least 2% of the share capital with voting rights at ordinary meetings (or a smaller percentage set by mandatory legislative or regulatory instructions), may present lists (Consob established the percentage as 1% for the presentation of lists for the election of the directors and statutory auditors of Impregilo S.p.A., pursuant to the Consolidated Finance Act and the Issuer Regulation in its resolution no. 18452 of 30 January 2013).

Together with each list and within the timeframe described earlier, the shareholders deposit: (i) statements whereby each candidate accepts their candidature and states, under their own responsibility, the inexistence of any reasons for ineligibility or incompatibility and the existence of the requirements for the relevant offices; (ii) a professional and personal profile of each candidate and mention of whether they qualify as independent and any offices held as director or statutory auditor in other companies; and (iii) any other information that is requested in the notice calling the shareholders' meeting and required by the applicable law or regulations.

In addition, the relevant certificate issued by a legally-authorized broker, showing ownership to the number of shares necessary to present lists at the date of depositing the list with the company within the deadline set by the relevant laws for the publication of lists, is also to be lodged

Lists with a number of candidates equal to or greater than three shall include male and female candidates so that the less represented gender makes up at least one fifth (for their first mandate after 12 August 2012) and subsequently one third (rounded upwards) of the candidates.

Lists which are presented that do not meet the above requirements are considered not to have been presented.

The following procedure is carried out to elect the directors: a) when there is at least one list that has received votes making up at least 29% of the share capital with voting rights at ordinary shareholders' meetings, 14 directors to be appointed are taken from the list which got the most votes in the order in which they are set out in the list while the other director is taken from the list presented by minority shareholders that got the most votes and is not linked in any way (directly or indirectly) to the shareholders that presented or voted for the list that got the most votes. Should the first two lists have received the same number of votes, seven directors are taken from each one in the order in which



they are set out therein while one director is taken from the list that came third in terms of the votes received and is not linked in any way (directly or indirectly) to the shareholders that presented or voted for the lists that got the most votes. If only two lists are presented, the fifteenth director is the oldest candidate from those not taken from the first two lists;

b) if none of the lists gets votes equal to at least 29% of the share capital with voting rights at ordinary shareholders' meetings, the 15 directors are taken from all the lists presented as follows: the votes obtained by the lists are divided by entire numbers from one to 15. The resulting scores are assigned to the candidates of each list in consecutive order using the order in which they are included in the lists. The candidates are then included in a single decreasing order list, based on the scores given to each one.

Those with the highest score are elected. If more than one candidate has the same score, the one from the list that has not had any director elected from it or has had the smallest number of directors elected is taken.

Lists that do not obtain a vote percentage equal to at least half that set by the by-laws for the presentation of lists are not considered.

Should the election of candidates using the above methods not ensure composition of the board of directors in accordance with the pro tempore legislation about gender equality, the candidate of the gender most represented elected last in consecutive order from the list that received most votes shall be replaced by the first candidate of the less represented gender not elected from the same list in progressive order. This replacement procedure shall be continued until the board of directors composition complies with the pro tempore legislation about gender equality. Should it not lead to such compliance, replacement shall take place by resolution passed by the shareholders with a relative majority vote, after presentation of the candidates of the less represented gender.

Should no lists be presented or those presented not be accepted for voting purposes, the shareholders use the majority vote system, without considering the above procedure, while ensuring the necessary number of directors with the independence requirements set by law (as the company's by-laws do not include additional requirements to those established by law), and compliance with the pro tempore legislation about gender equality.

The list voting procedure is only used when an entire board is being appointed.

Should one or more directors leave their position during the year, in order to ensure that the majority of the board is always made up of directors appointed by the shareholders, the board of directors replaces them pursuant to article 2386 of the Italian Civil Code, appointing candidates from the list to which the former director belonged, in consecutive order, and who are still eligible and willing to accept the position. Directors who have left office are always replaced: (i) ensuring the presence of the number of directors with the independence characteristics required by law necessary and (ii) in compliance with the pro tempore about gender equality. If there is no longer a majority, the remaining directors also fall from office with effect from when the board is re-elected by the shareholders".

The Issuer is not subject to additional requirements for its board's composition other than those imposed by the Consolidated Finance Act (especially with respect to the representation of minority investors and/or the number and characteristics of the independent directors).



Succession plans

With respect to criterion 5.C.2 of the Code, the board of directors resolved to adopt a succession plan for the sole executive director (the CEO) on 16 October 2012 as proposed by the risk and control committee in its meeting of 21 September 2012. It is assisted by Spencer Stuart, a market leader in this sector in Italy and abroad.

The plan is the first step of a more complex procedure for the succession of all senior management. It focuses on the systems and procedures to be activated in the case of early replacement and considers the following: Impregilo's specific business culture; changes in the group, also based on the 2013-2015 business and strategic plan; the current and future ownership and organisation structures; the leadership/skills model; and a balance of enhancing internal management skills (through a structured management assessment procedure) and opening to the market.

Once implemented, the plan will be revised annually.

4.2. Composition (article 123-bis.2.d) of the Consolidated Finance Act)

Composition of the current board and committees at year end

Position	Members	In office since	Board of directors In office until	List (M/m)	Exec.	Non-exec.	Indep. as per Code	Indep. as per Cons. Finance Act	% BoD	No. of other positions	Risk and control committee %	Remuneration and appointment committee %	Executive committee %	Related party transactions committee %		
Chairperson	Claudio Costamagna	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X			88.88	6			M 77.7 (I)			
CEO	Pietro Salini	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M	X				100	3			P (I)	100		
Director	Marina Brogi	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	88.88	3		P (I)	100	M (I)	100	
Director	Giuseppina Capaldo	11.06.2012	Shareholders' meeting to approve 2014 financial statements	m		X	X	X	76.92	1	M (II)	(III)	M (II)	100	M (IV)	100
Director	Mario Cattaneo	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	77.77	4	P (I)	100				
Director	Roberto Cera	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X			100	4						
Director	Laura Cioli	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	100	0			M (I)	100		
Director	Massimo Ferrari	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X			100	0			M (I)	100		
Director	Alberto Giovannini	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	100	6	M (I)	100		P (I)	100	
Director	Pietro Guindani	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	100	2	M (I)	100				
Director	Claudio Lautizi	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X			100	1			M (I)	100		
Director	Geert Linnebank	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	77.77	1		M (I)	75		M (I)	100
Director	Laudomia Pucci	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	77.77	3		M (I)	100			
Director	Giorgio Rossi Cairo	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X	X	X	66.66	7						
Director	Simon Pietro Salini	17.07.2012	Shareholders' meeting to approve 2014 financial statements	M		X			88.88	3						

Directors who left office during the year:

Position	Members	In office since	Board of directors In office until	List (M/m)	Exec.	Non-exec.	Indep. as per Code	Indep. as per Cons. Finance Act	% BoD	No. of other positions	Risk and control committee	Remuneration and appointment committee	Executive committee	Related party transactions committee	
											%	%	%	%	
Chairperson	Massimo Ponzellini	28.04.2011	30.05.2012	SOLE	X				100	3		M 100			
Deputy Chairperson (V)	Giovanni Castellucci	28.04.2011	27.04.2012	SOLE	X				0	4			M (VI) 100		
Deputy Chairperson	Antonio Talarico	28.04.2011	06.06.2012	SOLE	X				83.33	8			M 100		
CEO	Alberto Rubegni	28.04.2011	17.07.2012	SOLE	X				100	0			P 100		
Deputy Chairperson (VII)	Carlo Buora	28.04.2011	06.06.2012	SOLE	X	X	X		66.67	3		P 100		M 33.33	
Director	Alfredo Cavaneghi	28.04.2011	11.06.2012	SOLE	X	X	X		100	1	P 100	M 100		P 100	
Director	Fabio Cerchiai	28.04.2011	27.04.2012	SOLE	X				0	10					
Director	Nicola Fallica	28.04.2011	14.05.2012	SOLE	X				100	0	M 100				
Director	Beniamino Gavio	28.04.2011	17.07.2012	SOLE	X				100	2			M 100		
Director	Marcello Gavio	28.04.2011	17.07.2012	SOLE	X				100	2			M 100		
Director	Maurizio Maresca	28.04.2011	08.06.2012	SOLE	X	X	X		66.67	1	M 100	M 100		M 66.67	
Director	Giuseppe Piaggio	28.04.2011	17.07.2012	SOLE	X				90	6			M 100		
Director	Massimo Pini	28.04.2011	11.06.2012	SOLE	X				83.33	3			M 50		
Director	Alberto Sacchi	28.04.2011	17.07.2012	SOLE	X				100	3	M (II)	100			
Director	Giacomo Valle	28.04.2011	17.07.2012	OFF-LIST APPOINTMENT	X	X	X		60	0		M 50		M 66.67	
Chairperson (VIII)	Fabrizio Palenzona	11.06.2012	17.07.2012	Elected as per art. 2386 of the Italian Civil Code	X				100	2			M (II) 100		
Deputy Chairperson (IX)	Gian Maria Gros-Pietro	11.06.2012	17.07.2012	Elected as per art. 2386 of the Italian Civil Code	X				100	5	M (II) (III)				
Director	Nigel W Cooper	14.05.2012	17.07.2012	Elected as per article 2386 of the Italian Civil Code, confirmed by the shareholders on 28 May 2012	X	X	X		83.33	3					
Director	Barbara Poggiali	14.05.2012	17.07.2012	Elected as per article 2386 of the Italian Civil Code, confirmed by the shareholders on 28 May 2012	X	X	X		83.33	2		P (I) 100			
Director	Alfredo Scotti	14.05.2012	17.07.2012	Elected as per article 2386 of the Italian Civil Code, confirmed by the shareholders on 28 May 2012	X	X	X		83.33	3				M (II) 100	
Director	Roland Berger	11.06.2012	17.07.2012	Elected as per art. 2386 of the Italian Civil Code	X				75	3			M (II) 100		
Director	Alberto Giussani	11.06.2012	17.07.2012	Elected as per art. 2386 of the Italian Civil Code	X	X	X		75	7	P (II) (III)		M (II) 100		
Director	Caterina Bima	13.06.2012	17.07.2012	Elected as per art. 2386 of the Italian Civil Code	X	X	X		75	2					
Quorum required to present lists at time of last appointment:										2%					
No. of meetings held during the year:										BoD: 19	ICC: 9	RC: 7	EC: 14	RPTC: 10	

(I) since 18 July 2012.

(II) from 13 June 2012 to 17 July 2012.

(III) no committee meetings were held.

(IV) since 13 June 2012.

(V) resigned from his position as deputy chairperson on 20 April 2012.

(VI) resigned from his position as member of the executive committee on 3 April 2012.

(VII) Deputy chairperson since 20 April 2012.

(VIII) Chairperson since 11 June 2012.

(IX) Deputy chairperson since 9 July 2012.



In their meeting of 17 July 2012, the shareholders elected a new board of directors for three years until the meeting to be held to approve the financial statements at 31 December 2014, electing 14 directors from the majority list presented by the shareholder Salini S.p.A. and the fifteenth member from the minority list presented by the shareholder Igli S.p.A.. Votes in favour of the new board approximated 51.98% of the voting rights for this resolution for the majority list and approximately 47% of the voting rights for this resolution for the minority list, equal to roughly 78.74% of the company's overall voting rights.

Giuseppina Capaldo was elected director of the Issuer for the first time on 11 June 2012. The other directors were elected for the first time on 17 July 2012.

KEY

Position: shows whether chairperson, deputy chairperson, CEO, etc.

List: shows M/m depending on whether director has been appointed from the list voted by the majority or minority shareholders (article 144-decies of the Consob Issuer Regulation)

Executive: "x" in this column if director qualifies as executive

Non-executive: "x" in this column if director qualifies as non-executive

Independent: "x" in this column if director qualifies as independent in line with the Code criteria, specifying if these criteria have been integrated or modified at the end of the table

Ind. as per Cons.

Finance Act: "x" in this column if director qualifies as independent as per article 148.3 of the Consolidated Finance Act (article 144-decies of the Consob Issuer Regulation)

%: attendance at board or committee meetings as a percentage (when percentage is calculated, number of meetings which director attended compared to total number of meetings held during the year or after the director was elected) is considered

No. of other positions: total number of positions held in other companies listed on regulated markets (also foreign), in financial companies, banks, insurance companies or significant size companies, identified in accordance with Consob criteria. A list of these companies is attached to this report for each director, showing whether the company in which they hold the position is part of the Issuer's group

C/M: Chairperson/member of internal committee

The directors' personal and professional profiles are presented in their curricula vitae posted on the internet site www.impregilo.it in the "Corporate governance - Board of Directors and Committees - Board of Directors" section.

No change in the board of directors or its committees has taken place since year end.

Maximum number of positions held in other companies

- In its meeting of 12 December 2007, the board resolved to adopt a specific rule:
"Whereas for the purposes of this rule, "companies of significant size" are":
 - a. *Italian companies listed on Italian or other EU state regulated markets;*
 - b. *banks, financial brokers pursuant to article 107 of Legislative decree no. 385 of 1 September 1993, stock brokerage companies pursuant to article 1.1.e) of the Consolidated Act, variable capital investments companies (OEICs) pursuant to article 1.1.i) of the Consolidated Act, fund management companies pursuant to article 1.1.o) of the Consolidated Act, insurance companies pursuant to article 1.1.s, t) and u) of Legislative decree no. 209 of 7 September 2005 set up as companies as per paragraphs V, VI and VII, section V, chapter V of the Italian Civil Code not listed on Italian or EU state regulated markets;*
 - c. *companies as per paragraphs V, VI and VII, section V, chapter V of the Italian Civil Code that individually or collectively at group level, if they prepare consolidated financial statements, show: i) revenue from goods and services of more than euro 500 million; or ii) assets of more than euro 800 million, not listed on Italian or other EU state regulated markets.*

the maximum number of positions that Impregilo directors may hold is:

Executive directors

The maximum number of positions as director or statutory auditor in other significant size companies cannot exceed four.

Non-executive directors members of the executive committee

The maximum number of positions as director or statutory auditor in other significant size companies cannot exceed six.

Non-executive directors who are not members of the executive committee

The maximum number of positions as director or statutory auditor in other significant size companies cannot exceed eight.

In order to calculate the number of positions:

- *positions in companies that are directly and/or indirectly controlled by Impregilo S.p.A., are its parents or are subject to joint control are not considered;*
- *positions as substitute statutory auditor are not considered;*
- *positions held in significant size companies belonging to the same group which is not that of the Issuer are considered to have the following "weight":*
 - *first position: one*
 - *second position: one and a half*
 - *from three up: two.*

Should a director be offered new positions that would lead to their exceeding the above ceilings, they shall inform the board promptly of this so that the board can grant waivers (also temporary) to the maximum number of positions set in this rule. The waiver shall be adequately documented. It shall be described in the company's corporate governance report together with the reasons therefor."

The current composition of the board complies with the above general criteria.

Induction Programme

In order to provide the directors and statutory auditors with an adequate background to the Issuer's sector, its characteristics and developments as well as the relevant legislative framework, the chairperson ensures that:

- the board of directors and the committees (through their chairpersons) are informed thereof during their meetings;
- directors not part of committees are invited to attend committee meetings when this information is provided;
- the directors have access to the company's intranet portal, where they can find information and documentation about the above topics (including the reports prepared by the supervisory board as per Legislative decree no. 231/01 about the legislative framework and standard practices).



4.3. ROLE OF THE BOARD OF DIRECTORS (article 123-bis.2.d) of the Consolidated Finance Act)

Pursuant to article **24** of the by-laws (available on the internet site www.impregilo.it in the “Corporate Governance - By-laws” section), the board of directors has the widest powers for the company’s ordinary and extraordinary management with no exceptions. It has the power to perform all those actions that it deems suitable to carry out the company’s activities as per its business object or related activities, except for those actions reserved exclusively for the shareholders by law.

The board of directors may resolve to set up or close branches in Italy or abroad, to decrease share capital if a shareholder withdraws therefrom, to adjust the by-laws to reflect mandatory regulatory requirements, to transfer the legal offices within Italy and to merge other wholly controlled companies or companies, of which at least 90% control is held, into the parent. All of these transactions are to be carried out in accordance with articles 2505 and 2505-bis of the Italian Civil Code.

By law, the directors may not remain in office for more than three years and their term of office expires at the date of the shareholders’ meeting held to approve the financial statements of the last year of their term. As not provided for otherwise in the by-laws, the directors may be re-elected.

Pursuant to article **21** of the by-laws, the board of directors elects a chairperson from among its members and (possibly) one or two deputy chairpersons who substitute the chairperson in their absence or impediment.

Article **20** of the by-laws provides that the board of directors has 15 members.

During the year, **19** board meetings were held, with an average duration of roughly two hours and 30 minutes.

The 2013 financial calendar (available on the internet site www.impregilo.it, in the “Corporate Governance - Corporate events” section) shows that four meetings are scheduled to take place during the year, the first of which was held on 10 March 2013 and the second today. Four other board meetings have been held in 2013.

On 16 October 2012, the board of directors resolved to set a notice period of three business days, which is generally deemed suitable for the sending of pre-board meeting documentation to the directors and statutory auditors. This notice period was mainly complied with and, moreover, the board has acknowledged that the chairperson, assisted by the board secretary, has provided the directors with the available documentation and information about the issues to be discussed in adequate time before each meeting. When useful, the documentation was made available together with specific executive summaries to aid the directors’ understanding and review of the matters to be discussed. Specifically, the independent directors found that the information provided by the CEO to the board was satisfactory.

The board meetings were usually attended by the secretary and the manager in charge of financial reporting. When appropriate, experts and managers of the Issuer and its group companies also participated, depending on the matters to be discussed, to ensure the proper and profitable working of the meetings and to provide any in-depth information necessary.

The chairperson ensured that the matters on the agenda were each allowed enough time to allow their complete and constructive discussion. The directors expressed their positions and contributed to the meetings.



With respect to criterion 1.C.1.a) of the Code, with which the board has resolved to comply, the board is authorised to examine and approve:

- the strategic, business and financial plans of the Issuer and its group, and to periodically monitor their implementation;
- the Issuer's corporate governance system;
- the structure of the group headed by the Issuer.

- The board of directors found FISIA Italiimpianti S.p.A. and Impregilo International Infrastructures N.V. to be "strategic subsidiaries" given their role as subholding of the Engineering & Plant Construction business segment and as subholding of the Concessions business segment, respectively.
- With respect to criterion 1.C.1.c) of the Code, in its meeting of 25 March 2013 and after the risk and control committee's positive assessment, the board found the organisational, administrative and accounting structures of the Issuer, FISIA Italiimpianti S.p.A. and Impregilo International Infrastructures N.V. to be adequate, with particular respect to internal controls and risk management; the committee examined the analyses performed by the internal audit unit.
- During its meetings, the board assessed the company's performance, comparing it to the budget objectives and considering information received from the empowered bodies.
- On 30 July 2012, the board of directors resolved to retain responsibility for the following actions and transactions:
 - exercise of voting rights: (i) at extraordinary meetings of the shareholders of the strategic subsidiaries as identified from time to time by the board of directors; and (ii) at ordinary meetings of the shareholders of the strategic subsidiaries called to appoint their directors;
 - identification of Impregilo's strategic subsidiaries;
 - approval of the business plan, budget and industrial plan;
 - the performance of all More important transactions that do not require shareholder approval as per the "Regulations for related party transactions", approved from time to time;
 - the purchase and sale of investments in companies, consortia or other entities, as well as in businesses or business units.
- With respect to criterion 1.C.1.g) of the Code and as resolved by the board of directors on 12 March 2007 and set out in section 3 of this report, during its meeting of 25 March 2013, the board assessed the size, composition and working of the board itself and its committees, following the review of the remuneration and appointment committee that met on 25 March 2013 and considering the report prepared by the specialist Egon Zehnder International. It considered aspects such as the professional characteristics, experience (including of a management nature) and the gender of its members and their length of term of office. The remuneration and appointment committee prepared the self-assessment process, providing the board of directors with its report thereon, which it examined in the 25 March 2013 meeting. The board of directors carried out its own self assessment during this meeting and noted that:
 - the board environment is very proactive, which is fundamental for shared decision-making and enabled the easy integration of the new directors and creation of a united team.
 - Comprehension of the processes and knowledge about the issues have contributed to all the directors' perception that the board's working and efficiency have improved steadily (even though they have only been in office for a short though intense period).



- Assessment of the upper echelon (chairperson and CEO) is positive and it contributes to the company's efficiency.
- The directors' quality, diversity and independence level is visible and good compared to the Italian situation.
- Discussions of medium to long-term strategies (including the 2013-2015 business and strategic plan and the strategic agreement as per section 17.2) are constructive and expert, enabling the directors to take informed decisions.
- Information flows and quality are improving and more than sufficient.

Egon Zehnder International has not provided services in the last three years and does not currently provide services to Impregilo or its subsidiaries.

- With respect to criterion 1.C.4., article **20** of the by-laws provides that, until resolved otherwise by the shareholders, the directors are not bound by the ban of article 2390 of the Italian Civil Code. The board did not identify any issues thereon in its today's meeting that require reporting to the shareholders, after considering the agreement and implementation of the strategic commercial and organisation collaboration agreement between Impregilo and Salini Costruttori S.p.A., signed on 27 September 2012 (the "Strategic Agreement") (see section 17).

4.4. EMPOWERED BODIES

Chief executive officers

The board of directors may delegate part of its powers to one or more directors, setting limits and proxy operating methods. It may appoint directors and representatives, who do not necessarily have to be board members, and establishes their powers (article **25** of the by-laws).

On 18 July 2013, the board of directors appointed Pietro Salini as **CEO**. It gave him the legal power to represent the company and signatory powers with third parties and in court. He also has powers to manage the company and may delegate responsibility for the organisation and running of certain business activities.

During the same meeting, the board of directors set a limit of euro 50 million for the CEO for certain transactions:

- the purchase and securities;
- the purchase and sale of investments in companies, consortia or other entities, as well as of businesses or business units;
- agreement of business contracts;
- allocation and cancellation of consultancy engagements and acquisitions of intellectual property rights;
- transactions with banks;
- sureties, liens and guarantees in general.

Further to the powers reserved by law to the board of directors, he also has exclusive authority for any decisions related to:

- exercise of voting rights: (a) at extraordinary meetings of the shareholders of the strategic subsidiaries as identified each time by the board of directors; and (b) at ordinary meetings of the shareholders of the strategic subsidiaries called to appoint their directors;
- identification of Impregilo's strategic subsidiaries;
- approval of the business plan, budget and industrial plan;



- the performance of all More important transactions that do not require shareholder approval as per the “Regulations for related party transactions”, approved from time to time;
- the purchase and sale of investments in companies, consortia or other entities, as well as in businesses or business units.

The CEO is in charge of running the company. As provided for by criterion 2.C.5, he does not hold directorships in other Italian listed companies.

Chairperson

The chairperson is the company's legal representative and has signatory powers with third parties and in court pursuant to article **28** of the by-laws. The chairperson does not have special strategic decision-making powers.

The chairperson of the board of directors is not the CEO nor is he the majority shareholder of the Issuer.

Executive committee (article 123-bis.2.d) of the Consolidated Finance Act)

Pursuant to article **25** of the by-laws, the board of directors may delegate all or part of its powers (not reserved to it by law) to an executive committee consisting of a number of members to be less than half that of the board of directors, including the CEO, who acts as chairperson of the executive committee.

The board of directors set up an executive committee, in accordance with article **25** of the by-laws, which currently has five members.

Meetings are called when necessary and a calendar does not exist.

During the year, the committee met **14** times with meetings averaging roughly one hour and forty minutes.

Ten meetings have been held in 2013.

The board of directors delegated all the ordinary and extraordinary administrative powers reserved to it to the executive committee, except for those powers reserved exclusively to it by law and those related to the performance of the following actions and transactions, reserved to the board:

- i. exercise of voting rights: (a) at extraordinary meetings of the shareholders of the strategic subsidiaries as identified each time by the board of directors; and (b) at ordinary meetings of the shareholders of the strategic subsidiaries called to elect their directors;
- ii. identification of Impregilo's strategic subsidiaries;
- iii. approval of the business plan, budget and industrial plan;
- iv. the performance of all More important transactions that do not require shareholder approval as per the “Regulations for related party transactions”, described in section 12 of this report, approved from time to time;
- v. the purchase and sale of investments in companies, consortia or other entities, as well as of businesses or business units;

Information to be provided to the board of directors

The board of directors meets at least every three months. The CEO, also as chairperson of the executive committee, reported to the board and the board of statutory auditors on the activities carried out under proxy and key transactions at these meetings and whenever required by the specific circumstances.



4.5. OTHER EXECUTIVE DIRECTORS

The board of directors currently consists of one executive director (the CEO) and 14 non-executive directors.

As described in section 3 about criterion 2.C.1., the directors making up the executive committee are considered to be non-executive as involvement in the committee, given the subject of the related resolutions, does not entail the systematic participation of its members in the day-to-day management of the company nor does it lead to remuneration such that would compromise their independence.

4.6. INDEPENDENT DIRECTORS

At the first opportunity after their election (18 July 2012 with publication of its assessments to the market) and during the meeting held to approve the annual draft financial statements, the board of directors assessed that each non-executive director met the independence criteria set by the Code applying each criterion established thereby. The **nine** directors Marina Brogi, Mario Cattaneo, Laura Cioli, Alberto Giovannini, Pietro Guindani, Geert Linnebank, Laudomia Pucci, Giorgio Rossi Cairo and Giuseppina Capaldo meet the independence requirements pursuant to both the Consolidated Finance Act and the Code.

The board of statutory auditors checked the correct application of the criteria and procedures adopted to check independence by the board. The outcome of such process will be communicated by the board of statutory auditors to the market in its report to the shareholders.

As resolved by the board of directors about criterion 3.C.6. of the Code in its meeting of 12 March 2007, the independent directors meet annually before the board meeting held to approve the annual financial statements for self-assessment purposes and so that any remedial action to be taken can be examined with respect to the role played by independent directors within the board. They met on 3 March 2013 and reported to the board on 25 March 2013. The independent directors met once during the year, when the CEO presented the main activities performed by the executive committee and the most important transactions.

When agreeing to their inclusion in the lists of candidate directors, the independent directors have not agreed to maintain their independence throughout their term of office and, if necessary, to resign.

4.7 LEAD INDEPENDENT DIRECTOR

As the requirements of the Code are not met, the board has not deemed it necessary to designate an independent director as lead independent director.

5. TREATMENT OF COMPANY INFORMATION

On 12 December 2007, the board of directors approved a special "Procedure for the internal management and external communication of documents and information" as proposed by the CEO. This procedure substituted the "Internal regulations for disclosing "price sensitive" documents and information to the market" approved by the board of directors on 27 March 2001.

The Procedure includes the guidelines for the internal management and external communication of documents and information, especially privileged information as per article 114.1 of the Consolidated Finance Act ("Privileged information").



It covers all those parties who, based on their employment or professional activities or duties, have frequent or infrequent access to company information about the Issuer. These parties are obliged to: (i) maintain such confidential information secret; (ii) use such information solely to carry out their employment or professional activities; and (iii) not use such confidential information contrary to the current legislation.

Specifically, the directors and statutory auditors of Impregilo S.p.A. and its subsidiaries are required to maintain information and documents obtained by them during the execution of their duties confidential as well as the contents of any discussions carried out during board meetings and as part of the work of the board of statutory auditors.

In order to ensure a coordinated and standard approach, any contact with the press or other mass media or with financial analysts and institutional investors that involves information (even when not confidential) about the company or its subsidiaries can only take place after authorisation by the chairperson or CEO of Impregilo S.p.A. or the External relations unit of Impregilo S.p.A., in accordance with the Procedure.

The chairperson and CEO of Impregilo S.p.A. are responsible for managing privileged information.

The related administrative bodies are responsible for management of privileged information about the subsidiaries, which may be disclosed in accordance with the Procedure.

Only the chairperson and CEO of Impregilo S.p.A. may divulge privileged information to the market.

The communication of privileged information must respect the criteria of completeness, timeliness, transparency, adequacy and continuity. Investors should be provided with the same information to avoid discontinuity or the creation of situations that could affect the listed share price.

The chairperson is responsible for ensuring compliance with the Procedure, which provides for penalties to be applied to the parties that violate it.

6. BOARD COMMITTEES (article 123-bis.2.d) of the Consolidated Finance Act)

The board of directors has set up a risk and control committee, a remuneration and appointment committee (which carries out the duties assigned by article 5 of the Code to the appointment committee and article 6 to the remuneration committee, as the Code rules for the composition of the two committees are complied with and attainment of the objectives is guaranteed) and a related party transactions committee as described in section 12, together with the executive committee described in section 4.4.

The decision to set up just one committee to combine the appointments and remuneration functions is based on organisational and efficiency requirements as the functions are complementary and comply with the provisions of article 4 of the Code.

The board of directors has not retained functions attributed to one or more of its committees by the Code.

On 30 July 2012, the board of directors set up a corporate governance advisory board (see section 17.1).



7. APPOINTMENT COMMITTEE

As noted in section 6 of this report, the board set up a remuneration and appointment committee on 18 July 2012.

Composition and working of the appointment committee (article 123-bis.2.d) of the Consolidated Finance Act)

The remuneration and appointment committee usually meets when the board of directors does or whenever necessary. It is coordinated by its chairperson.

During the year (starting from 18 July 2012), the committee met **four** times with meetings averaging roughly fifty minutes.

Six meetings have been held in 2013.

- The committee was set up on 18 July 2012 and currently has three independent directors as members.
- The chairperson (twice), the CEO (three times) and managers of the Issuer attended committee meetings upon invitation when the committee deemed it was necessary and appropriate for the more effective discussion of the matters on the agenda.
- In its meeting of 18 July 2012, the board of directors resolved to give the remuneration and appointment committee the following duties:
 - a) the presentation to the board of directors of opinions about the board's size and composition as well as recommendations about suitable board members;
 - b) the presentation to the board of directors of candidates when directors need to be co-opted or independent directors replaced.

The committee also provides advice about the issues as per criteria 1.C.3 and 1.C.4 of the Code and the procedures for preparation of a succession plan for the executive director pursuant to criterion 5.C.2 of the Code.

- On 12 September 2012, the committee discussed whether the Issuer should engage a specialist to assess management (positions and expertise), including pursuant to the Code.
- Minutes of its meetings are drawn up regularly.
- The committee may access information and internal functions as required to carry out its duties. It may also avail of the services of external consultants. This was not necessary in 2012 with respect to appointments.
- On 12 March 2007, the board of directors resolved to give the committee an annual budget of euro 25,000 to cover the costs of any necessary consultancy or other services required to carry out its duties. The prior authorisation of outlays is not necessary although the committee is required to document its expenses. It may also avail of internal information and functions.

8. REMUNERATION COMMITTEE

As noted in section 6 of this report, the board has set up a remuneration and appointment committee.

Composition and working of the remuneration committee (article 123-bis.2.d) of the Consolidated Finance Act)

This committee usually meets when the board does and whenever necessary.

During the year, the committee met **seven** times with meetings averaging roughly fifty minutes.

Six meetings have been held in 2013.



- The remuneration committee (in office until 17 July 2012) comprised non-executive directors, the majority of whom were independent. The committee chairperson was elected from the independent directors. The remuneration and appointment committee set up by the current board of directors solely comprises independent directors.

Given the personal and professional characteristics of its members, the committee has found that its members have suitable financial or remuneration policy knowledge and experience.

- The directors did not attend the committee meetings held to decide on their remuneration to be proposed to the board of directors.
- The chairperson (twice), the CEO (three times) and managers of the Issuer attended committee meetings upon invitation when the committee deemed it was necessary and appropriate for the more effective discussion of the matters on the agenda.
- The committee approved rules for its working which establish that its works are coordinated by the chairperson and that all the members of the board of statutory auditors may always attend its meetings as may the CEO, other directors, managers and external consultants, upon invitation and depending on the matters on the agenda. Moreover, the other directors may always be present at the meetings.

The chairperson of the board of statutory auditors or another statutory auditor designated by him participated in the committee meetings and the other statutory auditors were also able to participate.

Committee duties:

- In line with the resolutions passed by the board of directors on 18 July 2012, the committee has consulting and proposing duties, specifically related to:
 - the presentation to the board of directors of the remuneration report and, specifically, the remuneration policy for the directors and key management personnel for presentation to the shareholders in their meeting called to approve the financial statements, within the legal terms;
 - regularly assessing the adequacy, overall consistency and actual application of the general policy adopted for the remuneration of the directors and key management personnel; the latter's conduct is assessed based on the information provided by the CEOs; making the relevant proposals to the board of directors;
 - the presentation to the board of directors of proposals about the remuneration of the executive directors and other directors with special positions, setting performance objectives tied to the variable part of the remuneration; monitoring the decisions taken by the board and ensuring specifically that the performance objectives are met.

During the year, the committee proposed the board of directors approve the remuneration report as per article 123-ter of the Consolidated Finance Act, approved its regulations, presented proposals to the board of directors about the remuneration of the members of the executive committee, the risk and control committee, the variable part of the CEO (in office until 17 July 2012) and corporate central manager's remuneration and the compensation policies based on the 2011 results. It proposed the board of directors approve the agreement to terminate the employment relationship with the CEO in office until 17 July 2012 and the general manager.



- Minutes of its meetings are drawn up. When carrying out its duties, the committee had access to internal information and functions, as necessary, and to external consultants.
- On 12 March 2007, the board of directors resolved to give the committee an annual budget of euro 25,000 to cover the costs of any necessary consultancy or other services required to carry out its duties. The prior authorisation of outlays is not necessary although the committee is required to document its expenses. It may also avail of internal information and functions.
- The committee checked that its consultants, engaged to provide information about market remuneration policies, were not in situations such to compromise their independent judgement.

9. DIRECTORS' REMUNERATION

The information in this section is included in the Remuneration report published pursuant to article 123-ter of the Consolidated Finance Act and available on the internet site www.impregilo.it in the "Corporate governance - Shareholders' meetings" section.

Compensation for directors in the case of their resignation, dismissal, retirement or termination of the relationship following a takeover bid (article 123-bis.1.i) of the Consolidated Finance Act)

The Issuer does not have agreements with its directors for their compensation in the case of their resignation, dismissal, retirement, removal from office without just cause or termination of the relationship following a takeover bid.

10. RISK AND CONTROL COMMITTEE

As noted in section 6 of this report, the board has set up a risk and control committee.

Composition and working of the risk and control committee (article 123-bis.2.d) of the Consolidated Finance Act)

Pursuant to the rules of the risk and control committee, it meets whenever the chairperson deems it necessary and in order to carry out its mandate. It also meets when a committee member, the chairperson of the board of statutory auditors or the internal control supervisor makes a documented request to the chairperson.

During the year, the committee met **nine** times with meetings averaging roughly two hours and fifty minutes.

Five meetings have been held in 2013.

The committee members always include three non-executive directors, the majority of whom are independent with experience in accounting and financial matters deemed adequate by the board when it elects them. The committee is currently composed of three independent directors.



The committee approved rules for its working which establish that its works are coordinated by the chairperson and that the chairperson of the board of statutory auditors or another statutory auditor designated by him participate. All the members of the board of statutory auditors have standing invitations to attend meetings as does the internal audit head. Depending on the matters on the agenda, the CEO, other directors, managers, external consultants and representatives of the independent auditors may also be invited to attend. All the directors may attend meetings.

Except for the first meeting of the committee elected by the current board of directors, held to present the company, the committee meetings have always been attended by the chairperson of the board of statutory auditors or another statutory auditor designated by him (and the other statutory auditors were also free to attend). The internal audit head also participated in all the meetings. Upon invitation and to make its working more efficient, the committee invited the chairperson of Impregilo, the relevant internal functions, the supervisory board, external consultants and the representatives of the independent auditors to attend certain meetings.

Duties

As resolved by the board of directors on 18 July 2012 on criteria 7.C.1 and 7.C.2 of the Code, the committee has the following duties:

- providing the board of directors with opinions on:
 - the guidelines for internal controls and risk management, so that the main risks affecting Impregilo and its subsidiaries are correctly identified, properly measured, managed and monitored, defining the degree of compatibility of these risks with company management and its strategic objectives;
 - assessment at least once a year of the adequacy of the internal controls and risk management considering the company's characteristics and risk profile and their efficiency;
 - approval at least once a year of the audit plan prepared by the internal audit head;
 - review, discussion and approval of the findings of the main audit reports and their implementation;
 - description of the main characteristics of the internal controls and risk management in the corporate governance report, expressing its assessment of their adequacy;
 - assessment of the findings presented by the auditor engaged to carry out the legally-required audit in its management letter (if prepared) and in the audit report;
 - appointment and removal from office of the internal audit head;
 - ensuring that the internal audit head has the necessary resources to carry out his duties;
 - agreement of the remuneration of the internal audit head in line with internal policies;
- assessment with the manager in charge of financial reporting, and after consulting the auditor engaged to carry out the legally-required audit and the board of statutory auditors, of the correct application of the accounting policies, and in the case of a group, their consistency for the preparation of the consolidated financial statements;
- expression of opinions on specific aspects related to the identification of key business risks;
- review of the periodic reports on the internal controls and risk management, especially those prepared by the internal audit unit;



- assessment of the independence, adequacy, effectiveness and efficiency of the internal audit unit;
- it may ask the internal audit unit to carry out checks of specific operating areas and it reports thereon to the chairperson of the board of statutory auditors;
- reporting to the board of directors at least twice a year, during the meetings held to approve the annual and interim reports, on its activities and the adequacy of the internal controls and risk management.
- performance of the other duties assigned to it by the board.

During the year, the risk and control committee assisted the board of directors with its self-assessment; it reviewed and assessed the work plan and reports prepared by the internal control supervisor and the reports drawn up by the supervisory board as per Legislative decree no. 231/2001. It ascertained the independence, adequacy, effectiveness and efficiency of the internal audit unit. It expressed a favourable opinion on the correct application of the accounting policies and their consistency during preparation of the consolidated financial statements, assisted by the manager in charge of financial reporting and meetings with the independent auditors and the board of statutory auditors, reporting thereon to the board of directors. During approval of the draft annual financial statements and the interim financial report, the committee informed the board of directors about its activities and the adequacy, effectiveness and effective working of the internal controls and risk management system. This opinion was shared by the board of statutory auditors. Moreover, the committee expressed a favourable opinion on the composition and working of the board of directors and its committees, in agreement with the board of statutory auditors. It found the organisational, administrative and general accounting structure of the Issuer and its strategic subsidiaries, Impregilo International Infrastructures N.V., EcoRodovias Infraestrutura e Logística S.A. and FISIA Italmimpianti S.p.A. to be adequate. It approved the revisions of the Organisational, management and control model required by article 6 of Legislative decree no. 231/01. It ascertained that the members of the supervisory board met the subjective requirements of the Organisational, management and control model and, therefore, that the entire body met these requirements. On 21 September 2012, after the committee had been reformed following election of the new board of directors by the shareholders on 17 July 2012, it approved its regulation; it examined the draft interim financial report at 30 June 2012 and the draft interim financial report at 30 September 2012. It found in favour of renewal of the current supervisory board as per Legislative decree no. 231/2001. It proposed to the board of directors that it comply with the revisions to the Code of December 2011 and the actions to be taken. It met certain company functions. It approved the proposed remuneration of the internal control supervisor and the internal audit head.

Minutes of the committee meetings are drawn up.

On 11 May 2011, the board of directors resolved to give the internal control committee an annual budget of euro 50,000 to cover the costs of any necessary consultancy or other services required to carry out its duties, which can be increased to euro 100,000 with the documented request by the committee chairperson and approval by the board of directors' chairperson. The prior authorisation of outlays is not necessary although the committee is required to document its expenses. It may also avail of internal information and functions.



11. INTERNAL CONTROLS AND RISK MANAGEMENT

On 21 March 2000, the board of directors established the guidelines for the internal control system approving a specific document entitled "Guidelines for internal controls".

During the meeting of 25 March 2009, the board of directors approved a new document setting out the "Guidelines for internal controls of IMPREGILO S.p.A.", as proposed by the internal control committee in its meeting of 24 March 2009.

The internal controls and risk management system ensures that the key risks that could affect the Issuer and its subsidiaries are correctly identified, adequately measured, managed and monitored and determines criteria for their management in line with the proper management of the business.

As required by the Code, the company's internal controls and risk management system consists of a set of rules, procedures and organisational structures put in place to ensure business operations in line with the objectives defined by the board of directors, which is able to identify measure, manage and monitor the main risks. The objective is to ensure the safeguarding of the company's assets, an efficient and effective operating system, reliable financial information and compliance with the laws and regulations as well as the by-laws and internal procedures.

The internal controls and risk management system is based on standards that require that business activities be based on applicable internal and external rules, can be traced and documented, that the allocation and exercise of powers as part of a decision-making process be matched to the positions of responsibility and/or with the size and/or significance of the underlying transactions, that those parties that take or implement decisions, that record transactions and those that are required to perform the controls over such transactions provided for by law and procedures envisaged by the internal controls and risk management system be different parties and that confidentiality and compliance with the privacy legislation be ensured.

The parties that implement the internal controls and risk management system are the board of directors, the CEO as the Director in charge of internal controls and risk management, the risk and control committee, the internal audit head, the manager in charge of financial reporting, the board of statutory auditors, the independent auditors and the supervisory board, each by carrying out their duties and roles.

The company's internal controls and risk management system consist of the organisational structure, the proxies and delegation system, the Organisational, management and control model, the Impregilo group Code of Ethics, the organisational documents such as the organisational chart, the guidelines, the standard (or interfunctional) procedures, the organisational instructions, the organisational communications, the operating procedures, the manuals and executive instructions.

Key characteristics of the existing risk management system and internal controls over financial reporting, pursuant to article 123-bis.2.b) of the Consolidated Finance Act

I. Introduction

The risk management system and internal controls over financial reporting are both an integral part of a single system (the "System") and, therefore, must be considered together.

This System's scope is to ensure the credibility, accuracy, reliability and timeliness of the financial reporting in accordance with the applicable regulations and related best practices.

Impregilo has designed, implemented, monitored and updated its System over time in accordance with guidelines reflecting all international best practices, based on the *ERM (Enterprise Risk Management) framework mode*⁽¹⁾, currently held to be the reference point for analyses of internal controls. The model has been revised and adapted to meet the group's requirements and was adopted in 2010.



It is the natural continuation of the CoSO Report⁽²⁾ used to analyse internal controls in 2008 and 2009.

These guidelines have been specified to comply with the characteristics of Impregilo and its operating units that contribute to financial reporting (both those for the parent and the group). This process of integrating the general model with Impregilo's specific model considered that the group is composed of entities that are separate in legal terms from the parent for the purposes of the financial reporting referred to herein. Specifically, the group is composed of legally separate entities (e.g., Italian and foreign companies) and entities that, although they are not legally separate from the parent under Italian law (e.g., foreign branches, foreign joint ventures), have their own administrative and organisational structures and produce their financial reporting independently due to their industrial characteristics.

Accordingly and based on the logic underlying the reference model, the group defined the criteria to ensure the System's actual application.

These criteria provide for the circulation of the application procedures, the training of the personnel involved in the different stages of the process and a monitoring plan whereby the effective use of the application procedures is checked and any developments and integrations necessary due to the wide-ranging operating scope in which the group works are identified.

II Description of the key characteristics of the existing risk management system and internal controls over financial reporting

II.1 The System's main stages

Impregilo's System comprises the following main stages:

1. *Identification of financial reporting risks*: completion of this stage firstly entailed the analysis of all the more important internal processes in terms of their potential impact on the company's financial reporting and, secondly, identification of the specific processes that are significant for the group as a whole due to the specific nature of the different business segments in which the group companies operate, even though they may not be applicable to the parent.

The analysis considered the criteria to identify risks of non-attainment of control objectives ("financial statements assertions": existence and occurrence, completeness, measurement and recognition, presentation and disclosure, rights and obligations) for each financial statements item (separate and consolidated). The possible risks of error and fraud that could potentially impact financial reporting were also considered.

2. *Measurement of financial reporting risks*: measurement of the intrinsic risk (risk measured regardless of the related controls) for each financial statements item entailed the analysis of: (i) the significance of the above financial statements objectives for each item, (ii) the importance of each individual item in its category (e.g., assets or liabilities, revenue, operating expense, financial income and expense and income taxes) in order to identify their significance; and (iii) the materiality of the item compared to the pre-tax profit and equity.

1) The ERM Framework (consisting of eight elements) allows the assessment of the adequacy of the internal controls using five revised components, with the assistance of independent experts, considering the business characteristics: *Risk governance*; *Risk assessment*; *Risk quantification and aggregation*; *Risk monitoring and reporting* and *Risk and control optimisation*.

2) The CoSO Report is prepared by the Committee of Sponsoring Organisations (CoSO) of the National Commission on Fraudulent Financial Reporting USA, which has been used by different national (Banca d'Italia, ISVAP) and international (PCAOB, SEC, the Basel Committee) authorities as a framework given its success and authority. It is also a benchmark for professional associations such as ANDAF and AIIA in Italy. The reference model proposed by the Report enables the assessment of the adequacy of internal controls using three tools (Purposes, Components and Environment), for each of which the relevant aspects for the specific applications are selected.



3. *Identification of controls for the identified risks:* the intrinsic risk associated with each financial statements item as identified above was subsequently analysed considering the existing control environment of each group company. Specifically, based on the analysis of the process generating the financial statements item, the collective or individual controls envisaged by the process to ensure compliance with the related financial statements objectives (“financial statements assertions”) were identified. These controls, which mitigate the intrinsic risk, determine the residual risk for each financial statements item.
4. *Assessment of controls for the identified risks:* a specific monitoring process was carried out regularly to assess the effectiveness of the control’s mitigating actions and the actual working of the control as part of the analysed process.

The company was assisted by independent experts during the risk assessment stage and the assessment of the effectiveness of the control designs as part of the development and preliminary implementation of the System. This stage was facilitated by the group’s existing control environment which already worked efficiently.

Once this stage had been completed, a Compliancy control unit was set up headed by the manager in charge of financial reporting (see section 11.5 of this report). The unit’s duties include the periodic checking of the System’s effectiveness. It prepares documentation supporting its activities every six months and a report to be used by the manager in charge of financial reporting, who assesses its content and findings and then reports to the relevant internal bodies.

When issues arise or processes are identified that could be improved as a result of the above monitoring, they are described in the supporting documentation and a remedial plan is prepared. This plan is suitably illustrated in the report and monitored until the set objectives are achieved.

II.2 Roles and units involved

In order to ensure the appropriate definition, implementation and ongoing maintenance of the System, the group firstly set up an inter-departmental team that, assisted by independent experts, mapped the existing processes and controls, analysed the risk factors, defined the guidelines to be implemented to ensure the effectiveness of the system and an intensive training programme for personnel involved in financial reporting.

The team mainly consisted of administration and organisational staff and its work was completed with the set up of the Compliancy control unit at the company headed by the manager in charge of financial reporting. This unit’s main duty is to monitor the system by checking the effective application of the controls required by the reference processes or, if requested, any alternative controls compared to the system’s standards.

Its checks are carried out every six months and are planned so as to involve the most significant operating units. Evaluation of the significance of an operating unit for the purposes of the controls considers its business volumes as a percentage of those of the parent and the group and any specific factors that, although not material in quantitative terms, are important with respect to their measurement or that are deemed worthy of analysis. When the unit’s analysis identifies elements to be developed as part of the controls or the processes in which the controls are included, the relevant units for the requested developments are identified and the system is updated with their assistance.

This risk management and control system, as described above for financial reporting purposes, is also backed up by a general risk identification and measurement procedure performed by the internal audit unit once a year using an ERM (Enterprise Risk Management) standard. The unit reviews the System of the company and those subsidiaries identified by the board of directors in its meeting of 13 July 2007 as being strategic.



Applying criteria and methods of the ERM methodology, Impregilo also assesses the key risks once a year, by firstly identifying the key processes and then the underlying risks to then assess the effectiveness of the controls in place to mitigate such risks, together with the individual process heads.

Finally, as part of the annual audit plan approved by the risk and control committee, the internal audit unit checks compliance of the processes with the System's rules, considering the results of the risk assessment procedure and monitoring development of the programmes implementing improvements identified (and agreed) to the controls.

After approving the business and strategic plan, which sets out the new management team's strategic objectives, on 6 December 2012, the board of directors commenced a procedure to define the nature and level of risk compatible with these objectives. It was assisted by the risk and control committee.

During the meeting to approve the annual financial statements, the risk and control committee expressed its favourable opinion of the adequacy, efficiency and effective working of the internal controls and risk management system to the board of directors following its review of the reports drawn up by the internal audit head and the supervisory board and based on interviews with them and the assistance provided by the manager in charge of financial reporting and the independent auditors.

The board of directors agreed with and adopted this positive assessment.

The board of statutory auditors also agreed with this positive assessment.

11.1. DIRECTOR IN CHARGE OF INTERNAL CONTROLS AND RISK MANAGEMENT

As described in section 3 of this report, the board of directors appointed the CEO as "Executive director in charge of internal controls", assisted by the internal control committee on 12 March 2007. The board of directors elected by the shareholders on 17 July 2012 confirmed the CEO as the "Director in charge of internal controls and risk management" with all the powers and duties envisaged therefor by article 7 of the Code.

Together with the internal audit head, this director:

- supervises identification of the key business risks (strategic, operating, financial and compliance), considering the activities carried out by the Issuer and its subsidiaries, and presents them regularly to the board;
- implements the guidelines established by the board of directors and manages the previously designed and created internal controls and risk management system, checking its overall adequacy, and effectiveness on an ongoing basis, assisted by the internal audit head;
- adapts the System to reflect operating conditions and the legislative and regulatory framework, again assisted by the internal audit head;
- requests the internal audit unit to perform checks of specific operating areas and the compliance with internal rules and procedures during business activities (when necessary); he informs the chairperson, the chairperson of the risk and control committee and the chairperson of the board of statutory auditors thereon;
- reports to the board of directors promptly about the checks requested of the internal audit unit.



11.2. INTERNAL AUDIT HEAD

The board of directors approved the proposal made by the internal control committee and appointed Raffaele Manente as internal control supervisor on 12 September 2000. Mr. Manente is the internal audit head.

This employee reports to the chairperson of the board of directors alone. He heads a unit of persons with different levels of experience and may also avail of external experts. The internal audit head is completely autonomous in terms of his actions and in operating and control terms.

On 12 December 2007, the board of directors set the internal control supervisor's remuneration, in line with company policies, proposed by the CEO, as Executive director in charge of internal controls and after consulting the internal control committee. On 25 September 2012, the board of directors again resolved on the internal audit head's remuneration with the favourable opinion of the risk and control committee and after consulting the board of statutory auditors.

The internal audit head is not in charge of any operating functions and does not report to any of the operating managers.

The internal audit head checks on an ongoing basis, and when necessary as required for compliance with international standards, that the internal controls and risk management system is operational and adequate. He performs this check using an audit plan, approved by the board of directors, based on a structured procedure to analyse and prioritise the key risks.

The internal audit head had direct access to all information useful to carry out his duties, he prepared regular reports providing suitable information about his activities and the methods used to manage risk and compliance with risk containment plans. He also assessed the suitability of the internal controls and risk management system. The internal audit head provided timely reports upon the request of the Director in charge of internal controls and risk management and delivered them to the chairpersons of the board of statutory auditors, the risk and control committee and the board of directors as well as to the Director in charge of internal controls and risk management. He checked the reliability of the IT systems, including the accounting system, as part of his audit plan.

The internal audit head is financially independent with his own budget approved each year by the board of directors after consulting the risk and control committee. The budget was euro 555,000 for 2012.

During the year, the internal audit head carried out procedures to assist the supervisory board, and also analysed, reviewed and updated the business risks as well as checking the internal controls' adequacy, effective and efficient working on an ongoing basis. During the year, the internal audit unit continued its activities to identify areas which required attention to decrease risk. It performed 28 audits and drew up the 2012-2014 audit plan.

On 26 August 2011, with the favourable opinion of the board of statutory auditors, the board of directors approved the internal audit unit's mandate, which formally defines its objectives, powers and responsibilities and is a continuation of the activities performed until then, its role and position within the group organisation.

11.3. ORGANISATION MODEL pursuant to Legislative decree no. 231/2001

On 29 January 2003, Impregilo adopted the "Organisational, management and control model" required by article 6 of Legislative decree no. 231/01, based on the Confindustria guidelines, approved on 7 March 2002.

Following the legislative changes made after adoption of the first model, the board of directors revised the model on 30 March 2005 reflecting the update to the Confindustria guidelines of 18 May 2004, the code of conduct and the model drawn up by the National Association of Building Constructors (ANCE), approved on 31 March 2003 and subsequently revised on 1 September 2004.



On 12 September 2006, 21 July 2008, 25 March 2009, 28 August 2009, 25 March 2010, 26 August 2011, 26 March 2012 and 16 October 2012, following the extension of the crimes covered, the internal reorganisations that had taken place in the meantime, the revision of the "Activities at risk" and in accordance with best practices, the board of directors approved the new "Organisational, management and control model" (the general section of which is available on the internet site www.impregilo.it, in the "Corporate Governance - Other corporate governance documents" section) and related updates.

In order to comply with the specific provisions of Legislative decree no. 231/01 and considering the analysis of the company's situation and activities potentially at risk, the crimes committed when dealing with the public administration, forgery of coins, public credit notes and duty stamps, corporate crimes, terrorist acts or subversion of democratic order, crimes against the individual, market abuse and international crimes, handling of stolen goods, laundering and use money, assets or other illegally gained goods, crimes against safety in the workplace, cybercrimes and the unlawful processing of data, organised crime, induction to not make statements or to make false statements to the judicial authorities, counterfeiting, crimes against industry and trade, copyright crimes and environmental crimes are considered as relevant and are, therefore, specifically covered by the model.

On 12 September 2006, the board of directors set the number of members of the supervisory board as per article 6 of Legislative decree no. 231/2001 as three, in line with that required by the new Organisational, management and control model and appointed them, consisting of the internal control supervisor (internal employee) and two external persons. Previously, the board had been monocratic (internal control supervisor). These appointments were confirmed by the board of directors on 28 August 2012 for three years and, therefore, until its approval of the interim financial report at 30 June 2015. As required by the model, the supervisory board's chairperson is a member who is not an employee of the Issuer. The supervisory board's members have specific expertise in inspections, analyses of control systems and legal issues (in particular, criminal proceedings) so that they can properly carry out their duties. The board of directors deemed it appropriate not to give the board of statutory auditors the supervisory board functions.

The only Italian subsidiary of strategic importance, FISIA Italmimpianti S.p.A., adopted its own "Organisational, management and control model" on 5 March 2004 and last updated it on 28 June 2012.

The group's Code of Ethics forms part of the Model (available on the internet site www.impregilo.it, in the "Corporate Governance - Code of Ethics" section). The present version was approved by the Issuer's board of directors on 25 March 2010.

11.4. INDEPENDENT AUDITORS

Impregilo and its main subsidiaries have engaged independent auditors to perform the legally-required audit of their financial statements and to check that their accounting records are kept correctly as required by Legislative decree no. 58 of 24 February 1998. Their interim financial reports are reviewed.

The independent auditors perform an audit of Impregilo, in accordance with the applicable legislation.

As part of the general audit plan for the group, the subsidiaries that do not exceed the thresholds set by Consob have nonetheless engaged the independent auditors on a voluntary basis.

The shareholders resolved to engage PricewaterhouseCoopers S.p.A. to audit the company's financial statements for the period from 2006 to 2011 in their meeting of 3 May 2006. On 3 May 2007, they extended the independent auditors' engagement for the period from 2012 to 2014, pursuant to article 8.7 of Legislative decree no. 303 of 29 December 2006.



11.5. MANAGER IN CHARGE OF FINANCIAL REPORTING AND OTHER ROLES AND FUNCTIONS

On 27 June 2007, the shareholders approved article **26** to be included in the by-laws. This new article regulates the appointment and removal from office of the manager in charge of financial reporting, his term of office, related fee and relevant professional characteristics. Article **26** requires that the board appoint, and remove from office, after consulting the board of statutory auditors, a manager to be in charge of financial reporting, setting his term of office and fee. The candidates shall have at least three years' experience in: (a) administration and finance or administration and control or management duties with responsibility for financial, accounting and control matters, with companies that have a share capital of at least euro 2 million or consortia of companies with a total share capital of not less than euro 2 million; or (b) legal, economic or financial aspects closely related to the company's activities; or (c) management at a state body or public administration office active in the credit, financial or insurance sectors or in sectors closely related to that of the company.

Aspects and sectors closely related to the company's activities are those set out in the last paragraph of article 29 (which states: "Pursuant to article 1.2.b) and c) and paragraph 3 of Ministerial decree no. 162 of 30 March 2000, aspects and sectors closely related to those of the company are those aspects (legal, economic, financial and technical-scientific) and business sectors tied to or related to the company's activities and part of its business object").

The board of directors carried out a careful analysis to identify the most suitable person from within the company, considering the personal and professional characteristics that this position requires. In accordance with the guidelines of the first professional interpretations of the law and based on its analysis, the board found Rosario Fiumara, the then corporate central manager and currently working for Impregilo as a consultant, to be the most suitable candidate. Therefore, as proposed by the CEO, it appointed him as the manager in charge of financial reporting on 11 September 2007 in accordance with article 154-bis of Legislative decree no. 58 of 24 February 1998.

During the same meeting, the board established that Rosario Fiumara's position as manager in charge of financial reporting would have an open term, until otherwise determined by it. It set the fee for the position, as proposed by the remuneration committee, which met on the same date. The board also gave Mr. Fiumara all the powers and authority required to effectively carry out his functions and duties in his new position within the budget limits approved from time to time and which were provisionally fixed at euro 50,000.00. Such powers include:

- direct access to all information required to produce accounting data;
- unlimited use of internal communication channels which ensure the correct intragroup exchange of information;
- a free hand in organising his unit in terms of both human and technical resources (materials, IT and any other items);
- creation and adoption of administrative and accounting procedures independently, also by availing of the assistance of other company functions when necessary;
- assessment and modification of internal administrative and accounting procedures;
- participation at meetings of the board and executive committee, especially those which discuss issues related to his function and for which he is responsible;
- engaging external consultants, when necessary for specific issues;
- interacting with employees with control duties and exchanging information to ensure the ongoing mapping of risks and processes and the proper monitoring of the correct working of administrative and accounting procedures.



Rosario Fiumara accepted the position as manager in charge of financial reporting on the same date. On 30 July 2012, the board of directors confirmed his position and the relevant resolutions taken by it on 11 September 2007.

Section 11.2 describes the roles, appointment criteria, powers and tools of the internal audit head, who has specific responsibilities for internal controls and risk management.

11.6. COOPERATION BETWEEN PARTIES INVOLVED IN INTERNAL CONTROLS AND RISK MANAGEMENT

In order to maximise the efficiency of the internal controls and risk management system and reduce duplication of activities, Impregilo has provided that:

- the board of directors acts as a guide and assesses the System's adequacy using the information provided directly by the Director in charge of internal controls and risk management, the risk and control committee, the board of statutory auditors, as the internal control and audit committee, and the manager in charge of financial reporting;
- the internal audit head and the supervisory board as per Legislative decree no. 231/01 report on their activities to the risk and control committee so that it, in turn, can report to the board of directors;
- the internal audit head and the board of statutory auditors participate in the risk and control committee meetings;
- the internal audit head sends his reports (both periodic and on special issues as requested by the Director in charge of the internal controls and risk management) to this Director, the chairpersons of the board of statutory auditors, the risk and control committee and the board of directors.

12. DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

On 30 November 2010, the board of directors approved a specific new procedure for related party transactions, the "Procedure", (which replaced the previous procedure approved by it on 7 July 2005), after receiving the favourable opinion of the related party transactions committee, pursuant to article 2391-bis of the Italian Civil Code and article 4.1/3 of the Consob regulation which sets out instructions for related party transactions adopted with resolution no. 17221 of 12 March 2010 and subsequently amended with resolution no. 17389 of 23 June 2010 (the "Regulation"). On 29 November 2010, the board of statutory auditors assessed the new procedure's compliance with the criteria set out in the Regulation.

The board of directors amended the Procedure on 20 April and 9 July 2012 after consulting the related party transactions committee. On the same dates, the board of statutory auditors confirmed the new procedure's compliance with the criteria set out in the Regulation.

The board of directors elected by the shareholders of 17 July 2012 commenced a procedure to assess whether changes needed to be made to the Procedure assisted by the related party transactions committee and the corporate governance advisory board. This procedure is still ongoing.

The Procedure (available on the internet site www.impregilo.it, in the "Corporate Governance - Related party transactions" section) sets out the rules, methods and criteria aimed at ensuring the transparency and substantial and procedural correctness of related party transactions carried out by the Issuer either directly or via its subsidiaries.

The board of directors set up a related party transactions committee, consisting of four independent directors, to carry out the duties and functions as per the Regulation. This committee elected a chairperson, Alberto Giovannini, and his deputy, Giuseppina Capaldo, to be acting chair should the chairperson be absent or in their impediment.

As described in section 3 of this report, on 12 March 2007, the directors resolved that, subject to the provisions of article 2391 of the Italian Civil Code, directors with interests, either directly or on behalf of third parties, in a corporate transaction to be approved by the board of directors or executive committee may participate in the related discussions and vote thereon as such participation represents a reason for taking a responsible decision about a transaction about which the director may have greater knowledge than the other directors; that, however, the board of directors or executive committee may ask such directors to leave the meeting during the discussion on a case-by-case basis.

13. APPOINTMENT OF STATUTORY AUDITORS

Article **29**) of the Issuer's by-laws requires that "*the shareholders elect a board of statutory auditors, consisting of three standing and two substitute statutory auditors.*

The statutory auditors shall have the characteristics required by law, the by-laws and any other relevant regulations.

Appointment of the board of statutory auditors takes place using lists presented by the shareholders using the methods and within the timeframe set out below in accordance with the pro tempore legislation about gender equality. The candidates are listed in consecutive order in each list. Lists have two sections: one for the candidate standing statutory auditors and one for the candidate substitute statutory auditors. They shall include at least one candidate for each position and may comprise up to a maximum of three candidates for the standing statutory auditor position and up to two for the substitute statutory auditor position.

Lists presented by the shareholders are deposited at the company's registered office to be available for public consultation as indicated in the notice calling the shareholders' meeting. They are deposited at least twenty-five days before the date of first call of the meeting, unless other mandatory directives are given by legislative and regulatory instructions.

Lists with a total number of candidates equal or more than three shall include candidates of both genders so that at least one fifth (for the first mandate after 12 August 2012) and subsequently one third (rounded up) of the candidates for standing statutory auditors and at least one fifth (for the first mandate after 12 August 2012) and subsequently one third (rounded up) of the candidates for the substitute statutory auditor belong to the less represented gender on the list.

Shareholders, shareholders forming part of significant shareholder agreements as per article 122 of Legislative decree no. 58 of 24 February 1998, the parent, subsidiaries and jointly controlled entities as per article 93 of the same decree may not present, or be involved in presenting (also via trustees or nominees), more than one list. Nor can they vote (also via trustees or nominees) for more than one list. Moreover, each candidate may only be present in one list in order to be eligible. Inclusion in more than one list or votes for more than one list are not counted.

Only those shareholders that, either individually or together with other shareholders, own shares making up the percentage of share capital required for presentation of lists for candidate directors, may present lists (see section 4.1 of this report).

Together with each list, and within the timeframe described earlier, the shareholders deposit: (i) information about the shareholders presenting the list; (ii) statements whereby each candidate accepts their candidature and states, under their own responsibility, the inexistence of any reasons for ineligibility or incompatibility and the existence of the requirements for the relevant offices, including compliance with the ceiling



for the number of positions that can be held under the current law and regulations; (iii) a professional and personal profile of each candidate; and (iv) any other information that is requested by the applicable law or regulations given in the notice calling the shareholders' meeting.

In addition, the relevant certificate issued by a legally-authorized broker, showing ownership to the number of shares necessary to present lists at the date of depositing the list with the company within the deadline set by the relevant laws for the publication of lists, is also to be deposited.

Lists which are presented that do not meet the above requirements are considered not to have been presented.

Candidates that are ineligible or incompatible or who do not have the requirements established by the relevant legislation or who hold more positions than is allowed by the current laws and regulations cannot be included in the lists.

The statutory auditors are elected as follows:

1. two standing statutory auditors and one substitute statutory auditor are taken from the list that got the most number of votes in the shareholders' meeting, taken from the list in consecutive order in which they are included in the list sections;
2. the other standing auditor and other substitute auditor are taken from the list that received the second largest number of votes and that was presented and voted by shareholders that are not related directly or indirectly to the shareholders as per article 148.2 of Legislative decree no. 58 of 24 February 1998. They are taken in consecutive order from the list sections ("Minority list"). If two lists receive the same amount of votes, that presented by the majority shareholders is considered or, subordinately, that presented by the larger number of shareholders.

When the above method does not ensure the composition of the board of statutory auditors in accordance with the pro tempore legislation about gender equality, the elected candidates are substituted accordingly using the list that obtained the most votes and the consecutive order in which the candidates were listed.

When the list system is not used, shareholders elect statutory auditors by majority vote, without prejudice to the pro tempore about gender equality.

The chairperson of the board of statutory auditors is the first candidate on the Minority list.

Statutory auditors fall from office in the cases provided for by the relevant legislation or whenever the by-law requirements for their appointment are no longer met.

When one of the standing statutory auditors needs to be replaced, the substitute statutory auditor from the same list is co-opted. If both the standing and substitute statutory auditors from the Minority list leave their positions, the candidate in the next place on the same list is co-opted or the first candidate on the minority list that received the second largest number of votes.

Without prejudice to the replacement procedure as per the above paragraph, the composition of the board of statutory auditors shall comply with the pro tempore legislation about gender equality.

Shareholders appoint or replace statutory auditors in meetings called in accordance with article 2401.1 of the Italian Civil Code complying with the requirement to ensure minority shareholder representation and the pro tempore legislation about gender equality.

Outgoing statutory auditors may be re-elected.

As required by article 1.2.b) and c) and paragraph 3 of Ministerial decree no. 162 of 30 March 2000, aspects and sectors closely related to the company's activities are those aspects (legal, economic, financial and technical-scientific) and business sectors tied to or related to the company's activities and part of its business object."



14. COMPOSITION AND WORKING OF THE BOARD OF STATUTORY AUDITORS (article 123-bis.2.d) of the Consolidated Finance Act)

At year end, the Issuer's board of statutory auditors comprised the following members. Details are also given of their appointment, participation at meetings and other positions held as director or statutory auditor in other companies listed on Italian regulated markets.

Position	Members	In office since	In office until	List (M/m)	Independent as per Code	% participation	No. of other positions
Chairperson (l)	Alessandro Trotter	28.4.2011	Shareholders' meeting to approve 2013 financial statements	SOLE	X	91.66	9
Statutory auditor (l)	Fabrizio Gatti	13.7.2012	Shareholders' meeting to approve 2013 financial statements	SOLE	X	100	5
Statutory auditor	Nicola Miglietta	28.4.2011	Shareholders' meeting to approve 2013 financial statements	SOLE	X	91.66	15
STATUTORY AUDITORS WHO LEFT OFFICE DURING THE YEAR:							
Chairperson	Giuseppe Levi	28.4.2011	13 July 2012	OFF-LIST CANDIDATE	X	100	13
Substitute statutory auditor	Michela Zeme	28.4.2011	19 November 2012	SOLE			22
Quorum required to present lists at time of last appointment: 2%							
No. of meetings held during the year: 12							

(l) Following the resignation of the chairperson of the board of statutory auditors, Giuseppe Levi, on 13 July 2012, Alessandro Trotter took over as chairperson and Fabrizio Gatti, then substitute statutory auditor, became a statutory auditor.

In their meeting of 28 April 2011, the shareholders appointed a new board of statutory auditors electing all the candidates on the sole list presented by the shareholder Igli S.p.A. and another nomination (for the then chairperson) presented during the meeting by the shareholder Mr. Valle. Votes in favour of the new board of statutory auditors approximated 94.09% of the voting rights for this resolution, equal to approximately 42.21% of the company's overall voting rights.

The statutory auditors' personal and professional profiles are presented in their curricula vitae posted on the internet site www.impregilo.it in the "Corporate governance - Board of statutory auditors" section.

No change in the board of statutory auditors' composition has taken place since year end.

The board of statutory auditors met **12** times during the year, with meetings averaging one hour and thirty minutes.

Meetings are called when necessary and a calendar does not exist.

Two meetings have been held in 2013.

On 6 June 2011, following the appointment of the new statutory auditors by the shareholders on 28 April 2011, the board of statutory auditors found that all the statutory auditors complied with the independence requirements of the Code. On 25 March 2013, it confirmed they had continued to meet such requirements throughout 2012 applying all the criteria envisaged by the Code.

**



- Impregilo complies with the guidelines of criterion 8.C.3 of the Code, whereby statutory auditors that either directly or on behalf of third parties have an interest in a specific transaction shall inform the other statutory auditors and the chairperson of the board of directors promptly and completely about the nature, scope, origin and terms of their interest.
- In the meetings held during the year, the statutory auditors met the independent auditors who described the scope of their engagement, their responsibilities and independence (in writing) as well as the procedures carried out for Impregilo and the group companies that have engaged them.
- As part of its duties, the board of statutory auditors worked with the internal audit unit and the risk and control committee. It took part in meetings of the latter committee with the internal audit head. The internal audit head also participated in several board of statutory auditors' meetings when it reviewed the supervisor's work.

15. INVESTOR RELATIONS

The company believes that it is in its interests and also that it has a duty to the market to have an ongoing dialogue with its shareholders and institutional investors based on a common understanding of their roles. Such dialogue takes place within the boundaries established for confidential information to ensure that investors and potential investors receive information upon which they can base their investment decisions.

Therefore, it set up the current Investor Relations unit in July 2001 headed by the Investor Relator (presently Lawrence Young Kay) whose specific duties include managing relations with investors. This person has an e-mail address specifically for receiving communications and requests from shareholders (investor.relations@impregilo.it). The company's internet site (www.impregilo.it) has a section for relations with investors ("Investor Relations") where all the financial information can be found as well as up-to-date documents of interest to the shareholders, in order that they may exercise their rights in an informed manner.

Impregilo posts information of interest to its shareholders on its internet site www.impregilo.it.

16. SHAREHOLDERS' MEETINGS (article 123-bis.2.c) of the Consolidated Finance Act)

The document "Methods for participating at meetings by shareholders and the exercise of voting rights" is posted on the company's internet site www.impregilo.it (in the "Corporate Governance - Shareholders' meetings" section).

Article **12)** of the by-laws establishes that meetings can take place in Italy and not necessarily at the registered office. Ordinary meetings are called every year within one hundred and twenty days of the reporting date and, at the very latest, within one hundred and eighty days if the legal conditions for doing so are met. Ordinary and extraordinary meetings are also called whenever the board of directors deems it suitable and when provided for by law. Pursuant to article **14)** of the by-laws, shareholders with the right to intervene at meetings may appoint a representative with a written proxy in accordance with the law. The meeting chairperson checks the correctness of the proxies and the participants' right to intervene at meetings. Article **15)** of the by-laws establishes that both ordinary and extraordinary meetings should be constituted and resolve in accordance with the law. Sections 4 and 13 of this report set out the conditions for electing directors and statutory auditors.



Article **16**) of the by-laws states that the documentation issued for participation at the meeting held on first call is also valid for other calls and that meetings are to be called by inclusion of an advertisement setting out the information required by the current regulations within the legally-required timeframe:

- on the company's internet site;
- when necessary due to a compulsory order or as decided by the directors, in the Italian Official Journal or in the newspaper *Il Corriere della Sera*;
- the other methods provided for by the ruling pro tempore regulations.

Shareholders may inform the company of their proxies by sending the document to the e-mail address indicated in the notice. The by-laws do not require that the shares, for which the communication pursuant to article 2370.2 of the Italian Civil Code is required, remain unavailable until the meeting has been held, nor do they allow voting by post or on-screen or video link-up. With respect to the meeting held on 27 April, 28 May and 12/17 July 2012, pursuant to article 135-undecies of the Consolidated Finance Act, the company appointed a Designated representative to which the shareholders may give proxies with voting instructions for all or some of the matters on the agenda. Pursuant to articles **17**), **18**) and **19**) of the by-laws, the meeting is chaired by the chairperson of the board of directors, or in their absence, by one of the deputy chairpersons. this is not possible, the meeting appoints a chairperson from among the directors or shareholders present. The meeting chairperson has full powers for the checking of shareholders' rights to participate, the correctness of the proxies, that the meeting is regularly constituted and sufficiently attended to take resolutions, the management and chairing of discussions and to establish voting methods. The meeting appoints a secretary who does not have to be a shareholder and, if necessary, two tellers from the shareholders and statutory auditors. Resolutions are documented in the minutes which are written into the minutes book, signed by the chairperson, secretary and the tellers, if appointed. When the minutes are written by a notary, they are subsequently copied into the minutes book.

The Issuer's by-laws do not provide that the meetings have to approve specific actions taken by the directors. As described in section 4.3 of this report, the by-laws give the board of directors the power to approve the set up or closing of branches in Italy or abroad, the reduction of share capital when shareholders withdraw, the amendment of the by-laws to comply with mandatory legal requirements, the transfer of the registered office within Italy, mergers of subsidiaries which are wholly-owned or of which the Issuer holds at least 90% of their share capital as long as these transactions comply with articles 2505 and 2505-*bis* of the Italian Civil Code.

During the year, the shareholder Salini S.p.A. requested that a shareholders' meeting be called on 12 and 17 July 2012 with the following agenda: (i) removal of the directors in office; (ii) election of a board of directors, after determining their term of office; (iii) election of the chairperson of the board of directors; (iv) determination of the fee due to the board of directors, informing the market with the report prepared by the shareholder pursuant to article 125-ter of the Consolidated Finance Act within the terms provided by the applicable regulations.

In their ordinary meeting of 8 May 2001, the shareholders approved the "Rules for shareholders' meetings" (available on the internet site www.impregilo.it, in the "Corporate Governance - Shareholders' meeting" section), drawn up using the format proposed by Assonime. Their scope is to ensure the orderly carrying out of meetings with respect to each shareholder's fundamental right to request clarifications about matters on the agenda, to express its opinion and make proposals.

These rules set out the methods used to ensure each shareholder's right to take part in discussions about the matters on the agenda.



Nine directors took part in the shareholders' meeting held on 27 April 2012, ten attended the meeting of 28 May 2012 and 13 attended the meetings of 12 and 17 July 2012. The board of directors reported to the shareholders about the activities both carried out and planned for the future in the meetings. It took the necessary steps to ensure that the shareholders receive adequate information about the matters in order to be able to make informed decisions. None of the shareholders asked the chairperson of the remuneration committee to report on how the committee works.

In accordance with current by-laws requirements, changes in the Issuer's market capitalisation during the year did not impair the exercise of actions or privileges designed to protect the minority shareholders.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES (article 123-bis.2.a) of the Consolidated Finance Act)

17.1. THE CORPORATE GOVERNANCE ADVISORY BOARD

On 30 July 2012, the board of directors set up the corporate governance advisory board (the "board") which is responsible for analysing the existing corporate governance structure and subsequently to propose any changes to be made to the board of directors. The board provides proposals and opinions to the board of directors and each committee, assisted by independent experts, so that the corporate governance rules are in line with best practices, especially the by-laws and internal regulations and procedures, starting with the Related party transactions procedure, the management of any conflicts of interest and protection of minorities.

The board members are Francesco Carbonetti (as coordinator) and the directors Marina Brogi, Giuseppina Capaldo and Massimo Tezzon.

During the year, the board prepared reports for the board of directors on: (i) the methods to negotiate and define the strategic commercial and organisational collaboration agreement between Impregilo S.p.A. and Salisuni Costruttori S.p.A. of 27 September 2012 (see section 17.2), (ii) the attestation that the procedure indicated by it was adopted to negotiate such strategic agreement; indeed the board issued its favourable opinion on the strategic agreement, and (iii) the related party transactions procedure.

17.2. THE STRATEGIC AGREEMENT

On 25 September 2012, the board of directors approved the Strategic Agreement, which was signed on 27 September 2012.

Under the terms of this Strategic Agreement, Impregilo group and Salini group have commenced a collaboration strategy aimed at exploiting opportunities to increase value and revenue of both groups and to achieve cost savings thanks to operating and industrial synergies.

The Strategic Agreement sets out procedures for the coordination of the two organisations, taking into account the single group companies' characteristics, their structure and size, in order to:

- (a) identify, assess and propose to the relevant bodies of each of the Parties how to take advantage of possible commercial and industrial synergies;
- (b) identify commercial projects covering infrastructure and large-scale works of potential interest to both Parties and regulate their participation in the related tenders, i.e., with the joint preparation and presentation of bids.



The Strategic Agreement does not cover the sale and/or acquisition of business units and/or equity investments, or mergers and/or demergers, or the sale, transfer and/or licensing of intellectual property rights or know-how, which each Party will continue to own separately. Nor does the Strategic Agreement imply a division of the markets/countries in which the Parties carry out or will carry out their activities independently or jointly. It does not stop them from independently undertaking new commercial initiatives in these markets/countries, within the terms of the Agreement itself.

Conversely and without prejudice to each Party's commitment to comply with the coordination procedures set out therein and its aim, the Strategic Agreement does not generate any obligation for the Parties, except to the extent that specific decisions in this respect may be adopted independently from time to time by the relevant company bodies.

The Strategic Agreement, consisting of the simple adoption of procedures designed to define a collaboration method, does not in itself entail the transfer of resources, services or obligations between related parties. Moreover, with respect to its provisions (see point (b)), the related party transactions procedure, approved by Impregilo's board of directors on 30 November 2010, implementing Consob regulation adopted with resolution no. 17221 of 12 March 2010 and revised by it on 9 July 2012, specifically provides that "*for the purposes of this Procedure, the participation of the company and/or Impregilo group together with one or more related parties in public tenders called to construct large-scale works (construction, engineering and plant construction, concessions) is not considered to be a related party transaction*".

However, Impregilo's board of directors has deemed it appropriate to adopt specific measures to prevent conflicts of interest that could arise as a result of implementation of the Agreement and negotiation of its terms, given that certain Impregilo directors, and specifically its CEO, have similar roles in Salini group companies.

Specifically, the procedure applied to define the Agreement was based on the guidelines set out in the corporate governance advisory board's opinion, issued on 6 September 2012. The board recommended, inter alia, that an independent director (Pietro Guindani) be in charge of coordinating the negotiations for the Agreement, assisted by a legal advisor. It also recommended that the provisions of the Related party transactions procedure be adopted and, specifically, those covering negotiations for more important related party transactions.

Impregilo's related party transactions committee, and especially the chairperson, Alberto Giovannini, was involved in the negotiations and provided its favourable opinion on 25 September 2012. Only one director from the minority list, Giuseppina Capaldo, voted against.

The corporate governance advisory board also monitored compliance with the recommended procedure and checked that the content of the Strategic Agreement provided adequate guarantees (not just in procedural terms but also in substance). It provided its favourable opinion thereon on 27 September 2012 with the adverse vote of just one director from the minority list, Giuseppina Capaldo.

18. CHANGES SINCE YEAR END

No changes in the company's corporate governance structure have taken place since year end.



List of positions held in other companies listed on regulated markets (also foreign), in financial companies, banks, insurance companies or significant size companies (these companies are not part of the issuer's group)

Directors	Company	Position
Claudio Costamagna	ADVISE ONLY SIM S.p.A.	Chairperson
	LUXOTTICA GROUP S.p.A.	Director
	IL SOLE 24 ORE S.p.A.	Director
	DEA CAPITAL S.p.A.	Director
	VIRGIN GROUP HOLDING	Director
	FTI CONSULTING INC.	Director
Pietro Salini	SALINI COSTRUTTORI S.p.A.	CEO
	SALINI S.p.A.	CEO
	TODINI COSTRUZIONI GENERALI S.p.A.	CEO
Marina Brogi	BANCO DI DESIO DELLA BRIANZA S.p.A.	Director
	PRELIOS S.p.A.	Director
	A2A S.p.A.	Director
Giuseppina Capaldo	EXOR S.p.A.	Director
Mario Cattaneo	UBI BANCA S.C.P.A.	Member of the Supervisory Board
	LUXOTTICA GROUP S.p.A.	Director
	BRACCO S.p.A.	Director
	MICHELIN ITALIANA S.A.M.I. S.p.A.	Statutory auditor
Roberto Cera	ATLANTIA S.p.A.	Director
	SALINI S.p.A.	Director
	TODINI COSTRUTTORI GENERALI S.p.A.	Director
	SALINI COSTRUTTORI S.p.A.	Director
Laura Cioli	none	
Massimo Ferrari	none	
Alberto Giovannini	UNIFORTUNE ASSET MANAGEMENT SGR S.p.A.	Director
	UNIFORTUNE INVESTMENT MANAGEMENT Ltd	Director
	MTS S.p.A.	Director
	PRELIOS NETHERLANDS N.V.	Director
	PRELIOS GERMANY GmbH	Director
	DTCC DERIVATIVES REPOSITORY LTD	Director
Pietro Guindani	VODAFONE OMNITEL N.V.	Chairperson
	PIRELLI & C. S.p.A.	Director
Claudio Lautizi	SALINI S.p.A.	Director
Geert Linnebank	INDEPENDENT TELEVISION NEWS	Director
Laudomia Pucci	EMILIO PUCCI S.R.L.	Director
	PITTI IMMAGINE S.R.L.	Director
	POLIMODA S.R.L.	Director
Giorgio Rossi Cairo	SOCIETÀ AGRICOLA LA RAIA S.S.	Chairperson
	VALUE PARTNERS MANAGEMENT CONSULTING S.p.A.	Chairperson and CEO
	FOREVER S.R.L.	Sole director
	VP IMMOBILIARE S.R.L.	Sole director
	VALUE PARTNERS S.R.L.	Sole director
	SOCIETÀ E SALUTE S.p.A.	Director
	FABER S.p.A.	Director
Simon Pietro Salini	IMPREBANCA S.p.A.	Deputy Chairperson
	SALINI COSTRUTTORI S.p.A.	Director
	SALINI S.p.A.	Director

Directors who have left office

Directors	Company	Position
Massimo Ponzellini	INA ASSITALIA S.p.A.	Deputy chairperson
	IST. EUROPEO DI ONCOLOGIA	Director
	B.E.I.	Honorary deputy chairperson
Giovanni Castellucci	ATLANTIA S.p.A.	CEO and general manager
	AUTOSTRADAL PER L'ITALIA S.p.A.	CEO
	AUTOSTRADAL SUD AMERICA S.r.l.	CEO
	IGLI S.p.A.	Director
Antonio Talarico	FINADIN Finanziaria di Investimenti S.p.A.	Chairperson
	MARINA DI LOANO S.p.A.	Chairperson
	FONDIARIA-SAI S.p.A.	Deputy chairperson and member of the executive committee
	IMMOBILIARE LOMBARDA S.p.A.	Deputy chairperson and member of the executive committee
	SAIAGRICOLA S.p.A.	Deputy chairperson
	MILANO ASSICURAZIONI S.p.A.	Director and member of the executive committee
	SAI INVESTIMENTI Società di Gestione del Risparmio S.p.A.	Director
IGLI S.p.A.	Director	
Alberto Rubegni	none	
Carlo Buora	ISTITUTO EUROPEO DI ONCOLOGIA S.r.l.	Chairperson
	CENTRO CARDIOLOGICO MONZINO S.p.A.	Chairperson
	PENTAR S.p.A.	Deputy chairperson
Alfredo Cavanenghi	S.I.A.S. S.p.A.	Statutory auditor
Fabio Cerchiai	FONDIARIA-SAI S.p.A.	Chairperson
	MILANO ASSICURAZIONI S.p.A.	Chairperson
	ATLANTIA S.p.A.	Chairperson
	MOTORWAYS PER L'ITALY S.p.A.	Chairperson
	ARCA VITA S.p.A.	Chairperson
	ARCA ASSICURAZIONI S.p.A.	Chairperson
	CERVED S.p.A.	Chairperson
	EDIZIONE S.r.l.	Director
	VENETO BANCA S.C.P.A.	Director
Nicola Fallica	none	
Beniamino Gavio	AURELIA S.r.l.	CEO
	SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	Director
Marcello Gavio	AURELIA S.r.l.	CEO
	ASTM S.p.A.	Deputy chairperson
Maurizio Maresca	HOLCIM (ITALIA) S.p.A.	Chairperson
Giuseppe Piaggio	SOCIETÀ ITALIANA TRAFORO MONTE BIANCO	Deputy chairperson
	MEDITERRANEA DELLE ACQUE S.p.A.	Deputy chairperson
	ATLANTIA S.p.A.	Director
	AUTOSTRADAL PER L'ITALIA S.p.A.	Director
	FONDAZIONE CRT	Director
	COGNE ACCIAI SPECIALI S.p.A.	Chairperson of the board of statutory auditors
Massimo Pini	ADR ADVERTISING S.p.A.	Chairperson
	FONDIARIA SAI S.p.A.	Deputy chairperson
	MILANO ASSICURAZIONI S.p.A.	Director and member of the executive committee



(continued)

Directors who have left office

Directors	Company	Position
Alberto Sacchi	ASTM S.p.A.	CEO
	SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	CEO
	SOCIETÀ AUTOSTRADA LIGURE TOSCANA p.A.	Director and member of the executive committee
Giacomo Valle	nessuna	
Fabrizio Palenzona	GEMINA S.p.A.	Chairperson
	UNICREDIT S.p.A.	Deputy chairperson
Gian Maria Gros-Pietro	ASTM S.p.A.	Chairperson
	CALTAGIRONE S.p.A.	Director
	EDISON S.p.A.	Director
	FIAT S.p.A.	Director
Nigel W Cooper	IVS GROUP S.p.A.	Director
	PARMALAT S.p.A.	Director
	UNIBET PLC	Director
	METRO INTERNATIONAL S.A.	Director
Barbara Poggiali	FALCK RENEWABLES S.p.A.	Director
	SCREEN SERVICE BROADCASTING TECHNOLOGIES S.p.A.	Director
Alfredo Scotti	LINKIESTA S.p.A.	Chairperson
	CREDITO LOMBARDO VENETO S.p.A.	Director
	SOCIETA' E SALUTE S.p.A.	Director
Roland Berger	RCS MEDIAGROUP S.p.A.	Deputy Chairperson
	BAD HOMBURG	Chairperson of the supervisory board
	PRIME OFFICE REIT-AG	Chairperson of the supervisory board
Alberto Giussani	EI TOWERS S.p.A.	Chairperson
	VITTORIA ASSICURAZIONI S.p.A.	Chairperson of the board of statutory auditors
	FASTWEB S.p.A.	Director
	CARLO TASSARA S.p.A.	Director
	ISTIFID S.p.A.	Director
	LUXOTTICA S.p.A.	Statutory auditor
Caterina Bima	FALCK RENEWABLES S.p.A.	Statutory auditor
	BANCA FIDEURAM S.p.A.	Director
	LEASINT S.p.A.	Director



PROPOSAL TO THE SHAREHOLDERS OF IMPREGILO S.p.A.

Dear shareholders,

The separate financial statements of Impregilo S.p.A., prepared for your approval, show a profit for the year of euro 738,605,865.78, which we propose be allocated as follows:

- euro 36,930,293.29, equal to 5% of the profit for the year, to the legal reserve;
- euro 599,662,326.13 as a dividend to the holders of ordinary shares, equal to euro 1.49 per share;
- euro 2,575,092.65 as a dividend to the holders of savings shares, equal to euro 1.594 per share;
- to set the ex-dividend date as 20 May 2013 and the payment date as 23 May 2013;
- euro 99,438,153.71 to be carried forward.

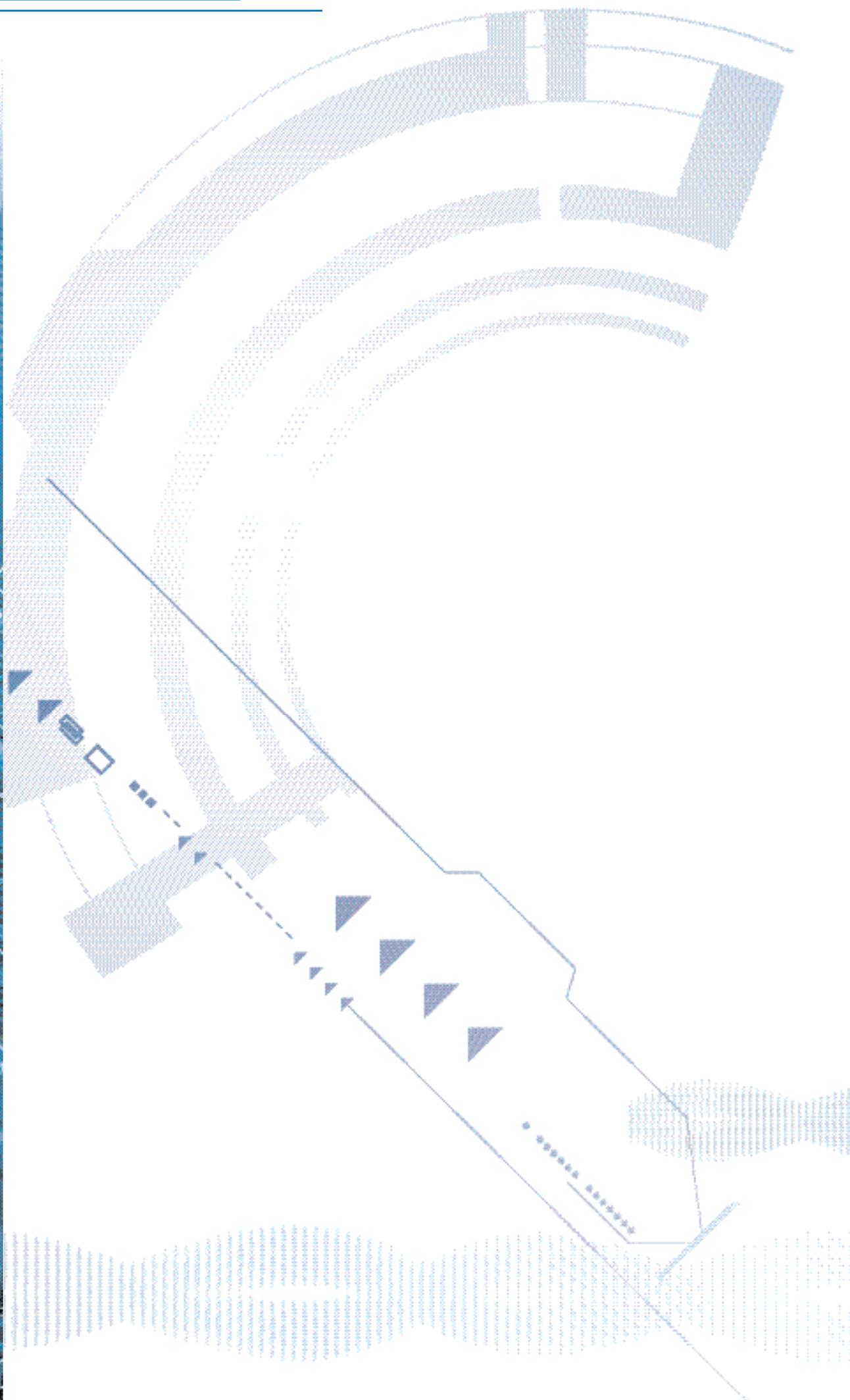
On behalf of the board of directors

Chairperson

Claudio Costamagna

(signed on the original)







CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/000)

ASSETS	Note	31 December 2012	31 December 2011
Non-current assets			
Property, plant and equipment	1	298,777	381,587
Intangible assets - Rights to infrastructure under concession	2	12,818	309,665
Other intangible assets	3	34,043	51,679
Goodwill	4	30,390	76,743
Equity investments	5	62,637	47,492
Non-current financial assets (*)	6	16,335	9,827
Non-current intragroup loans and receivables	7	10,892	14,971
Other non-current assets	8	42,700	51,946
Deferred tax assets	9	105,484	88,660
Total non-current assets		614,076	1,032,570
Current assets			
Inventories	10	95,376	93,890
Contract work in progress	11	864,368	757,779
Trade receivables	12	809,180	792,993
Current intragroup loans and receivables	12W	253,685	218,140
Derivatives and other current financial assets (*)	13	11,681	4,743
Current tax assets	14	67,253	68,175
Other current tax assets	14	80,579	76,795
Other current assets	15	296,268	255,126
Cash and cash equivalents (*)	16	1,243,086	678,389
Total current assets		3,721,476	2,946,030
Non-current assets held for sale	17	307,588	568,383
Total assets		4,643,140	4,546,983

(*) Items included in net financial position (indebtedness).

(Euro/000)

EQUITY AND LIABILITIES	Note	31 December 2012	31 December 2011
Equity			
Share capital		718,364	718,364
Share premium reserve		1,222	1,222
Other reserves		12,482	30,428
Retained earnings		466,227	328,151
Profit for the year		602,659	177,394
Equity attributable to the owners of the parent		1,800,954	1,255,559
Non-controlling interests		4,851	6,928
Total equity	18	1,805,805	1,262,487
Non-current liabilities			
Bank and other loans (*)	19	138,549	65,098
Bonds (*)	20	148,840	416,022
Finance lease payables (*)	21	40,028	53,556
Non-current derivatives (*)	22	5,200	5,453
Post-employment benefits and employee benefits	23	20,234	19,084
Deferred tax liabilities	9	46,507	25,198
Provisions for risks	24	98,285	137,300
Other non-current liabilities	25	2,601	12,627
Total non-current liabilities		500,244	734,338
Current liabilities			
Current portion of bank loans and current account facilities (*)	19	235,211	625,500
Current portion of bonds (*)	20	113,689	43,946
Current portion of finance lease payables (*)	21	22,785	8,897
Derivatives and other current financial liabilities (*)	22	65	1,628
Progress payments and advances on contract work in progress	26	844,440	750,712
Trade payables	27	731,484	680,513
<i>of which: related parties</i>	37	<i>22,090</i>	
Current intragroup payables	27	87,115	47,384
Current tax liabilities	28	52,630	42,916
Other current tax liabilities	28	16,603	30,084
Other current liabilities	29	233,069	228,808
<i>of which: related parties</i>	37	<i>18,343</i>	
Total current liabilities		2,337,091	2,460,388
Liabilities directly associated with non-current assets held for sale	17	-	89,770
Total equity and liabilities		4,643,140	4,546,983

(*) Items included in net financial position (indebtedness).



CONSOLIDATED INCOME STATEMENT

(Euro/000)

	Note	2012	2011 ^(§)
Revenue			
Operating revenue	32	2,200,382	1,812,092
Other revenue	32	80,609	66,077
Total revenue		2,280,991	1,878,169
Costs			
Raw materials and consumables	33	(340,119)	(265,015)
Subcontracts	33	(545,916)	(301,156)
Other operating expenses	33	(915,501)	(834,503)
Personnel expenses	33	(397,785)	(324,096)
Amortisation, depreciation, provisions and impairment losses	33	(107,148)	(25,003)
<i>of which: related parties</i>	37	<i>(18,063)</i>	
<i>of which: non-recurring</i>		<i>-</i>	<i>50,000</i>
Total costs		(2,306,469)	(1,749,773)
Operating profit (loss)		(25,478)	128,396
Financing income (costs) and gains (losses) on investments			
<i>Financial income</i>	34	<i>40,925</i>	<i>24,149</i>
<i>Financial expense</i>	34	<i>(75,032)</i>	<i>(83,693)</i>
<i>Net exchange rate gains</i>	34	<i>3,387</i>	<i>257</i>
Net financing costs		(30,720)	(59,287)
<i>of which: related parties</i>	37	<i>(420)</i>	<i>-</i>
Net gains on investments	35	1,431	3,828
Net financing costs and net gains on investments		(29,289)	(55,459)
Profit (loss) before tax		(54,767)	72,937
Income tax expense	36	(59,270)	(12,819)
Profit (loss) from continuing operations		(114,037)	60,118
Profit from discontinued operations	17	717,036	119,671
Profit for the year		602,999	179,789
Profit for the year attributable to:			
Owners of the parent		602,659	177,394
Non-controlling interests		340	2,395
Earnings (loss) per share			
<i>From continuing and discontinued operations</i>			
<i>Basic</i>	40	<i>1.49</i>	<i>0.44</i>
<i>Diluted</i>	40	<i>1.49</i>	<i>0.44</i>
<i>From continuing operations</i>			
<i>Basic</i>	40	<i>(0.28)</i>	<i>0.14</i>
<i>Diluted</i>	40	<i>(0.28)</i>	<i>0.14</i>

(§) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)

		2012	2011
Profit for the year (a)		602,999	179,789
Change in the translation reserve	18	(22,404)	(18,044)
Net gains (losses) on cash flow hedges, net of the tax effect	18	252	(884)
Other comprehensive income related to equity-accounted investees	18	745	244
Other comprehensive expense (b)		(21,407)	(18,684)
Total comprehensive income (a) + (b)		581,592	161,105
Total comprehensive income attributable to:			
Owners of the parent		582,170	160,322
Non-controlling interests		(578)	783



CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)

	Note	2012	2011 ⁽⁸⁾
Cash and cash equivalents	16	678,389	878,817
Current account facilities	19	(102,448)	(138,102)
Total opening cash and cash equivalents		575,941	740,715
Operating activities			
Profit (loss) for the year from continuing operations		(114,037)	60,118
Amortisation of intangible assets	33	1,371	334
Amortisation of rights to infrastructure under concession	33	695	606
Depreciation of property, plant and equipment	33	107,689	61,047
Net impairment losses and provisions	33	(2,607)	(36,983)
Accrual for post-employment benefits and employee benefits	33	18,082	13,958
Net (gains) losses on the sale of assets		4,945	(2,851)
Deferred taxes	36	2,632	(5,896)
Share of loss of equity-accounted investees	35	(1,359)	(3,182)
Other non-monetary items		3,106	(12,290)
Total income statement		20,517	74,861
Decrease (increase) in inventories		(105,552)	(8,159)
Decrease (increase) in trade receivables		(35,082)	1,502
Decrease (increase) in intragroup loans and receivables		(36,003)	(78,798)
(Decrease) increase in progress payments and advances from customers		89,864	28,730
(Decrease) increase in trade payables		65,721	(110,438)
(Decrease) increase in intragroup payables		39,728	4,285
Decrease (increase) in other assets/liabilities		(55,623)	26,586
<i>of which: cash flows from related party transactions</i>	37	<i>(13,101)</i>	
Total operating cash flows		(36,947)	(136,292)
Cash flows used in operating activities		(16,430)	(61,431)



(Euro/000)

	Note	2012	2011 ^(S)
Investing activities			
Net investments in intangible assets	2 - 3	(1,374)	(1,629)
Acquisitions, net of cash acquired		-	950
Investments in property, plant and equipment	1 - 17	(71,777)	(124,296)
Proceeds from the sale or reimbursement value of property, plant and equipment		15,667	15,827
Investments in non-current financial assets	5	(14,822)	(8,042)
Dividends and capital repayments from equity-accounted investees	5	1,033	644
Proceeds from the sale or reimbursement value of non-current financial assets		118	15
Cash flows used in investing activities		(71,155)	(116,531)
Financing activities			
Share capital increase	18		
Dividend distribution to Impregilo shareholders		(36,641)	(24,567)
Dividend distribution to other shareholders		(720)	(1,265)
Increase in bank and other loans		329,936	377,941
Decrease in bank and other loans		(630,484)	(299,492)
Change in other financial assets/liabilities		(23,825)	(5,773)
Cash flows from (used in) financing activities		(361,734)	46,844
Net cash flows from (used in) discontinued operations	17	1,033,040	(28,623)
Net exchange rate losses on cash and cash equivalents		(511)	(5,033)
Increase (decrease) in cash and cash equivalents		583,210	(164,774)
Cash and cash equivalents	16	1,243,086	678,389
Current account facilities	19	(83,935)	(102,448)
Total closing cash and cash equivalents		1,159,151	575,941
Other information:			
Income taxes paid during the year		(37,994)	(37,229)
Net interest paid during the year		(70,055)	(79,927)

(S) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17



STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	Note	Share capital	Share premium reserve	Other reserves	
				Consolidation reserve	Legal reserve
(Euro/000)					
As at 1 January 2011	18	718,364	1,222	1,375	10,820
Allocation of profit and reserves	18				7,894
Dividend distribution	18				
Other changes	18			(1,375)	
Allocation of stock options	18				
Dividend distribution to non-controlling interests					
<i>Profit for the year</i>	<i>18</i>				
<i>Other comprehensive expense</i>	<i>18</i>				
<i>Total comprehensive income</i>	<i>18</i>	-	-	-	-
As at 31 December 2011	18	718,364	1,222	-	18,714
As at 1 January 2012	18	718,364	1,222	-	18,714
Allocation of profit and reserves	18				2,803
Dividend distribution	18				
Other changes	18				
Dividend distribution to non-controlling interests	18				
<i>Profit for the year</i>	<i>18</i>				
<i>Other comprehensive expense</i>	<i>18</i>				
<i>Total comprehensive income</i>	<i>18</i>	-	-	-	-
As at 31 December 2012	18	718,364	1,222	-	21,517

Other reserves			Total other reserves	Retained earnings	Profit for the year	Equity attributable to owners of the parent	Non-controlling interests	TOTAL EQUITY
Translation reserve	Stock option reserve	Hedging reserve						
34,094	42	(5,568)	40,763	230,792	128,445	1,119,586	7,410	1,126,996
			7,894	120,551	(128,445)	-		-
			-	(24,567)		(24,567)		(24,567)
			(1,375)	1,375		-		-
	218		218			218		218
			-			-	(1,265)	(1,265)
			-		177,394	177,394	2,395	179,789
(15,618)		(1,454)	(17,072)			(17,072)	(1,612)	(18,684)
(15,618)	-	(1,454)	(17,072)	-	177,394	160,322	783	161,105
18,476	260	(7,022)	30,428	328,151	177,394	1,255,559	6,928	1,262,487
18,476	260	(7,022)	30,428	328,151	177,394	1,255,559	6,928	1,262,487
			2,803	174,591	(177,394)	-		-
			-	(36,641)		(36,641)		(36,641)
	(260)		(260)	126		(134)	(118)	(252)
			-			-	(1,381)	(1,381)
			-		602,659	602,659	340	602,999
(20,758)		269	(20,489)			(20,489)	(918)	(21,407)
(20,758)	-	269	(20,489)	-	602,659	582,170	(578)	581,592
(2,282)	-	(6,753)	12,482	466,227	602,659	1,800,954	4,851	1,805,805



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Impregilo group has prepared its 2012 consolidated financial statements on a going concern basis. As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union at 31 December 2012. They comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and these notes.

The consolidated financial statements have been prepared using the historical cost principle, except for those items which are recognised at fair value in accordance with the IFRS, as described in the section on "Accounting policies". The carrying amounts of assets and liabilities, hedged with transactions which qualify for hedge accounting, are adjusted to reflect changes in fair value related to the hedged risks.

The statement of financial position, income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity are presented in Euros, the functional currency, and the amounts are shown in thousands of Euros, unless stated otherwise.

CHANGES IN STANDARDS

The basis of consolidation, the translation criteria applied to translate foreign currency financial statements, the accounting policies, measurement criteria and estimates adopted by the group are consistent with those used to prepare the consolidated financial statements at 31 December 2011, except for that set out below for the standards and amendments applied after 1 January 2012 as they have become mandatory following completion of the related endorsement procedures by the relevant authorities.

On 7 October 2010, the IASB published certain amendments to *IFRS 7 - Financial instruments: disclosures*. The amendments aim at improving the understanding of transfers of financial assets and the possible effects of any risks retained by the transferring entity. Greater disclosure is necessary when a large number of these transfers take place near the end of a reporting period. The amendments were published in the EU Official Journal on 23 November 2011 and are applicable to annual periods beginning on or after 1 July 2011. Application of these amendments did not affect the group's consolidated financial statements.

On 20 December 2010, the IASB issued the document "Deferred tax: recovery of underlying assets (Amendments to IAS 12)". The current version of IAS 12 requires that an entity assess the recoverability of deferred tax assets based on its judgment about the possible use or sale of assets. In order to ensure the simplified application of this document, the IASB introduced a presumption for investment property, assets recognised as plant and machinery and intangible assets recognised or remeasured at fair value. This presumption provides that deferred tax assets shall be fully recovered through sale, unless it is clearly shown that recovery can take place through use.

The amendment to IAS 12 also entails withdrawal of SIC 21 Income taxes - Recovery of revalued non-depreciable assets.

The document was published in the EU Official Journal on 29 December 2012 and is applicable to annual periods beginning on or after 1 January 2012.

The following standards, amendments and interpretations will be applied after 31 December 2012 and the group has not adopted them early.



On 12 November 2009, the IASB issued the first part of *IFRS 9 - Financial instruments*, which will replace *IAS 39 - Financial instruments: recognition and measurement*. This part covers the classification of financial instruments and is part of a three-phase project. The next parts will cover how to determine impairment of financial assets and application of hedge accounting, respectively. Issue of the new standard, designed to simplify and reduce the complexity of recognising financial instruments, provides for the classification of financial instruments into three categories which the group will define based on its business model, contractual terms and the related cash flows of the instruments.

On 28 October 2010, the IASB issued new requirements for the recognition of financial liabilities. They will be integrated into IFRS 9 to complete the classification and measurement phase as part of the project to replace IAS 39.

On 16 December 2011, the IASB published the *Mandatory effective date and transition disclosures* (amendment to IFRS 9 and IFRS 7), which postpones the application date for IFRS 9 from 1 January 2013 to 1 January 2015. However, the standard may still be applied early.

On 12 May 2011, the IASB issued IFRS 10, IFRS 11 and IFRS 12 and amendments to IAS 27 and IAS 28. The main changes covered:

- *IFRS 10 - Consolidated financial statements*

This standard replaces SIC 12 Consolidation - Special purpose entities (SPE) and certain parts of IAS 27 - Consolidated and separate financial statements. The new standard identifies control as the basis for consolidation and provides guidelines to check its existence. This is not a new provision, but it better clarifies the concept of control.

- *IFRS 11 - Joint arrangements*

This standard replaces IAS 31 - Interests in joint ventures and SIC 13 - Jointly controlled entities - Non-monetary contributions by venturers. It defines the criteria for the identification of joint arrangements and how they should be accounted for based on the rights and obligations arising from the contract, regardless of its legal form. The new standard provides for different recognition depending on whether the transaction is a joint operation or a joint venture. It eliminates the possibility to treat the same types of arrangements differently and, vice versa, defines a single model based on the contractual rights and obligations.

- *IFRS 12 - Disclosure of interests in other entities*

The standard sets out the disclosures to be provided about any type of interest in other entities, including joint arrangements, associates, special purpose entities and other entities not included in the financial statements.

Its aim is to provide information to allow users of financial statements to best understand the nature of risks associated with interests in strategic entities (qualified or not) which the entity intends to hold on to for the medium to long-term.

- *IAS 27 - Separate financial statements*

The standard defines how investments in subsidiaries, associates and joint ventures should be treated in the separate financial statements. The standard has been amended following the changes introduced by IFRS 10 and IFRS 11.

- *IAS 28 - Investments in associates and joint ventures*

The standard defines how investments in associates and joint ventures should be treated. The standard has been amended following the changes introduced by IFRS 10 and IFRS 11.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 were published in the EU Official Journal on 29 December 2012. Their latest application date is the start of the first annual period beginning on or after 1 January 2014.



On the same date, the IASB issued IFRS 13 - *Fair value measurement*, which clarifies in one standard how fair value should be determined and its use in the different measurement contexts set out in the IFRS.

The standard was published in the EU Official Journal on 29 December 2012 and is applicable to annual periods beginning on or after 1 January 2013.

On 16 June 2011, the IASB issued an amendment to IAS 1 - *Presentation of financial statements*. This amendment requires the grouping of statement of comprehensive income items depending on whether they can be subsequently reclassified to profit or loss. The amendment was published in the EU Official Journal on 6 June 2012 and is applicable to annual periods beginning on or after 1 July 2012.

On the same date, the IASB published the revised IAS 19 - *Employee benefits*, which eliminates the corridor approach, requiring presentation of the plan deficit or surplus in its entirety in the statement of financial position and the recognition of the service cost and net interest expense in profit or loss. Actuarial gains and losses arising on remeasurement of the liabilities and assets are recognised under other comprehensive income (expense). Changes in the assets and liabilities for the period should be recognised in other comprehensive income. Moreover, the return on plan assets recognised in net financial expense should be measured using the liability's discount rate rather than that of the expected return. The amendment also requires additional disclosures to be provided in the notes. The revised standard was published in the EU Official Journal on 6 June 2012 and is applicable to annual periods beginning on or after 1 January 2013. Early adoption is allowed.

On 16 December 2011, the IASB published an amendment to IAS 32 - *Offsetting Financial Assets and Financial Liabilities* to clarify the rules for offsetting financial assets and liabilities. The amendment clarified that:

- the right of set-off shall exist at the reporting date instead of being contingent on a future event;
- this right shall be legally enforceable by the counterparties during the normal course of business or in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The amendment was published in the EU Official Journal on 29 December 2012. It is applicable retrospectively to annual periods beginning on or after 1 January 2014.

On the same date, the IASB published an amendment to IFRS 7 - *Disclosures - Offsetting financial assets and financial liabilities* to introduce new disclosures in order to allow users of financial statements to assess the effects of offsetting. The disclosure relates to enforceable master netting arrangements and similar arrangements. The amendment was published in the EU Official Journal on 29 December 2012. It is applicable retrospectively to annual periods beginning on or after 1 January 2013.

Except for IFRS 11, adoption of the above amendments will not have significant effects on the group's consolidated financial statements. In-depth assessments are still underway, including by the relevant authorities and technical bodies, with respect to the adoption of IFRS 11, considering the potential effects that the new standard may have on the consolidated financial statements of entities like Impregilo S.p.A. which hold significant investments, directly and indirectly, in jointly controlled entities. The group is currently assessing this issue with utmost attention, in collaboration with the above-mentioned technical bodies.



LIBYA

Impregilo is active in Libya through its subsidiary Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), in which it has a 60% interest. The other shareholder is Libyan.

In the past, the subsidiary had acquired important contracts for the construction of:

- infrastructural works in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- a new Conference Hall in Tripoli.

With respect to the political upheaval in Libya from February 2011 to the date of this Report, it should be noted that the subsidiary has always acted in accordance with the contractual terms and the investments made up until the deterioration of the country's political situation are fully covered by the contractually provided for advances.

The works covered by the contracts agreed by the Libyan subsidiary are works of national interest which are currently expected to be continued. It is clear that there is considerable doubt about the subsidiary's effective ability to carry out the contracts compared to the forecasts made before the crisis exploded. Accordingly, Impregilo does not expect to develop its revenue in this country in the near future.

The group commenced the procedures necessary to restart industrial activities during the year 2012, even though the local situation continues to be complicated and full security conditions are not guaranteed. However, it resumed commercial and contractual relations with the customers to open up the building sites again and restore the financial conditions originally provided for in the related contracts. During the 2012 the group obtained access to more precise information about the figures that impact its consolidated financial statements. As a result, Impregilo updated the carrying amount of the Libyan subsidiary's assets, liabilities, revenue and expense in its consolidated financial statements in line with its accounting policies, based on the information gathered during the year and the valuations performed by the subsidiary's independent legal advisors. Compared to the situation presented in the group's 2011 consolidated financial statements, which was based on the latest available figures at 31 March 2011, the subsidiary's net assets have been impaired by approximately euro 26.1 million to reflect the above events in relation to contract work in progress. These losses were included in contract work in progress as the group deems them recoverable considering the renewed contacts with customers. Net cash and cash equivalents held in Libya decreased by roughly euro 10.1 million due to costs incurred locally in the period from 31 March 2011 to the end of 2012.

In early 2013, the group carried out a physical count of the plant, machinery and supplies for the main building sites, recognised at euro 29.9 million, although complete access to all the sites where the assets are held was not possible for safety reasons. Given that any additional costs that may arise following completion of the count would be covered by the customers as per the contractual terms for force majeure, as also assessed by the legal advisors assisting the subsidiary, the group does not believe that any new significant risks will arise from the above valuations with respect to the recovery of the company's net assets, thanks in part to the actions taken and requests and claims presented to the customer.

The group is monitoring the situation closely and it cannot be excluded that events which cannot currently be foreseen may take place after the date of preparation of this Annual Report that would require changes to the assessments made to date.



NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Based on information that came to light in previous years and in accordance with the group's consultants, the group had decided that the conditions for application of IFRS 5 - Non-current assets held for sale and discontinued operations continued to exist in the 2011 annual financial statements. Therefore, it recognised the USW Campania project net assets and operations separately in the statement of financial position and income statement.

Due to reasons outside Impregilo's control, the period for completion of the sale has extended beyond the year allowed by IFRS 5. Despite this, the group's commitment to finalising the sale as described in the Directors' report remains unchanged. Therefore, the directors have not deemed it necessary to change the accounting treatment of the assets in question as provided for in IFRS 5.9.

Moreover, during 2012, the conditions for classification of EcoRodovias group's assets as non-current assets held for sale and discontinued operations were met. The reasons for this classification as per IFRS 5 are explained in the introduction to the section on the notes to the statement of financial position.

FORMAT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The group's consolidated financial statements include the financial statements of the parent, Impregilo S.p.A., and the Italian and foreign operating companies controlled directly or indirectly by Impregilo S.p.A..

The financial statements at 31 December 2012 approved by the internal bodies of the consolidated companies have been used for consolidation purposes.

The financial statements are prepared by adopting the parent's accounting policies. Where necessary, consolidation adjustments are made to make the items affected by different accounting policies consistent.

A list of the companies and other Impregilo group entities included in the consolidation scope is set out in the annexes with the schedules showing changes therein during the year.

Format of the consolidated financial statements

The group opted to present its consolidated financial statements at 31 December 2012 in line with previous years as follows:

- Current and non-current assets and current and non-current liabilities are presented separately in the consolidated statement of financial position. Current assets and liabilities are those expected to be realised, sold, used or settled in the group's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used or settled after the group's normal operating cycle, i.e., more than twelve months after the reporting date.
- The consolidated income statement gives a classification of costs by nature and shows the profit or loss before "Financing income (costs) and gains (losses) on investments" and income taxes. The profit or loss from continuing operations, the profit or loss from discontinued operations and the profit or loss attributable to non-controlling interests and that attributable to the owners of the parent are also presented.
- The consolidated statement of comprehensive income shows all non-owner changes in equity.
- The consolidated statement of cash flows presents the cash flows from operating, investing and financing activities separately. The indirect method is used.



BASIS OF CONSOLIDATION

The consolidated financial statements have been prepared by consolidating the financial statements at 31 December 2012 of Impregilo S.p.A., the parent, and the Italian and foreign companies which the parent directly or indirectly controls.

Control exists when the group has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Generally speaking, control is presumed to exist when the group holds more than half of the voting rights either directly or indirectly.

Entities or companies over which Impregilo has joint control, by virtue of an investment therein or specific contractual arrangements, are consolidated using the proportionate method as established by IAS 31.

Investments in associates are measured using the equity method.

The financial statements used for consolidation are modified (made consistent) and reclassified to comply with the group's accounting policies in line with the currently applicable IFRS.

The financial statements used are expressed in the functional currency, being the local currency or another currency in which most of the economic transactions and assets and liabilities are denominated. The functional currency for the parent's foreign branches is the Euro as this is the main currency they use to operate.

Financial statements expressed in currencies other than the Euro are translated into Euros by applying the closing rates to the statement of financial position items and the average annual rates to the income statement items, as these approximate the spot rates.

Differences arising from the translation of the opening equity using the closing rates and from the translation of assets and liabilities at the spot rate and the income statement items at the average annual rate are taken to the translation reserve.

The exchange rates used to translate the foreign currency financial statements into Euros are as follows:

Currency	31.12.2012 closing rate	2012 average	31.12.2011 closing rate	2011 average
Argentina - ARS	6.48641	5.84032	5.56769	5.74525
Brazil - BRL	2.7036	2.50844	2.4159	2.32651
Chile - CLP	631.729	624.801	671.997	672.54
China - CNY	8.2207	8.10523	8.1588	8.996
Colombia - COP	2331.23	2309.61	2510.57	2569.9
Libya - LYD	1.66508	1.61407	1.62823	1.71654
Nigeria - NGN	206.104	204.051	208.165	216.901
Panama - PAB	1.3194	1.28479	1.2939	1.39196
Peru - PEN	3.36777	3.39012	3.48747	3.83386
UK - GBP	0.8161	0.810871	0.8353	0.867884
Dominican Republic - DOP	53.1206	50.361	50.0217	52.9068
USA - USD	1.3194	1.28479	1.2939	1.39196
Switzerland - CHF	1.2072	1.20528	1.2156	1.23261
Venezuela - VEF	6.98411	6.878158306	5.55682	5.9779

When an investment in a consolidated entity is sold, the accumulated gain or loss recognised in equity is released to profit or loss.



The consolidation criteria used to prepare these consolidated financial statements may be summarised as follows:

- subsidiaries are consolidated on a line-by-line basis, whereby:
 - a) assets and liabilities, costs and revenue shown in the subsidiaries' financial statements are fully recognised, regardless of the size of the investment therein;
 - b) the carrying amount of the investment is eliminated against the group's share of its equity;
 - c) the main transactions between consolidated entities, including dividends distributed among group companies, are eliminated;
 - d) non-controlling interests are shown separately under equity and their share of the profit or loss for the year is similarly shown separately in the income statement.
- Investments in associates are measured using the equity method whereby the carrying amount of the investment is adjusted to consider:
 - e) the parent's share of the profits or losses of the associate realised after the acquisition date;
 - f) modifications arising from changes in equity of the associate that are not taken to profit or loss as per the relevant IFRS;
 - g) dividends distributed by the associates;
 - h) any greater value paid at acquisition (measured using the same criteria set out in the section on "Business combinations") and managed pursuant to the relevant standard;
 - i) the share of the profit or loss deriving from application of the equity method, which is taken to profit or loss;
 - j) standardisation to comply with the group accounting policies, where necessary.
- Interests in joint ventures are consolidated using the proportionate method whereby the proportionate amount of the assets, liabilities, costs and revenue of the financial statements of the joint ventures are recognised.

Dividends, revaluations and impairment losses on investments in consolidated companies, gains and losses on the intragroup exchange of investments in consolidated entities are eliminated.

Gains and losses arising from transactions between consolidated companies, which are not realised directly or indirectly through transactions with third parties, are eliminated. Unrealised intragroup losses are recognised when the transaction shows an impairment of the transferred asset.

BUSINESS COMBINATIONS

Business combinations are recognised using the acquisition method set out in IFRS 3 (revised in 2008). Accordingly, the consideration for a business combination is measured at fair value, being the sum of the fair value of the assets acquired and liabilities assumed or incurred by the group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. Transaction costs are recognised in profit or loss when incurred.

The contingent consideration, included as part of the transfer price, is measured at acquisition-date fair value. Any subsequent changes in fair value are recognised in profit or loss.

The identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair value.



Goodwill is measured as the difference between the aggregate of the consideration transferred, the amount of any non-controlling interests (NCI) and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree and the net fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

NCI can be measured at fair value or at their proportionate share of the fair value of the net assets of the acquiree at the acquisition date. The measurement method is decided on a transaction by transaction basis.

Business combination achieved in stages (step acquisition)

In the case of step acquisitions, the group's existing investment in the acquiree is measured at fair value on the date that control is obtained. Any resulting adjustments to previously recognised assets and liabilities are recognised in profit or loss. Therefore, the previously held investment is treated as if it had been sold and reacquired on the date that control is obtained.

Transactions involving NCI

Changes to the investment percentage of a subsidiary that does not entail loss of control are treated as equity transactions. Therefore, any differences between the acquisition price and the related share of equity in subsequent acquisitions of investments in entities already controlled by the group are recognised directly in equity. With respect to partial disposals of an investment in a subsidiary while control is retained, any gain or loss is recognised in equity.

BASIS OF PREPARATION

The accounting policies adopted to draw up the group's consolidated financial statements at 31 December 2012 comply with the IFRS and are consistent with those used to prepare the 2011 consolidated financial statements, except for the standards enacted after 1 January 2012, summarised in the section on the "Changes in standards".

ACCOUNTING POLICIES

Property, plant and equipment

Impregilo group has opted to recognise property, plant and equipment at purchase or production cost net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	0%
Buildings	3%
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%



Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continued use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be immediately available for sale and their sale shall be highly probable (i.e., the related commitments already exist). Their sales value shall be reasonable compared to their fair value.

Assets acquired as a result of business combinations are recognised at fair value at the acquisition date and remeasured within a year. Such amount reflects their purchase cost.

After their initial recognition, they are measured at cost, depreciated over their estimated useful lives and shown net of any impairment losses.

When an asset consists of different significant components with different useful lives, they are recognised and subsequently measured separately.

The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount will not be recovered. Reference should be made to the section on "Impairment of non-financial assets" for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the group has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset to a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from determination of the amount to be capitalised.

Capitalisation of borrowing costs is suspended during periods in which active development is interrupted.

Moreover, capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Leased property, plant and equipment

Assets held under finance leases whereby all the risks and rewards of ownership are substantially transferred to the group are recognised as group assets and classified as property, plant and equipment. The related payable to the lessor is shown under financial liabilities. The lease payment is split into the financial expense, taken to the income statement, and the principal repayment, offset against the financial liability.



The carrying amount of the leased asset is determined considering its fair value or, if lower, the present value of the minimum future lease payments.

The depreciation method and subsequent measurement are consistent with those applied to non-leased assets.

Leases where the lessor retains all the risks and rewards of ownership are treated as operating leases. The initial negotiation costs incurred for this type of lease increase the value of the related lease and are recognised over the lease term netted against the revenue generated by the lease. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Rights to infrastructure under concession

These rights are covered by IFRIC 12 - Service concession arrangements, issued by the International Financial Reporting Interpretations Committee (IFRIC), which regulates the recognition and measurement of concession arrangements between public sector entities and private sector operators. It was endorsed by the European Commission with EC regulation 254/2009 dated 25 March 2009 and its application is mandatory for financial statements drawn up under IFRS beginning from the year after which it was endorsed. Therefore, Impregilo group has applied IFRIC 12 since 2010.

The criteria adopted by the group to apply the interpretation to its concessions are set out below.

Scope and measurement

Scope: IFRIC 12 is applicable to service concession arrangements when the grantor is a public body and the operator is a private entity, when the following conditions are met:

- (a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- (b) the grantor controls – through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Measurement of the revenue arising from the concession arrangement: the operator acts as the service provider (construction and management of the work) and recognises the revenue for the construction and upgrade services in accordance with IAS 11 - Construction contracts and the revenue from management of the infrastructure in line with IAS 18 - Revenue.

The grantor pays the operator a consideration for the construction/upgrade services, to be recognised at fair value, which may consist of rights to:

- (a) a financial asset (financial asset model);
- (b) an intangible asset (intangible asset model).

The first model is applicable when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. The second is applicable when the operator acquires the right to charge for use of a public sector asset that it constructs or upgrades. The amounts are contingent on the extent to which the public uses the service (demand risk).

The concession arrangements to which Impregilo group is party, thanks to the operators consolidated on a line-by-line or proportionate basis, fall under the intangible asset model. The financial asset model is applicable to certain associates, measured at equity.



Recognition of the intangible asset: the intangible asset is recognised during construction of the infrastructure. The main identified cases are as follows:

- a. *arrangements that cover the construction of a new infrastructure;* the operator recognises the intangible asset in line with the stage of completion of the construction project. During construction, the operator recognises revenue and costs in line with IAS 11 - Construction contracts.
- b. *arrangements that cover management of an existing infrastructure and its extension or upgrading against which the operator acquires specific additional financial benefits;* the operator recognises an increase in the intangible asset as the construction services are provided for these construction and/or upgrade services to be recognised under IAS 11 - Construction contracts.
- c. *arrangements that cover management of an existing infrastructure and specific obligations to extend or upgrade it against which the operator does not acquire specific additional financial benefits;* at initial recognition, the operator recognises a liability equal to the present value of the forecast outlay for the construction services to be provided in the future with, as a balancing item, an additional component of the intangible asset for the contract consideration, which begins to be amortised.

Contractual obligations for the infrastructure's efficiency levels: given that the operator does not meet the requirements for recognition of the infrastructure as "Property, plant and equipment", the accounting treatment differs depending on the nature of the work carried out and can be split into two categories: (i) work related to normal maintenance of the infrastructure; (ii) replacement and scheduled maintenance at a future date.

The first category relates to normal ordinary maintenance of the infrastructure, the cost of which is recognised in profit or loss when incurred, also under IFRIC 12. Given that the interpretation does not provide for the recognition of the physical asset but of a right, the second category is recognised in line with IAS 37 - Provisions, contingent liabilities and contingent assets, which requires: (i) recognition of an accrual to a provision in profit or loss; and (ii) recognition of a provision for charges in the statement of financial position.

Amortisation of the intangible asset: amortisation of the intangible asset recognised for the rights acquired under the concession arrangement is calculated in line with paragraph 97 of IAS 38 - Intangible assets: "The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used".

Goodwill and intangible assets with indefinite lives

Goodwill and other intangible assets with indefinite lives are recognised at cost net of impairment losses.

At 31 December 2012, Impregilo group did not have any intangible assets with indefinite lives other than goodwill.

Goodwill acquired as part of a business combination is measured as the difference between the aggregate of the acquisition-date fair value of the consideration transferred, the amount of any NCI and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill deriving from acquisitions is not amortised. It is tested annually for impairment or whenever conditions arise that presume impairment as per IAS 36 - Impairment of assets.



For impairment testing purposes, goodwill acquired as part of a business combination is allocated at the acquisition date to each of the cash-generating units (or groups of cash-generating units - CGU) that will benefit from the acquisition. The carrying amount of goodwill is monitored at cash-generating unit level for internal management purposes.

Impairment is determined by defining the recoverable amount of the cash-generating unit (or group of units) to which the goodwill is allocated. When the recoverable amount of the CGU (or group of CGUs) is lower than the carrying amount, an impairment loss is recognised. When goodwill is allocated to a CGU (or group of CGUs), the asset of which has been partly disposed of, the goodwill allocated to the disposed of asset is considered to determine any gain or loss deriving from the transaction. In this case, the transferred goodwill is measured using the amounts related to the disposed of asset compared to the asset still held by the unit.

Other intangible assets

Other intangible assets purchased or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably. Those assets with finite useful lives are measured at purchase or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on "Impairment of non-financial assets".

The excess of the purchase cost compared to the group's share of the net fair value of the high capacity business units acquired in the past is classified as other intangible assets and mainly refers to acquisition costs of the business units purchased. The related amortisation is calculated in line with the stage of completion and duration of the work.

Other non-current assets

Other non-current assets mainly consist of loans and receivables and claims related to completed or nearly completed contracts and companies in liquidation when their liquidation plan provides for the realisation of the assets after twelve months from the reporting date.

These assets are measured at their estimated realisable value, by recognising allowances to adjust their carrying amount accordingly. Claims are only recognised for the amounts matured and that part which is held to be reasonably recoverable. The estimated realisable value is discounted if the time value of money is material depending on when settlement is expected to take place.

Impairment of non-financial assets

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill is tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the group could obtain by disposing of the asset.

Value in use is determined by discounting to present value the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life. Discounting is applied by using a post-tax discount rate which reflects the present market value of the time value of money and specific risks.



The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit). An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/amortisation that would have been recognised had the impairment loss not been recognised.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value.

Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the asset or similar assets.

Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract work in progress and revenue from construction contracts

Contract work in progress consists of work performed net of progress billings issued to customers. When final payment of the consideration is made, the related progress billings and advances are recognised under "Operating revenue" in the income statement, with the related variation in inventories. The provision for contractual risks directly offsets inventories and is set up to cover possible charges and losses on contracts performed either directly by the group or as part of a joint venture.

Contract work in progress is measured considering the consideration agreed with the customer and the stage of completion of the work.

Revenue related to contract work in progress is recognised using the stage of completion method.

The stage of completion is determined using the cost to cost method whereby the percentage of completion (the ratio between costs incurred and total estimated costs) is applied to the total estimated revenue.

Given the technical complexity, size and length of time involved in completing contracts, the additional considerations are measured before an agreement is reached with the customer. Claims for additional considerations are considered when measuring contract work in progress when they can be quantified and they are reasonably certain to be made.

In the case of events that take place after the reporting date but before the financial statements are approved, which provide additional information about expected profits or losses on the contract, this additional information is considered when determining the contractual revenue or costs to be incurred to complete the contract and for the recognition of any profits or losses.

When it is probable that total contract costs will exceed total contract revenue, the loss to complete the contract is recognised as an expense immediately.

The contract costs, included in the cost to cost calculation, may be classified as:

- pre-operating costs, which include costs incurred during the start-up stage of the contract, before construction starts, such as the costs of design and specific studies carried out for the contract; organisation and production start-up costs and building site start-up costs. These pre-operating costs are included in the stage of completion calculation and in the cost to cost calculation once they have been incurred. During the initial stage of the contract, they are included in the carrying amount of contract work in progress, if recoverable, without recognising any profit margin when the contract profit or loss cannot be reliably estimated;



- contract operating costs, which include those directly attributable to the contract (eg, materials, subcontracting, labour, amortisation and depreciation, compulsory purchases, any directly attributable borrowing costs, etc.). They are recognised on an accruals basis and included in the calculation of the stage of completion;
- post-operating costs, which include site dismantlement costs generally incurred after the contract has been closed to remove the installations (or entire sites) and to return the machinery or plant to the group's premises or transfer them to another site. This category also includes losses on abandoned materials and the cost of transporting unused materials. They are included in the contract estimate and, therefore, if incurred during the contract term, they are comprised in the calculation of the progress billings. Therefore, no specific accruals are made to the income statement;
- costs for services to be rendered after completion of the contract, which mainly relate to services rendered after the contract has been completed. They may include assistance and supervision provided in the early stages of use of the plant or scheduled maintenance. If the contract does not include specific additional considerations for these services and the contract may be "closed" for accounting purposes (contracts are usually closed once work is completed and the customer has accepted the end result), the costs to be incurred to render these services when the contract is closed in the accounting records should be estimated and provided for in the specific items. These costs are included in the calculation to determine the contract revenue.

Real estate projects

Closing inventories of real estate projects are those real estate areas developed with a view to selling them. They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid to purchase the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.

Financial assets and liabilities

Measurement and presentation of financial instruments are covered by IAS 39 and IAS 32, respectively. The group introduced the disclosure required by IFRS 7 in 2007.

The financial instruments used by the group are classified as follows: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets or financial liabilities at fair value through profit or loss

This category includes derivatives that do not meet hedge accounting requirements.

Fair value gains or losses on derivatives in this category are recognised as "Financing income (costs)" in profit or loss when they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are measured at amortised cost, as detailed further on, and any gains or losses arising therefrom are recognised as "Financing income (costs)" in profit or loss under the amortised cost method.



This category includes the following items:

- **Trade receivables and payables and other receivables and payables**

Trade and other receivables are recognised at amortised cost, net of impairment losses determined on the basis of their estimated recoverable amount calculated by analysing each position and the total non-collection risk.

If the collection date is postponed and exceeds normal collection times for the sector, these receivables are discounted.

All factored receivables that do not meet the requirements for derecognition under IAS 39 continue to be recognised in the group's consolidated financial statements even when they have been legally transferred. They are thus included as assets and a financial liability of the same amount is recognised.

Trade and other payables are recognised at amortised cost, allocating interest to the income statement based on the effective interest rate, being the rate that exactly discounts estimated future cash payments through to the carrying amount of the related asset.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

- **Loans and bonds**

Loans and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

The effects arising from the recognition at amortised cost are taken to "Financing income (costs)".

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the group has the positive intention and ability to hold to maturity. They are recognised at amortised cost and interest accrued thereon is taken to profit or loss under "Financial income" using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are not classified in the other categories. They include the following items:

- **Equity investments**

Investments in entities other than subsidiaries, associates and interests in joint ventures (reference for which should be made to the section on "Consolidation scope") are classified as "Equity investments" at the time of their acquisition and are included in the available-for-sale financial assets category required by IAS 39.



Since they mainly relate to consortia and consortium companies of which the group holds less than 20%, in accordance with IAS 39, such investments are stated as non-current assets measured at cost, adjusted for impairment, since their fair value cannot be determined.

Investments in listed companies belonging to this category are measured at fair value and the related fair value gains or losses are recognised in equity. Material or prolonged decreases in their fair value that are evidence of impairment are transferred from equity to profit or loss and offset against the relevant reserve.

Dividend income from such financial instruments is recognised in profit or loss under financial income when the group companies holding the investments are given the right to such dividend.

Fair value of financial instruments

The fair value of financial instruments has been estimated as follows:

- The fair value of financial instruments traded on an active market is based on the market price at the reporting date. This method has been applied especially to listed financial instruments classified as "Available-for-sale financial assets" and financial instruments classified as "Held-to-maturity investments".
- The fair value of the derivatives classified as "Hedging derivatives" and "Financial assets and financial liabilities at fair value through profit or loss" has been measured using the Discounted Cash Flow Model. With respect to interest rate swaps, future cash flows have been estimated using the implicit forward rate of the market Euro curve at 31 December 2012 and 2011, while the forward exchange rate market prices at the relevant reporting date have been used for currency forward transactions.
- The fair value of loans and receivables has been determined, for disclosure purposes in the notes, on the basis of the present value of their future cash flows discounted at a rate equal to the current interest rates applicable in the relevant markets and the average spread agreed by the group.

Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

- (i) the contractual rights to the cash flows from the financial asset expire;
- (ii) the group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;
- (iii) the group transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the group has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the group could be required to pay.



(b) Financial liabilities

Financial liabilities are derecognised when the underlying obligation is discharged, cancelled or expires.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

Impairment of financial assets

If there is any indication that a financial asset is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

Derivatives and hedging transactions

Impregilo group has derivatives recognised at fair value when the related agreement is signed and for subsequent fair value changes. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting are met, as described below.

Impregilo group has derivatives to hedge currency and financial risks. At the inception of the transaction, it documents the hedging relationship, its risk management and strategy objectives in entering into the transaction, the hedging instrument and hedged item or transaction and the nature of the hedged risk. Moreover, at the inception of the transaction and thereafter on an ongoing basis, the group documents whether or not the hedge meets the effectiveness requirements to offset its exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.

Based on the above-mentioned documentation, derivatives used for specific hedging purposes are classified and recognised as follows:

(a) Fair value hedges - If a derivative is designated as a hedge of exposure to changes in the fair value of an asset or liability due to a specific risk that may affect profit or loss, the gain or loss deriving from the subsequent measurement of the fair value of the hedging instrument is taken to profit or loss. The gain or loss on the hedged item, related to the hedged risk, changes the carrying amount of this item and is taken to profit or loss.

(b) Cash flow hedges - If a derivative is designated as a hedge of exposure to changes in cash flows of an asset or liability or a highly probable transaction and could affect profit or loss, the effective part of the gains or losses on the financial instrument is taken to equity. The cumulative gain or loss is derecognised from equity and taken to profit or loss in the same period in which the hedged transaction is recognised. The gain or loss related to a hedge or part of a hedge which has become ineffective is taken to profit or loss immediately. If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, the cumulative gains and losses, recognised in equity up to then, are reclassified to profit or loss when the transaction takes place. If it is unlikely the hedged transaction will take place, the unrealised gains and losses recognised in equity are immediately recognised in profit or loss.

“Hedging purposes” are assessed in strategic terms. When they do not meet the requirements of IAS 39 for hedge accounting, the derivatives are classified as “Financial assets or financial liabilities at fair value through profit or loss”.



Employee benefits

- Short-term and long-term benefits

Short-term employee benefits, that is, payable within twelve months of the end of the year in which the employees rendered the service, are recognised as a cost and as a liability for the undiscounted amount of benefits expected to be paid in exchange for that service. Long-term benefits, such as remuneration to be paid after twelve months of the end of the year in which the employees rendered the service, are recognised as liabilities for an amount equal to the present value of the benefits at the reporting date.

- Post-employment benefits

Post-employment benefits are recognised at the actuarial value of the group's liability determined in line with ruling legislation and national and in-house labour agreements. The actuarial method, based on demographic, financial and turnover assumptions, is applied by independent actuaries. The related gains and losses are taken to profit or loss as costs or revenue.

The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

- Share-based payments

The group has adhered to the guidelines of IFRS 2 - Share-based payment.

Share-based payments are measured at fair value of the option at the grant date. This amount is recognised in the income statement on a straight-line basis over the vesting period. This treatment is based on an assessment of the stock options that will effectively vest in favour of the qualifying employees. Fair value is determined using the Black-Scholes model.

Income taxes

Current taxes are provided for using the tax rates and applying the tax laws ruling in Italy and other countries in which the group operates, based on the best estimate of the taxable profit for the year.

Group companies net tax assets and liabilities when this is legally allowed.

Beginning from 2004, the parent, Impregilo S.p.A., and certain of its Italian subsidiaries have joined the national tax consolidation system, which is regulated by the conditions set out in agreements drawn up by the participating companies.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and their carrying amount in the statement of financial position. Deferred tax assets are recognised when the group holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the



liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted at company level if related to taxes that may be compensated. If the balance is positive, it is recognised as "Deferred tax assets", if not, as "Deferred tax liabilities".

Taxes that could arise from the transfer of undistributed profits by subsidiaries are only calculated when the subsidiary has the positive intention to transfer such profits.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

Provisions for risks and charges

In accordance with IAS 37, the group makes accruals to provisions for risks and charges when the following conditions exist:

- the group or a group company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value of money is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (ie, forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the parent or relevant group company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

Translation criteria for foreign currency items and translation of financial statements of consolidated companies or companies measured using the equity method expressed in currencies other than the Euro

The translation criteria for foreign currency items adopted by the group are as follows:

- foreign currency monetary assets and liabilities, excluding property, plant and equipment, intangible assets and equity investments measured at cost are measured at the closing spot rate with any exchange rate gains or losses taken to the income statement;
- property, plant and equipment and intangible assets (non-monetary assets) are recognised at historical cost denominated in the foreign currency and translated using the historical exchange rate;
- revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the date of the transaction;
- any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

With respect to the translation of financial statements of consolidated companies or companies measured using the equity method and expressed in currencies other than the presentation currency (functional currency), reference should be made to the section on "Consolidation criteria".

The group has applied IAS 29 - Financial reporting in hyperinflationary economies for its subsidiaries and associates that prepare their



financial statements in a functional currency of a hyperinflationary economy. This standard requires that the financial statements of an entity, whose functional currency is that of a hyperinflationary economy, be translated at the closing spot rate. The statement of financial position items not yet translated into Euros at the reporting date are redetermined using a general price index. All the income statement items are translated into Euros at the exchange rate ruling on the date the revenue and costs were initially recognised.

Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;
- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition;
- subject only to terms that are usual and customary for sales of such assets, and
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell.

The results of discontinued operations are disclosed separately in the income statement. As required by IFRS 34 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are restated accordingly.

Revenue recognition

- Operating and other revenue

Revenue is measured to the extent it is probable that the economic benefits will flow to the group and the related amount can be determined reliably.

Revenue from the sale of goods is recognised when the group has shipped the goods and has transferred all the material risks and rewards of ownership to the buyer. Revenue from construction contracts is recognised as provided for in the related Standard, described below.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the reporting date based on the ratio of the costs incurred up to the reporting date to the total estimated contract costs, unless this is held to not represent the stage of completion of the contract.

Changes in the contract, claims and incentive payments are recognised to the extent that they are reasonably certain.

Revenue is recognised only to the extent of contract costs incurred that it is probable will be recovered. Contract costs are recognised as an expense in the year in which they are incurred.



- Interest income

Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, ie, the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

- Dividends

Dividends are recognised when the investors' right to receive payment arises in line with local ruling legislation.

Earnings per share

Basic earnings per share are calculated as the ratio of the profit or loss for the year attributable to the holders of the ordinary shares of the parent to the weighted number of ordinary shares outstanding during the year. Diluted earnings per share are calculated considering the potential diluting effect of the shares to be allocated to the beneficiaries of vested stock options when calculating the number of outstanding shares.

Operating segments

The operating segments comply with the reporting system provided to group management which is in charge of allocating the resources and assessing the results obtained by the segments. The group's management and organisational structure reflects the business segments, which are Construction, Engineering & Plant Construction, Concessions and USW Campania projects.

The intrasegment transfer prices related to the exchange of goods and services are agreed at normal market conditions.

Significant accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgments and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the "Property, plant and machinery", "Leased property, plant and equipment", "Rights to infrastructure under concession" and "Other intangible assets" paragraphs of the "Accounting policies" section);
- recognise impairment losses (see the "Impairment of non-financial assets" paragraph of the "Accounting policies" section);
- recognise employee benefits (see the "Employee benefits" paragraph of the "Accounting policies" section);
- recognise taxes (see the "Income taxes" paragraph of the "Accounting policies" section);
- recognise provisions for risks and charges (see the "Provisions for risks and charges" paragraph of the "Accounting policies" section);
- determine total contract costs and the related stage of completion (see the "Contract work in progress and revenue from construction contracts" paragraph of the "Accounting policies" section). A significant part of the group's activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the group may incur during performance of such contracts.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report which gives an analysis of the risk areas of each segment.



SEGMENT REPORTING

The operating segments identified by the group in accordance with IFRS 8 are Construction, Concessions, Engineering & Plant Construction and USW Campania projects.

Impregilo S.p.A. heads the Construction business segment, which encompasses all projects relating to the construction of large-scale infrastructure, such as dams, hydroelectric plants, motorways, railways, metros, underground works, bridges and similar works.

Group activities in the Concessions business segment relate to the management of investments in numerous subsidiaries and other investees, almost entirely abroad, which hold concessions mainly for the management of motorway networks, plants that generate energy from renewable sources, electricity transmission, integrated cycle water systems and the management of non-medical hospital service activities.

The Engineering & Plant Construction segment, headed by FISIA Italimpianti and FISIA Babcock Environment (Germany), includes the operation of plants for the desalination of sea water, fume treatment and waste-to-energy processes, as well as environmental services (contamination clean-up) and urban solid waste (USW) disposal.

The USW Campania projects segment includes the remaining USW disposal projects in the Province of Naples and other provinces in Campania.

Costs incurred for activities carried out at corporate level related to the following are not allocated to the operating segments:

- coordination, control and strategic planning of the group's activities;
- centralised planning and management of human and financial resources;
- management of administrative, tax, legal/corporate and institutional communications requirements;
- administrative, tax and management support to group companies.

Management measures the segments' results by considering their operating profit, which complies with the accounting policies applied to the group's consolidated financial statements. The only items requiring reconciliation are the corporate costs and elimination of intra-segment items.

The segments are measured based on net invested capital.

Disclosures on the group's performance by business segment are set out in the second part of the Directors' report. The consolidated financial statements figures are summarised below by business segment.

The parent's registered office is in Italy. Total revenue earned in Italy and other geographical segments in 2012 and 2011 is shown in the following table "Performance by geographical segment".

Total non-current assets, excluding deferred tax assets, include euro 276.9 million based in Italy.



2012 performance by business segment

(Euro/000)	Construction	Concessions
Operating revenue	1,971,861	16,846
Other revenue	72,098	1,597
Total revenue	2,043,959	18,443
<i>- of which: intrasegment revenue</i>	<i>3,035</i>	<i>315</i>
Costs		
Purchases, sub-contracts and other operating expenses	(1,616,813)	(11,812)
Personnel expenses	(316,708)	(6,431)
Provisions and impairment losses	(3,719)	-
Total costs	(1,937,240)	(18,243)
Gross operating profit (loss)	106,719	200
<i>Gross operating profit (loss) %</i>	<i>5.2%</i>	<i>1.1%</i>
Amortisation and depreciation	(105,801)	(805)
Operating profit (loss) before non-recurring items	918	(605)
<i>Return on Sales</i>	<i>0.0%</i>	<i>n.a.</i>
Non-recurring items		
Operating profit (loss)	918	(605)
Financing income (costs) and gains (losses) on investments		
Financial income		
Financial expense		
Net exchange rate gains		
Share of profit (loss) of equity-accounted investees	89	1,271
Other items of net gains on investments		
Net financing costs and net gains on investments		
Loss before tax		
Income tax expense		
Loss from continuing operations		
Profit (loss) from discontinued operations	-	720,717
Profit for the year		

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
213,127	2	(1,454)	-	2,200,382
8,826	198	(2,110)	-	80,609
221,953	200	(3,564)	-	2,280,991
<i>214</i>		<i>(3,564)</i>		-
(150,880)	(1,348)	2,485	(23,168)	(1,801,536)
(45,913)	(696)	1,079	(29,116)	(397,785)
(1,302)	-		7,628	2,607
(198,095)	(2,044)	3,564	(44,656)	(2,196,714)
23,858	(1,844)	-	(44,656)	84,277
10.7%	<i>n.a.</i>			3.7%
(3,099)	(5)		(45)	(109,755)
20,759	(1,849)	-	(44,701)	(25,478)
9.4%	<i>n.a.</i>			<i>n.a.</i>
20,759	(1,849)	-	(44,701)	(25,478)
			40,925	40,925
			(75,032)	(75,032)
			3,387	3,387
(1)	-	-	-	1,359
			72	72
			(30,648)	(29,289)
				(54,767)
			(59,270)	(59,270)
				(114,037)
	(3,681)	-		717,036
				602,999



2011 performance by business segment

(Euro/000)	Construction	Concessions (\$)
Operating revenue	1,564,520	14,854
Other revenue	53,610	1,588
Total revenue	1,618,130	16,442
<i>- of which: intrasegment revenue</i>	<i>3,806</i>	<i>272</i>
Costs		
Purchases, sub-contracts and other operating expenses	(1,157,369)	(11,316)
Personnel expenses	(247,116)	(5,637)
Provisions and impairment losses	6,097	(1,308)
Total costs	(1,398,388)	(18,261)
Gross operating profit (loss)	219,742	(1,819)
<i>Gross operating profit (loss) %</i>	<i>13.6%</i>	<i>n.a.</i>
Amortisation and depreciation	(58,230)	(696)
Operating profit (loss) before non-recurring items	161,512	(2,515)
<i>Return on Sales</i>	<i>10.0%</i>	<i>n.a.</i>
Non-recurring items		
Operating profit (loss)	161,512	(2,515)
Financing income (costs) and gains (losses) on investments		
Financial income		
Financial expense		
Net exchange rate gains		
Share of profit of equity-accounted investees	1,608	1,574
Other items of net gains on investments		
Net financing costs and net gains on investments		
Profit before tax		
Income tax expense		
Profit from continuing operations		
Profit from discontinued operations		49,272
Profit for the year		

(\$) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17.

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
234,539	-	(1,821)	-	1,812,092
11,783	1,353	(2,257)	-	66,077
246,322	1,353	(4,078)	-	1,878,169
-	-	(4,078)	-	-
(218,330)	(2,960)	2,943	(13,642)	(1,400,674)
(49,453)	(771)	1,135	(22,254)	(324,096)
(15,539)	(2,000)		(265)	(13,015)
(283,322)	(5,731)	4,078	(36,161)	(1,737,785)
(37,000)	(4,378)	-	(36,161)	140,384
<i>n.a.</i>	<i>n.a.</i>			7.5%
(3,011)	(5)	-	(46)	(61,988)
(40,011)	(4,383)	-	(36,207)	78,396
<i>n.a.</i>	<i>n.a.</i>			4.2%
			50,000	50,000
(40,011)	(4,383)	-	13,793	128,396
			24,149	24,149
			(83,693)	(83,693)
			257	257
	-	-	-	3,182
			646	646
			(58,641)	(55,459)
				72,937
			(12,819)	(12,819)
				60,118
	70,399			119,671
				179,789



Consolidated statement of financial position as at 31 December 2012 by business segment

(Euro/000)	Construction
Total non-current assets	599,198
Assets held for sale, net	
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	(50,613)
Net tax assets	
Working capital	244,800
Net invested capital	793,385
Other information	
Total increase in non-current assets	70,970
Increase in non-current assets held for sale	
Amortisation and depreciation	(105,801)
Impairment losses recognised in profit or loss	(3,719)

Consolidated statement of financial position as at 31 December 2011 by business segment

(Euro/000)	Construction
Total non-current assets	623,213
Assets held for sale, net	
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	(37,530)
Net tax assets	
Working capital	292,508
Net invested capital	878,191
Other information	
Total increase in non-current assets	123,632
Increase in non-current assets held for sale	
Amortisation and depreciation	(58,275)
Impairment losses recognised in profit or loss	6,097



Concessions	Engineering & Plant Construction	USW Campania projects	Eliminations and unallocated items	Total
78,117	49,691	791	(289,132)	438,665
186,386		121,202		307,588
37,437	(7,642)	(30,432)	(16,278)	(67,528)
			137,576	137,576
29,606	134,108	13,322	933	422,769
331,546	176,157	104,883	(166,901)	1,239,070
790	1,376	-		73,136
		(411,653)		(411,653)
(805)	(3,099)	(5)	(45)	(109,755)
-	(1,302)	-	7,628	2,607

Concessions	Engineering & Plant Construction	USW Campania projects	Eliminations and unallocated items	Total
464,974	51,934	791	(273,746)	867,166
1,861		476,752		478,613
9,306	(18,874)	(30,432)	(24,564)	(102,094)
			135,432	135,432
36,306	338,142	(268,299)	11,854	410,511
512,447	371,202	178,812	(151,024)	1,789,628
38,168	990			162,790
		59,268		59,268
(22,273)	(3,011)	(5)		(83,564)
(13,008)	(15,540)	(2,000)	49,736	25,285



2012 performance by geographical segment:

(Euro/m)	Italy	Other EU countries	Other European (non-EU) countries	North America
Revenue by geographical segment	522.6	238.8	127.6	77.2

2011 performance by geographical segment:

(Euro/m)	Italy	Other EU countries	Other European (non-EU) countries	North America
Revenue by geographical segment	457.5	181.4	163.5	53.7

(S) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17.



Central and South America	Middle East and Asia	Rest of the world	Eliminations	Total
903.3	239.4	173.6	(1.5)	2,281.0

Central and South America (\$)	Middle East and Asia	Rest of the world	Eliminations	Total
733.6	154.2	134.9	(0.6)	1,878.2



STATEMENT OF FINANCIAL POSITION

Introduction. Application of IFRS 5 to the investment in the jointly controlled EcoRodovias Infraestrutura e Logística S.A. (EcoRodovias) sold to third parties in 2012

As part of the process to dispose of non-core assets and the strategic guidelines of the group's new 2013-2015 business plan approved by the parent's board of directors on 6 December 2012, the group began the transaction to sell its 29.24% investment in EcoRodovias in October 2012. This investment was held by the group company Impregilo International Infrastructures NV (Impregilo International). The sale consisted of three instalments and the last instalment was finalised in January 2013 leading to the entire disposal of the equity investment. It took place as follows:

- (i) on 17 October 2012, Impregilo International accepted the offer made by Banca BTG Pactual (BTG Pactual), received on 16 October 2012, for the acquisition of 3.74% (20,876,413 shares) of EcoRodovias for BRL 16.50 per share (total consideration of BRL 344,460,814), leading to collection of euro 111.1 million, net of the directly related transaction costs;
- (ii) on the same date, Impregilo International and Primav Construções e Comércio S.A. (Primav), the majority shareholder of EcoRodovias group and parent of the Brazilian group at that date with Impregilo International, signed an agreement for the sale of 19% of EcoRodovias (106,152,825 shares) by Impregilo International to Primav and the consequent termination of the shareholder agreements which established joint control over EcoRodovias. The agreement set a consideration of BRL 19.00 per share (total BRL 2,016,903,675 without adjustment and including any dividends distributed and/or to be resolved after the agreement date). Execution of the agreement was deferred and subject to certain conditions precedent which were met at the end of 2012, leading to finalisation of the sale on 27 December 2012 and collection of euro 619.9 million, net of taxes and costs. Before that date, Impregilo International had collected dividends of euro 14.3 million, which were deducted from the sale consideration as contractually provided for;
- (iii) finally, on 11 January 2013, Impregilo International accepted BTG Pactual's offer, received on 10 January 2013, for the acquisition of 6.5% of EcoRodovias (36,315,440 shares). The agreed consideration for the sale was BRL 16.60 per share (total BRL 602,836,304) without adjustment. Given fluctuations in the exchange rate and the net effect of the directly related transaction costs, the sale gave rise to a net gain of euro 187.0 million.

Considering the materiality of the entire transaction, on 31 October 2012 and 26 January 2013, the group published the information documents prepared pursuant to article 71 and Annex 3B (table 3) of the regulation implementing Legislative decree no. 58 of 24 February 1998, adopted by Consob with resolution no. 11971 of 14 May 1999, to which reference should be made for more information.

As a result of the above and in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations, EcoRodovias represents a discontinued operation in the consolidated financial statements of Impregilo group as it is a separate major line of business as defined by IFRS 5.32. Therefore, its 2012 results are shown separately in the income statement and, as required by IFRS 5.34, its 2011 results have been reclassified to the same item of the consolidated financial statements ("Profit from discontinued operations"). EcoRodovias was consolidated on a proportionate basis as part of the Concessions segment.

At 31 December 2012, the remaining 6.5% investment in EcoRodovias held by the group (sold to third parties in January 2013) was firstly recognised in accordance with IAS 31 - Interests in joint ventures at the date of change of control, i.e., with the sale of 19% on 27 December 2012. It was then recognised under IFRS 5 for euro 186.4 million and classified under "Non-current assets held for sale" in the consolidated statement of financial position.



To facilitate a more immediate understanding of the effects of the transaction on the group's financial position at 31 December 2012, presented in the following notes, these effects are disclosed in full, unless specified otherwise, as a change in the consolidation scope for the following main items:

- Property, plant and equipment, rights to infrastructure under concession and other intangible assets;
- Goodwill
- Provisions for risks
- Other assets and other non-current liabilities
- Current and deferred tax assets and liabilities

The changes in working capital items caused by the exit of EcoRodovias from the consolidation scope are immaterial and mainly related to current loans and receivables and payables and other net current assets.

Note 17 provides the following information:

- a breakdown of "Non-current assets held for sale" and "Non-current liabilities directly associated with non-current assets held for sale";
- a breakdown of the "Profit from discontinued operations";
- the restated 2011 income statement;
- the effects on the statement of cash flows.



1 Property, plant and equipment

Property, plant and equipment amount to euro 298.8 million, down from the 31 December 2011 figure by euro 82.8 million. The historical cost and carrying amount are given in the following table:

(Euro/000)	31 December 2012			31 December 2011		
	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	1,621	-	1,621	4,219	-	4,219
Buildings	15,899	(5,314)	10,585	31,863	(5,700)	26,163
Plant and machinery	369,539	(176,319)	193,220	369,168	(124,000)	245,168
Industrial and commercial equipment	58,183	(26,460)	31,723	47,794	(21,800)	25,994
Other assets	130,508	(73,822)	56,686	132,449	(63,468)	68,981
Assets under const. and payments on account	4,942	-	4,942	11,062	-	11,062
Total	580,692	(281,915)	298,777	596,555	(214,968)	381,587

Changes during the year are summarised below:

(Euro/000)	31 December 2011	Increases	Depreciation	(Imp. losses)/ reversals of imp. losses	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	31 December 2012
Land	4,219	-	-	-	253	(34)	(265)	(2,552)	1,621
Buildings	26,163	672	(854)	-	1,152	(4)	(934)	(15,610)	10,585
Plant and machinery	245,168	38,827	(80,159)	(2,131)	5,203	(16,188)	5,421	(2,921)	193,220
Industrial and commercial equipment	25,994	14,878	(9,958)	(121)	3,081	(187)	357	(2,321)	31,723
Other assets	68,981	13,316	(16,717)	-	(4,189)	(4,096)	1,916	(2,525)	56,686
Assets under const. and payments on account	11,062	4,084	-	-	(5,500)	(71)	(515)	(4,118)	4,942
Total	381,587	71,777	(107,688)	(2,252)	-	(20,580)	5,980	(30,047)	298,777

The item "Profit from discontinued operations" (see note 17) includes depreciation of euro 3.8 million related to EcoRodovias.

Prior year changes are as follows:

(Euro/000)	31 December 2010	Increases	Depreciation	(Imp. losses)/ reversals of imp. losses	Reclassifications	Disposals	Exchange rate gains (losses)	Other changes	31 December 2011
Land	4,243	170	-	-	-	(16)	(178)	-	4,219
Buildings	22,994	5,273	(1,680)	-	322	-	(746)	-	26,163
Plant and machinery	178,568	72,567	(43,611)	(273)	24,530	(7,945)	4,021	17,311	245,168
Industrial and commercial equipment	14,606	9,615	(4,519)	-	6,277	(75)	(13)	103	25,994
Other assets	64,852	39,789	(13,472)	-	(24,691)	(4,509)	1,208	5,804	68,981
Assets under const. and payments on account	10,516	6,873	-	-	(6,091)	(430)	194	-	11,062
Total	295,779	134,287	(63,282)	(273)	347	(12,975)	4,486	23,218	381,587

At 31 December 2011, depreciation included euro 10.0 million related to the Brazilian subsidiary EcoRodovias.

The most significant changes include:

- increases of euro 71.8 million, mostly related to capital expenditure for the Construction segment's foreign contracts, especially the hydroelectric plants in Colombia, widening of the Panama Canal and underground infrastructure works in the United Arab Emirates;
- depreciation for the year of euro 107.7 million;
- disposals of euro 20.6 million, including the disposal of assets related to Construction segment contracts being wound up;
- net exchange rate gains of euro 6.0 million, which included the gains of the Construction segment (euro 6.1 million) and the losses of the Engineering & Plant Construction segment (euro 0.1 million).

2 Intangible assets - Rights to infrastructure under concession

This item decreased by euro 296.8 million to euro 12.8 million compared to 31 December 2011. The historical cost and carrying amount are given in the following table:

(Euro/000)	31 December 2012			31 December 2011		
	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Rights to infrastructure under concession	23,837	(11,019)	12,818	465,838	(156,173)	309,665

Changes of the year are detailed in the following table:

(Euro/000)	31 December 2011	Increases	Amortisation	Exchange rate gains (losses)	Change in consolidation scope	31 December 2012
Parking Glasgow	9,594	-	(420)	229	-	9,403
Mercovia - Argentina	3,459	695	(277)	(462)	-	3,415
EcoRodovias - Brazil	296,612	-	-	-	(296,612)	-
Total	309,665	695	(697)	(233)	(296,612)	12,818

The item "Profit from discontinued operations" (see note 17) includes amortisation of euro 18.3 million related to EcoRodovias.

Prior year changes are as follows:

(Euro/000)	31 December 2010	Increases	Amortisation	Exchange rate gains (losses)	Disposals	Change in consolidation scope	31 December 2011
Parking Glasgow	9,705	-	(392)	281	-	-	9,594
Mercovia - Argentina	2,658	1,144	(214)	(129)	-	-	3,459
EcoRodovias - Brazil	312,934	25,796	(17,076)	(25,042)	-	-	296,612
Total	325,297	26,940	(17,682)	(24,890)	-	-	309,665

3 Other intangible assets

Other intangible assets amount to euro 34.0 million, down euro 17.6 million from the 31 December 2011 figure. The historical cost and carrying amount are given in the following table:

(Euro/000)	31 December 2012			31 December 2011		
	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Industrial patents	1,383	(1,369)	14	1,396	(1,377)	19
Software	3,056	(2,098)	958	2,555	(1,790)	765
Contract acquisition costs	46,730	(13,789)	32,941	62,489	(14,175)	48,314
Other	2,789	(2,659)	130	7,764	(5,183)	2,581
Total	53,958	(19,915)	34,043	74,204	(22,525)	51,679

Changes during the year are set out below:

(Euro/000)	31 December 2011	Increases	Amortisation	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	31 December 2012
Industrial patents	19	-	(6)	1	-	-	-	14
Software	765	568	(338)	(1)	(8)	(28)	-	958
Contract acquisition costs	48,314	-	(1,002)	-	-	-	(14,371)	32,941
Other	2,581	111	(24)	-	-	-	(2,538)	130
Total	51,679	679	(1,370)	-	(8)	(28)	(16,909)	34,043

The "Change in consolidation scope" column refers to the exit of the Brazilian subsidiary EcoRodovias. The income statement item "Profit from discontinued operations" (see note 17) includes amortisation of euro 4.8 million related to EcoRodovias.

Prior year changes are as follows:

(Euro/000)	31 December 2010	Increases	Amortisation	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	31 December 2011
Industrial patents	25	-	(6)	-	-	-	-	19
Software	863	217	(290)	-	(14)	(7)	(4)	765
Contract acquisition costs	50,852	257	(1,421)	-	-	(1,355)	(19)	48,314
Other	2,474	1,089	(883)	-	-	(158)	59	2,581
Total	54,214	1,563	(2,600)	-	(14)	(1,520)	36	51,679

At 31 December 2011, "Amortisation" included euro 1.4 million related to the subsidiary EcoRodovias.

Contract acquisition costs include considerations paid by the parent to purchase the railway high speed/capacity business units in previous years, with a reporting-date carrying amount of euro 32.9 million.

These assets have a finite life and are amortised in line with the stage of completion of the related contracts calculated using the cost to cost method. The balance is as follows:

(Euro/000)	31 December 2011	Amortisation	Change in consolidation scope	Disposals	Exchange rate gains (losses)	31 December 2012
Cociv (Milan - Genoa railway line)	33,943	(1,002)	-	-	-	32,941
EcoRodovias - logistics contracts	14,371	-	(14,371)	-	-	-
Total	48,314	(1,002)	(14,371)	-	-	32,941

The item "Profit from discontinued operations" (see note 17) includes amortisation of euro 3.8 million related to EcoRodovias.

Prior year changes are as follows:

(Euro/000)	31 December 2010	Increases	Amortisation	Reclassifications	Exchange rate gains (losses)	31 December 2011
Cociv (Milan - Genoa railway line)	33,686	257	-	-	-	33,943
EcoRodovias - logistics contracts	17,166	-	(1,421)	(19)	(1,355)	14,371
Total	50,852	257	(1,421)	(19)	(1,355)	48,314

Amortisation of the acquisition costs for the Milan - Genoa railway line started in 2012 when the related works were commenced.

4 Goodwill

Goodwill of euro 30.4 million decreased by euro 46.4 million over 31 December 2011. The following table provides a breakdown of this item at 31 December 2012 and 2011:

(Euro/000)	Segment	31 December 2012	31 December 2011	Variation
FISIA Babcock	Engineering & Plant Construction	11,875	11,875	-
Shanghai Pucheng	Concessions	18,515	18,515	-
EcoRodovias - Logistics	Concessions	-	34,432	(34,432)
EcoRodovias	Concessions	-	11,921	(11,921)
Total		30,390	76,743	(46,353)

The following table shows the changes in 2012:

(Euro/000)	31 December 2011	Change in consolidation scope	Impairment losses	Exchange rate gains (losses)	31 December 2012
FISIA Babcock	11,875	-	-	-	11,875
Shanghai Pucheng	18,515	-	-	-	18,515
EcoRodovias - Logistics	34,432	(34,432)	-	-	-
EcoRodovias	11,921	(11,921)	-	-	-
Total	76,743	(46,353)	-	-	30,390



The next table shows the changes in 2011:

(Euro/000)	31 December 2010	Change in consolidation scope	Impairment losses	Exchange rate gains (losses)	31 December 2011
FISIA Babcock	11,875	-	-	-	11,875
FISIA Italmobiliari	14,230	-	(14,230)	-	-
Shanghai Pucheng	18,515	-	-	-	18,515
EcoRodovias - Logistics	37,509	-	-	(3,077)	34,432
EcoRodovias	11,921	-	-	-	11,921
Total	94,050	-	(14,230)	(3,077)	76,743

Goodwill related to EcoRodovias was derecognised following the sale of the group's assets, described earlier.

The FISIA Babcock and Shanghai Pucheng balances arise from the acquisitions from third parties of the related investments and business units in previous years.

As required by IAS 36, goodwill, being an intangible asset with an indefinite life, is not amortised systematically but is subject to impairment testing at least annually. The impairment test is carried out by estimating its recoverable amount, value in use and the future cash flows that the related cash-generating unit (CGU) will generate.

Recoverability of the carrying amount of goodwill for the FISIA Babcock and Shanghai Pucheng CGUs at 31 December 2012 was tested by determining their value in use based on the business plans for at least the next five years.

The plans cover:

- FISIA Babcock (plan drawn up by its board of directors): 5 years;
- Shanghai Pucheng (contractual concession plan, updated with forward-looking figures estimated by the board of directors based on actual figures): period equal to the concession term.

In order to calculate value in use, the relevant cash flows have been discounted using the following rates:

	Growth rate	Discount rate
FISIA Babcock	1.00%	8.50%
Shanghai Pucheng (*)	n.a.	4.60%

(*) The growth rates are those set out in the operators' business plans included in the agreements with the grantors and, as these plans are expressed in real terms, the discount rate has also been determined in real terms, without considering inflation. The concession agreements include the adjustment of tariffs in line with inflation-based parameters. WACC is determined net of the tax effects.

The terminal value was determined using the perpetuity method for FISIA Babcock while the concession contractual plan was used for Shanghai Pucheng.

Given the current situation of the markets in which the CGUs operate, the group has performed a sensitivity analysis, considering the potential effects of changes in the reference variables:

- discount rates, for both cash-generating units, since they are caused by conditions that the group cannot control;
- growth rates for FISIA Babcock.

The recoverable amount determined using the above procedure, also considering the sensitivity analysis described earlier, was greater than the related carrying amounts of the above cash-generating units and, therefore, no impairment losses were recognised.

5 Equity investments

Investments in associates and other companies increased by euro 15.1 million to euro 62.6 million.

(Euro/000)	31 December 2012	31 December 2011	Variation
Investments in associates and other companies	62,637	47,492	15,145
Total	62,637	47,492	15,145

The main changes that led to differences in the carrying amounts of the equity investments are summarised below:

(Euro/000)	31 December 2012	31 December 2011
Change in consolidation method	(209)	-
Acquisitions, capital injections and disinvestments	14,678	8,027
Share of profit of equity-accounted investees	1,241	1,592
Dividends from equity-accounted investees and other investees	(984)	(644)
Other changes including change in the translation reserve	419	676
Total	15,145	9,651

The group's share of profit of equity-accounted investees totals euro 1.4 million, considering also the figures shown in note 24, detailing the changes in the provision for risks on equity investments. This is described in note 35.

The increase in "Acquisitions, capital injections and disinvestments" is due to the capital injections of euro 12.0 million paid to the SPE which will carry out the works on the Jonica highway and of euro 2.7 million as another injection for the concession to operate the new Milan outer east by-pass.

The key figures of the equity-accounted investees are set out below:

Investee	Segment	Country	Business	%	Carrying amount	Equity under local GAAP	IFRS				
							Total assets	Net financial position (indebtedness)	Equity	Revenue	Profit (loss) for the year
Agua del Gran Buenos Aires	Concessions	Argentina	Water	42.58%	-	(208,198)	27,665	2,873	(208,198)	-	(43,116)
Cons. Agua Azul S.A.	Concessions	Peru	Water	25.50%	6,743,188	6,773,020	9,841,085	(2,008,398)	6,743,188	2,782,246	733,062
Enecor S.A.	Concessions	Argentina	Energy	30.00%	-	55,473	452,042	289,735	55,473	111,073	(6,924)
Impregilo Wolverhampton Ltd.	Concessions	GB	Hospitals	20.00%	(1,259,171)	294,379	4,663,719	(3,017,309)	(1,259,171)	1,250,353	118,235
Ochre Solutions Ltd.	Concessions	GB	Hospitals	40.00%	-	(1,195,251)	73,854,473	(61,492,164)	(1,195,251)	3,580,608	(583,360)
Puentes del Litoral	Concessions	Argentina	Motorways	26.00%	-	(1,125,001)	9,119,510	(2,849,268)	(1,125,001)	1,221,386	(1,094,986)
Sabrom	Concessions	Italy	Motorways	40.00%	9,583,111	9,583,111	17,868,343	(7,892,008)	9,583,111	-	(77,925)
Yacylec S.A.	Concessions	Argentina	Energy	18.67%	559,148	559,148	685,906	210,349	559,148	610,415	135,641
Yuma	Concessions	Colombia	Motorways	40.00%	5,528,285	4,378,733	65,478,804	(18,542,646)	5,528,285	9,214,996	362,050
Coincar	Concessions	Argentina	Carcere	35.00%	-	3,374,946	5,496,620	(1,935,921)	2,712,810	793,756	-
Impregilo Arabia Ltd.	Construction	Saudi Arabia	Construction	50.00%	3,370,799	3,370,799	10,655,603	2,327,145	3,370,799	7,637,892	196,744

6 Non-current financial assets

Other non-current financial assets of euro 16.3 million may be analysed as follows:

- (i) investments of available cash of euro 4.9 million by several group companies in treasury bonds and guaranteed-return insurance securities which mature after one year;
- (ii) non-current financial assets of euro 11.4 million given as guarantee for the prefinancing of the Salerno Reggio Calabria contract.

7 Non-current intragroup loans and receivables

This item of euro 10.9 million decreased by euro 4.1 million on 31 December 2011 and relates to associates. The decrease is mainly due to partial collection of the amounts due from the Swiss consortia (euro 1.8 million) and reclassification of part of the receivable from the associate Puentes del Litoral from non-current to current.

8 Other non-current assets

This item of euro 42.7 million decreased by euro 9.2 million on 31 December 2011. It principally consists of loans and other receivables. The following table provides a breakdown of this item by the operating company to which the asset belongs:

(Euro/000)	31 December 2012	31 December 2011	Variation
Imprepar and subsidiaries	3,917	4,837	(920)
Vegas Tunnel	2,923	3,282	(359)
Impregilo branches in the United Arab Emirates	293	503	(210)
Shimmick - FCC-Igl JV	3,082	-	3,082
Impregilo Int. Infr. (Caminos de Las Sierras)	23,252	28,493	(5,241)
Impregilo Int. Infr. (Cordoba provincial authorities)	8,666	10,932	(2,266)
Other Construction	476	474	2
Other Engineering & Plant Construction, Concessions and FIBE	91	3,425	(3,334)
Total	42,700	51,946	(9,246)

The balances relating to Impregilo International refers to the sale of the investment in the Argentine operator Caminos de Las Sierras to the Cordoba provincial authorities (Argentina) in 2010.

The amount of euro 23.3 million due from Caminos de Las Sierras relates to the loan granted by Impregilo International Infrastructures to the Argentine operator in the past, which was restructured as part of the sales agreements. The outstanding balance of euro 28.5 million at the reporting date includes euro 23.3 million due after one year and euro 5.2 million due within one year. The latter amount is shown under "Other current assets".

The receivable from the Cordoba provincial authorities also refers to the sale of the investment in Caminos de Las Sierras and amounts to euro 10.7 million, including euro 8.7 million due after one year and euro 2.0 million due within one year (classified under "Other current assets").

9 Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to euro 105.4 million and euro 46.5 million at 31 December 2012, respectively. Changes in deferred tax assets and liabilities and the related impact on profit or loss are set out below:

(Euro/000)	31 December 2011	Increases	Decreases	Exchange rate gains (losses)	Change in consolidation scope	31 December 2012
Deferred tax assets:						
Amortisation and depreciation exceeding tax rates	1,649	-	(260)	-	-	1,389
Provisions for risks and impairment losses	30,239	23,620	(6,080)	-	-	47,779
Deferred taxes	28,039	7,932	-	(864)	-	35,107
Fisia Hiatus transaction	26,556	-	(3,589)	-	-	22,967
Other	32,674	4,110	(21,720)	805	(6,129)	9,740
Total	119,157	35,662	(31,649)	(59)	(6,129)	116,982
Offsetting	(30,497)	-	-	-	18,999	(11,498)
(a) Net deferred tax assets	88,660	35,662	(31,649)	(59)	12,870	105,484
Deferred tax liabilities:						
Deferred gains	(4,227)	-	-	-	(4)	(4,231)
Default interest income - Venezuelan branch	-	(5,530)	-	-	-	(5,530)
Contract revenue or revenue items	(17,289)	-	5,864	85	2,942	(8,398)
Contract revenue taxable in future years	(27,093)	(7,830)	376	828	-	(33,719)
Other	(7,086)	(452)	927	484	-	(6,127)
Total	(55,695)	(13,812)	7,167	1,397	2,938	(58,005)
Offsetting	30,497	-	-	-	(18,999)	11,498
(b) Net deferred tax liabilities	(25,198)	(13,812)	7,167	1,397	(16,061)	(46,507)
(a)+(b) Net deferred tax (income) expense		21,850	(24,482)			(2,632)

Changes in 2011 were as follows:

(Euro/000)	31 December 2010	Increases	Decreases	Profit from discontinued operations	Change in consolidation scope and exchange rate	31 December 2011 gains (losses)
Deferred tax assets:						
Amortisation and depreciation exceeding tax rates	1,996	-	(347)	-	-	1,649
Provisions for risks and impairment losses	34,931	3,239	(7,931)	-	-	30,239
Deferred taxes	25,217	1,974	-	-	848	28,039
Fisia Hiatus transaction	30,145	-	(3,589)	-	-	26,556
Tax losses	4,825	-	(4,825)	-	-	-
Other	12,105	22,273	(1,184)	-	(520)	32,674
Total	109,219	27,486	(17,876)	-	328	119,157
Offsetting	(33,615)	-	-	-	3,118	(30,497)
(a) Net deferred tax assets	75,604	27,486	(17,876)	-	3,446	88,660
Deferred tax liabilities:						
Deferred gains	(4,227)	-	-	-	-	(4,227)
Contract revenue or revenue items	(15,170)	(2,099)	-	(464)	444	(17,289)
Contract revenue taxable in future years	(23,683)	(2,576)	-	-	(834)	(27,093)
Other	(8,252)	(891)	1,852	-	205	(7,086)
Total	(51,332)	(5,566)	1,852	(464)	(185)	(55,695)
Offsetting	33,615	-	-	-	(3,118)	30,497
(b) Net deferred tax liabilities	(17,717)	(5,566)	1,852	(464)	(3,303)	(25,198)
(a)+(b) Net deferred tax (income) expense		21,920	(16,024)			5,896

Deferred tax assets at the reporting date include euro 0.1 million which has been recognised directly in equity as the tax effects of derivatives included in the hedging reserve.

10 Inventories

Inventories total euro 95.4 million at the reporting date, as shown in the following table:

(Euro/000)	31 December 2012			31 December 2011			Variation
	Gross carrying amount	Allowance	Carrying amount	Gross carrying amount	Allowance	Carrying amount	
Real estate projects	22,826	(8,222)	14,604	23,689	(8,222)	15,467	(863)
Finished products and goods	4,582	-	4,582	6,843	-	6,843	(2,261)
Raw materials, consumables and supplies	77,566	(1,376)	76,190	72,241	(661)	71,580	4,610
Total	104,974	(9,598)	95,376	102,773	(8,883)	93,890	1,486

Real estate projects

Real estate projects amount to euro 14.6 million, substantially unchanged from the previous year end. They mainly relate to the real estate project of euro 11.6 million (net of the related allowance of euro 7.8 million) for the construction of a trade point in Lombardy. Although the project had not yet been launched at the reporting date, considering the current zoning provisions implemented by the relevant authorities, the directors deemed its carrying amount adequate, based also on an appraisal drawn up in 2012 by an independent expert.

Finished products and goods and Raw materials, consumables and supplies

The carrying amount of these items totals euro 4.6 million and euro 76.2 million, respectively, and mainly relates to materials and goods to be used for foreign contracts, including those of the Construction segment in Venezuela, Colombia and Panama.

The carrying amount of raw materials, consumables and supplies is net of an allowance of euro 1.4 million, analysed below.

(Euro/000)	31 December 2011	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	31 December 2012
Allowance - raw materials	(661)	(728)	-	-	13	(1,376)
Total	(661)	(728)	-	-	13	(1,376)

Changes in the prior year are shown in the next table:

(Euro/000)	31 December 2010	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	31 December 2011
Allowance - raw materials	(1,112)	(613)	418	613	33	(661)
Total	(1,112)	(613)	418	613	33	(661)

11 Contract work in progress

Contract work in progress totals euro 864.4 million at the reporting date, up euro 106.6 million on the previous year-end figure. The following table shows contract work in progress calculated using the stage of completion method, net of losses realised or estimated at the reporting date and progress billings:

(Euro/000)	31 December 2012	31 December 2011	Variation
Contract work in progress	11,935,027	9,367,874	2,567,153
Progress payments and advances received (on approved work)	(11,070,659)	(8,610,095)	(2,460,564)
Total	864,368	757,779	106,589

A breakdown of contract work in progress by business segment is as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Construction	770,127	644,360	125,767
Engineering & Plant Construction	94,241	113,419	(19,178)
Total	864,368	757,779	106,589

Contract work in progress of the Construction segment mainly relates to railway work in Venezuela (euro 187.7 million, with production of euro 127.2 million during the year), work on Lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway (euro 76.9 million, with production of euro 110.4 million during the year), work to widen the Panama Canal (euro 67.4 million, with production of euro 260.0 million during the period), work on the hydroelectric plants in Colombia (euro 20.2 million, with production of euro 223.4 million during the year) and work on the Orastie-Sibiu motorway in Romania (euro 31.6 million, with production of euro 88.2 million during the year).

The Construction segment's contract work in progress includes euro 68.3 million for the nearly completed contracts of Imprepar S.p.A..

The group does not deem there are significant risks for the recovery of the assets being used for the ongoing railway projects in Venezuela, although recovery normally takes much longer than in other geographical segments. The contracts are of a strategic nature for the country and the current contractual relationships reasonably allow the group to assume that the assets will be realised, as reflected in its measurement of the individual contracts.

Reference should be made to the Directors' report (the section on risk areas for the Construction segment) for details of the Bridge crossing the Messina Strait and roadway and railway connectors from Calabria to Sicily. At the reporting date, contract work in progress is worth euro 19.5 million.

As disclosed in earlier sections of these notes about the group's operations in Libya, contract work in progress in this country amounts to euro 86.9 million.

Contract work in progress of the Engineering & Plant Construction segment mainly relates to the Kuwait and United Arab Emirates desalination plants which were nearly completed in 2012.

Following the revisions of forecast costs to complete several contracts in Italy and abroad, identified as rather critical in 2012, the group recognised expected losses on contracts of euro 184.0 million entirely in profit or loss for the year.



12 Trade receivables and current intragroup loans and receivables

At 31 December 2012, trade receivables amount to a positive euro 809.2 million, up by euro 16.2 million over 31 December 2011. They are analysed in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Trade receivables	903,676	891,484	12,192
Allowance for impairment	(94,496)	(98,491)	3,995
Net trade receivables	809,180	792,993	16,187

(Euro/000)	31 December 2012	31 December 2011	Variation
Construction	492,833	445,882	46,951
Engineering & Plant Construction	98,925	110,802	(11,877)
Concessions	10,574	29,922	(19,348)
FIBE	206,848	206,387	461
Total	809,180	792,993	16,187

The balance relates to amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced. The net increase is principally due to the euro 46.9 million rise in the Construction segment's balance, mainly as a result of progress on its main contracts, while the Concessions and the Engineering & Plant Construction segments saw a decrease of euro 31.2 million.

The item also includes euro 206.8 million due to FIBE from the Campania municipalities for its management services provided under contract until 15 December 2005 and the subsequent transition period (reference should be made to the section on "Non-current assets held for sale" in the Directors' report - Part II for more information about this complicated situation and the directors' related assessments).

Retentions amount to euro 74.8 million at the reporting date compared to euro 58.3 million at 31 December 2011.

The allowance for impairment decreased by euro 4.0 million to euro 94.6 million during the year, as follows:

(Euro/000)	31 December 2011	Accruals	Utilisations	Reversals	Change in consolidation scope	Exchange rate gains (losses)	31 December 2012
Trade receivables	36,958	104	(1,771)	(743)	(1,513)	73	33,108
Default interest	61,533	-	-	-	-	-	61,533
Total	98,491	104	(1,771)	(743)	(1,513)	73	94,641

Changes in the previous year are as follows:

(Euro/000)	31 December 2010	Accruals	Utilisations	Reversals	Other changes	Exchange rate gains (losses)	31 December 2011
Trade receivables	37,605	4,315	(2,932)	(1,163)	(930)	63	36,958
Default interest	61,573	-	(40)	-	-	-	61,533
Total	99,178	4,315	(2,972)	(1,163)	(930)	63	98,491

Current intragroup loans and receivables amount to euro 253.7 million, up euro 35.5 million on 31 December 2011, as shown in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Gross carrying amount	285,007	243,755	41,252
Allowance for impairment	(31,322)	(25,615)	(5,707)
Net current intragroup loans and receivables	253,685	218,140	35,545

The increase in the allowance for impairment for intragroup loans and receivables is analysed below:

(Euro/000)	31 December 2011	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	Other changes	31 December 2012
Total	25,615	4,689	-	-	1,018	-	31,322

The variation in the allowance for impairment for intragroup loans and receivables in 2011 is analysed below:

(Euro/000)	31 December 2010	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	Other changes	31 December 2011
Total	24,629	2,007	(119)	-	(902)	-	25,615

Current intragroup loans and receivables mostly arise on commercial and financial transactions with associates. The increase is mainly due to receivables recognised by the Venezuelan branch from the OIV Tocoma consortium (increase of euro 35.5 million) and those due from the newly set up MM4 consortium (increase of euro 5.7 million).

13 Derivatives and other current financial assets

At 31 December 2012, this item of euro 11.7 million (31 December 2011: euro 4.7 million) includes other current financial assets of euro 10.6 million and derivative assets of euro 1.1 million.

Other current financial assets comprise:

(Euro/000)	31 December 2012	31 December 2011	Variation
Other current financial assets	10,590	4,743	5,847

This item includes the group companies' investments of available cash in treasury bonds and guaranteed-return insurance instruments which mature after one year.

Derivative assets include the reporting-date fair value of currency hedges.

This item is analysed below:

(Euro/000)	31 December 2012	31 December 2011
Currency swaps - FVTPL	1,091	-
Total derivatives presented in net financial position	1,091	-



The following tables set out the characteristics of the derivative assets existing at 31 December 2012, showing the company owning the contract and the related fair value at the reporting date:

CURRENCY DERIVATIVES – FVTPL

Assets

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (euro)
Impregilo	10/10/2012	10/01/2013	USD	1,810,000	23,402
Impregilo	19/10/2012	22/01/2013	USD	8,000,000	30,424
Impregilo	18/12/2012	19/02/2013	USD	1,552,000	10,057
Impregilo	18/12/2012	19/02/2013	USD	8,772,000	56,843
Impregilo	26/11/2012	26/02/2013	USD	6,320,000	123,985
Impregilo	06/12/2012	06/03/2013	USD	2,520,000	16,642
Impregilo	06/12/2012	06/03/2013	USD	15,100,000	99,719
Impregilo	10/12/2012	11/03/2013	USD	1,579,895	10,005
Impregilo	28/09/2012	28/03/2013	USD	15,678,000	277,151
Impregilo	13/11/2012	13/05/2013	USD	16,896,000	443,277
Total					1,091,505

This category includes derivatives that have been entered into to hedge the group against currency risks but that do not meet (or no longer meet and the situation has not been yet been resolved) hedge accounting requirements for cash flow hedges.

14 Current tax assets and other current tax assets

Current tax assets amount to euro 67.3 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Direct taxes	32,621	36,792	(4,171)
IRAP	1,863	1,176	687
Foreign direct taxes	32,769	30,207	2,562
Total	67,253	68,175	(922)

The 31 December 2012 balance mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the group has correctly claimed for reimbursement and which bear interest. The decrease is due to the reimbursements collected in 2011;
- foreign direct tax assets for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets increased by euro 3.8 million to euro 80.6 million at the reporting date as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
VAT	64,252	52,464	11,788
Other indirect taxes	16,327	24,331	(8,004)
Total	80,579	76,795	3,784

VAT receivables amount to euro 64.3 million and include euro 24.2 million factored to a major bank, as described in note 19 Factoring payables.

"Other indirect taxes" include withholdings of euro 7.3 million paid by the Icelandic branch on the remuneration paid to foreign temporary workers involved in the building site. A dispute arose with the local tax authorities about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site. Impregilo was firstly wrongly held responsible for the payment of the withholdings on this remuneration, which it therefore paid. Following the definitive ruling of the first level court, the company's claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company's claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the unduly paid withholdings of euro 6.9 million (at the original exchange rate) and the related interest accrued to date of euro 6.0 million. Impregilo had prudently impaired the interest amount in previous years, despite a previous local court ruling and the opinion of its consultants that confirmed its grounds, and only continued to recognise the unduly paid principal. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On 8 February 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying the infraction of the free exchange of services and requested the government to provide its observations about this. Based on the above considerations and reasonings, Impregilo does not believe objective reasons exist to change the valuations made about this dispute.

15 Other current assets

Other current assets of euro 296.3 million show an increase of euro 41.1 million on the previous year end and may be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Other receivables	113,553	116,039	(2,486)
Advances to suppliers	135,369	85,857	49,512
Prepayments and accrued income	47,346	53,230	(5,884)
Total	296,268	255,126	41,142



This item mainly comprises FIBE's receivables of euro 71.3 million from the public bodies involved in managing the waste emergency in Campania. Reference should be made to the section on "Non-current assets held for sale" in the Directors' report - Part II for more information about this complicated situation and the directors' related assessments.

Other receivables include the claims for compensation due to Impregilo S.p.A. by the original lessor of the building currently housing its registered office following the outcome of the dispute with the lessor of the Sesto San Giovanni (Milan) building where Impregilo had its registered office until 2009. The latter lessor had challenged the existence of just cause which Impregilo cited as the reason for its early termination of the lease, originally due to expire in 2012. The lessor claimed its right to the entire lease payment, including default interest, from the date of termination to the original expiry date. On the other hand, the lessor of the building in which Impregilo currently has its registered office had signed an agreement with Impregilo whereby, should a dispute arise with the previous lessor and should this dispute give rise to a payable for Impregilo of more than euro 8 million, it would cover the sum exceeding euro 8 million. Given that, after the first stage of the dispute, Impregilo was found to owe the lessor of the Sesto San Giovanni building euro 14.7 million, it has correctly recognised euro 6.7 million (being the compensation obligation as described above) as a receivable in its statement of financial position at 31 December 2012.

Advances to suppliers increased by euro 49.5 million on 31 December 2011, including for the Construction segment (euro 54.0 million) due to advances to suppliers for the Panama, Colombia and Venezuela contracts. The Engineering & Plant Construction segment saw a reduction of euro 4.3 million following utilisation of advances paid in previous years. A breakdown by segment is set out in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Construction	128,831	74,845	53,986
Engineering & Plant Construction	6,538	10,793	(4,255)
Concessions	-	219	(219)
Total	135,369	85,857	49,512

Prepayments and accrued income of euro 47.3 million show a decrease of euro 0.3 million on 31 December 2011. The item mainly consists of commissions on sureties and other contract costs which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts. The decrease refers to the Panama Canal and Lake Mead contracts.

They are broken down in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Accrued income:			
- Other	46	-	46
Total accrued income	46	-	46
Prepayments:			
- Insurance	17,215	17,511	(296)
- Commissions on sureties	22,912	26,859	(3,947)
- Leases	1,024	1,634	(610)
- Costs recognised in line with stage of completion of contracts	2,324	3,670	(1,346)
- Other	3,825	3,556	269
Total prepayments	47,300	53,230	(5,930)
Total	47,346	53,230	(5,884)

16 Cash and cash equivalents

At 31 December 2012, cash and cash equivalents amount to euro 1,243.1 million, up by euro 564.7 million, as shown below:

(Euro/000)	31 December 2012	31 December 2011	Variation
Cash and cash equivalents	1,243,086	678,389	564,697

The statement of cash flows shows the reason for this increase and changes in current account facilities (note 19).

Part of the cash and cash equivalents (euro 1.4 million), lodged with a major bank, is pledged as guarantee for a USD 2.2 million credit facility granted by the same bank to an unconsolidated group operating company.

Imprepar's deposits include euro 5.3 million collected by it on behalf of third parties.

The Co.Civ. consortium has pledged deposits of euro 0.2 million for the filing of the arbitration award in favour of the public contracts supervisory authority.

The obtaining of funds by the members of consortia in which Impregilo is involved is subject to approval by all the consortium members in order to protect the financial requirements of the related contracts.

17 Non-current assets (liabilities) held for sale and discontinued operations and profit from discontinued operations

Non-current assets held for sale and the associated liabilities are shown in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current assets held for sale	307,588	568,383	(260,795)
Liabilities directly associated with non-current assets held for sale	-	(89,770)	89,770

A breakdown of the statement of financial position items is as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Acerra assets	-	445,321	(445,321)
Acerra liabilities	-	(89,770)	89,770
Other claims for compensation - USW Campania	121,202	121,202	-
Total net USW Campania	121,202	476,753	(355,551)
Residual investment in EcoRodovias	186,386	-	186,386
Other IFRS 5 items	-	1,860	(1,860)
Net non-current assets held for sale	307,588	478,613	(171,025)

The decrease in this item is primarily due to the favourable outcome of the litigation ongoing since 2005, in which several group companies were involved, for the construction of the Acerra waste-to-energy plant. The out-of-court agreements proposed by the relevant municipalities to the group at the end of 2011, which it immediately accepted, were finally executed towards the end of June 2012 with full collection of the compensation due to Impregilo of euro 355.6 million.

The remaining non-current assets held for sale of the USW Campania projects at the reporting date mostly refer to the claims for compensation made by the group in relation to the RDF plants, the Santa Maria la Fossa site and other related items of property, plant and equipment.



Reference should be made to the section "Non-current assets held for sale" in the Directors' report - Part II of this Annual Report for more information about the complicated situation surrounding the USW Campania projects.

The residual investment in EcoRodovias is the carrying amount determined in accordance with paragraph 15 and following paragraphs of IFRS 5. It was sold in January 2013 (see the introduction to the section "Statement of financial position").

The profit from discontinued operations in 2012 and 2011 is analysed in the following tables:

(Euro/000)	EcoRodovias	2012 USW Campania	Total
Total revenue	271,407	-	271,407
Costs			
Raw materials and consumables	(2,368)	-	(2,368)
Subcontracts	(55,936)	-	(55,936)
Other operating expenses	(38,751)	(3,681)	(42,432)
Personnel expenses	(33,321)	-	(33,321)
Amortisation, depreciation, provisions and impairment losses	(38,465)	-	(38,465)
Total costs	(168,841)	(3,681)	(172,522)
Operating profit (loss)	102,566	(3,681)	98,885
Net gain on the sale of EcoRodovias	538,651		538,651
Net financing costs and net gains on investments	108,828	-	108,828
<i>of which: fair value measurement of residual investment in EcoRodovias</i>	<i>133,209</i>		<i>133,209</i>
Profit (loss) before tax	750,045	(3,681)	746,364
Income tax expense	(29,328)		(29,328)
Profit (loss) from discontinued operations	720,717	(3,681)	717,036
Profit (loss) from discontinued operations attributable to:			
Owners of the parent	720,160	(3,681)	716,479
Non-controlling interests	557	-	557

(Euro/000)	EcoRodovias	2011 USW Campania	Total
Total revenue	229,767	63,245	293,012
Costs			
Raw materials and consumables	(3,066)	-	(3,066)
Subcontracts	(37,329)	-	(37,329)
Other operating expenses	(33,326)	(18,717)	(52,043)
Personnel expenses	(25,274)	-	(25,274)
Amortisation, depreciation, provisions and impairment losses	(33,276)	-	(33,276)
Total costs	(132,271)	(18,717)	(150,988)
Operating profit	97,496	44,528	142,024
Net financing costs and net gains on investments	(20,794)	40,474	19,680
Profit before tax	76,702	85,002	161,704
Income tax expense	(27,430)	(14,603)	(42,033)
Profit from discontinued operations	49,272	70,399	119,671
Profit from discontinued operations attributable to:			
Owners of the parent	48,687	70,399	119,086
Non-controlling interests	585	-	585

The following table shows the effects of applying IFRS 5 to the 2011 income statement:

(Euro/000)	Published	Restated	2011 IFRS 5
Total revenue	2,107,936	(229,767)	1,878,169
Total costs	(1,882,044)	132,271	(1,749,773)
Operating profit (loss)	225,892	(97,496)	128,396
Net financing costs and net gains on investments	(76,253)	20,794	(55,459)
Profit (loss) before tax	149,639	(76,702)	72,937
Income tax expense	(40,249)	27,430	(12,819)
Profit (loss) from continuing operations	109,390	(49,272)	60,118
Profit from discontinued operations	70,399	49,272	119,671
Profit for the year	179,789	-	179,789

The following tables show the composition of the item "Net cash flows used in discontinued operations" in 2012 and 2011 in the statement of cash flows:

2012

(Euro/000)		
Net collected amount on the sale of EcoRodovias		729,988
Dividends collected in 2012		20,640
Cash and cash equivalents collected		750,628
Cash and cash equivalents of EcoRodovias:		
<i>Cash flows from operating activities</i>	76,370	
<i>Cash flows used in investing activities</i>	(220,354)	
<i>Cash flows from financing activities</i>	160,143	
<i>Cash and cash equivalents of EcoRodovias at the date of exclusion from the consolidation scope</i>	(89,298)	
Net cash flows for the year		(73,139)
Total EcoRodovias		677,489
Collection of receivable for the Acerra waste-to-energy plant		355,551
Total cash flows from discontinued operations		1,033,040

2011	EcoRodovias	FIBE	Total
(Euro/000)			
Cash flows from (used in) operating activities	73,388	(22,357)	51,031
Cash flows used in investing activities	(36,852)	-	(36,852)
Cash flows used in financing activities	(42,802)	-	(42,802)
Net cash flows used in discontinued operations	(6,266)	(22,357)	(28,623)



The 2011 statement of cash flows was restated applying IFRS 5 to EcoRodovias group as shown below:

Restated 2011 statement of cash flows (Euro/000)	Published	Restated	2011 IFRS 5
Total opening cash and cash equivalents	740,715	-	740,715
Income statement	244,261	169,400	74,861
Operating cash flows	(254,661)	(118,369)	(136,292)
Cash flows from (used in) operating activities	(10,400)	51,031	(61,431)
Cash flows used in investing activities	(153,383)	(36,852)	(116,531)
Cash flows from (used in) financing activities	4,042	(42,802)	46,844
Net cash flows used in discontinued operations	-	(28,623)	(28,623)
Net exchange rate losses on cash and cash equivalents and current account facilities	(5,033)	-	(5,033)
Decrease in cash and cash equivalents	(164,774)	-	(164,774)
Total closing cash and cash equivalents	575,941	-	575,941

18 Equity

Equity increased to euro 1,805.8 million at 31 December 2012 from euro 1,262.5 million at the end of 2011 as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
<i>Equity attributable to the owners of the parent</i>			
Share capital	718,364	718,364	-
Share premium reserve	1,222	1,222	-
- Legal reserve	21,517	18,714	2,803
- Translation reserve	(2,282)	18,476	(20,758)
- Stock option reserve	-	260	(260)
- Hedging reserve	(6,753)	(7,022)	269
Total other reserves	12,482	30,428	(17,946)
Retained earnings	466,227	328,151	138,076
Profit for the year	602,659	177,394	425,265
Equity attributable to the owners of the parent	1,800,954	1,255,559	545,395
Share capital and reserves attributable to non-controlling interests	4,511	4,533	(22)
Profit for the year attributable to non-controlling interests	340	2,395	(2,055)
<i>Share capital and reserves attributable to non-controlling interests</i>	<i>4,851</i>	<i>6,928</i>	<i>(2,077)</i>
TOTAL EQUITY	1,805,805	1,262,487	543,318

Changes of the year in the different equity items are summarised in the relevant schedule of the consolidated financial statements.

In their meeting held on 27 April 2012, the parent's shareholders resolved to allocate the profit for 2011 as follows:

- euro 2,803,304.30, equal to 5% of the profit for the year, to the legal reserve;
- euro 36,221,214.33 as a dividend to the holders of ordinary shares, equal to euro 0.09 per share;
- euro 420,027.66 as a dividend to the holders of savings shares, equal to euro 0.26 per share, as per article 33.b) of the by-laws;
- euro 16,621,539.71 to be carried forward.

Disclosures about the individual items are set out below.

Share capital

The parent's share capital of euro 718.4 million is unchanged with respect to 31 December 2011 and includes 404,073,428 shares, of which 402,457,937 ordinary shares and 1,615,491 savings shares.

Share premium reserve

The share premium reserve of euro 1.2 million did not change during the year.

Other reserves

This item is broken down in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Legal reserve	21,517	18,714	2,803
Translation reserve	(2,282)	18,476	(20,758)
Stock option reserve	-	260	(260)
Hedging reserve	(6,753)	(7,022)	269
Total	12,482	30,428	(17,946)

The change in other reserves is mainly due to allocation of the legally-required amount of the parent's profit to the legal reserve, as described above, and exchange rate differences, as detailed in the next table:

(Euro/000)	2012	2011
Opening balance	18,476	34,094
<i>Reclassification from the statement of comprehensive income to the income statement</i>	4,068	-
<i>Equity-accounted investees</i>	728	814
<i>Decrease</i>	(25,554)	(16,432)
Total changes	(20,758)	(15,618)
Closing balance	(2,282)	18,476

The stock option reserve, related to EcoRodovias, was reversed in full following the sale of this group.



The effect of changes in the hedging reserve due to fair value gains (losses) on financial instruments is detailed below:

(Euro/000)	2012	2011
Opening balance	(7,022)	(5,568)
<i>Reclassification of fair value gains/losses on settled transactions to profit or loss</i>	499	1,396
<i>Reclassification of fair value gains/losses on hedging transactions that are no longer effective to profit or loss</i>	-	(13)
<i>Net fair value losses</i>	(384)	(1,741)
<i>Deferred tax effect</i>	137	(352)
<i>Net exchange rate losses</i>	-	(174)
<i>Net gains (losses) for equity-accounted investees</i>	17	(570)
Total changes	269	(1,454)
Closing balance	(6,753)	(7,022)

Retained earnings

This item may be analysed as follows:

(Euro/000)	2012	2011
Opening balance	328,151	230,792
<i>Allocation of profit and reserves</i>	174,591	120,551
<i>Dividend distribution</i>	(36,641)	(24,567)
<i>Other changes</i>	126	1,375
Total changes	138,076	97,359
Closing balance	466,227	328,151

As disclosed earlier, in their meeting held on 27 April 2012, the parent's shareholders resolved to allocate a dividend of euro 0.09 per share to the holders of ordinary shares for a total of euro 36,221,214.33 and of euro 0.26 per share to the holders of savings shares for a total euro 420,027.66. The remainder was carried forward.

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(Euro/000)	2012	2011
Opening balance	6,928	7,410
<i>Profit attributable to non-controlling interests</i>	340	2,395
<i>Capital injection by non-controlling interests</i>	1,806	-
<i>Dividend distribution to non-controlling interests</i>	(1,381)	(1,265)
<i>Change in consolidation scope</i>	(1,924)	-
<i>Change in translation reserve</i>	(918)	(1,612)
Total changes	(2,077)	(482)
Closing balance	4,851	6,928

Reconciliation between equity and profit of Impregilo S.p.A.
with consolidated equity and consolidated profit

The following table shows the reconciliation of equity and profit of the parent with the corresponding consolidated items:

(Euro/000)	Equity	Profit for the year
Equity and profit for the year of Impregilo S.p.A.	1,682,283	738,606
Elimination of consolidated investments	(525,576)	231,764
Elimination of the provision for risks on equity investments	244,544	-
Equity and profit or loss of consolidated companies	261,161	525,665
Other consolidation entries		
Elimination of dividends paid to Impregilo S.p.A.	-	(901,665)
Other consolidation entries	-	-
Gain on intragroup sales	-	-
Tax effects of consolidation entries	22,967	(3,589)
Elimination of national tax consolidation system effects	115,575	11,878
Equity and profit for the year attributable to the owners of the parent	1,800,954	602,659
Equity and profit for the year attributable to non-controlling interests	4,851	340
Consolidated equity and profit for the year	1,805,805	602,999

19 Bank and other loans

Bank and other loans decreased by euro 316.8 million over 31 December 2011 to euro 373.8 million at year end, as summarised below:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	138,549	65,098	73,451
Current portion	235,211	625,500	(390,289)

The group's financial indebtedness is broken down by loan type in the following table:

(Euro/000)	31 December 2012			31 December 2011		
	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	75,000	21,158	96,158	7,551	299,913	307,464
Bank project financing	14,734	111,678	126,412	7,767	152,664	160,431
Bank concession financing	9,728	177	9,905	32,526	22,658	55,184
Financing and loans of companies in liquidation	1,706	149	1,855	2,002	279	2,281
Other financing	3,466	7,946	11,412	-	36,911	36,911
Total bank and other loans	104,634	141,108	245,742	49,846	512,425	562,271
Current account facilities	-	83,935	83,935	-	102,448	102,448
Factoring payables for receivables factored with recourse	33,915	10,168	44,083	15,252	10,627	25,879
Total	138,549	235,211	373,760	65,098	625,500	690,598

Bank corporate loans

Bank corporate loans relate to the loans of euro 91.6 million granted to the parent, Impregilo, (euro 266.8 million) and of euro 4.6 million to the subsidiary FISIA Italmimpianti (euro 40.6 million).

They have been granted by major banks and have repayment plans which provide for payment of the last instalments in 2013 and 2014. The interest rates have floating spreads depending on the loan term and conditions. The decision to apply the Euribor (1, 2, 3 or 6 months) has been contractually provided for to the benefit of Impregilo.

At the reporting date, there are no loans assisted by covenants which entail, inter alia, the debtor's commitment to comply with certain financial and equity ratios.

The main conditions of the loans in place at 31 December 2012 are as follows:

	Company	Interest rate	Expiry date	Note
Royal Bank of Scotland	Impregilo	Euribor	2013	
Banca Carige	Impregilo	Euribor	2013	
Unicredit	Impregilo	Euribor	2014	
Nasreq (AED)	FISIA Italmimpianti	Libor	2013	
Intesa - San Paolo	FISIA Italmimpianti	Euribor	2013	

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

The fair value of the bank corporate loans, measured as set out in the "Accounting policies" section, is euro 96.2 million.

Bank project financing

Project financing of euro 126.4 million at 31 December 2012 relates to the Salerno-Reggio Calabria contracts (euro 9.1 million), the Colombian contracts (euro 75.8 million), the Chilean Angostura contract (euro 6.2 million), the Panama Canal contract (euro 26.2 million), the United Arab Emirates contracts (euro 5.8 million) and the Venezuelan branch's contracts (euro 3.3 million). The decrease is mainly due to the reduction on the Salerno-Reggio Calabria contracts, partly countered by normal trends for the other contracts' financing.

The conditions of the financing in place at 31 December 2012 are as follows:

	Company	Country	Interest rate	Expiry date
West LB	Salerno - Reggio Calabria	Italy	Euribor	(1)
West LB	Rc - Scilla	Italy	Euribor	(1)
Europe Arab Bank	United Arab Emirates branch	United Arab Emirates	Libor	2013
Banco de Bogotá	ICT II	Colombia	DTF	n.a
Banco de Bogotá	Igl OHL	Colombia	DTF	n.a
Banco de Credito Inversiones	Angostura	Chile	Fixed rate	(1)
HSBC Bank	Grupo Unido por el Canal	Panama	Libor	(1)
Banesco	Grupo Unido por el Canal	Panama	Libor	(1)
Other	Venezuelan branch	Venezuela	Fixed rate	2014

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

Note:

(1) Project financing agreements have contractual maturities in line with the performance of the relevant contract.

The fair value of the project financing, measured as set out in the "Accounting policies" section, is euro 124.0 million.

Concession financing

(Euro/000)	Company	Currency	Country	31 December 2012			31 December 2011			
				Total concession financing	Current	Non-current	Total concession financing	Current	Non-current	
	BNDES	EcoroRovias group	Real	Brazil	-	-	-	16,002	2,095	13,907
	Cargotec Kalmar	EcoRodovias group	Real	Brazil	-	-	-	421	168	253
	Finame Unibanco	EcoRodovias group	Real	Brazil	-	-	-	14	7	7
	Santander	EcoRodovias group	Real	Brazil	-	-	-	4,789	1,617	3,172
	Bradesco	EcoRodovias group	Real	Brazil	-	-	-	1,166	854	312
	CCI	EcoRodovias group	Real	Brazil	-	-	-	4,140	250	3,890
	Citibank	EcoRodovias group	Real	Brazil	-	-	-	1,624	422	1,202
	Banco do Brasil	EcoRodovias group	Real	Brazil	-	-	-	14,081	14,081	-
	Other financial backers	EcoRodovias group	Real	Brazil	-	-	-	163	57	106
	Banco Galicia	Iglys	Pesos	Argentina	-	-	-	2,945	2,945	-
	Royal Bank of Scotland	Impregilo Parking Glasgow	Sterling	UK	9,905	177	9,728	9,839	162	9,677
	Total				9,905	177	9,728	55,184	22,658	32,526

At 31 December 2012, concession financing of euro 9.9 million entirely related to the Parking Glasgow concession.

The reduction in this item is due to both the deconsolidation of EcoRodovias' debt following sale of this group (euro 42.4 million), repayment by Iglys of its debt with Banco Galicia (euro 2.9 million); it took over from Caminos de Las Sierras when this subsidiary was sold.

This outstanding financing from Royal Bank of Scotland is included in the project financing category and is secured by the revenue flows arising from the activities carried out under the related concessions. An interest rate hedge has been agreed for this financing (see note 22). The financing agreement includes a number of covenants, all of which the operator had complied with at the reporting date.

The above financing will be repaid in line with the expected performance of the relevant contract, based on the following time bands and at the reference rate (Libor), which provides for a floating spread depending on the financing terms and conditions:

(Euro/000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months	
	Royal Bank of Scotland	Impregilo Parking Glasgow	UK	9,728	215	977	8,536
	Total			9,728	215	977	8,536

The fair value of the concession financing, measured as set out in the "Accounting policies" section, is euro 9.3 million.

Financing and loans of companies in liquidation

This category includes the financing and loans obtained by companies in liquidation. The related repayment plans are linked to the liquidation procedures of the companies to which the financing and loans refer.



Other financing

(Euro/000)	Company	Country	31 December 2012			31 December 2011		
			Total financing and loans	Current	Non-current	Total financing and loans	Current	Non-current
Meliorfactor	FISIA Italmimpianti	Italy	517	517	-	36,657	36,657	-
Meliorfactor	Consorzio Torre	Italy	2,794	2,794	-	254	254	-
CAT Finance	GUPC	Panama	8,101	4,635	3,466	-	-	-
Total			11,412	7,946	3,466	36,911	36,911	-

Their conditions may be summarised as follows:

	Company	Country	Interest rate	Expiry date
Meliorfactor	FISIA Italmimpianti	Italy	3M Euribor	2013
Meliorfactor	Consorzio Torre	Italy	3M Euribor	2013
CAT Finance	GUPC	Panama	3M Libor	2014

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

The fair value of the financing, measured as set out in the "Accounting policies" section, is substantially in line with their carrying amount.

Current account facilities

Current account facilities decreased by euro 18.5 million to euro 83.9 million. This item includes euro 82.8 million used by the Venezuelan branch.

Factoring payables

(Euro/000)	31 December 2012	31 December 2011	Variation
Impregilo S.p.A.	(32,708)	(20,215)	(12,493)
Salerno - Reggio Calabria	(11,375)	(5,249)	(6,126)
Sgf Inc.	-	(415)	415
Total	(44,083)	(25,879)	(18,204)

Factoring payables include tax assets factored by Impregilo S.p.A. (euro 32.7 million, including VAT assets of euro 24.2 million).

They also include non-current financial assets given as guarantee for the pre-financing of the Salerno - Reggio Calabria contract (euro 11.4 million).

The group's net financial position is shown in the following table:

Net financial position of Impregilo group

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Variation
Non-current financial assets	6	4,960	4,578	382
Other current financial assets	13	10,590	4,743	5,847
Cash and cash equivalents	16	1,243,086	678,389	564,697
Total cash and cash equivalents and other financial assets		1,258,636	687,710	570,926
Non-current bank loans	19	(104,634)	(49,846)	(54,788)
Bonds	20	(148,840)	(416,022)	267,182
Finance lease payables	21	(40,028)	(53,556)	13,528
Total non-current indebtedness		(293,502)	(519,424)	225,922
Current portion of bank loans and current account facilities	19	(225,043)	(614,873)	389,830
Current portion of bonds	20	(113,689)	(43,946)	(69,743)
Current portion of finance lease payables	21	(22,785)	(8,897)	(13,888)
Total current indebtedness		(361,517)	(667,716)	306,199
Derivative assets	13	1,091	-	1,091
Derivative liabilities	22	(5,265)	(7,081)	1,816
Non-current financial assets (self-liquidating)	6	11,375	5,249	6,126
Current portion of factoring payables	19	(10,168)	(10,627)	459
Non-current portion of factoring payables	19	(33,915)	(15,252)	(18,663)
Total other items in net financial position (indebtedness)		(36,882)	(27,711)	(9,171)
Net financial position (indebtedness) - continuing operations		566,735	(527,141)	1,093,876
Net financial position (indebtedness) including discontinued operations		566,735	(527,141)	1,093,876

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.

20 Bonds

The outstanding bonds at 31 December 2012 relate to the Dutch subsidiary, Impregilo International Infrastructures (euro 262.5 million). They are analysed in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	148,840	416,022	(267,182)
Current portion	113,689	43,946	69,743

A breakdown of this item is set out in the following table:

	Company	Country	31 December 2012			31 December 2011		
			Total financing and loans	Current	Non-current	Total financing and loans	Current	Non-current
(Euro/000)								
Banco Bradesco S.A.	Ecovias dos Imigrantes (BRL)	Brazil	-	-	-	8,225	4,186	4,039
1st issue	EcoRodovias group							
Banco Bradesco S.A.	Ecovias dos Imigrantes (BRL)	Brazil	-	-	-	16,079	5,644	10,435
2nd issue	EcoRodovias group							
Banco Bradesco S.A.	Ecovias dos Imigrantes (BRL)	Brazil	-	-	-	16,346	4,438	11,908
3rd issue	EcoRodovias group							
Itau BBA Santander	Ecorodovias Concessoes e Servicos (BRL)	Brazil	-	-	-	33,673	22,619	11,054
1st issue	EcoRodovias group							
Itau BBA Santander	Ecorodovias Concessoes e Servicos (BRL)	Brazil	-	-	-	10,007	-	10,007
2nd issue	EcoRodovias group							
Itau BBA Santander	Ecorodovias Concessoes e Servicos (BRL)	Brazil	-	-	-	9,590	-	9,590
3rd issue	EcoRodovias group							
Itau Unibanco S.A.	Ecopistas (BRL)	Brazil	-	-	-	12,504	-	12,504
1st issue	EcoRodovias group							
Itau Unibanco S.A.	Ecopistas (BRL)	Brazil	-	-	-	12,713	797	11,916
2nd issue	EcoRodovias group							
Itau Unibanco S.A.	Ecopistas (BRL)	Brazil	-	-	-	12,401	830	11,571
3rd issue	EcoRodovias group							
Itau Unibanco S.A.	Ecopistas (BRL)	Brazil	-	-	-	12,286	797	11,489
4th issue	EcoRodovias group							
Elog S.A.	EcoRodovias group	Brazil	-	-	-	16,324	3,023	13,301
Impregilo International Infrastructures N.V.								
1st issue	Impregilo International Infr.	Netherlands	112,628	112,628	-	150,432	716	149,716
2nd issue	Impregilo International Infr.	Netherlands	149,901	1,061	148,840	149,388	896	148,492
Total			262,529	113,689	148,840	459,968	43,946	416,022

In November 2010, the Dutch Impregilo International Infrastructures NV, wholly owned by Impregilo S.p.A., placed bonds for a total nominal amount of euro 300 million with Italian and foreign qualified investors. The issues of euro 150 million each are redeemable in 2013 (bearing interest at Euribor plus a 3.5% spread) and in 2015 (bearing interest at a fixed rate of 6.526%). The bonds are listed on the Luxembourg stock exchange and underwritten by Impregilo S.p.A..

The euro 197.4 million reduction in this item at 31 December 2012 is due to the exit of EcoRodovias from the consolidation scope (euro 160.1 million) and the early redemption of bonds by Impregilo International on 31 July 2012 (euro 37.5 million), as contractually provided for following the group's collection of the receivables for the Acerra waste-to-energy plant.

With respect to the redemption timing of the bonds existing at the reporting date, Impregilo's board of directors approved a proposal to distribute dividends of approximately euro 600 million on 10 March 2013. This resolution reflects the sale of EcoRodovias and the distribution of an interim dividend by Impregilo International Infrastructures N.V.. Based on certain contractual clauses, it entails the early redemption of the bonds. However, the bondholders have formally agreed to release Impregilo from this obligation with respect to the bonds maturing on 26 November 2015 while the bonds maturing on 26 November 2013 will be redeemed early.

The terms of these bonds are as follows:

(Euro/000)	Country	Interest rate	Maturity date	Note
Impregilo International Infrastructures N.V. (Euro) - 1st issue	Netherlands	Euribor + 3.5%	2013	
Impregilo International Infrastructures N.V. (Euro) - 2nd issue	Netherlands	6.526	2015	

The bonds due after one year will be redeemed based on the following time bands:

(Euro/000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
	Impregilo International Infr	Netherlands	148,840	-	148,840	-
Total			148,840	-	148,840	-

The fair value of the bonds, measured as set out in the "Accounting policies" section, is euro 262.5 million.

21 Finance lease payables

Finance lease payables may be broken down as follows at 31 December 2012:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	40,028	53,556	(13,528)
Current portion	22,785	8,897	13,888

This item includes the principal of future lease payments at the reporting date. The balance is substantially in line with that at 31 December 2011 and relates to leases for machinery and equipment.

Finance leases relate to plant and machinery with an average term of between three to eight years. The effective average interest rate is 2.5% for the Italian companies at the reporting date while the agreements issued by Banco de Bogotá (Colombia and Chile) have a floating rate indexed to the local interbank rate.

Payables for these leases are guaranteed to the lessor via rights on the leased assets.

The present value of the minimum future lease payments is euro 62.8 million (euro 62.4 million) as follows:

(Euro/000)	31 December 2012	31 December 2011
Minimum lease payments:		
Due within one year	24,284	9,113
Due between one and five years	41,425	57,438
Total	65,709	66,551
Future financial expense on finance leases	(2,896)	(4,098)
Net present value	62,813	62,453
The net present value of finance leases is as follows:		
Due within one year	22,785	8,897
Due between one and five years	40,028	53,556
Due after five years	-	-
Total	62,813	62,453



22 Derivative liabilities

These items show the fair value of the currency and interest rate hedges at the reporting date. They may be broken down as follows:

(Euro/000)	31 December 2012	31 December 2011
Interest rate swaps - Cash flow hedges	(5,200)	(5,453)
Currency swaps - FVTPL	(65)	(1,628)
Total derivatives presented in net financial position (indebtedness)	(5,265)	(7,081)

The following tables set out the characteristics of the derivative liabilities existing at 31 December 2012, showing the company owning the contract and the related fair value at the reporting date:

INTEREST RATE SWAPS - Cash flow hedges

Liabilities

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (euro)
Impregilo Parking Glasgow	27/09/2004	30/06/2029	GBP	8,113,215	(3,508,673)
Impregilo Parking Glasgow	01/06/2003	30/06/2029	GBP	642,767	(1,691,384)
Total					(5,200,057)

This category includes derivatives that have been entered into to hedge the group against interest rate risks and that meet hedge accounting requirements. To check compliance with these requirements, the effectiveness of the hedges has been verified and confirmed and, therefore, their fair value changes have been recognised in the hedging reserve (see note 18).

Fair value gains or losses on the derivatives entered into to hedge interest rate risk recognised in profit or loss are as follows:

	2012	2011	Variation
Effective portion of fair value gains or losses on cash flow hedges	665	-	665
Total	665	-	665

CURRENCY DERIVATIVES - FVTPL

Liabilities

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (euro)
Impregilo	02/03/2012	04/03/2013	USD	3,840,000	(65,327)
Total					(65,327)

This category includes derivatives that have been entered into to hedge the group against currency risks but that do not meet (or no longer meet and the situation has not been yet been resolved) hedge accounting requirements for cash flow hedges.

23 Post-employment benefits and employee benefits

At 31 December 2012, the group's liability due to all its employees determined using the criteria set out in IAS 19 is euro 20.2 million.

The balance mainly consists of the Italian post-employment benefits (TFR) related to Impregilo S.p.A. and its Italian subsidiaries. At 31 December 2012 and 2011, the liability for post-employment benefits is the outstanding payable at the reform effective date, net of benefits paid up to the reporting dates. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of an independent expert, was based on the following rates:

- turnover rate: 7.25%;
- discount rate: 3.30%;
- advance payment rate: 2%;
- inflation rate: 2%.

The group has considered bonds with a minimum A rating to calculate the discount rate given the volatility of the reference indexes used for the actuarial valuations. Up until 31 December 2011, it had adopted actuarial valuations which considered bonds with a minimum rating of AA. Had the same valuations been maintained, the difference would not have been significant.

Changes in the provision are as follows:

	31 December 2011	Accrual	Payments	Other changes	Contributions transferred to INPS treasury and other funds	31 December 2012
(Euro/000)						
Post-employment benefits and employee benefits	19,084	18,082	(13,870)	(386)	(2,676)	20,234

Changes in the previous year are as follows:

	31 December 2010	Accrual	Payments	Other changes	Contributions transferred to INPS treasury and other funds	31 December 2011
(Euro/000)						
Post-employment benefits and employee benefits	24,653	13,958	(15,790)	(381)	(3,356)	19,084

Like in the previous year, other changes include exchange rate gains and losses.

24 Provisions for risks

These provisions amount to euro 98.3 million at the reporting date, as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Provision for risks on equity investments	10,711	10,800	(89)
Other provisions	87,574	126,500	(38,926)
Total	98,285	137,300	(39,015)



The provision for risks on equity investments relates to expected impairment losses on the carrying amount of the group's investments in associates for the part that exceeds their carrying amounts.

Changes in this provision are detailed below:

(Euro/000)	2012	2011
Acquisitions/disinvestments	-	1
Share of loss of equity-accounted investees	(118)	(1,590)
Dividends from equity-accounted investees and other investees	49	-
Other changes including changes in the translation reserve	(20)	865
Total	(89)	(724)

Other provisions comprise:

(Euro/000)	31 December 2012	31 December 2011	Variation
USW Campania projects	29,619	29,619	-
Provisions set up by Imprepar and its subsidiaries	33,659	36,229	(2,570)
Provision for maintenance of infrastructure under concession	222	19,899	(19,677)
Provision for investments in infrastructure under concession	-	1,750	(1,750)
Ongoing litigation	8,169	20,523	(12,354)
Building segment litigation	3,506	3,948	(442)
Environmental risks	2,783	1,771	1,012
Other	9,616	12,761	(3,145)
Total	87,574	126,500	(38,926)

The provision for the USW Campania projects includes the estimated costs for the environmental clean-up to be borne by group companies (euro 29.6 million).

The provisions set up by Imprepar and its subsidiaries include accruals made for probable future charges related to the closing of contracts and effects of ongoing litigation.

The provision for maintenance of infrastructure under concession includes the assessment of the obligations existing at the reporting date for the group companies that apply IFRIC 12. These companies also set up a provision for investments in infrastructure under concession, which includes the assessment of contractual obligations for future upgrades that will not lead to specific price increases or increases in the volume of use of the infrastructure. The decrease in these provisions is due to the sale of the EcoRodovias group.

The provision for ongoing litigation refers to disputes involving Impregilo and certain of its subsidiaries. Its decrease is due to utilisation for events for which it had been set up.

The provision for environmental risks, set up for the Plant & Engineering segment, mainly relates to the management of a landfill for future liabilities related to the closing and post-closing activities.

"Other" mainly comprises amounts accrued since 2011 for certain foreign contracts completed in previous years for which disputes are ongoing with the customers. Relationships with these customers are difficult and, therefore, the group is unable to estimate exactly when the related receivables will be collected.

Changes in the item in 2012 are summarised below:

(Euro/000)	31 December 2011	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	31 December 2012
Total	126,500	2,693	(13,564)	(27,806)	(249)	-	-	87,574

The item "Profit from discontinued operations" (see note 17) includes amortisation and depreciation of euro 11.1 million related to EcoRodovias.

Changes during 2011 are shown in the following table:

(Euro/000)	31 December 2010	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	31 December 2011
Total	178,586	23,208	(72,233)	-	(2,816)	-	(245)	126,500

Changes of the year comprise:

- (i) accruals of euro 2.7 million, including euro 1.7 million for the Engineering & Plant Construction segment and euro 0.2 million for Imprepar following revision of its estimates of its pending litigation. The remainder (euro 0.8 million) relates to the Construction segment;
- (ii) utilisations of euro 13.6 million, including euro 7.8 million used by the Corporate segment, euro 2.0 million by the Construction segment, euro 1.0 million by the Engineering & Plant Construction segment and euro 2.8 million by Imprepar. Utilisations relate to the occurrence of expenses and losses for which they had been accrued;

During 2008, the parent commenced a dispute with the tax authorities about an assessment challenging the tax treatment of impairment losses and losses on certain investments held by it in 2003. The most significant issue relates to the parent's sale of its entire investment in the Chilean operator Costanera Norte S.A. to Impregilo International Infrastructures N.V. in that year.

The dispute is currently before the Supreme Court following the tax authorities' appeal notified on 5 November 2010. The second level court ruling was filed on 11 September 2009 reversing the first level ruling and fully cancelling the assessment about the key issue raised by the tax authorities about redetermination of the sales price for the investment in Costanera Norte S.A..

With respect to the criminal proceedings commenced against the C.A.V.E.T. consortium and certain individuals, including several former managers of the consortium, the appeal hearing was completed in June 2011 and the related ruling handed down on 27 June 2011 reversed the first level decision in full, thus quashing the measures and fully absolving both the consortium and the individuals of the charges made against them. Following the appeal to the Supreme Court by the Florence public prosecutor, the Supreme Court cancelled part of the ruling issued by the Florence Appeal Court on 18 March 2013. It ordered that the case be returned to the latter court. The reasons for this decision have not yet been made known.



25 Other non-current liabilities

Other non-current liabilities amount to euro 2.6 million, down euro 10.0 million on the 31 December 2011 balance, as shown in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Other - third parties	1,626	595	1,031
Employees	975	868	107
State bodies	-	11,164	(11,164)
Total	2,601	12,627	(10,026)

26 Progress payments and advances on contract work in progress

The item "Progress payments and advances on contract work in progress", included in "Current liabilities", amounts to euro 844.4 million, up euro 93.7 million on the figure at 31 December 2011. It comprises:

(Euro/000)	31 December 2012	31 December 2011	Variation
Contract work in progress	(5,272,294)	(6,637,700)	1,365,406
Progress payments and advances received (on approved work)	5,486,422	6,831,261	(1,344,839)
Contractual advances	630,312	557,151	73,161
Total	844,440	750,712	93,728

Contract work in progress recognised under liabilities (negative WIP) is the negative net balance, for each contract, of work performed to date and progress billings.

The following table shows the contribution by business segment:

(Euro/000)	31 December 2012			31 December 2011			Variation
	Negative WIP	Contractual advances	Total	Negative WIP	Contractual advances	Total	
Construction	146,112	629,521	775,633	117,513	555,924	673,437	102,196
Engineering & Plant Construction	68,016	791	68,807	76,048	1,227	77,275	(8,468)
Total	214,128	630,312	844,440	193,561	557,151	750,712	93,728

The Construction segment balance relates mainly to the Lake Mead (US) contract (euro 56.4 million), with production of euro 55.3 million during the year, the San Francisco central subway (US) (euro 9.1 million, with production of euro 16.5 million during the year), the Gerald Desmond Bridge in California (US) (euro 16.9 million, with production of euro 4.9 million during the year), Lots 2 and 3 of the Abu Dhabi hydraulic tunnel (euro 36.1 million, with production of euro 138.9 million) and the Pedelombarda motorway (euro 1.6 million, with production of euro 109.4 million).

The Engineering & Plant Construction negative WIP balance relates to progress (production net of progress payments and advances) on FISIA Babcock's contracts in the waste-to-energy sector and FISIA Italmimpianti's contract in Qatar.

The contractual advances mainly relate to the Construction sector and specifically, the widening of the Panama Canal (euro 209.1 million), Colombia (euro 114.5 million), Venezuela (euro 11.9 million); Romania (euro 7.5 million) and the United Arab Emirates (euro 4.0 million). The item also includes advances of euro 166.2 million received for the operations in Libya (reference should be made to the previous section of these notes for more information about the situation in Libya).

27 Trade payables and current intragroup payables

Trade payables amount to euro 731.5 million at the reporting date, an increase of euro 51.0 million on 31 December 2011. They are made up as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Trade payables	731,484	680,513	50,971

The main component of this item is euro 517.0 million due to the Construction segment's suppliers. The Engineering & Plant Construction segment and FIBE have trade payables of euro 132.4 million and euro 79.9 million, respectively, showing a decrease of euro 29.7 million and euro 1.7 million, respectively.

Reference should be made to the section "Non-current assets held for sale" in the Directors' report - Part II of this Annual Report for more information about the complicated situation surrounding the USW Campania projects.

Current intragroup payables amount to euro 87.1 million, up euro 39.7 million on 31 December 2011, as shown in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Payables	(87,115)	(47,384)	(39,731)
Total	(87,115)	(47,384)	(39,731)

The item mainly relates to commercial and financial transactions with unconsolidated group companies. The increase is principally a result of the payables due to the CMC Mavundla - IGL joint venture (increase of euro 17.5 million) by the parent's South African branch, payables due to the Costruttori TEEM consortium (increase of euro 14.1 million) by Impregilo and the increase in the payable to the newly set up MM4 consortium (euro 5.3 million).

28 Current tax liabilities and other current tax liabilities

Current tax liabilities amount to euro 52.6 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
IRES	27,231	3,624	23,607
IRAP	834	3,599	(2,765)
Foreign taxes	24,565	35,693	(11,128)
Total	52,630	42,916	9,714



Other current tax liabilities of euro 16.6 million decreased by euro 13.5 million over 31 December 2011. They may be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Withholdings	19	1,120	(1,101)
VAT	7,927	20,674	(12,747)
Other indirect taxes	8,657	8,290	367
Total	16,603	30,084	(13,481)

29 Other current liabilities

Other current liabilities of euro 233.1 million (euro 228.8 million) comprise:

(Euro/000)	31 December 2012	31 December 2011	Variation
Social security institutions	10,560	9,709	851
Employees	30,686	26,527	4,159
Compensation and compulsory purchases	8,600	6,172	2,428
State bodies	116,235	118,891	(2,656)
Other payables	53,685	55,533	(1,848)
Provisions for risks and charges	3,197	1,619	1,578
Accrued expenses and deferred income	10,106	10,357	(251)
Total	233,069	228,808	4,261

- Payables due to employees relate to accrued unpaid remuneration.
- Payables for compensation and compulsory purchases relate to the high speed/capacity railway contracts (up euro 2.4 million due to the commencement of works on the Milan - Genoa section offset by settlement of negotiations about certain compulsory purchases for the Turin - Milan section).
- Payables due to state bodies (euro 116.2 million) entirely relate to the transactions with the commissioner, the provincial authorities and municipalities of Campania in connection with the USW Campania projects. Reference should be made to the section "Non-current assets held for sale" in the Directors' report - Part II of this Annual Report for more information about the complicated situation surrounding the USW Campania projects.
- Other payables of euro 53.7 million (euro 55.5 million) decreased by euro 1.8 million, including euro 0.4 million related to the USW Campania projects and euro 5.4 million to the Concessions segment, following sale of the Brazilian investee. The variation also includes the increase of euro 4.1 million for new contracts rolled out during the year. At the reporting date, other payables mainly refer to sums due for acquisitions of business units in previous years and to foreign co-venturers.

- Accrued expenses and deferred income of euro 10.1 million comprise:

(Euro/000)	31 December 2012	31 December 2011	Variation
Accrued expenses:			
- Commissions on sureties	1,987	2,837	(850)
- Ten-year liability insurance	2,743	3,424	(681)
- Other	5,033	4,007	1,026
Total accrued expenses	9,763	10,268	(505)
Deferred income:			
- Other	343	89	254
Total deferred income	343	89	254
Total	10,106	10,357	(251)

30 Guarantees and commitments

The key guarantees given by the group are set out below:

- Contractual sureties: these total euro 3,986.0 million and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the group companies have guarantees given by their subcontractors for some of these contractual sureties.
- Sureties for credit: they amount to euro 102.2 million and relate to the non-consolidated companies.
- Sureties granted to Sace for export credit of euro 59.2 million.
- Other guarantees of euro 345.7 million consisting of guarantees related to customs and tax obligations (euro 38.4 million) and for other commitments (such as environmental clean-ups) (euro 307.2 million).
- Collateral related to:
 - liens on shares of the consortium companies Salerno Reggio Calabria S.c.p.a. and Reggio Calabria-Scilla S.c.p.a. given to guarantee a loan (euro 43.3 million);
 - liens on shares of Tangenziale Esterna S.p.A. given to guarantee a loan (euro 15.5 million);
 - shares of Impregilo Wolverhampton Ltd. and Impregilo Parking Glasgow Ltd. deposited as guarantee (euro 2 thousand).



31 Financial instruments and risk management

Categories of financial instruments

The group's financial instruments are broken down by category in the following table, which also shows their fair value:

31 December 2012	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair Value
(Euro/000)								
Financial assets								
Non-current financial assets	6	-	-	-	16,335	-	16,335	16,335
Non-current intragroup loans and receivables	7	10,892	-	-	-	-	10,892	10,892
Trade receivables	12	809,180	-	-	-	-	809,180	809,180
Current intragroup loans and receivables	12	253,685	-	-	-	-	253,685	253,685
Other current financial assets	13	-	-	-	10,590	-	10,590	10,590
Derivatives	13	-	1,091	-	-	-	1,091	1,091
Cash and cash equivalents	16	1,243,086	-	-	-	-	1,243,086	1,243,086
Total		2,316,843	1,091	-	26,925	-	2,344,859	2,344,859

31 December 2012	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair Value
(Euro/000)						
Financial liabilities						
Bank and other loans	19	373,760	-	-	373,760	370,748
Finance lease payables	21	62,813	-	-	62,813	62,813
Bonds	20	262,529	-	-	262,529	262,529
Derivatives	22	-	65	5,200	5,265	5,265
Trade payables	27	731,484	-	-	731,484	731,484
Current intragroup payables	27	87,115	-	-	87,115	87,115
Total		1,517,701	65	5,200	1,522,966	1,519,954

31 December 2011	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair Value
(Euro/000)								
Financial assets								
Non-current financial assets	6	-	-	-	9,827	-	9,827	9,827
Non-current intragroup loans and receivables	7	14,971	-	-	-	-	14,971	14,971
Trade receivables	12	792,993	-	-	-	-	792,993	792,993
Current intragroup loans and receivables	12	218,140	-	-	-	-	218,140	218,140
Other current financial assets	13	-	-	-	4,743	-	4,743	4,743
Derivatives	13	-	-	-	-	-	-	-
Cash and cash equivalents	16	678,389	-	-	-	-	678,389	678,389
Total		1,704,493	-	-	14,570	-	1,719,063	1,719,063

31 December 2011	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair Value
(Euro/000)						
Financial liabilities						
Bank and other loans	19	690,598	-	-	690,598	695,932
Finance lease payables	21	62,453	-	-	62,453	62,453
Bonds	20	459,968	-	-	459,968	460,697
Derivatives	22	-	1,628	5,453	7,081	7,081
Trade payables	27	680,513	-	-	680,513	680,513
Current intragroup payables	27	47,384	-	-	47,384	47,384
Total		1,940,916	1,628	5,453	1,947,997	1,954,060

The note column gives the section in which the relevant item is described.

Reference should be made to the section on the accounting policies for information on the fair value measurement of these items. Specifically, their fair value is based on the present value of estimated future cash flows.



Risk management

Impregilo group is exposed to financial risks, including the following:

- **market risk** deriving from the group's exposure to interest rate fluctuations, exchange rate fluctuations and, with respect to the Engineering & Plant Construction Segment, commodity price volatility;
- **credit risk** deriving from the group's exposure to potential losses arising from customers' non-compliance with their obligations;
- **liquidity risk** deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

Impregilo's international presence entails its exposure to the risk of fluctuations in exchange rates of the Euro and the currencies of the various countries in which it operates. Currency risk at 31 December 2012 mainly related to the following currencies:

- Dollar (United States)
- Real (Brazil)
- Naira (Nigeria)
- Peso (Argentina)
- Peso (Santo Domingo)
- Peso (Colombia)
- Peso (Chile)
- Bolivar (Venezuela)
- Rand (South Africa)
- Swiss franc (Switzerland)

The group's currency risk management strategy is essentially based on the following policies:

- agreement of contractual considerations for works and projects in countries with weak currencies using a primarily multi-currency format, in which only a portion of the consideration is expressed in local currency;
- use of portions of the contractual considerations in local currency mainly to cover project expenses to be incurred in that currency;
- analysis of exposure in US dollars on a cumulative and prospective basis with consistent deadlines and setting up forward transactions in the same currency to hedge the group's net exposure at those deadlines.



Adoption of the above-mentioned policies has contained the group's exposure to currency risk, which only relates to the US dollar, the Bolivar, the Rand and the Swiss franc.

Given the regulated regime controlling the Bolivar and the group's strategy in place to hedge currency risk on currencies other than the US dollar or other strong currencies, whereby they are hedged directly in the contract, it did not perform a sensitivity analysis of the Venezuelan currency. In February 2013, the Bolivar was depreciated against the US dollar from 4.30 to 6.30. Pursuant to IAS 21 and IAS 10, this depreciation was not reflected in the consolidated financial statements at 31 December 2012. The related exchange rate gains and losses, which are not material, will be recognised in 2013.

Had the Euro appreciated or depreciated by 5% against the US dollar at year end, the pre-tax profit for the year would have been respectively greater or lower by euro 1.7 million, assuming that all other variables remained constant, mainly due to unrealised exchange rate losses (gains) on net liabilities in US dollars. A similar change at the end of the previous year would have led to a euro 1.9 million decrease (increase in the case of depreciation) in the profit for the year.

Had the Euro appreciated or depreciated by 5% against the Rand at year end, the pre-tax profit for the year would have been respectively greater or lower by euro 0.1 million, assuming that all other variables remained constant, mainly due to unrealised exchange rate losses (gains) on net liabilities in Rands. A similar change at the end of the previous year would have led to a euro 1.3 million decrease (increase in the case of depreciation) in the profit for the year.

Had the Euro appreciated or depreciated by 5% against the Swiss franc at year end, the pre-tax profit for the year would have been respectively lower or higher by euro 1.8 million, assuming that all the other variables remained constant, mainly due to unrealised exchange rate losses (gains) on net assets in Swiss francs. Exposure in this currency at 31 December 2011 was immaterial.

Interest rate risk

Impregilo group has adopted a combined strategy of streamlining group operations by disposing of non-strategic assets, containing debt and hedging interest rate risks on a portion of the non-current structured loans through interest rate swaps (IRSs).

The financial risks arising from market interest rate fluctuations to which the group is potentially exposed and which are monitored by the relevant company personnel relate to non-current floating rate loans. Such risk is mitigated by interest accrued on short-term investments of liquidity available at the Italian-based consortia and consortium companies and foreign subsidiaries, which are used to support the group's operations.

Had interest rates increased or decreased by an average 75 basis points in 2012, the pre-tax profit for the year would have been respectively lower or greater by euro 8.6 million, assuming that all other variables remained constant and without considering cash and cash equivalents. A similar change in the previous year would have led to a euro 8.7 million decrease or increase in the pre-tax profit for the year, assuming that all other variables remained constant. The sensitivity test on the interest rate derivative of Impregilo Parking Glasgow was only performed on cash flows generated during the year; fair value was not analysed as the derivative qualifies for hedge accounting and the effects of a change in interest rates would only impact equity.



Credit risk

Credit risk is that deriving from the group's exposure to potential losses arising from customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of bids, through a careful analysis of the characteristics of the countries in which the group's activities should be carried out and the customers, which are usually state or similar bodies, requesting a bid.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (positive and negative work in progress, contractual advances and progress payments and advances) in relation to contract work in progress as a whole.

A breakdown of working capital by country, as shown in the section on segment reporting, is set out below:

(Euro/000)

Working capital by country	31 December 2012	31 December 2011
Italy	235,297	203,580
Other EU countries	(88,035)	(54,553)
Other non-EU countries	(19,984)	(2,899)
Central and South America	(19,412)	30,017
Other areas and eliminations	314,903	234,366
Total	422,769	410,511

The reconciliation of the reclassified consolidated statement of financial position details the items included in working capital.

The group's exposure to customers, broken down by contract location, is analysed below:

Customer by contract location	Receivables	Positive WIP	Negative WIP advances and contractual	Total	Allowances
(Euro/000)					
31 December 2012					
Italy	440,885	352,453	(96,895)	696,443	5,140
Other EU countries	24,741	51,131	(47,481)	28,391	
Other non-EU countries	3,681	4,219	(40,255)	(32,355)	
Central and South America	259,981	291,202	(348,348)	202,835	-
Other areas and eliminations	79,892	165,363	(311,461)	(66,206)	
Total	809,180	864,368	(844,440)	829,108	5,140
31 December 2011					
Italy	499,698	279,298	(112,376)	666,620	773
Other EU countries	10,705	21,844	(41,236)	(8,687)	
Other non-EU countries	2,240	3,816	(15,292)	(9,236)	
Central and South America	214,436	320,983	(283,837)	251,582	3,542
Other areas and eliminations	65,914	131,838	(297,971)	(100,219)	
Total	792,993	757,779	(750,712)	800,060	4,315

Liquidity risk

Liquidity risk derives from the risk that the financial resources necessary to meet obligations may not be available to the group at the agreed terms and deadlines.

The group's strategy aims at ensuring that each ongoing contract is financially independent. This strategy is strictly monitored centrally.

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(Euro/000)	31/12/2013	31/12/2014	31/12/2017	After	Total
Current account facilities	83,935	-	-	-	83,935
Bonds	126,399	9,925	158,973	-	295,297
Bank loans and borrowings	146,988	127,233	1,523	10,285	286,029
Factoring payables	7,946	3,466	-	-	11,412
Finance lease payables	22,785	26,109	13,919	-	62,813
Interest rate derivatives	65	-	-	5,200	5,265
Gross financial liabilities	388,118	166,733	174,415	15,485	744,751
Trade payables	731,484				731,484
Total	1,119,602	166,733	174,415	15,485	1,476,235

The prior year figures are given below for comparative purposes:

(Euro/000)	31/12/2012	31/12/2013	31/12/2016	After	Total
Current account facilities	102,448	-	-	-	102,448
Bonds	72,686	216,661	232,712	66,032	588,091
Bank loans and borrowings	463,710	30,955	25,254	18,984	538,903
Factoring payables	36,910	-	-	-	36,910
Finance lease payables	8,897	11,695	41,861	-	62,453
Interest rate derivatives	1,628	-	-	5,453	7,081
Gross financial liabilities	686,279	259,311	299,827	90,469	1,335,886
Trade payables	678,713				678,713
Total	1,364,992	259,311	299,827	90,469	2,014,599

Future interest has been estimated based on the market interest rates at the date of preparation of these consolidated financial statements, summarised in the notes.

Liquidity risk management is mainly based on containing debt and maintaining a balanced financial position. This strategy is pursued by each of the group's operating companies.

Loans and trade payables (net of advances to suppliers) falling due before 31 March 2013 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below:

(Euro/000)	Total financial commitments due before 31 March 2013	Cash and cash equivalents	Difference
Impregilo S.p.A.	(212,449)	875,587	663,138
Subsidiaries	(93,270)	164,410	71,140
Special purpose entities	(163,863)	178,091	14,228
Total	(469,582)	1,218,088	748,506

Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

Financial instruments recognised by the group at fair value are classified at the following levels:

(Euro/000)	Note	Level 1	Level 2	Level 3
Derivative assets	13	-	1,091	-
Derivative liabilities	22	-	(5,265)	-
Total		-	(4,174)	-

There were no movements from Level 1 to Level 2 during the year or vice versa.

Income statement

32 Revenue

Revenue for 2012 amounts to euro 2,281.0 million, up 21.4% on the previous year:

(Euro/000)	2012	2011	Variation	Var. %
Operating revenue	2,200,382	1,812,092	388,290	21.4%
Other revenue and income	80,609	66,077	14,532	22.0%
Total	2,280,991	1,878,169	402,822	21.4%

A breakdown of operating revenue by business segment is given in the following table:

(Euro/000)	2012	2011	Variation	Var. %
Construction	2,043,959	1,618,130	425,829	26.3%
Concessions	18,443	16,442	2,001	12.2%
Engineering & Plant Construction	221,953	246,322	(24,369)	(9.9%)
FIBE	200	1,353	(1,153)	(85.2%)
Eliminations	(3,564)	(4,078)	514	(12.6%)
Total revenue	2,280,991	1,878,169	402,822	21.4%

The 26.3% increase in the Construction segment's revenue is mainly due to continuation of production on the foreign contracts, mainly in South America (Panama and Colombia), the United Arab Emirates, South Africa and Romania, and several building sites in Italy.

The Concession segment's revenue increased by 12.2%, mostly as a result of the group's share of the operations carried out in Argentina by the investee Mercovia S.A., following the higher traffic volumes as a consequence of the operation of the Puentes Internacional de la Integracion concession on the Uruguay River on the border between Brazil and Argentina.

The 9.9% downturn in the Engineering & Plant Construction segment's activities was due to substantial completion of its main contracts.

A breakdown of operating revenue and other revenue is given in the following table:

(Euro/000)	2012	2011	Variation	Var. %
Works invoiced to customers	2,125,889	1,732,980	392,909	22.7%
Services	62,829	73,141	(10,312)	(14.1%)
Sales to third parties	11,650	5,800	5,850	100.9%
Other	14	171	(157)	(91.8%)
Total	2,200,382	1,812,092	388,290	21.4%

A breakdown of other revenue and income is given in the following table:

(Euro/000)	2012	2011	Variation	Var. %
Cost recoveries	15,339	23,859	(8,520)	(35.7%)
Rent and leases	764	240	524	218.3%
Gains on the disposal of assets	3,661	4,485	(824)	(18.4%)
Prior year income	10,443	21,682	(11,239)	(51.8%)
Other	50,402	15,811	34,591	218.8%
Total	80,609	66,077	14,532	22.0%

The reduction in cost recoveries and prior year income is a result of the near completion of certain Italian contracts.

"Other" includes the additional revenue received by the parent as per specific agreements with the co-venturers of the C.M.C. - Mavundla - IGL joint venture in South Africa.

33.1 Raw materials and consumables

The cost of raw materials and consumables incurred in 2012 increased by euro 75.1 million to euro 340.1 million compared to the corresponding figure of the previous year:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Purchases of raw materials and consumables	345,357	15.1%	278,776	14.8%	66,581
Change in raw materials and consumables	(5,238)	(0.2%)	(13,761)	(0.7%)	8,523
Total	340,119	14.9%	265,015	14.1%	75,104

The rise in the cost of purchasing raw materials is mainly attributable to the Construction segment (euro 111.9 million) while the Engineering & Plant Construction segment saw a euro 36.4 million decrease. Both variations reflect the changes in the segments' business volumes for the year.



33.2 Subcontracts

Costs of subcontracts increased to euro 545.9 million, up euro 244.8 million on the corresponding figure of the previous year, as shown in the following table:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Subcontracts	545,916	23.9%	301,156	16.0%	244,760

The increase is mainly due to the greater volume of activities carried out by the Construction segment (euro 261.7 million), partly offset by the downturn of the Engineering & Plant Construction segment (euro 17.4 million).

33.3 Other operating expenses

Other operating expenses amount to euro 915.5 million, up euro 81.0 million on 2011 as follows:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Consultancy and technical services	186,371	8.2%	177,176	9.4%	9,195
Fees to directors, statutory auditors and independent auditors	5,749	0.3%	5,946	0.3%	(197)
Maintenance	12,076	0.5%	11,562	0.6%	514
Transportation and freight	35,954	1.6%	30,447	1.6%	5,507
Insurance	24,645	1.1%	20,697	1.1%	3,948
Recharges and allocation of costs from consortia and joint ventures	448,192	19.6%	435,513	23.2%	12,679
Rent and leases	57,793	2.5%	52,472	2.8%	5,321
Other operating expenses	131,618	5.8%	90,559	4.8%	41,059
Prior year expense	4,521	0.2%	8,544	0.5%	(4,023)
Losses on the disposal of assets	8,582	0.4%	1,587	0.1%	6,995
Total	915,501	40.1%	834,503	44.4%	80,998

This item's increase is mainly due to the compensation paid by FISIA Italmimpianti to a foreign customer as part of the settlement agreed at year end. It also relates to compensation and compulsory purchases for recently commenced construction contracts in Italy.

"Consultancy and technical services", up euro 9.2 million on 2011, mainly consist of costs for the design and construction work carried out by the SPEs. The increase principally refers to the Construction segment to which the costs refer. These costs are broken down in the following table:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Design and engineering services	137,836	6.0%	140,580	7.5%	(2,744)
Testing	3,172	0.1%	2,444	0.1%	728
Construction	22,872	1.0%	15,831	0.8%	7,041
Legal, administrative and other services	22,491	1.0%	18,321	1.0%	4,170
Total	186,371	8.2%	177,176	9.4%	9,195



33.4 Personnel expenses

Personnel expenses for the year amount to euro 397.8 million, up euro 73.7 million on 2011. The item is made up as follows:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Wages and salaries	270,896	11.9%	224,530	12.0%	46,366
Social security and pension contributions	53,824	2.4%	47,367	2.5%	6,457
Post-employment benefits and employee benefits	18,082	0.8%	13,958	0.7%	4,124
Other personnel expenses	54,983	2.4%	38,241	2.0%	16,742
Total	397,785	17.4%	324,096	17.3%	73,689

The increase is mainly due to the hiring of employees for the new contracts in Italy and abroad and developments on the existing construction contracts.

Other personnel expenses mainly relate to termination benefits and repayments of travel expenses.

33.5 Amortisation, depreciation, provisions and impairment losses

This item of euro 107.1 million shows an increase on the previous year figure of euro 82.1 million. It may be analysed as follows:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Impairment losses on non-current assets, net of reversals	2,252	0.1%	14,502	0.8%	(12,250)
Accrual to the allowance for impairment, net of utilisations	3,342	0.1%	401	0.0%	2,941
Accrual to the provisions for risks, net of utilisations	(8,201)	(0.4%)	(51,888)	(2.8%)	43,687
Total provisions and impairment losses	(2,607)	(0.1%)	(36,985)	(2.0%)	34,378
Amortisation of intangible assets	1,370	0.1%	333	0.0%	1,037
Depreciation of property, plant and equipment	107,688	4.7%	61,049	3.3%	46,639
Amortisation of rights to infrastructure under concession	697	0.0%	606	0.0%	91
Total amortisation and depreciation	109,755	4.8%	61,988	3.3%	47,767
Total	107,148	4.7%	25,003	1.3%	82,145

The increase refers to the following business segments:

(Euro/000)	2012	2011	Variation	Var. %
Construction	3,719	(6,097)	9,816	(161.0%)
Corporate	(7,628)	(49,736)	42,108	100.0%
Engineering & Plant Construction	1,302	15,540	(14,238)	(91.6%)
Concessions	-	1,308	(1,308)	(100.0%)
FIBE	-	2,000	(2,000)	100.0%
Total provisions and impairment losses	(2,607)	(36,985)	34,378	(93.0%)
Construction	105,801	58,276	47,525	81.6%
Corporate	45	47	(2)	(4.3%)
Engineering & Plant Construction	3,099	3,011	88	2.9%
Concessions	805	696	109	15.7%
FIBE	5	5	-	0.0%
Total amortisation and depreciation	109,755	62,035	47,720	76.9%



34.1 Financial income

Financial income totalled euro 40.9 million (euro 24.1 million) and is made up as follows:

(Euro/000)	2012	2011	Variation
Bank interest income	10,270	9,940	330
Interest income on securities	4	-	4
Gains on the sale of securities	-	2,653	(2,653)
Interest income on intragroup transactions	1,297	1,337	(40)
<i>Interest income on other items of net invested capital:</i>			
- Interest income on tax assets	612	1,397	(785)
- Default interest income	22,849	3,969	18,880
- Other interest income	5,494	4,272	1,222
Total interest income on other items of net invested capital	28,955	9,638	19,317
Financial discounts and allowances	399	581	(182)
Total	40,925	24,149	16,776

The euro 16.8 million increase is mainly due to the contractually provided-for payment of default interest by certain South African construction customers (euro 20.3 million) arising from delays in settling regularly-approved progress billings.

34.2 Financial expense

Financial expense totalled euro 75.0 million (euro 83.7 million) and is made up as follows:

(Euro/000)	2012	2011	Variation
Bank interest expense	(40,608)	(51,527)	10,919
Interest expense on bonds	(16,437)	(17,388)	951
Interest expense on other loans	(2,386)	(2,493)	107
Lease interest expense	(5,750)	(2,527)	(3,223)
Interest expense on intragroup transactions	(120)	(351)	231
<i>Interest expense on other items of net invested capital</i>			
- Interest expense on tax liabilities	(850)	(905)	55
- Default interest expense	(88)	(32)	(56)
- Other interest expense	(4,810)	(3,027)	(1,783)
Total interest expense on other items of net invested capital	(5,748)	(3,964)	(1,784)
Impairment losses on loans, net of utilisation of allowance	-	(100)	100
Bank charges and commissions	(2,873)	(3,093)	220
Commissions on sureties	(664)	(1,882)	1,218
Financial discounts and allowances	(446)	(368)	(78)
Total	(75,032)	(83,693)	8,661

Financial expense decreased by euro 8.7 million over 2011, mainly as a result of smaller bank interest expense (euro 10.9 million), net of the higher lease interest expense (euro 3.2 million).

Interest expense on other loans mainly relates to the factoring of tax receivables.

34.3 Net exchange rate gains

Net exchange rate gains amount to euro 3.4 million (euro 0.3 million).

35 Net gains on investments

Net gains on investments came to euro 1.4 million compared to euro 3.8 million for the previous year.

The item may be broken down as follows:

(Euro/000)	2012	2011	Variation
Share of profit of equity-accounted investees	1,359	3,182	(1,823)
Dividends	27	230	(203)
Net losses on the disposal of equity investments	(23)	-	(23)
Other gains	68	416	(348)
Total	1,431	3,828	(2,397)

The share of profit of equity-accounted investees is broken down in the following table:

(Euro/000)	2012	2011	Variation
Construction	88	1,608	(1,520)
<i>Yacilec</i>	136	155	(19)
<i>Agua Azul</i>	733	818	(85)
<i>Wolverhampton</i>	118	152	(34)
<i>Ochre Holding</i>	-	(90)	90
<i>Sabrom</i>	(78)	(77)	(1)
<i>Yuma Company</i>	362	616	(254)
Total concessions	1,271	1,574	(303)
Total	1,359	3,182	(1,823)

36 Income tax expense

The group's income tax expense for the year is euro 59.3 million as follows:

(Euro/000)	2012	2011	Variation
Current taxes (income taxes)	49,474	12,077	37,397
Net deferred tax (income) expense	2,632	(5,896)	8,528
Prior year taxes	1,786	1,020	766
Total income taxes	53,892	7,201	46,691
IRAP	5,378	5,618	(240)
Total	59,270	12,819	46,451



An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

	INCOME TAX EXPENSE	
	Euro m	%
Loss before tax	(54.8)	
Theoretical tax expense	(15.1)	27.5%
Effect of permanent differences	79.9	
Effect of national tax consolidation system	(8.3)	
Recovered foreign taxes	(1.8)	
Other	(0.8)	
Total	53.9	27.5%

The effective tax expense is affected by the following:

- permanent differences which increase the group's total tax expense compared to its "theoretical" expense;
- different tax rates applied in certain countries in which the group operates;
- recognition of certain taxes paid abroad in accordance with the legislation of the countries in which the branches of the Italian consolidated companies operate and which have been recovered;
- effects of applying the national IRES tax consolidation agreement with certain group companies;
- the losses (including for tax purposes) of roughly euro 244 million recognised by several special purpose entities (SPE). Although these losses may be carried forward by law, they qualify as permanent differences in line with the SPE's assessments of the contracts and their by-laws which limit their business object to the mere execution of each contract;
- taxes on items that are eliminated at consolidation level.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

	IRAP	
	Euro m	%
Operating loss	(25.5)	
Personnel expenses	397.8	
Operating profit for IRAP tax purposes	372.3	
Theoretical tax expense	14.5	3.9%
Tax effect of foreign companies' production	(3.5)	(0.9%)
Tax effect of foreign production	(4.2)	(1.1%)
Tax effect of permanent differences	(1.5)	(0.4%)
Total	5.3	1.4%



The net deferred tax expense contributes negatively to the consolidated profit for euro 2.6 million as shown below:

(Euro/000)	
Deferred tax expense for the year	13,812
Reversal of deferred tax liabilities recognised in previous years	(7,167)
Deferred tax income for the year	(35,662)
Reversal of deferred tax assets recognised in previous years	31,649
Total	2,632

37 Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature and were carried out with:

- directors, statutory auditors and key management personnel, in line with the contracts regulating their positions within the group.
- associates; these transactions mainly relate to:
 - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
 - services (technical, organisational, legal and administrative), carried out at centralised level;
 - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

Transactions are carried out with associates in the interests of Impregilo, aimed at building on existing synergies in the group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;

- other related parties: the main transactions with other related parties, identified pursuant to IAS 24, are summarised below:

31 December 2012	Loans and receivables	Other current assets	Payables	Other current liabilities	Operating revenue	Costs	Financial income (expense)	Cash flows for the year
(Euro/000)								
Argo Costruzione Infrastrutture	-	-	15,057	-	-	8,819	-	(8,573)
Impresa Grassetto S.p.A.	-	-	8	18,343	-	-	(420)	-
Sina S.p.A.	-	-	7,025	-	-	9,244	-	(4,528)
Total	-	-	22,090	18,343	-	18,063	(420)	(13,101)

The payable to Impresa Grassetto relates to the acquisition of several business units in 1998 for which the conditions for payment had not yet arisen at the reporting date.

Most of the group's production in the construction segment is carried out through SPEs, set up with other partners that have participated with Impregilo in tenders. The SPEs carry out the related contract on behalf of its partners.



Argo Costruzioni e Infrastrutture qualifies as a group partner for certain contracts underway in Italy. Transactions with these companies, as shown in the above table, relate to supplies and credit lines requested by the SPEs that carry out the contracts and in whose share capital the companies have invested. These credit lines are provided at normal market conditions and as provided for by the relevant contracts.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts. They are also governed by specific agreements and carried out on an arm's length basis and, where applicable, in line with the contract terms.

Their effects on the statement of financial position and income statement are shown together with the related contract, when appropriate. Their impact on the group's financial position at 31 December 2012 and results of operations for the year then ended has not been material.

Transactions with directors, statutory auditors and key management personnel are show below:

(Euro/000)	Fees and remuneration	2012 Termination benefits and post-employment benefits	Total	Fees and remuneration	2011 Termination benefits and post-employment benefits	Total
Directors and statutory auditors	2,002	-	2,002	2,430	-	2,430
Key management personnel	1,988	8,294	10,282	4,879	348	5,227
Total	3,990	8,294	12,284	7,309	348	7,657

The next table shows the impact of transactions with non-consolidated group companies on the consolidated statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the consolidated statement of cash flows, when material:

31 December 2012 (Euro/000)	Non-current loans and receivables ⁽¹⁾	Current loans and receivables ⁽²⁾	Current payables ⁽³⁾	Revenue	Financial income	Financial expense
Total - group companies	10,892	253,685	87,114	3,824	1,297	(120)
Total financial statements item	614,078	3,725,556	2,341,172	2,280,991	40,925	(75,032)
% of financial statements item	1.8%	6.8%	3.7%	0.2%	3.2%	0.2%

31 December 2011 (Euro/000)	Non-current loans and receivables ⁽¹⁾	Current loans and receivables ⁽²⁾	Current payables ⁽³⁾	Revenue	Financial income	Financial expense
Total - group companies	14,971	218,140	47,384	3,946	1,337	(351)
Total financial statements item	1,032,570	2,946,030	2,460,388	1,878,169	24,149	(83,693)
% of financial statements item	1.4%	7.4%	1.9%	0.2%	5.5%	0.4%

(1) The percentage of non-current loans and receivables is calculated considering total non-current assets.

(2) The percentage of current loans and receivables is calculated considering total current assets.

(3) The percentage of current payables is calculated considering total current liabilities.

38 Significant non-recurring events and transactions

Apart from that set out in the introduction to the section on the statement of financial position and note 17 about the sale of EcoRodovias, in 2012, the group's financial position, performance and cash flows were not affected by significant non-recurring events and transactions, as defined by Consob communication no. DEM/6064293⁽³⁾.

39 Balances or transactions arising from atypical and/or unusual transactions

During the year, Impregilo group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293⁽⁴⁾.

40 Earnings per share

Earnings per share are disclosed at the foot of the income statement.

Basic earnings per share are calculated by dividing the profit (loss) for the year attributable to the owners of the parent by the weighted average of the shares outstanding during the year. Diluted earnings per share are calculated considering the weighted average of the outstanding shares adjusted by assuming the conversion of all the shares with potentially diluting effects.

The following table summarises the calculation. There were no diluting effects in 2012 and 2011 as all the previously issued options had been exercised.

(Euro/000, thousands of shares)	2012	2011 (*)
Profit (loss) from continuing operations	(114,037)	60,118
Non-controlling interests	(340)	(2,395)
Profit earmarked for holders of savings shares	(588)	(588)
Profit (loss) from continuing operations attributable to the owners of the parent	(114,965)	57,135
Profit from continuing and discontinued operations	602,999	179,789
Non-controlling interests	(340)	(2,395)
Profit earmarked for holders of savings shares	(588)	(588)
Profit from continuing and discontinued operations attributable to the owners of the parent	602,071	176,806
Average outstanding ordinary shares	402,458	402,458
Average outstanding savings shares	1,615	1,615
Average number of shares	404,073	404,073
Average number of diluted shares	404,073	404,073
Basic earnings (loss) per share (from continuing operations)	(0.28)	0.14
Basic earnings per share (from continuing and discontinued operations)	1.49	0.44
Diluted earnings (loss) per share (from continuing operations)	(0.28)	0.14
Diluted earnings per share (from continuing and discontinued operations)	1.49	0.44

(*) Restated figures following application of IFRS 5 to EcoRodovias group - see note 17.

3) Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business, teresse, alla salvaguardia del patrimonio aziendale, alla tutela degli azionisti di minoranza.

4) Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the group's assets and non-controlling interests.

41 Events after the reporting period

In January 2013, the group completed the process for sale of its investment in the Brazilian group EcoRodovias to third parties, selling the residual 6.5%. It held this investment through the group company Impregilo International Infrastructures N.V.. Reference should be made to the information document published on 26 January 2013 prepared pursuant to article 71 and annex 3B (table 3) of the implementation regulation (the Issuer Regulation) of Legislative decree no. 58 of 24 February 1998 (the Consolidated Finance Act), adopted by Consob with resolution no. 11971 of 14 May 1999.

In the same month, Impregilo won the tender called by Minera Panama SA, a subsidiary of the Canadian Inmet Mining Corporation, as part of a joint venture with Salini. The contract is for the construction of the "Mina de Cobre" project in Panama and consists of the preparatory and preliminary work to develop an important copper mine. Specifically, the contractor will build service roads and new access routes to the mine, located about 120 km from the capital, Panama City, excavate about 45,000,000 m³ of rock and earth and create deposits with the excavated material. The contract is worth roughly USD 560.0 million (Impregilo's share is 50%).

In accordance with the relevant ruling regulations, Impregilo was informed about the shareholder Salini S.p.A.'s intention to proceed with a voluntary takeover bid for all the parent's ordinary shares on 6 February 2013. Pursuant to the law, on 16 March 2013, Salini S.p.A. published its Bid Document and the Issuer's communication was also made public, prepared as per article 103 of the Consolidated Finance Act and article 39 of the Issuer Regulation, approved by Impregilo's board of directors on 10 March 2013. It also approved a proposal to distribute dividends of approximately euro 600 million on the same date.

With respect to this proposal, the subsidiary Impregilo International Infrastructures N.V. placed two bond issues of euro 150,000,000 each on 26 November 2010, fully underwritten by Impregilo S.p.A.. They mature on 26 November 2013 and 26 November 2015, respectively. Their outstanding principal at 31 December 2012 was euro 112.5 million and euro 150 million, respectively.

The related contracts include certain clauses whereby, should certain events take place, the bonds have to be redeemed early. Considering the sale of the entire investment in EcoRodovias Infrastruttura e Logistica S.A. by Impregilo International Infrastructures N.V. and the related collection by Impregilo of the dividend distributed by Impregilo International at the end of 2012, Impregilo's adoption of a resolution to distribute dividends of the same amount would imply early redemption of both bond issues. However, with respect to the issue maturing on 26 November 2015, the bondholders have formally agreed to release Impregilo from its obligation while the bond issue maturing on 26 November 2013 will be redeemed early.

Reference should be made to the section on "Non-current assets held for sale" in the Directors' report of this Annual Report for details on the key events that have taken place since 31 December 2012 with respect to the USW Campania projects.

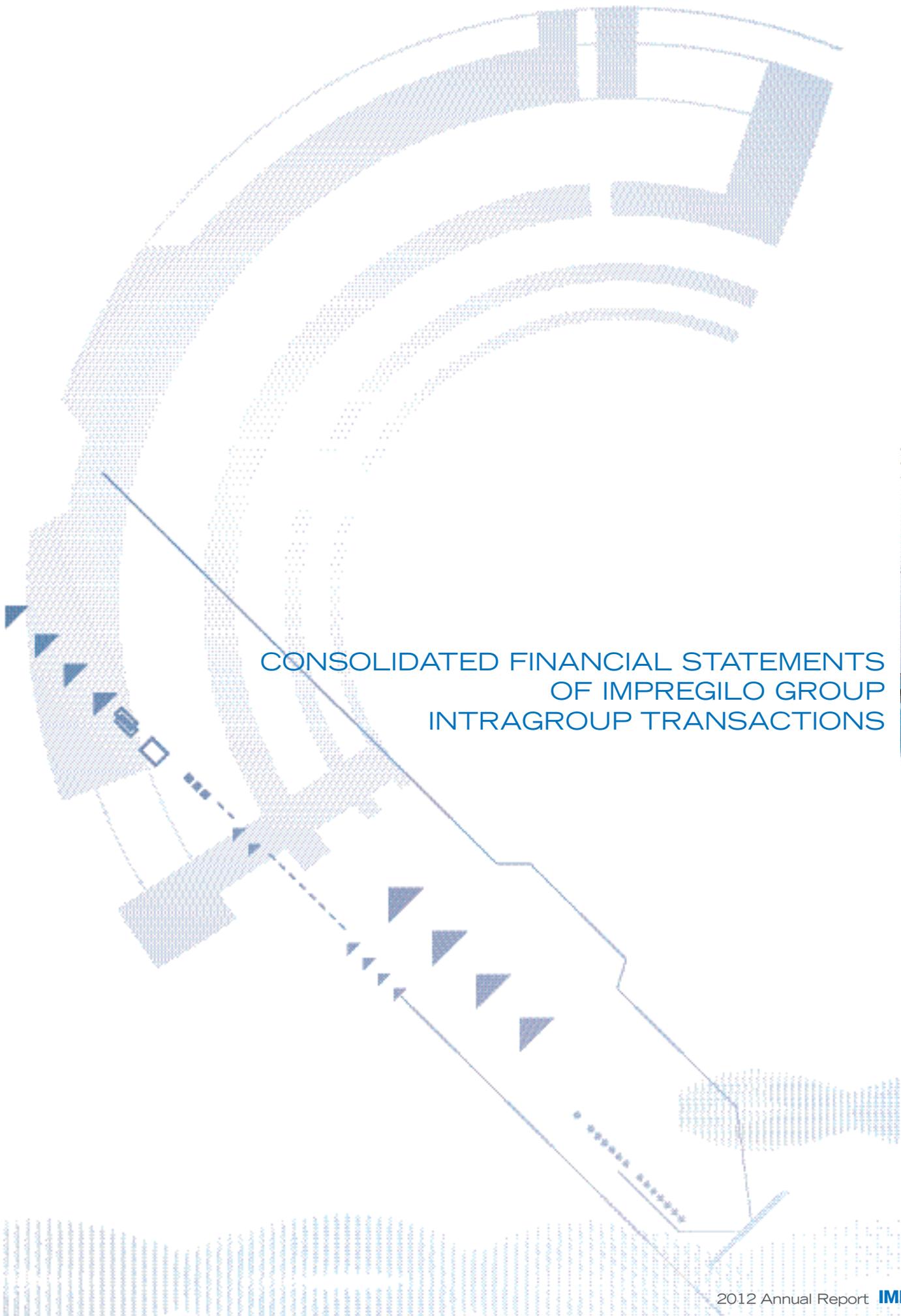
No other significant events took place after the reporting date further to that disclosed in these notes.

On behalf of the board of directors

Chairman

Claudio Costamagna
(signed on the original)





CONSOLIDATED FINANCIAL STATEMENTS OF IMPREGILO GROUP INTRAGROUP TRANSACTIONS



CONSOLIDATED FINANCIAL STATEMENTS OF IMPREGILO GROUP INTRAGROUP TRANSACTIONS - 31 DECEMBER 2012

(Euro)	FINANCIAL ASSETS			Total
	Trade receivables	Loans	Other	
Other				
ENGINEERING & PLANT CONSTRUCTION				
Consorzio Ramsar Molentargius	839			839
Total	839			839
CONCESSIONS				
Autopistas del Sol S.A.		264,768		264,768
Pedemontana Veneta S.p.A.	75,130	101,125		176,255
Tangenziale Esterna di Milano S.p.A.	34,508			34,508
Tangenziale Esterna di Milano	6,010			6,010
Total	115,648	365,893		481,541
CONSTRUCTION				
Arbeitsgemeinschaft tunnel (ATUS)	717,033			717,033
Arge Haupttunnel Eyholz	3,130,166			3,130,166
Arge Uetlibergtunnel				
CCB Consorzio Centro Balneare	427,565			427,565
CGMR Gestione materiale Roveredo				
Churchill Consortium	1,484			1,484
Churchill Hospital J.V.	5,882			5,882
CMC Consorzio Monte Ceneri lotto 851	1,181,188			1,181,188
CMC-MAVUNDLA-IGL JV	24,789,000	76		24,789,076
Consorzio Central Hidroelectrica Daule Peripa Division Obras Civiles			4,208,914	4,208,914
Consorzio Cigla-Sade	150,498	1,270,932		1,421,430
Consorzio Contuy Medio		939,571		939,571
Consorzio Federici/Impresit/Ice Cochabamba	600,000			600,000
Consorzio Grupo Contuy-Proyectos y Ob. De F.		1,271,702		1,271,702
Consorzio Imigrantes				
Consorzio Impregilo OHL	36,303			36,303
Consorzio OIV-TOCOMA	1,042,496	102,078,120	27,532,948	130,653,564
Consorzio Serra do Mar	76	482,760	2,614,030	3,096,866
Consorzio V.S.T. Tocoma		191,007		191,007
Consorzio VIT Tocoma		1,276,727		1,276,727
Consorzio Stazione Mendrisio	39,914			39,914
Consorzio Alta V. Bo/Fi - C.A.V.E.T.	9,364		3,161	12,525
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.				
Consorzio CEMS	277,301			277,301
Consorzio CGCC	3,853			3,853
Consorzio Cociv	946			946
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC	122,505			122,505
Consorzio Costruttori TEEM	12,668,582	140		12,668,722
Consorzio CPS Pedemontana	226,568			226,568
Consorzio del Sinni				

FINANCIAL LIABILITIES				NET				
Trade payables	Loans	Other	Total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	Revenue from sp. fees	Financial income	Financial expense
				839				
				839				
(808)			(808)	263,960				
				176,255				
				34,508				
				6,010				
(808)			(808)	480,733				
(676,485)			(676,485)	40,548		(22,263)		
				3,130,166		(1,444,001)		
(143)			(143)		(143)			
(6,445)			(6,445)	421,120				
(17,411)			(17,411)		(17,411)	(54,884)		
				1,484				
		(191,894)	(191,894)		(186,012)			
(94,333)			(94,333)	1,086,855				
(11,469,051)	(1,247,081)	(4,888,559)	(17,604,691)	7,184,385				
	(4,786,082)		(4,786,082)		(577,168)			
	(1,331,483)		(1,331,483)	89,947			(60,134)	
				939,571				
	(101,128)		(101,128)	498,872				
				1,271,702				
	(40,783)		(40,783)		(40,783)			
				36,303				
				130,653,564				
	(2,117,035)		(2,117,035)	979,831				
(94,490)			(94,490)	96,517				
				1,276,727				
				39,914		(3,322)		
				12,525				
(102,061)			(102,061)		(102,061)			
				277,301		(994)		
				3,853				
(20,745)			(20,745)		(19,799)			
(92,145)			(92,145)	30,360				
(14,062,390)			(14,062,390)		(1,393,668)			
(618)			(618)	225,950				
	(17,480)		(17,480)		(17,480)			



(Euro)	FINANCIAL ASSETS			Total
	Trade receivables	Loans	Other	
(continued) CONSTRUCTION				
Consorzio Edile Palazzo Mantegazza	339,177			339,177
Consorzio Edilizia Sociale Industrializzata Lazio	58,802	47,120		105,922
Consorzio Felce	295,838			295,838
Consorzio Ferrofir	111,038			111,038
Consorzio Ferroviario Milanese				
Consorzio Galliera Roveredo	1,725,453			1,725,453
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,055			5,055
Consorzio infrastruttura area metropolitana				
Consorzio Iniziative Ferroviarie - INFER	3,044			3,044
Consorzio Iricav Due	1,294,688			1,294,688
Consorzio Italian Engineering & Contractors for Al Faw - IECAF	1,978,838			1,978,838
Consorzio MARC	13,659			13,659
Consorzio Metropolitane				
Consorzio Miteco	624,648			624,648
Consorzio MM4	5,356,021	310,536		5,666,557
Consorzio MPC	900,386			900,386
Consorzio NOG.MA				
Consorzio Pedelombarda 2	15,177			15,177
Consorzio Piottino	332,492			332,492
Consorzio Portale Vezia	1,840,197			1,840,197
Consorzio San Cristoforo				
Consorzio Sarda Costruzioni Generali		7,549		7,549
Consorzio Sardo d'Imprese				
Consorzio Scilla				
Consorzio SI.VI.CI.CA.	439,435			439,435
Consorzio TAT-Tunnel Alp Transit Ticino	29,517	21,750	8,196,934	8,248,201
Consorzio TRA.DE.CI.V.	215,405			215,405
Consorzio Trevi - S.G.F. INC per Napoli	632,690			632,690
Consorzio VIT Caroni Tocoma		1,299,419		1,299,419
CRA Consorzio Realizzazione Arca	330,770			330,770
E.R. Impregilo/Dumez y Asociados para Yaciretê	3,174,617	6,053,046		9,227,663
Executive J.V. Impregilo S.p.A. Terna S.A.		7,186		7,186
G.T.B. S.c.r.l.	220,317			220,317
Grupo Empresas Italianas - GEI		974,510		974,510
Impregilo - Salini for Owen Falls H.O.				
Joint Venture Aktor Ate - Impregilo S.p.A.	12,063			12,063
Joint Venture Impregilo S.p.A. - Empedos S.A. - Ak	1,481,672	286,177	489,324	2,257,173
Line 3 Metro Stations	20,128	215,000	30,790	265,918
M.N. 6 S.c.r.l.	1,897,376			1,897,376
Metropolitana di Napoli S.p.A.	85,245			85,245
Riviera S.c.r.l.	218,942	33,318		252,260
S.I.MA. GEST 3 S.c.r.l.				
S.P.P.C.A.C. S.c.r.l.	25,077			25,077
Salini - Impregilo Joint Venture for Mukorsi	7,522			7,522

FINANCIAL LIABILITIES				NET				
Trade payables	Loans	Other	Total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	Revenue from sp. fees	Financial income	Financial expense
				339,177		(914)		
(6,504)			(6,504)	99,418				
(99,062)			(99,062)	196,776		(4,659)		
(134,233)			(134,233)		(23,195)			
(8,251)			(8,251)		(8,251)			
(4,613)			(4,613)	1,720,840		(478,679)		
				5,055				
(15,977)			(15,977)		(15,977)			
				3,044				
(6,285,195)			(6,285,195)		(4,990,507)			
(1,922,516)			(1,922,516)	56,322				
(4,139)			(4,139)	9,520				
	(10,845)		(10,845)		(10,845)			
(332,603)			(332,603)	292,045				
(5,312,307)			(5,312,307)	354,250			(10)	
				900,386		(233,971)		
(154,311)			(154,311)		(154,311)			
(14,089)			(14,089)	1,088				
				332,492		(37,336)		
				1,840,197		(259,294)		
(35,859)			(35,859)		(35,859)			
(36,524)			(36,524)		(28,975)			
(12,178)			(12,178)		(12,178)			
(222,776)			(222,776)		(222,776)			
				439,435		(41,803)		
(1,498,953)			(1,498,953)	6,749,248		(1,057,652)	(70,174)	
(204,628)			(204,628)	10,777				
(38,050)			(38,050)	594,640				
				1,299,419				
				330,770		(9)		
(126,431)		(5,391,752)	(5,518,183)	3,709,480			(380,292)	
				7,186				
				220,317				
				974,510				
(2,335)			(2,335)		(2,335)			
				12,063				
				2,257,173				
				265,918				
(450,000)			(450,000)	1,447,376				119,650
(64,655)			(64,655)	20,590				
(1,334,899)			(1,334,899)		(1,082,639)		(214)	
(162,355)			(162,355)		(162,355)			
	(16,835)		(16,835)	8,242				
				7,522				



(Euro)	FINANCIAL ASSETS			Total
	Trade receivables	Loans	Other	
(continued) CONSTRUCTION				
Sarmiento S.c.r.l.	7,800	423,111		430,911
SO.C.E.T. Società Costruttori Edili Toscani				
Strade e Depuratori Palermo S.c.r.l.				
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	6,928	1,277,679	2,636,984	3,921,591
Thessaloniki Metro				
Thessaloniki Metro CW	1,048,718		940,851	1,989,569
Total	70,179,459	118,467,436	46,653,936	235,300,831
TOTAL Other	70,295,946	118,833,329	46,653,936	235,783,211
Associates				
ENGINEERING & PLANT CONSTRUCTION				
Nautilus S.c.p.a.				
Villagest S.c.r.l.	247,034			247,034
Total	247,034			247,034
CONCESSIONS				
Agua del Gran Buenos Aires S.A.	22,120			22,120
Consorcio Agua Azul S.A.	19,609			19,609
Enecor S.A.	6,436	323,755		330,191
Impregilo Wolverhampton Ltd	349,492			349,492
Ochre Holdings Solutions Ltd	20,171			20,171
Puentes del Litoral S.A.	1,550	4,390,592		4,392,142
Sistranyac S.A.	2,239	108		2,347
Yacylec S.A.	5,049			5,049
Yuma Concessionaria S.A.	968,176			968,176
Total	1,394,842	4,714,455		6,109,297
CONSTRUCTION				
Adduttore Ponte Barca S.c.r.l.	2,808	6,083		8,891
Anagnina 2000 S.c.r.l.	111,734	990		112,724
ANBAFER S.c.r.l.	14,004			14,004
Ancipa S.c.r.l.	494,468	2,423,622		2,918,090
Aurelia 98 S.c.r.l.				
B.O.B.A.C. S.c.a.r.l.				
Cagliari 89 S.c.r.l.	1,510,464	561,692	2,371	2,074,527
CE.S.I.F. S.c.p.a.				
Cogefar/C.I.S.A./Icla/Fondedile		18,578		18,578
Consorzio Consavia S.c.n.c.		7,647		7,647
Consorzio Lavori Interventi Straordinari Palermo		44,640		44,640
Corso Malta S.c.r.l.	182,923	555		183,478
Depurazione Palermo S.c.r.l.				
Diga Ancipa S.c.r.l.	5,032	37,126		42,158
Edificatrice Sarda S.r.l.		447,791		447,791

FINANCIAL LIABILITIES				NET				
Trade payables	Loans	Other	Total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	Revenue from sp. fees	Financial income	Financial expense
				430,911			(20,016)	
(106,287)			(106,287)		(106,287)			
(184,949)			(184,949)		(184,949)			
				3,921,591				
		(2,726,633)	(2,726,633)		(2,726,633)			
(1,159)			(1,159)	1,988,410				
(45,412,155)	(9,668,752)	(13,198,838)	(68,279,745)	179,143,683	(12,122,597)	(3,639,781)	(530,840)	119,650
(45,412,963)	(9,668,752)	(13,198,838)	(68,280,553)	179,625,255	(12,122,597)	(3,639,781)	(530,840)	119,650
(50,619)			(50,619)		(50,619)			
(144,502)			(144,502)	102,532				
(195,121)			(195,121)	102,532	(50,619)			
(94,884)			(94,884)		(72,764)			
(2,967)			(2,967)	16,642				
				330,191				
				349,492			(16,659)	
				20,171				
(3,420)		(10,491)	(13,911)	4,378,231			(739,253)	
				2,347				
				5,049		(30,424)		
				968,176				
(101,271)		(10,491)	(111,762)	6,070,299	(72,764)	(30,424)	(755,912)	
				8,891				
	(3,615)		(3,615)	109,109				
(106)			(106)	13,898				
				2,918,090				
(16,121)			(16,121)		(16,121)			
(430)			(430)		(430)			
(1,867,170)		(5,165)	(1,872,335)	202,192				
(4,725)			(4,725)		(4,725)			
				18,578				
				7,647				
(22,565)			(22,565)	22,075				
				183,478				
	(3,614)		(3,614)		(3,614)			
	(3,615)		(3,615)	38,543				
				447,791				



Intragroup transactions

(Euro)	FINANCIAL ASSETS			Total
	Trade receivables	Loans	Other	
(continued) CONSTRUCTION				
Empresa Constructora Lo Saldes Ltda			33,064	33,064
FE.LO.VI. S.c.n.c.	3,554			3,554
Grandi Uffici S.c.r.l.	865	46,189		47,054
Impregilo Arabia Ltd	330,691	177,971		508,662
Imprese Riunite Genova Irg S.c.r.l.	69,401			69,401
Imprese Riunite Genova Seconda S.c.r.l.	128,442			128,442
Impresit Bakolori Plc				
Metro Blu S.c.a.r.l.	1,512,481			1,512,481
Metrogenova S.c.r.l.	143,900			143,900
Monte Vesuvio S.c.r.l.	3,602	177,038		180,640
Olbia 90 S.c.r.l.	117,471			117,471
Pietrarossa S.c.r.l.	4,132	1,480,197		1,484,329
Platano S.c.n.c.				
Quattro Venti S.c.r.l.	159,503			159,503
RCCF Nodo di Torino S.c.p.a.	14,796	39,452		54,248
Saces S.r.l.				
San Giorgio Caltagirone S.c.r.l.	11,857	100,672		112,529
Sclafani S.c.r.l.	46,358	340,017		386,375
Sirjo S.c.p.A.	270,632			270,632
Soingit S.c.r.l.	230,631			230,631
VE.CO. S.c.r.l.				
Total	5,369,749	5,910,260	35,435	11,315,444
TOTAL Associates	7,011,625	10,624,715	35,435	17,671,775
Subsidiaries				
ENGINEERING & PLANT CONSTRUCTION				
Fisia Kuwait branch	1,552			1,552
Fisia Italmimpianti S.p.A. Qatar branch	33,129			33,129
Total	34,681			34,681
CONSTRUCTION				
BA.TA. 91 S.c.r.l.				
Collegamento Ferroviario Genova-Milano	19,239			19,239
Constructora Ariguani S.a.s.				
Lambro S.c.r.l.	1,519			1,519
S. Anna Palermo S.c.r.l.	70,371			70,371
S.G.F. - I.N.C. S.p.A.	1,326			1,326
Salerno-Reggio Calabria S.c.p.a.				
San Benedetto S.c.r.l.				
Unicatanzaro S.c.r.l.	103,168			103,168
Total	195,623			195,623
TOTAL Subsidiaries	230,304			230,304
TOTAL CURRENT	77,537,875	129,458,044	46,689,371	253,685,290



FINANCIAL LIABILITIES				NET				
Trade payables	Loans	Other	Total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	Revenue from sp. fees	Financial income	Financial expense
				33,064				
	(7,332)		(7,332)		(3,778)			
				47,054				
(142,721)			(142,721)	365,941				
(562,688)			(562,688)		(493,287)			
				128,442				
	(20,258)		(20,258)		(20,258)			
(415,841)			(415,841)	1,096,640				
(2,281,991)		(12,331)	(2,294,322)		(2,150,422)	(154,276)		
				180,640				
(83,954)			(83,954)	33,517				
				1,484,329				
(12,288)			(12,288)		(12,288)			
(72,041)			(72,041)	87,462				
				54,248				
	(1,071,339)		(1,071,339)		(1,071,339)			
				112,529				
				386,375			(9,846)	
(2,491,672)	(9,000,000)		(11,491,672)		(11,221,040)			
(88,609)	(96,930)		(185,539)	45,092				
(138,528)			(138,528)		(138,528)			
(8,201,450)	(10,206,703)	(17,496)	(18,425,649)	8,025,625	(15,135,830)	(154,276)	(9,846)	
(8,497,842)	(10,206,703)	(27,987)	(18,732,532)	14,198,456	(15,259,213)	(184,700)	(765,758)	
				1,552				
				33,129				
				34,681				
(1,362)			(1,362)		(1,362)			
	(1,513)		(1,513)	17,726				
(291)			(291)		(291)			
				1,519				
				70,371				
(6,964)			(6,964)		(5,638)			
(45,663)			(45,663)		(45,663)			
(45,520)	(26)		(45,546)		(45,546)			
				103,168				
(99,800)	(1,539)		(101,339)	192,784	(98,500)			
(99,800)	(1,539)		(101,339)	227,465	(98,500)			
(54,010,605)	(19,876,994)	(13,226,825)	(87,114,424)	194,051,176	(27,480,310)	(3,824,481)	(1,296,598)	119,650



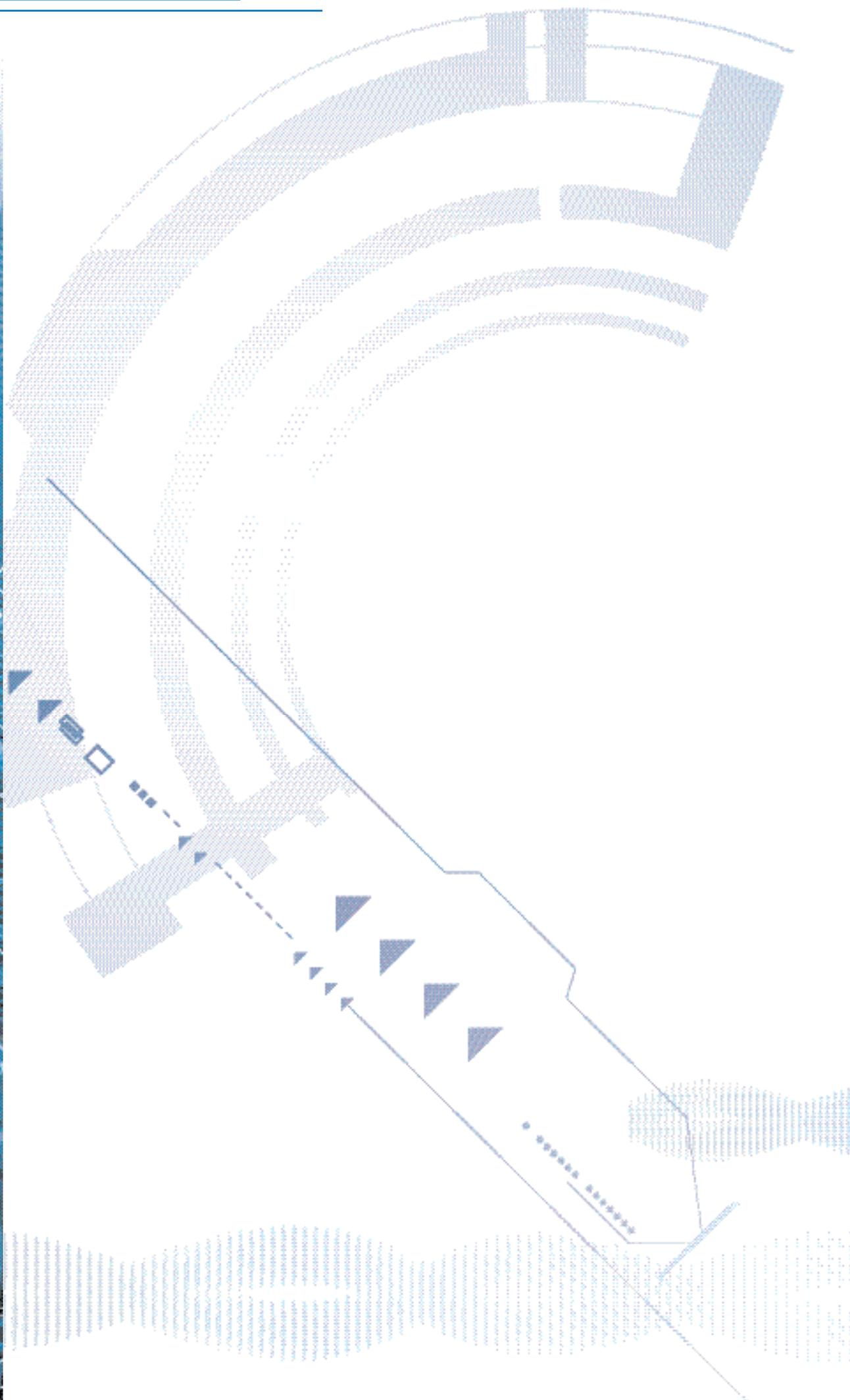
Intragroup transactions

(Euro)	FINANCIAL ASSETS			Total
	Trade receivables	Loans	Other	
Other				
CONSTRUCTION				
Arge Haupttunnel Eyholz		46,666		46,666
Total		46,666		46,666
TOTAL Other		46,666		46,666
Associates				
CONCESSIONS				
Impregilo Wolverhampton Ltd		720,228		720,228
Ochre Holdings Solutions Ltd		6,694,064		6,694,064
Puentes del Litoral S.A.		3,431,185		3,431,185
Total		10,845,477		10,845,477
TOTAL Associates		10,845,477		10,845,477
TOTAL NON-CURRENT		10,892,143		10,892,143
TOTAL	77,537,875	140,350,187	46,689,371	264,577,433



FINANCIAL LIABILITIES				NET					
Trade payables	Loans	Other	Total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	Revenue from sp. fees	Financial income	Financial expense	
				46,666					
				46,666					
				46,666					
				720,228					
				6,694,064					
				3,431,185					
				10,845,477					
				10,845,477					
				10,892,143					
(54,010,605)	(19,876,994)	(13,226,825)	(87,114,424)	204,943,319	(27,480,310)	(3,824,481)	(1,296,598)	119,650	





CONSOLIDATED FINANCIAL STATEMENTS OF IMPREGILO GROUP - EQUITY INVESTMENTS



IMPREGILO GROUP – EQUITY INVESTMENTS WITH POSITIVE CARRYING AMOUNTS

Name	31 December 2011	Acquisitions (Disinvestments and liquidations)	Share/quota capital transactions	Share of profit or loss of equity- accounted investees
(Euro)				
Adduttore Ponte Barca S.c.r.l. (in liq.)	6,972			
Anagnina 2000 S.c.r.l.	5,165			
Ancipa S.c.r.l. (in liq.)	5,165			
B.O.B.A.C. S.c.a.r.l. (in liq.)	5,100			
Calpark S.c.p.A.	8,642			(2,184)
CE.S.I.F. S.c.p.a. (in liq.)	63,460			
Collegamento Ferroviario Genova-Milano S.p.A.	96,549		8,544	(104,515)
Consorzio Federici/Impresit/Ice Cochabamba	15,818			
Consorzio Casale Nei	775			
Consorzio CO.RI.TECNO (in liq.)	11,104	(11,104)		
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC (in liq.)	12,911			
Consorzio CMM4		62,100		
Consorzio CON.SI	516			
Consorzio Consavia S.c.n.c. (in liq.)	1,714			
Consorzio Costruttori TEEM	3,400			
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	35,000			
Consorzio del Sinni	12,395			
Consorzio Ferrofir (in liq.)	178,265			
Consorzio Ferroviario Milanese	28,276			
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,165			
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	8,287			
Consorzio Iniziative Ferroviarie - INFER	14,461			
Consorzio Iricav Due	70,339			
Consorzio Italian Engineering & Contractors for Al Faw - IECAF	3,310			
Consorzio MARC - Monitoraggio Ambientale Regione Campania (in liq.)	2,582			
Consorzio Metrofer (in liq.)	4,304			
Consorzio Metropolitane	12,911			
Consorzio MITECO	4,416			
Consorzio Nazionale Imballaggi - CO.NA.I.	5			
Consorzio NOG.MA	84,000			
Consorzio Pedelombarda 2	4,000			
Consorzio Sarda Costruzioni Generali - SACOGEN	2,582			
Consorzio Sardo d'Imprese	1,078			
Consorzio TRA.DE.CI.V.	12,533			
Consorzio Trevi - S.G.F. INC per Napoli	4,500			
Construtora Ariguani S.A.S.	19,849			
Construtora Impregilo y Asociados S.A.-CIGLA S.A.	1			
Constructora Embalse Casa de Piedra S.A. (in liq.)	1			
Costruttori Romani Riuniti - CRR S.p.A. (in liq.)	9,744	(9,744)		
Costruttori Romani Riuniti - CRR S.p.A. (in liq.)	68,456	(68,456)		
Depurazione Palermo S.c.r.l. (in liq.)	3,616			
Empresa Constructora Lo Saldes L.t.d.a.	5,341			



Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifications	31 December 2012
						6,972
						5,165
						5,165
						5,100
						6,458
						63,460
						578
						15,818
						775
						12,911
						62,100
						516
						1,714
						3,400
						35,000
						12,395
						178,265
						28,276
						5,165
						8,287
						14,461
						70,339
						3,310
						2,582
						4,304
						12,911
						4,416
						5
						84,000
						4,000
						2,582
						1,078
						12,533
						4,500
				(19,849)		
						1
						1
						3,616
						5,341



Investments

Name (Euro)	31 December 2011	Acquisitions (Disinvestments and liquidations)	Share/quota capital transactions	Share of profit or loss of equity- accounted investees
Emittenti Titoli S.p.A.	10,832			
Eurolink S.c.p.a.	2			
FE.LO.VI. S.c.n.c. (in liq.)	8,392			
G.T.B. S.c.r.l.	5			
GE.A.C. S.r.l.	413			
Grassetto S.p.A. (in liq.)	7,747			
Healy-Yonkers-Atlas-Gest J.V.	12,453			
I_Faber S.p.A.	583,317			
Immobiliare Golf Club Castel D'Aviano S.r.l.	62,909			
Impregilo Arabia Ltd	3,242,140			196,744
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	6,791			
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A.	22,750			
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	330			
Italsagi SP. ZO.O	1			
Lambro S.c. a r.l.	188,880			
M.N. 6 S.c.r.l.	510			
Markland S.r.l. (in liq.)	1,269			
Metrogenova S.c.r.l.	8,257			
Metropolitana di Napoli S.p.A.	313,652			
Milano Sviluppo S.r.l. (in liq.)	(1)			
Monte Vesuvio S.c.r.l. (in liq.)	23,239			
Olbia 90 S.c.r.l. (in liq.)	2,531			
Parco Scientifico e Tecnologico della Sicilia S.c.p.a.	5,165			
Platano S.c.n.c. (in liq.)	165			
Quattro Venti S.c.r.l. (in liq.)	20,658			
RCCF Nodo di Torino S.c.p.a. (in liq.)	26,856			
Rimini Fiera S.p.A.	3,193,670			
Riviera S.c.r.l.	5,271			
S. Anna Palermo S.c.r.l. (in liq.)	18,592			
S.P.P.C.A.C. S.c.r.l. (in liq.)	1,102			
San Benedetto S.c.r.l. (in liq.)	9,622			
Sarmento S.c.r.l.	1			
Sep Eole	762			
Seveso S.c.a.r.l. (in liq.)	400			
Sirjo S.c.p.A.		12,000,000		
Skiarea Valchiavenna S.p.A.	99,740			
Società Italiana per il Traforo del Ciriegia/Mercantour - SITRACI S.p.A.	75,807			
Strade e Depuratori Palermo S.c.r.l.	1,653			
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	3,944			
Torino Parcheggi S.r.l. (in liq.)	3,034			
VE.CO. S.c.r.l.	2,582			
TOTAL CONSTRUCTION	8,798,151	11,972,796	8,544	90,045

Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifications	31 December 2012
						10,832
						2
						8,392
						5
					75,807	76,220
						7,747
			(241)			12,212
						583,317
						62,909
			(68,085)			3,370,799
						6,791
						22,750
						330
						1
				(188,880)		
						510
						1,269
						8,257
						313,652
						(1)
						23,239
						2,531
						5,165
						165
						20,658
						26,856
						3,193,670
						5,271
						18,592
						1,102
						9,622
						1
						762
						400
						12,000,000
						99,740
					(75,807)	
						1,653
						3,944
						3,034
						2,582
			(68,326)	(208,729)		20,592,481



Investments

Name (Euro)	31 December 2011	Acquisitions (Disinvestments and liquidations)	Share/quota capital transactions	Share of profit or loss of equity- accounted investees
Consorzio Agenzia del Mare (in liq.)	33,708	(33,708)		
Consorzio Agrital Ricerche (in liq.)	(54,934)		50,000	
Consorzio Aree Industriali Potentine (in liq.)	(653)			(13)
Consorzio Macopsissa Ambiente (in liq.)	13,823	(12,709)		(1,114)
Consorzio Ramsar Molentargius	2,608			
Consorzio Unitam (in liq.)	6,715	(6,715)		
Nautilus S.c.p.a. (in liq.)	61,971			
Villagest S.c.r.l. (in liq.)	6,275			
TOTAL ENGINEERING & PANT CONSTRUCTION	69,513	(53,132)	50,000	(1,127)
Acqua Campania S.p.A.	9,607			
Consorcio Agua Azul S.A.	6,637,684			733,062
Pedemontana Veneta S.p.A.	1,213,500			
Sistranyac S.A.	149,965			
Società Autostrada Broni - Mortara S.p.A.	9,661,045			(77,934)
Tangenziale Esterna S.p.A.	15,500,000			
Tangenziale Esterna di Milano S.p.A.		2,692,965		
Yacylec S.A.	651,318		3,589	135,641
Yuma Concessionaria S.A.	4,800,308			362,050
TOTAL CONCESSIONS	38,623,427	2,692,965	3,589	1,152,819
TOTAL EQUITY INVESTMENTS WITH POSITIVE CARRYING AMOUNTS	47,491,091	14,612,629	62,133	1,241,737
TOTAL	47,491,091	14,612,629	62,133	1,241,737



Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifications	31 December 2012
						(4,934)
						(666)
						2,608
						61,971
						6,275
						65,254
						9,607
	(844,377)		216,819			6,743,188
						1,213,500
						149,965
						9,583,111
						15,500,000
						2,692,965
	(140,012)		(91,388)			559,148
			365,927			5,528,285
	(984,389)		491,358			41,979,769
	(984,389)		423,032	(208,729)		62,637,504
	(984,389)		423,032	(208,729)		62,637,504

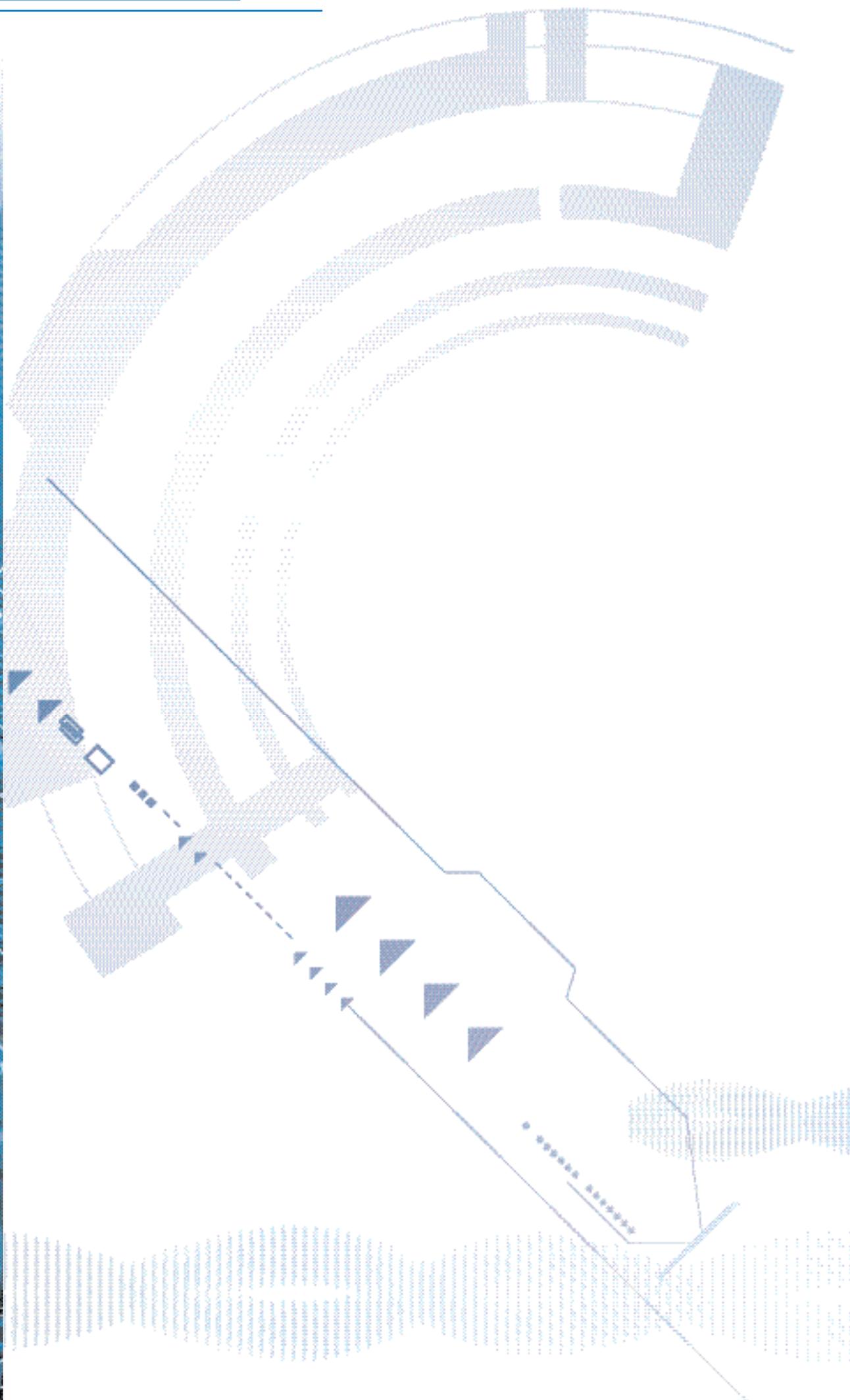


CONSOLIDATED FINANCIAL STATEMENTS OF IMPREGILO GROUP EQUITY INVESTMENTS WITH NEGATIVE CARRYING AMOUNTS

Name	31 December 2011	Acquisitions (Disinvestments and liquidations)	Share/quota capital transactions	Share of profit or loss of equity- accounted investees
(Euro)				
Ancipa S.c.r.l. (in liq.)	(2,339,959)			
Cagliari 89 S.c.r.l. (in liq.)	(132,850)			
Cannatello S.c.r.l. (in liq.)	(14,000)			
Cogefar/C.I.S.A./Icla/Fondedile - Sorrentina S.c.r.l. (in liq.)	(130,000)			
Consorzio Edilizia Sociale Industrializzata Lazio - CESIL (in liq.)	(116,927)			
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	(2,830)			(50)
Corso Malta S.c.r.l. (in liq.)	(65,000)			
Diga Ancipa S.c.r.l. (in liq.)	(84,500)			
Edificatrice Sarda S.r.l. (in liq.)	(393,574)			
GE.A.C. S.r.l.	(413)			
Grandi Uffici S.c.r.l. (in liq.)	(50,000)			
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	(20,000)			
Monte Vesuvio S.c.r.l. (in liq.)	(292,741)			
Pietrarossa S.c.r.l. (in liq.)	(3,753,193)			
S. Leonardo S.c.r.l. (in liq.)	(1)			
Saces S.r.l. (in liq.)	(116,600)			
Salini - Impregilo Joint Venture for Mukorsi	(7,522)			
San Giorgio Caltagirone S.c.r.l. (in liq.)	(87,001)			
Sclafani S.c.r.l. (in liq.)	(155,000)			
Sep Eole	(1,628,626)			
Soingit S.c.r.l. (in liq.)	(50,000)			
Strade e Depuratori Palermo S.c.r.l.	(1,653)			
Unicatanzaro S.c.r.l. (in liq.)	(9,347)			
TOTAL CONSTRUCTION	(9,451,737)			(50)
Impregilo Wolverhampton Ltd	(1,348,076)			118,235
TOTAL CONCESSIONS	(1,348,076)			118,235
TOTAL EQUITY INVESTMENTS WITH NEGATIVE CARRYING AMOUNTS	(10,799,813)			118,185
TOTAL	46,340,719	14,612,629	62,133	1,359,922

Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change due to exchange rate fluctuations	Change in consolidation method	Reclassifications	31 December 2012
						(2,339,959)
						(132,850)
						(14,000)
						(130,000)
						(116,927)
						(2,880)
						(65,000)
						(84,500)
						(393,574)
						(413)
						(50,000)
						(20,000)
						(292,741)
						(3,753,193)
						(1)
						(116,600)
						(7,522)
						(87,001)
						(155,000)
						(1,628,626)
						(50,000)
						(1,653)
						(9,347)
						(9,451,787)
	(49,387)	52,491	(32,437)			(1,259,174)
	(49,387)	52,491	(32,437)			(1,259,174)
	(49,387)	52,491	(32,437)			(10,710,961)
	(1,033,776)	52,491	390,595	(208,729)		51,926,543





CONSOLIDATION SCOPE



CONSOLIDATION SCOPE

Name	Country	Currency	Share/quota capital subscribed	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
CONSTRUCTION								
Impregilo S.p.A.	Italy	Euro	718,364,457	100		100	Diversi	line-by-line
Alia S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
BATA S.r.l. (in liq.)	Italy	Euro	102,000	50.69	-	50.69	Imprepar S.p.A.	line-by-line
Bocoge S.p.A. - Costruzioni Generali	Italy	Euro	1,702,720	100		100	Imprepar S.p.A.	line-by-line
Campione S.c.r.l. (in liq.)	Italy	Euro	11,000	99.9	99.9			line-by-line
CIS Divisione Prefabbricati Vibrocesa Scac - C.V.S. S.r.l. (in liq.)	Italy	Euro	10,000	100	-	100	INCAVE S.r.l.	line-by-line
Congressi 91 S.c.r.l. (in liq.)	Italy	Euro	25,000	100	-	80	Impresa Castelli S.r.l.	line-by-line
						20	Bocoge S.p.A.	
Consorzio CCTE (in liq.)	Italy	Euro	41,315	100	60	40	ILIM S.r.l.	line-by-line
Consorzio Cogefar-Impresit Cariboni per la Frana di Spriana S.c.r.l. (in liq.)	Italy	Euro	45,900	100	100	-		line-by-line
Consorzio Pielle (in liq.)	Italy	Euro	15,493	100	-	33.33	Imprepar S.p.A.	line-by-line
						66.67	Incave S.r.l.	
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	Italy	Euro	51,129	96.97	96.97			line-by-line
Construtora Impregilo y Asociados S.A. - CIGLA S.A.	Brazil	BRL	7,641,014	100	100	-		line-by-line
Costruzioni Ferroviarie Torinesi Duemila S.c.r.l. (in liq.)	Italy	Euro	10,328	100	-	100	INCAVE S.r.l.	line-by-line
CSC Impresa Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100	-		line-by-line
Effepi - Finanza e Progetti S.r.l. (in liq.)	Italy	Euro	78,000	100		100	SGF INC S.p.A.	line-by-line
Engeco France S.a.r.l.	France	Euro	15,470	100	-	99.67	Imprepar S.p.A.	line-by-line
						0.33	Incave S.r.l.	
Eurotechno S.r.l. (in liq.)	Italy	Euro	26,245	100	-	100	Imprepar S.p.A.	line-by-line
Grupo ICT II SAS	Colombia	COP	1,000,000,000	100	100			line-by-line
I.L.I.M. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	Euro	3,100,000	100	100			line-by-line
Imprefeal S.r.l.	Italy	Euro	20,000	100	-	100	Imprepar S.p.A.	line-by-line
Impregilo Colombia SAS	Colombia	COP	850,000,000	100	100			line-by-line
Impregilo Lidco Libya Co	Libya	DL	5,000,000	60	60			line-by-line
Imprepar - Impregilo Partecipazioni S.p.A.	Italy	Euro	3,100,000	100	100	-		line-by-line
Impresa Castelli S.r.l. (in liq.)	Italy	Euro	10,000	100	-	100	Imprepar S.p.A.	line-by-line
Impresit del Pacifico S.A.	Peru	PEN	35,000	100	-	100	Imprepar S.p.A.	line-by-line
INC - Algeria S.a.r.l.	Algeria	DZD	151,172,000	99.97		99.97	SGF INC S.p.A.	line-by-line
INCAVE S.r.l. (in liq.)	Italy	Euro	90,000	100	-	100	Imprepar S.p.A.	line-by-line
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece	-	-	100	99	1	SGF INC S.p.A.	line-by-line
Lavori Lingotto S.c.r.l. (in liq.)	Italy	Euro	25,000	100	100			line-by-line
Nuovo Dolonne S.c.r.l. (in liq.)	Italy	Euro	50,000	100	100	-		line-by-line
PGH Ltd	Nigeria	NGN	52,000,000	100	100	-		line-by-line
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	25,000,000	70		70	PGH Ltd	line-by-line
S. Leonardo S.c.r.l. (in liq.)	Italy	Euro	25,500	99.99	-	99.99	Imprepar S.p.A.	line-by-line
S.A. Healy Company	USA	USD	11,320,863	100	100	-		line-by-line
S.G.F. - I.N.C. S.p.A.	Italy	Euro	3,859,680	100	100	-		line-by-line
San Martino Prefabbricati S.p.A. (in liq.)	Italy	Euro	510,000	100	-	100	Impresa Castelli S.r.l.	line-by-line
Savico S.c.r.l. (in liq.)	Italy	Euro	10,200	100	-	81	Imprepar S.p.A.	line-by-line
						19	Sapin S.r.l.	
Società Industriale Prefabbricazione Edilizia del Mediterraneo								
S.I.P.E.M. S.p.A. (in liq.)	Italy	Euro	438,546	100	100	-		line-by-line
Suramericana de Obras Publicas C.A. - Suropra C.A.	Venezuela	VEB	2,874,118,000	100	99	1	CSC S.A.	line-by-line
Sviluppo Applicazioni Industriali - SAPIN S.r.l. (in liq.)	Italy	Euro	51,480	100	-	100	Imprepar S.p.A.	line-by-line
Vegas Tunnel Constructors	USA			100	40	60	Healy S.A.	line-by-line
Aquilgest S.c.r.l. (in liq.)	Italy	Euro	10,000	51	-	51	Imprepar S.p.A.	proportionate
Aquilpark S.c.r.l. (in liq.)	Italy	Euro	10,000	51	-	51	Imprepar S.p.A.	proportionate
Barnard Impregilo Healy J.V.	USA			45	25	20	Healy S.A.	proportionate
CO. MAR. S.c.r.l. (in liq.)	Italy	Euro	10,200	84.99	-	84.99	Imprepar S.p.A.	proportionate
Consorzio Acueducto Oriental	Dom. Republic	-	-	67	67	-		proportionate

Name	Country	Currency	Share/quota capital subscribed	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
Consorzio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela	-	-	36.4	36.4	-		proportionate
Consorzio Impregilo - Ingco	Dom. Republic	-	-	70	70	-		proportionate
Consorzio Impregilo - OHL	Colombia			70		70	Impregilo Colombia SAS	proportionate
Consorzio Impregilo Yarull	Dom. Republic			70	70			proportionate
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69	-		proportionate
Consorzio Autosilo Vico Morcote	Switzerland	-	-	70	-	70	CSC S.A.	proportionate
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.98	75.98	-		proportionate
Consorzio Camaiore Impianti (in liq.)	Italy	Euro	25,500	55	55			proportionate
Consorzio Caserma Donati	Italy	Euro	300,000	84.2	84.2			proportionate
Consorzio Cociv	Italy	Euro	516,457	54	54	-		proportionate
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51	51	-		proportionate
Consorzio Torre	Italy	Euro	5,000,000	94.6	94.6			proportionate
Consorzio Venice Link (in liq.)	Italy	Euro	1,000	61	61	-		proportionate
Consorzio/Vianini lavori/Impresit/Dal Canton/Isis/Siderbeton VIDIS (in liq.)	Italy	Euro	25,822	60	-	60	Imprepar S.p.A.	proportionate
Constructora Ariguani SAS	Colombia	COP	100,000,000	51	51			proportionate
Constructora Mazar Impregilo-Herdoiza Crespo	Ecuador	-	-	70	70	-		proportionate
Empresa Constructora Angostura Ltda	Chile	CLP	50,000,000	65	65			proportionate
Empresa Constructora Costanera Norte Ltda	Chile	CLP	10,000,000	77.78	77.78	-		proportionate
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45	45			proportionate
Ghazi-Barotha Contractors J.V.	Switzerland	-	-	57.8	57.8	-		proportionate
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			proportionate
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			proportionate
Interstate Healy Equipment J.V.	USA			45		45	Healy S.A.	proportionate
La Quado S.c.a.r.l.	Italy	Euro	10,000	35	35			proportionate
Lambro S.c.r.l.	Italy	Euro	200,000	94.44	94.44			proportionate
Librino S.c.r.l. (in liq.)	Italy	Euro	45,900	66	-	66	Imprepar S.p.A.	proportionate
Melito S.c.r.l. (in liq.)	Italy	Euro	77,400	66.67	-	66.67	Imprepar S.p.A.	proportionate
Metro Blu S.c.r.l.	Italy	Euro	10,000	50	50	-		proportionate
Montenero S.c.r.l. (in liq.)	Italy	Euro	10,400	61.11	-	61.11	Imprepar S.p.A.	proportionate
Nathpa Jhakri J.V.	India	USD	1,000,000	60	60	-		proportionate
OS.A.V.E. S.c.r.l. (in liq.)	Italy	Euro	10,199	66.15	-	66.15	Imprepar S.p.A.	proportionate
Passante di Mestre S.c.p.a.	Italy	Euro	10,000,000	42	42	-		proportionate
Pedemobarda S.c.p.a.	Italy	Euro	80,000,000	47	47			proportionate
Reggio Calabria - Scilla S.c.p.a.	Italy	Euro	35,000,000	51	51	-		proportionate
S. Leonardo Due S.c.r.l. (in liq.)	Italy	Euro	40,800	60	-	60	Imprepar S.p.A.	proportionate
Salerno-Reggio Calabria S.c.p.a.	Italy	Euro	50,000,000	51	51	-		proportionate
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A -J.V.	USA			30	30			proportionate
Trincerone Ferroviario S.c.r.l. (in liq.)	Italy	Euro	45,900	60	-	60	Imprepar S.p.A.	proportionate
Val Viola S.c.r.l. (in liq.)	Italy	Euro	10,200	60	60	-		proportionate
Vittoria S.c.r.l. (in liq.)	Italy	Euro	20,400	58	-	58	Imprepar S.p.A.	proportionate
Adduttore Ponte Barca S.c.r.l. (in liq.)	Italy	Euro	45,900	24.33	-	24.33	Imprepar S.p.A.	equity
Aegek-Impregilo-Aslom J.V.	Greece			45.8	45.8			equity
Anagnina 2000 S.c.r.l. (in liq.)	Italy	Euro	10,329	50	50			equity
ANBAFER S.c.r.l. (in liq.)	Italy	Euro	25,500	50	-	50	Imprepar S.p.A.	equity
Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	50	-	50	Imprepar S.p.A.	equity
Arbeitsgemeinschaft Tunnel Umfahrung Saas (ATUS)	Switzerland			32		32	CSC S.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC S.A.	equity
B.O.B.A.C. S.c.a.r.l. (in liq.)	Italy	Euro	10,200	50	-	50	SGF INC S.p.A.	equity
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49	-	49	Sapin S.r.l.	equity
CCB Consorzio Centro Balneare	Switzerland			40		40	CSC S.A.	equity
CE.S.I.F. S.c.p.a. (in liq.)	Italy	Euro	250,000	24.18	24.18	-		equity



Name	Country	Currency	Share/quota capital subscribed	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
(continued) CONSTRUCTION								
CGR Consorzio Galliera Roveredo	Switzerland			37.5		37.5	CSC S.A.	equity
Churchill Construction Consortium	UK			30		30	Impregilo New Cross Ltd	equity
Churchill Hospital J.V.	UK			50		50	Impregilo New Cross Ltd	equity
CMC - Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC S.A.	equity
CMC - Mavundla - Impregilo J.V.	South Africa			39.2	39.2			equity
Cogefar/C.I.S.A./Icla/Fondedile - Sorrentina S.c.r.l. (in liq.)	Italy	Euro	46,480	25	-	25	Imprepar S.p.A.	equity
Collegamento Ferroviario Genova-Milano S.p.A. (in liq.)	Italy	Euro	120,000	60.4	60.4			equity
Consorcio Central Hidroelectrica Daule Peripa Division Obras Civiles	Ecuador	-	-	90	85	5	Imprepar S.p.A.	equity
Consorcio Cigla-Sade	Brazil	-	-	50	-	50	Cigla S.A.	equity
Consorcio Contuy Medio	Venezuela	-	-	29.04	29.04	-		equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25	-	25	Imprepar S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela	-	-	33.33	33.33	-		equity
Consorcio Imigrantes	Brazil	-	-	50	-	50	Cigla S.A.	equity
Consorcio OIV-TOCOMA	Venezuela			20	20			equity
Consorcio Serra do Mar	Brazil			50	25	25	Cigla S.A.	equity
Consorcio V.I.T. - Tocoma	Venezuela	-	-	35	35	-		equity
Consorcio V.I.T. Caroni - Tocoma	Venezuela			35	35			equity
Consorcio V.S.T.	Venezuela	-	-	35	-	35	Surocca C.A.	equity
Consorcio V.S.T. Tocoma	Venezuela	-	-	30	30	-		equity
Consorzio CEMS	Switzerland			33.4		33.4	CSC S.A.	equity
Consorzio CGCC	Switzerland			50		50	CSC S.A.	equity
Consorzio CGMR	Switzerland			40		40	CSC S.A.	equity
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC (in liq.)	Italy	Euro	51,000	25	-	25	Imprepar S.p.A.	equity
Consorzio Consavia S.c.n.c. (in liq.)	Italy	Euro	20,658	50	-	50	Imprepar S.p.A.	equity
Consorzio Costruttori TEEM	Italy	Euro	10,000	34	34			equity
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	Italy	Euro	100,000	35	35	-		equity
Consorzio del Sinni	Italy	Euro	51,646	43.16	-	43.16	Imprepar S.p.A.	equity
Consorzio Edile Palazzo Mantegazza	Switzerland	-	-	45	-	45	CSC S.A.	equity
Consorzio Felce lotto 101	Switzerland			25		25	CSC S.A.	equity
Consorzio Felce	Switzerland			25		25	CSC S.A.	equity
Consorzio Ferrofir (in liq.)	Italy	Euro	30,987	33.33	-	33.33	Imprepar S.p.A.	equity
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	Italy	Euro	15,494	33.33	-	33.33	Imprepar S.p.A.	equity
Consorzio Iniziative Ferroviarie - INFER	Italy	Euro	41,316	35	-	35	Imprepar S.p.A.	equity
Consorzio Italy Engineering & Contractors for Al Faw - IECAF	Italy	Euro	10,000	33.1	33.1			equity
Consorzio Lavori Interventi Straordinari Palermo - Colispa S.c.r.l. (in liq.)	Italy	Euro	21,420	29.76	-	29.76	Imprepar S.p.A.	equity
Consorzio Metropolitane	Italy	Lit	100,000,000	25	-	25	Imprepar S.p.A.	equity
Consorzio MITECO	Italy	Euro	10,000	44.16	44.16			equity
Consorzio MM4	Italy	Euro	200,000	34.05	31.05			equity
Consorzio MPC	Switzerland			33		33	CSC S.A.	equity
Consorzio Pedelombarda 2	Italy	Euro	10,000	40	40			equity
Consorzio Piottino	Switzerland	Euro		25		25	CSC S.A.	equity
Consorzio Portale Vezia (CVP Lotto 854)	Switzerland	Euro		60		60	CSC S.A.	equity
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy	Lit	20,000,000	25	-	25	Sapin S.r.l.	equity
Consorzio Sardo d'Imprese (in liq.)	Italy	Euro	103,291	34.38	-	34.38	Sapin S.r.l.	equity
Consorzio Si.Vi.Ci.CA.	Switzerland			25		25	CSC S.A.	equity
Consorzio Stazione Mendrisio	Switzerland	Euro		25		25	CSC S.A.	equity
Consorzio Suburbia (in liq.)	Italy	Euro	15,494	33.33	-	33.33	Impresa Castelli S.r.l.	equity
Consorzio TAT-Tunnel Alp Transit Ticino, Arge	Switzerland	-	-	25	17.5	7.5	CSC S.A.	equity
Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45	-	45	SGF INC S.p.A.	equity
Constructora Embalse Casa de Piedra S.A. (in liq.)	Argentina	ARS	821	72.93	-	72.93	Imprepar S.p.A.	equity
Corso Malta S.c.r.l. (in liq.)	Italy	Euro	40,800	42.5	-	42.5	Imprepar S.p.A.	equity

Name	Country	Currency	Share/quota capital subscribed	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
CRA Consorzio Realizzazione Arca	Switzerland			40		40	CSC S.A.	equity
CSLN Consorzio	Switzerland	-	-	28	-	28	CSC S.A.	equity
Depurazione Palermo S.c.r.l. (in liq.)	Italy	Euro	10,200	50	-	50	Imprepar S.p.A.	equity
Diga Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	50	-	50	Imprepar S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
Edil.Gi. S.c.r.l. (in liq.)	Italy	Lit	20,000,000	50	-	50	Imprepar S.p.A.	equity
Empresa Constructora Lo Saldes L.t.d.a.	Chile	CLP	10,000,000	35	35			equity
Executive J.V. Impregilo S.p.A. Terna S.A. - Alte S.A. (in liq.)	Greece	-	-	33.33	33.33			equity
FE.LO.VI. S.c.n.c. (in liq.)	Italy	Euro	25,822	32.5	-	32.5	Imprepar S.p.A.	equity
Grandi Uffici S.c.r.l. (in liq.)	Italy	Euro	10,200	31.46	-	31.46	Imprepar S.p.A.	equity
Groupement Hydrocastoro	Algeria	DZD	2,000,000	49.98	-	49.98	INC Algerie Sarl	equity
Grupo Empresas Itálnyas - GEI	Venezuela	VEB	10,000,000	33.33	33.33			equity
Healy-Yonkers-Atlas-Gest J.V.	USA	-	-	45	-	45	Healy S.A.	equity
Impregilo - Rizzani de Eccher J.V.	Switzerland			67	67			equity
Impregilo Arabia Ltd	Saudi Arabia	SAD	40,000,000	50	50			equity
Impregilo Cogefar New Esna Barrage J.V. (in liq.)	Egypt	Euro	51,645	100		99	Imprepar S.p.A. INCAVE S.r.l.	equity
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	Italy	Euro	25,500	26.3	-	26.3	Imprepar S.p.A.	equity
Imprese Riunite Genova Seconda S.c.r.l. (in liq.)	Italy	Euro	25,000	26.3	-	26.3	Imprepar S.p.A.	equity
Isibari S.c.r.l.	Italy	Euro	15,300	55	-	55	Bocoge S.p.A.	equity
Italsagi SP. ZO.O	Poland	PLN	10,000	33	-	33	Imprepar S.p.A.	equity
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda	Greece			26.71	26.71			equity
Joint Venture Aktor Ate - Impregilo S.p.A. (Constantinos)	Greece	-	-	40	40	-		equity
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E.	Greece	-	-	66	66	-		equity
Joint Venture Terna - Impregilo	Greece	-	-	45	45	-		equity
Line 3 Metro Stations	Greece			50	50			equity
Lodigiani-Pgel J.V. (in liq.)	Pakistan	-	-	100	-	100	Imprepar S.p.A.	equity
Matsoku Civil Contractor (MMC) J.V.	Lesotho	-	-	30	-	30	Imprepar S.p.A.	equity
Metrogenova S.c.r.l.	Italy	Euro	25,500	35.63	35.63	-		equity
Mohale Dam Contractors (MDC) J.V.	Lesotho	-	-	50	50	-		equity
Mohale Tunnel Contractors (MTC) J.V.	Lesotho	-	-	35	35	-		equity
Monte Vesuvio S.c.r.l. (in liq.)	Italy	Euro	45,900	50	-	50	Imprepar S.p.A.	equity
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5	-	24.5	Sapin S.r.l.	equity
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	50	-	50	Imprepar S.p.A.	equity
Platano S.c.n.c. (in liq.)	Italy	Euro	30,987	33.33	-	33.33	Imprepar S.p.A.	equity
Quattro Venti S.c.r.l. (in liq.)	Italy	Euro	51,000	40	40	-		equity
RCCF Nodo di Torino S.c.p.a. (in liq.)	Italy	Euro	102,000	26	-	26	INCAVE S.r.l.	equity
S. Anna Palermo S.c.r.l. (in liq.)	Italy	Euro	40,800	71.6	71.6			equity
Saces S.r.l. (in liq.)	Italy	Euro	26,000	37	-	37	Imprepar S.p.A.	equity
San Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57	-	57	Imprepar S.p.A.	equity
San Giorgio Caltagirone S.c.r.l. (in liq.)	Italy	Euro	25,500	33	-	33	Imprepar S.p.A.	equity
Sclafani S.c.r.l. (in liq.)	Italy	Euro	10,400	41	-	41	Imprepar S.p.A.	equity
Sep Eole	France	FF	10,000	50	-	50	Imprepar S.p.A.	equity
Sirjo S.c.p.A.	Italy	Euro	30,000,000	40	40			equity
SO.CO.TAU. S.c.r.l. (in liq.)	Italy	Euro	10,200	20.27	-	20.27	Bocoge S.p.A.	equity
Soingit S.c.r.l. (in liq.)	Italy	Lit	80,000,000	29.49	-	29.49	Imprepar S.p.A.	equity
St.Vi.Cl.CA. 2	Switzerland			25		25	CSC S.A.	equity
Techint S.A.C.I. - Hochtief A.G. - Impregilo S.p.A. - Iglys S.A. UTE	Argentina	-	-	35	26.25	8.75	Iglys S.A.	equity
Thessaloniki Metro CW J.V.	Greece			42.5	42.5			equity
Unicatanzaro S.c.r.l. (in liq.)	Italy	Euro	15,300	56	-	56	Bocoge S.p.A.	equity
VE.CO. S.c.r.l.	Italy	Euro	10,200	25	25			equity
Wohnanlage Hohenstaufenstrasse Wiesbaden	Germany			62.7		62.7	Imprepar S.p.A.	equity
Yellow River Contractors J.V.	China	-	-	36.5	36.5	-		equity



Name	Country	Currency	Share/quota capital subscribed	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
ENGINEERING & PLANT CONSTRUCTION								
Fisia Italmimpianti S.p.A.	Italy	Euro	10,000,000	100	100	-		line-by-line
Fisia Babcock Engineering CO. Ltd	China	Euro	140,000	100		100	Fisia Babcock Gmbh	line-by-line
Fisia Babcock Environment Gmbh	Germany	Euro	15,000,000	100	-	100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Gestione Napoli S.p.A. (in liq.)	Italy	Euro	100,000	99	24	54	Fisia Italmimpianti S.p.A. Fisia Babcock Gmbh	line-by-line
Steinmuller International Gmbh	Germany	Euro	25,000	100		100	Fisia Babcock Gmbh	line-by-line
Shanghai Pucheng Thermal Power Energy Co. L.t.d.	China	RMB	200,000,000	50	-	50	Fisia Babcock Gmbh	proportionate
Consorzio Agrital Ricerche (in liq.)	Italy	Euro	138,405	20	-	20	Fisia Italmimpianti S.p.A.	equity
Nautilus S.c.p.a. (in liq.)	Italy	Euro	479,880	34.41	-	34.41	Fisia Italmimpianti S.p.A.	equity
Villagest S.c.r.l. (in liq.)	Italy	Euro	13,944	50	-	50	Fisia Italmimpianti S.p.A.	equity
USW CAMPANIA PROJECTS								
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infrastruc. N.V. Fisia Babcock Gmbh Fisia Italmimpianti S.p.A.	line-by-line
CONCESSIONS								
Impregilo International Infrastructures N.V.	Netherlands	Euro	50,000,000	100	100	-		line-by-line
IGLYS S.A.	Argentina	ARS	17,000,000	100	-	98	Impregilo Intern. Infrastruc. N.V. INCAVE S.r.l.	line-by-line
Impregilo New Cross Ltd	UK	GBP	2	100	-	100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Impregilo Parking Glasgow Ltd	UK	GBP	1	100	-	100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60	-	60	Impregilo Intern. Infrastruc. N.V.	line-by-line
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.59	16.5	23.73	Impregilo Intern. Infrastruc. N.V. Iglys. S.A.	equity
Aguas del Oeste S.A.	Argentina	ARS	170,000	33.33	-	33.33	Iglys S.A.	equity
Coincar S.A.	Argentina	ARS	40,465,122	35	26.25	8.75	Iglys S.A.	equity
Consorcio Agua Azul S.A.	Peru	PEN	69,001,000	25.5	-	25.5	Impregilo Intern. Infrastruc. N.V.	equity
EcoRodovias Infraestrutura e Logistica S.A.	Brazil	BRL	466,699,080	6.5	-	6.5	Impregilo Intern. Infrastruc. N.V.	equity
Enecor S.A.	Argentina	ARS	8,000,000	30	-	30	Impregilo Intern. Infrastruc. N.V.	equity
Impregilo Wolverhampton Ltd	UK	GBP	1,000	20	-	20	Impregilo Intern. Infrastruc. N.V.	equity
Ochre Solutions Holdings Ltd	UK	GBP	20,000	40		40	Impregilo Intern. Infrastruc. N.V.	equity
Pedemontana Veneta S.p.A. (in liq.)	Italy	Euro	6,000,000	20.23	20.23			equity
Puentes del Litoral S.A.	Argentina	ARS	43,650,000	26	22	4	Iglys S.A.	equity
Sistranyac S.A.	Argentina	ARS	3,000,000	20.1	-	20.1	Impregilo Intern. Infrastruc. N.V.	equity
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	25,000,000	40	40			equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67	-	18.67	Impregilo Intern. Infrastruc. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	40	40			equity

(*) EcoRodovias includes another 24 equity investments

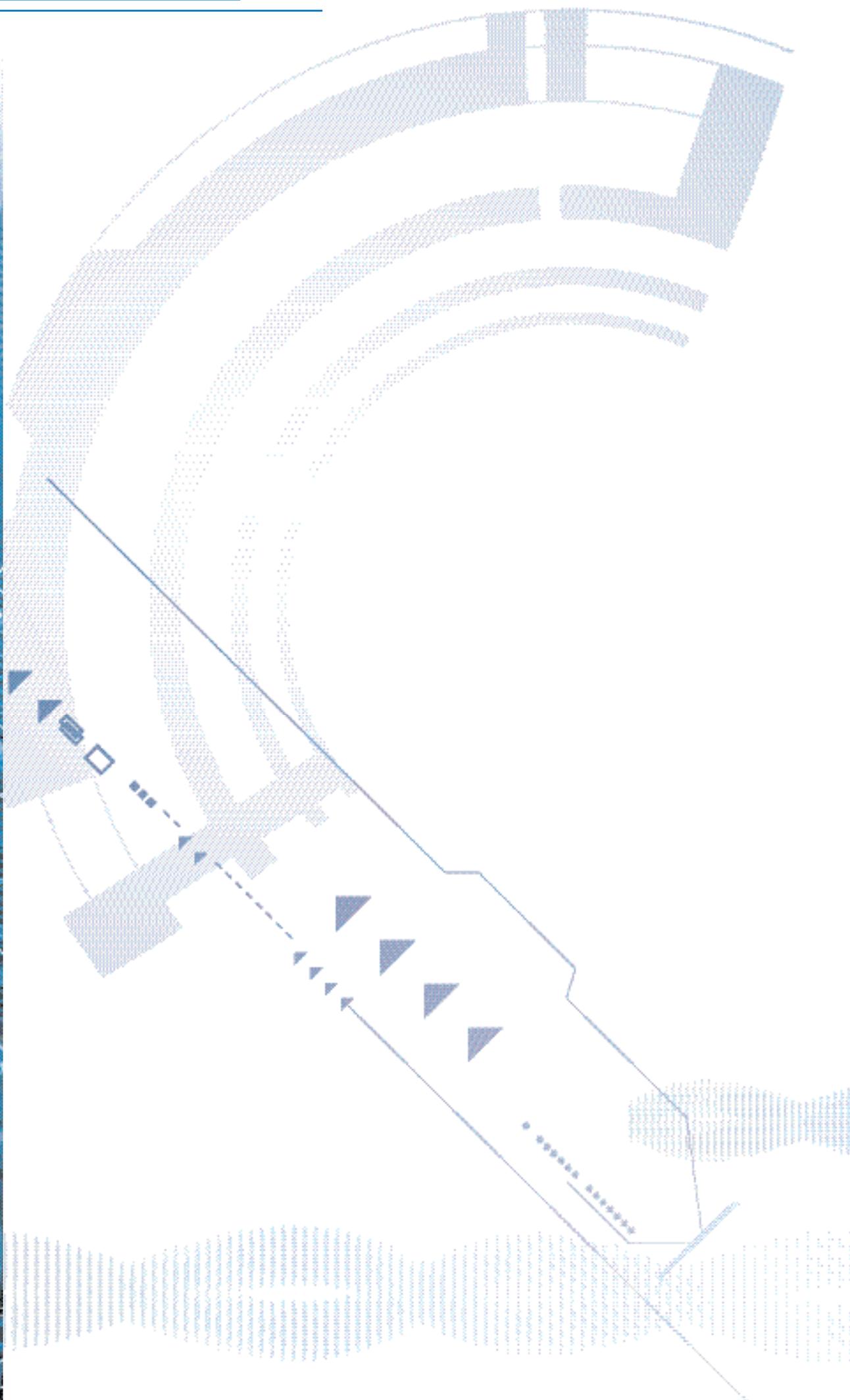
The following companies have been excluded from the consolidation scope compared to 31 December 2011:

Name	Country	Currency	Share/quota capital subscribed paid-up	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2011
CONSTRUCTION								
A.T.I. Monte Bianco S.c.r.l. (in liq.)	Italy	Euro	10,329	33.33	-	33.33	SGF INC S.p.A.	equity
Arge Stollen Chatzuhus	Switzerland			40		40	CSC S.A.	equity
Cannatello S.c.r.l. (in liq.)	Italy	Euro	20,400	40	-	40	Imprepar S.p.A.	equity
Consorzio Planalto	Brazil			50	25	25	Cigla S.A.	equity
Consorzio CO.RI.TECNO (in liq.)	Italy	Euro	51,646	50	-	50	Imprepar S.p.A.	equity
Consorzio Galleria Scaglioni CGS	Switzerland			50		50	CSC S.A.	equity
Edificatrice Sarda S.r.l. (in liq.)	Italy	Euro	10,328	25	-	25	Sapin S.r.l.	equity
Impregilo SpA - Iglys S.A. UTE	Argentina	ARS	10,000	100	80.52	19.48	Iglys S.A.	equity
Sincat S.c.r.l. (in liq.)	Italy	Lit	80,000,000	28.57	-	28.57	Imprepar S.p.A.	equity
ENGINEERING & PLANT CONSTRUCTION								
Consorzio Macopsissa Ambiente (in liq.)	Italy	Euro	30,987	45.12	-	45.12	Fisia Italimpianti S.p.A.	equity

The consolidation scope has been enlarged compared to 31 December 2011 by the following companies:

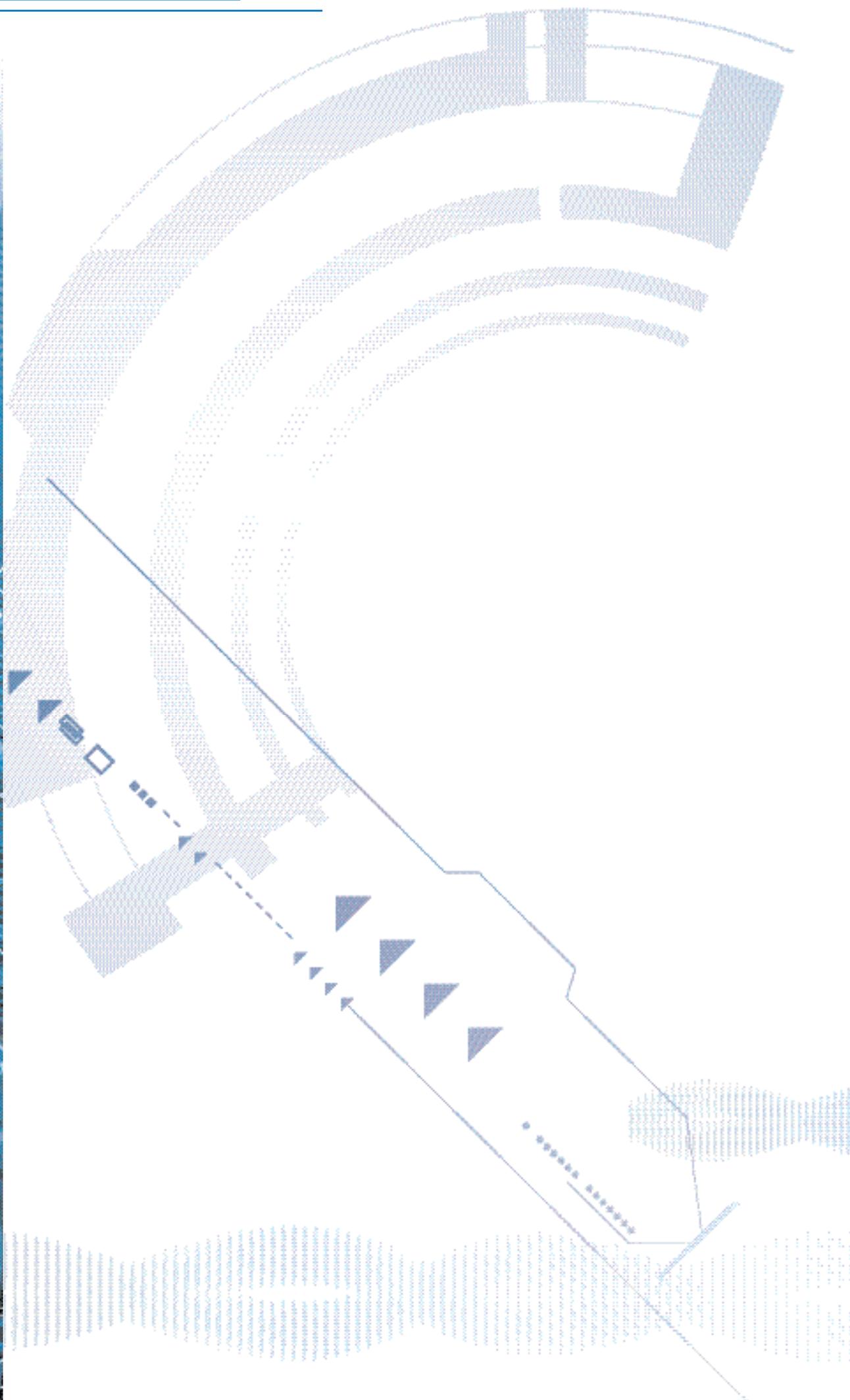
Name	Country	Currency	Share/quota capital subscribed paid-up	% investment	% direct	% indirect	Indirectly held by	Method 31.12.2012
CONSTRUCTION								
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			proportionate
Interstate Healy Equipment J.V.	USA			45		45	Healy S.A.	proportionate
Metro Blu S.c.r.l.	Italy	Euro	10,000	50	50	-		proportionate
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A -J.V.	USA			30	30			proportionate
Consorzio Felce lotto 101	Switzerland			25		25	CSC S.A.	equity
Consorzio MM4	Italy	Euro	200,000	34.05	31.05			equity
Sirjo S.c.p.A.	Italy	Euro	30,000,000	40	40			equity
SI.VI.CI.CA. 2	Switzerland			25		25	CSC S.A.	equity





STATEMENT ON THE CONSOLIDATED
FINANCIAL STATEMENTS





Statement on the consolidated financial statements pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1 Pietro Salini, as CEO, and Rosario Fiumara, as central corporate manager and manager in charge of financial reporting, of Impregilo S.p.A., considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state:

- that the administrative and accounting procedures are adequate given the group's characteristics; and
- that they were actually applied

during 2012 to prepare the consolidated financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 the consolidated financial statements:

- a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation 1601/2002 of the European Parliament and Council of 19 July 2002;
- b) are consistent with the accounting records and entries;
- c) are suitable to give a true and fair view of the financial position at 31 December 2012 and the results of operations and cash flows for the year then ended of the Issuer and its consolidated companies;

3.2 the directors' report includes a reliable analysis of the financial position and results of operations of the Issuer and the consolidated companies, together with information about the key risks and uncertainties to which they are exposed.

Milan, 25 March 2013

Chief Executive Officer

Pietro Salini

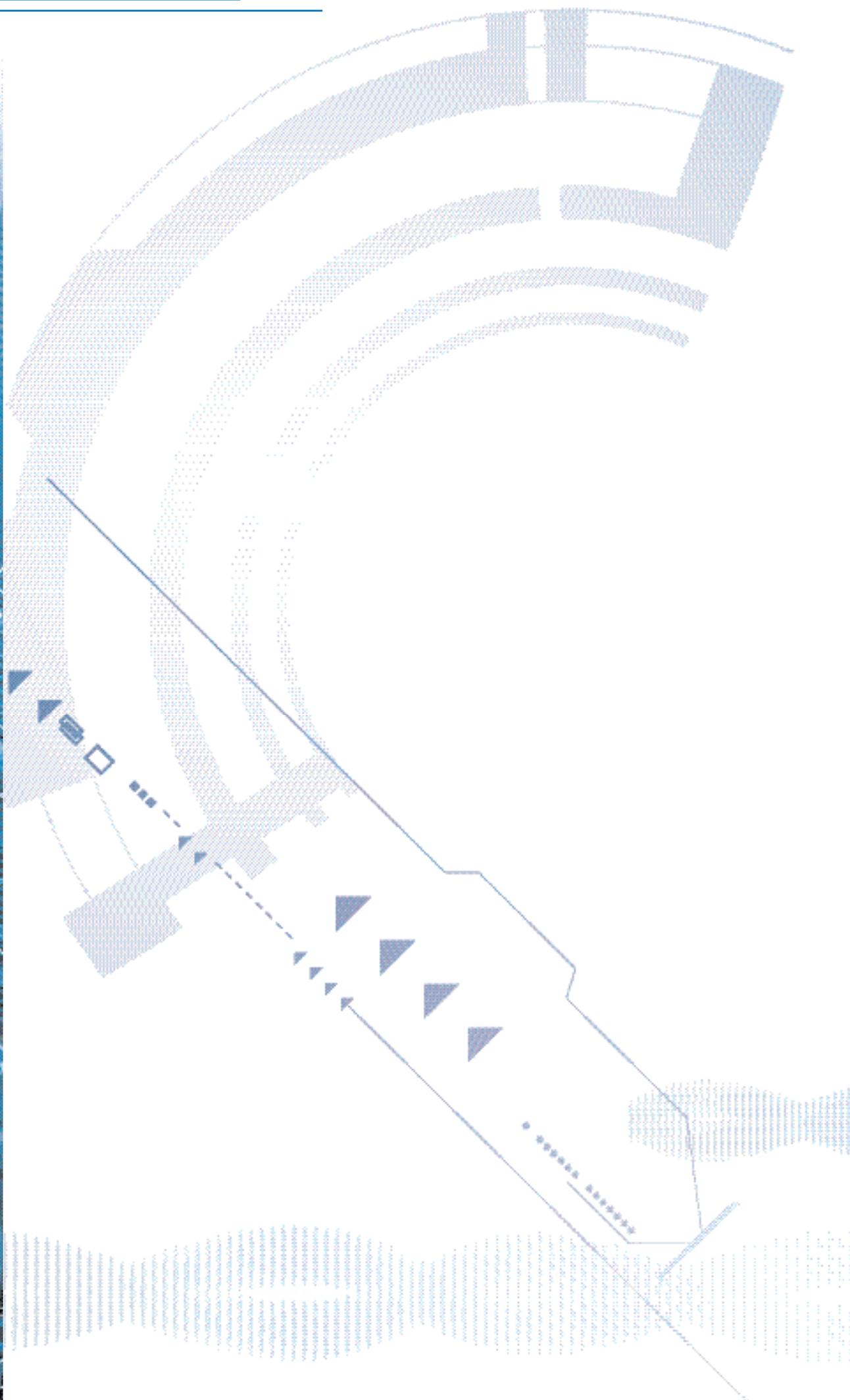
(signed on the original)

Manager in charge of financial reporting

Rosario Fiumara

(signed on the original)





SEPARATE FINANCIAL STATEMENTS
OF IMPREGILO S.p.A. AS AT AND FOR
THE YEAR ENDED 31 DECEMBER 2012



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STATEMENT OF FINANCIAL POSITION

(Euro)

ASSETS	Note	31 December 2012	31 December 2011
Non-current assets			
Property, plant and equipment	1	32,985,833	52,951,953
Intangible assets	2	32,941,195	33,942,562
Equity investments	3	580,194,756	568,028,583
Non-current financial assets (*)	4	4,959,874	74,516
Non-current intragroup loans and receivables	5	88,594,877	141,734,205
Other non-current assets	6	436,274	808,265
Deferred tax assets	7	37,947,543	26,207,592
Total non-current assets		778,060,352	823,747,676
Current assets			
Inventories	8	32,763,053	35,602,718
Contract work in progress	9	490,758,293	330,897,945
Trade receivables	10	240,969,009	166,739,665
Current intragroup loans and receivables	10	406,899,135	453,331,462
Derivatives and other current financial assets (*)	11	1,091,504	687,378
Current tax assets	12	52,565,045	54,226,256
Other current tax assets	12	45,003,604	36,976,673
Other current assets	13	51,659,003	34,911,378
Cash and cash equivalents (*)	14	876,982,575	155,911,685
Total current assets		2,198,691,221	1,269,285,160
Total assets		2,976,751,573	2,093,032,836

(*) Items included in net financial position (indebtedness).

(Euro)

EQUITY AND LIABILITIES	Note	31 December 2012	31 December 2011
Equity			
Share capital		718,364,457	718,364,457
Share premium reserve		1,222,023	1,222,023
Other reserves		21,517,088	18,713,784
Retained earnings		202,573,709	185,952,169
Profit for the year		738,605,866	56,066,086
Total equity	15	1,682,283,143	980,318,519
Non-current liabilities			
Bank and other loans (*)	16	100,834,971	17,554,383
Finance lease payables (*)	17	15,290	29,247
Post-employment benefits and employee benefits	19	11,403,142	12,014,514
Deferred tax liabilities	7	115,575,009	103,696,987
Provisions for risks	20	253,477,053	21,336,488
Total non-current liabilities		481,305,465	154,631,619
Current liabilities			
Current portion of bank loans and current account facilities (*)	16	115,410,937	361,728,260
Current portion of finance lease payables (*)	17	27,898	20,920
Derivatives and other current financial liabilities (*)	18	65,327	1,627,614
Progress payments and advances on contract work in progress	21	74,812,786	85,923,888
Trade payables	22	136,700,708	112,115,091
<i>of which: related parties</i>	32	<i>196,005</i>	
Current intragroup payables	22	376,267,506	302,109,749
Current tax liabilities	23	41,847,987	21,019,824
Other current tax liabilities	23	8,315,311	20,509,978
Other current liabilities	24	59,714,505	53,027,374
<i>of which: related parties</i>	32	<i>18,343,261</i>	
Total current liabilities		813,162,965	958,082,698
Total equity and liabilities		2,976,751,573	2,093,032,836

(*) Items included in net financial position (indebtedness).



INCOME STATEMENT

(Euro)

	Note	2012	2011
Revenue			
Operating revenue	27	1,302,378,063	1,085,461,080
Other revenue	27	64,625,590	37,859,738
Total revenue		1,367,003,653	1,123,320,818
Costs			
Raw materials and consumables	28	(59,414,240)	(30,547,524)
Subcontracts	28	(154,506,465)	(69,950,780)
Other operating expenses	28	(894,056,417)	(727,937,771)
Personnel expenses	28	(121,269,358)	(111,967,841)
Amortisation, depreciation, provisions and impairment losses	28	(26,940,635)	28,848,854
<i>of which: related parties</i>	32	<i>(457,132)</i>	
<i>of which: non-recurring</i>			<i>50,000,000</i>
Total costs		(1,256,187,115)	(911,555,062)
Operating profit		110,816,538	211,765,756
Financing income (costs) and gains (losses) on investments			
<i>Financial income</i>	29	<i>33,132,860</i>	<i>21,437,556</i>
<i>Financial expense</i>	29	<i>(39,145,798)</i>	<i>(47,723,538)</i>
<i>Exchange rate gains (losses)</i>	29	<i>7,521,099</i>	<i>(4,013,944)</i>
Net financing income (costs)		1,508,161	(30,299,926)
<i>of which: related parties</i>	32	<i>(419,733)</i>	
Net gains (losses) on investments	30	669,886,312	(76,167,864)
Net financing income (costs) and net gains (losses) on investments		671,394,473	(106,467,790)
Profit before tax		782,211,011	105,297,966
Income tax expense	31	(43,605,145)	(49,231,880)
Profit for the year		738,605,866	56,066,086

STATEMENT OF COMPREHENSIVE INCOME

(Euro)

	Note	2012	2011
Profit for the year (a)		738,605,866	56,066,086
Net gains on cash flow hedges, net of the tax effect	15	-	927,923
Other comprehensive income (b)		-	927,923
Total comprehensive income (a) + (b)		738,605,866	56,994,009

STATEMENT OF CASH FLOWS

(Euro/000)

	Note	2012	2011
Cash and cash equivalents	14	155,912	49,878
Current account facilities	16	(92,143)	(115,958)
Total opening cash and cash equivalents		63,769	(66,080)
Operating activities			
Profit for the year		738,606	56,066
Amortisation of intangible assets	28	1,002	-
Depreciation of property, plant and equipment	28	30,824	23,732
Net impairment losses and provisions	28	(4,885)	(52,580)
Accrual for post-employment benefits and employee benefits	19	6,673	7,461
Net gains on the sale of assets	27 - 28	(2,148)	(1,950)
Deferred taxes and national tax consolidation system	31	(11,740)	9,475
Impairment losses on equity investments	30	231,764	76,176
Dividends distributed by subsidiaries		(901,665)	
Other non-monetary items		13,102	2,712
<i>of which: non-recurring</i>			(50,000)
Total income statement		101,533	121,092
Decrease (increase) in inventories		(157,118)	39,707
Decrease (increase) in trade receivables		(71,566)	32,916
Decrease (increase) in intragroup loans and receivables		93,058	(63,269)
(Decrease) increase in progress payments and advances from customers		(11,111)	(5,968)
(Decrease) increase in trade payables		24,586	9,324
(Decrease) increase in intragroup payables		208,235	36,222
Decrease (increase) in other assets/liabilities		(22,264)	44,706
<i>of which: cash flows from related party transactions</i>	32	(981)	
Total operating cash flows		63,820	93,638
Cash flows from operating activities		165,353	214,730
Investing activities			
Net investments in intangible assets			(257)
Investments in property, plant and equipment	1	(17,119)	(23,769)
Proceeds from the sale or reimbursement value of property, plant and equipment		8,367	5,102
Investments in non-current financial assets		(20,579)	(8,243)
Dividends received from subsidiaries		765,043	
Proceeds from the sale or reimbursement value of non-current financial assets		16,821	2,468
Cash flows from (used in) investing activities		752,533	(24,699)
Financing activities			
Dividend distribution	15	(36,641)	(24,568)
Increase in bank and other loans		39,555	41,597
Decrease in bank and other loans		(188,437)	(76,994)
Change in other financial assets/liabilities		(1,968)	(217)
Cash flows used in financing activities		(187,491)	(60,182)
Increase in cash and cash equivalents		730,395	129,849
Cash and cash equivalents	14	876,983	155,912
Current account facilities	16	(82,819)	(92,143)
Total closing cash and cash equivalents		794,164	63,769
Other information:			
Income taxes paid during the year		(6,468)	(2,946)
Net interest paid during the year		(23,699)	(34,748)



STATEMENT OF CHANGES IN EQUITY

(Valori in Euro/000)	Note	Share capital	Share premium reserve	
As at 1 January 2011	15	718,364	1,222	
Allocation of profit and reserves	15			
Dividend distribution	15			
<i>Profit for the year</i>	<i>15</i>			
<i>Other comprehensive income</i>	<i>15</i>			
<i>Total comprehensive income</i>	<i>15</i>	-	-	
As at 31 December 2011	15	718,364	1,222	
As at 1 January 2012	15	718,364	1,222	
Allocation of profit and reserves	15			
Dividend distribution	15			
<i>Profit for the year</i>	<i>15</i>			
<i>Total comprehensive income</i>	<i>15</i>	-	-	
As at 31 December 2012	15	718,364	1,222	



Legal reserve	Hedging reserve	Total other reserves	Retained earnings	Profit for the year	TOTAL EQUITY
10,820	(928)	9,892	60,538	157,876	947,892
7,894		7,894	149,982	(157,876)	-
		-	(24,568)	-	(24,568)
		-		56,066	56,066
	928	928			928
-	928	928	-	56,066	56,994
18,714	-	18,714	185,952	56,066	980,318
18,714	-	18,714	185,952	56,066	980,318
2,803		2,803	53,263	(56,066)	-
		-	(36,641)	-	(36,641)
		-		738,606	738,606
-	-	-	-	738,606	738,606
21,517	-	21,517	202,574	738,606	1,682,283



Separate financial statements of Impregilo S.p.A.
as at and for the year ended 31 December 2012

2012 performance by geographical segment:

(Euro/m)	Italy	Other EU countries	Other European (non-EU) countries
Revenue by geographical segment	496.9	109.5	18.8

Statement of financial position as at 31 December 2012 by geographical segment:

(Euro/m)	Italy	Other EU countries	Other European (non-EU) countries
Net non-current assets	405.7	170.2	3.2
Total non-current assets	405.7	170.2	3.2
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	71.7	-	-
Net tax liabilities			
Working capital	65.6	(59.0)	6.8
Total working capital	65.6	(59.0)	6.8
Net invested capital	543.0	111.2	10.0
Equity			
Net financial indebtedness			
Total financial resources			

North America	Central and South America	Middle East and Asia	Rest of the World	Unallocated items	Total
38.6	426.2	148.2	128.8	-	1,367.0

North America	Central and South America	Middle East and Asia	Rest of the World	Unallocated items	Total
26.4	14.1	24.7	1.8		646.1
26.4	14.1	24.7	1.8	-	646.1
-	(243.7)	(3.9)	-	-	(175.9)
				(30.2)	(30.2)
(4.8)	608.0	(23.0)	(18.0)	-	575.6
(4.8)	608.0	(23.0)	(18.0)	-	575.6
21.6	378.4	(2.2)	(16.2)	(30.2)	1,015.6
				1,682.3	1,682.3
				(666.7)	(666.7)
					1,015.6



NOTES TO THE SEPARATE FINANCIAL STATEMENTS OF IMPREGILO S.p.A.

INTRODUCTION

Impregilo S.p.A. has prepared its 2012 separate financial statements on a going concern basis. As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these separate financial statements of Impregilo S.p.A. have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union at 31 December 2012. They comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and these notes.

The separate financial statements have been prepared using the historical cost principle, except for those items which are recognised at fair value in accordance with the IFRS, as described in the section on "Accounting policies". The carrying amounts of assets and liabilities, hedged with transactions which qualify for hedge accounting, are adjusted to reflect changes in fair value related to the hedged risks.

The statement of financial position, income statement and statement of comprehensive income are presented in Euros, whereas the amounts in the statement of cash flows, statement of changes in equity and these notes are shown in thousands of Euros, unless stated otherwise.

CHANGES IN STANDARDS

The accounting policies, measurement criteria and estimates adopted by the company are consistent with those used to prepare the separate financial statements at 31 December 2011, except for that set out below for the standards and amendments applied after 1 January 2012 as they have become mandatory following completion of the related endorsement procedures by the relevant authorities.

On 7 October 2010, the IASB published certain amendments to IFRS 7 - *Financial instruments: disclosures*. The amendments aim at improving the understanding of transfers of financial assets and the possible effects of any risks retained by the transferring entity. Greater disclosure is necessary when a large number of these transfers take place near the end of a reporting period. The amendments were published in the EU Official Journal on 23 November 2011 and are applicable to annual periods beginning on or after 1 July 2011. Application of these amendments did not affect the company's separate financial statements.

On 20 December 2010, the IASB issued the document "Deferred tax: recovery of underlying assets (Amendments to IAS 12)". The current version of IAS 12 requires that an entity assess the recoverability of deferred tax assets based on its judgment about the possible use or sale of assets. In order to ensure the simplified application of this document, the IASB introduced a presumption for investment property, assets recognised as plant and machinery and intangible assets recognised or remeasured at fair value. This presumption provides that deferred tax assets shall be fully recovered through sale, unless it is clearly shown that recovery can take place through use.

The amendment to IAS 12 also entails withdrawal of SIC 21 Income taxes - Recovery of revalued non-depreciable assets.

The document was published in the EU Official Journal on 29 December 2012 and is applicable to annual periods beginning on or after 1 January 2012.

The following standards, amendments and interpretations will be applied after 31 December 2012 and the company has not adopted them early.

On 12 November 2009, the IASB issued the first part of *IFRS 9 - Financial instruments*, which will replace IAS 39 - *Financial instruments: recognition and measurement*. This part covers the classification of financial instruments and is part of a three-phase project.



The next parts will cover how to determine impairment of financial assets and application of hedge accounting, respectively. Issue of the new standard, designed to simplify and reduce the complexity of recognising financial instruments, provides for the classification of financial instruments into three categories which the company will define based on its business model, contractual terms and the related cash flows of the instruments.

On 28 October 2010, the IASB issued new requirements for the recognition of financial liabilities. They will be integrated into IFRS 9 to complete the classification and measurement phase as part of the project to replace IAS 39.

On 16 December 2011, the IASB published the *Mandatory effective date and transition disclosures* (amendment to IFRS 9 and IFRS 7), which postpones the application date for IFRS 9 from 1 January 2013 to 1 January 2015. However, the standard may still be applied early.

On 12 May 2011, the IASB issued IFRS 10, IFRS 11 and IFRS 12 and amendments to IAS 27 and IAS 28. The main changes covered:

- *IFRS 10 - Consolidated financial statements*

This standard replaces SIC 12 Consolidation - Special purpose entities and certain parts of IAS 27 - Consolidated and separate financial statements. The new standard identifies control as the basis for consolidation and provides guidelines to check its existence. This is not a new provision, but it better clarifies the concept of control.

- *IFRS 11 - Joint arrangements*

This standard replaces IAS 31 - Interests in joint ventures and SIC 13 - Jointly controlled entities - Non-monetary contributions by venturers. It defines the criteria for the identification of joint arrangements and how they should be accounted for based on the rights and obligations arising from the contract, regardless of its legal form. The new standard provides for different recognition depending on whether the transaction is a joint operation or a joint venture. It eliminates the possibility to treat the same types of arrangements differently and, vice versa, defines a single model based on the contractual rights and obligations.

- *IFRS 12 - Disclosure of interests in other entities*

The standard sets out the disclosures to be provided about any type of interest in other entities, including joint arrangements, associates, special purpose entities and other entities not included in the financial statements.

Its aim is to provide information to allow users of financial statements to best understand the nature of risks associated with interests in strategic entities (qualified or not) which the entity intends to hold on to for the medium to long-term.

- *IAS 27 - Separate financial statements*

The standard defines how investments in subsidiaries, associates and joint ventures should be treated in the separate financial statements. The standard has been amended following the changes introduced by IFRS 10 and IFRS 11.

- *IAS 28 - Investments in associates and joint ventures*

The standard defines how investments in associates and joint ventures should be treated. The standard has been amended following the changes introduced by IFRS 10 and IFRS 11.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 were published in the EU Official Journal on 29 December 2012. Their latest application date is the start of the first annual period beginning on or after 1 January 2014.

On the same date, the IASB issued IFRS 13 - *Fair value measurement*, which clarifies in one standard how fair value should be determined and its use in the different measurement contexts set out in the IFRS.



The standard was published in the EU Official Journal on 29 December 2012 and is applicable to annual periods beginning on or after 1 January 2013.

On 16 June 2011, the IASB issued an amendment to IAS 1 - *Presentation of financial statements*. This amendment requires the grouping of statement of comprehensive income items depending on whether they can be subsequently reclassified to profit or loss. The amendment was published in the EU Official Journal on 6 June 2012 and is applicable to annual periods beginning on or after 1 July 2012.

On the same date, the IASB published the revised IAS 19 - *Employee benefits*, which eliminates the corridor approach, requiring presentation of the plan deficit or surplus in its entirety in the statement of financial position and the recognition of the service cost and net interest expense in profit or loss. Actuarial gains and losses arising on remeasurement of the liabilities and assets are recognised under other comprehensive income (expense). Changes in the assets and liabilities for the period should be recognised in other comprehensive income. Moreover, the return on plan assets recognised in net financial expense should be measured using the liability's discount rate rather than that of the expected return. The amendment also requires additional disclosures to be provided in the notes. The revised standard was published in the EU Official Journal on 6 June 2012 and is applicable to annual periods beginning on or after 1 January 2013. Early adoption is allowed.

On 16 December 2011, the IASB published an amendment to IAS 32 - *Offsetting Financial Assets and Financial Liabilities* to clarify the rules for offsetting financial assets and liabilities. The amendment clarified that:

- the right of set-off shall exist at the reporting date instead of being contingent on a future event;
- this right shall be legally enforceable by the counterparties during the normal course of business or in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The amendment was published in the EU Official Journal on 29 December 2012. It is applicable retrospectively to annual periods beginning on or after 1 January 2014.

On the same date, the IASB published an amendment to IFRS 7 - *Disclosures - Offsetting financial assets and financial liabilities* to introduce new disclosures in order to allow users of financial statements to assess the effects of offsetting. The disclosure relates to enforceable master netting arrangements and similar arrangements. The amendment was published in the EU Official Journal on 29 December 2012. It is applicable retrospectively to annual periods beginning on or after 1 January 2013.

Except for IFRS 11, adoption of the above amendments will not have significant effects on the company's separate financial statements. In-depth assessments are still underway, including by the relevant authorities and technical bodies, with respect to the adoption of IFRS 11, considering the potential effects that the new standard may have on the separate financial statements of entities like Impregilo S.p.A. which hold significant investments, directly and indirectly, in jointly controlled entities. The company is currently assessing this issue with utmost attention, in collaboration with the above-mentioned technical bodies.



FORMAT AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

Format of the separate financial statements

Impregilo S.p.A. opted to present its separate financial statements at 31 December 2012 as follows:

- Current and non-current assets and current and non-current liabilities are presented separately in the statement of financial position. Current assets and liabilities are those expected to be realised, sold, used or settled in the company's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used or settled after the company's normal operating cycle, i.e., more than twelve months after the reporting date.
- The income statement gives a classification of costs by nature and shows the profit or loss before "Financing income (costs) and gains (losses) on investments" and income taxes. The statement of comprehensive income shows all non-owner changes in equity.
- The cash flow statement presents the cash flows from operating, investing and financing activities separately. The indirect method is used.

ACCOUNTING POLICIES

The accounting policies adopted to draw up the company's separate financial statements at 31 December 2012 comply with the IFRS and are consistent with those used to prepare the 2011 separate financial statements, except for the standards enacted after 1 January 2012, summarised in the section on the "Changes in standards".

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, net of accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	-
Buildings	3
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continued use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be immediately available for sale and their sale shall be highly probable (i.e., the related commitments already exist). Their sales value shall be reasonable compared to their fair value.



The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount will not be recovered. Reference should be made to the section on "Impairment of non-financial assets" for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the company has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset to a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from determination of the amount to be capitalised.

Capitalisation of borrowing costs is suspended during periods in which active development is interrupted.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Leased property, plant and equipment

Assets held under finance leases whereby all the risks and rewards of ownership are substantially transferred to the company are recognised as company assets and classified as property, plant and equipment. The related payable to the lessor is shown under financial liabilities. The lease payment is split into the financial expense, taken to the income statement, and the principal repayment, offset against the financial liability. The carrying amount of the leased asset is determined considering its fair value or, if lower, the present value of the minimum future lease payments.

The depreciation method and subsequent measurement are consistent with those applied to non-leased assets.

Leases where the lessor retains all the risks and rewards of ownership are treated as operating leases. The initial negotiation costs incurred for this type of lease increase the value of the related lease and are recognised over the lease term netted against the revenue generated by the lease. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Other intangible assets

Other intangible assets purchased or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably. Those assets with finite useful lives are measured at purchase or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on "Impairment of non-financial assets".

The excess of the purchase cost compared to the company's share of the net fair value of the high capacity business units acquired in the past is classified as other intangible assets and mainly refers to acquisition costs of the business units purchased. The related amortisation is calculated in line with the stage of completion and duration of the work.



Equity investments

Investments in subsidiaries and associates and interests in joint ventures are measured at cost and tested regularly for impairment. This test is carried out whenever there is an indication that the investment may be impaired. The method used is described in the section on "Impairment of non-financial assets". When an impairment loss is required, this is recognised immediately in profit or loss. When the reasons for a previous impairment loss no longer exist, the carrying amount of the investment is restated to the extent of its original cost. Reversals of impairment losses are recognised in profit or loss.

Impairment of non-financial assets

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill and other intangible assets with indefinite lives are tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the company could obtain by disposing of the asset.

Value in use is determined by discounting to present value the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life. Discounting is applied by using a post-tax discount rate which reflects the present market value of the time value of money and specific risks.

The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit). An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/amortisation that would have been recognised had the impairment loss not been recognised.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value. Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the assets or similar assets. Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract work in progress and revenue from construction contracts

Contract work in progress consists of work performed net of progress billings issued to customers. When final payment of the consideration is made, the related progress billings and advances are recognised under "Operating revenue" in the income statement, with the related variation in inventories. The provision for contractual risks directly offsets inventories and is set up to cover possible charges and losses on contracts performed either directly by the company or as part of a joint venture.

Contract work in progress is measured considering the consideration agreed with the customer and the stage of completion of the work. Revenue related to contract work in progress is recognised using the stage of completion method.



The stage of completion is determined using the cost to cost method whereby the percentage of completion (the ratio between costs incurred and total estimated costs) is applied to the total estimated revenue.

Given the technical complexity, size and length of time involved in completing contracts, the additional considerations are measured before an agreement is reached with the customer. Claims for additional considerations are considered when measuring contract work in progress when they can be quantified and they are reasonably certain to be made.

In the case of events that take place after the reporting date but before the financial statements are approved, which provide additional information about expected profits or losses on the contract, this additional information is considered when determining the contractual revenue or costs to be incurred to complete the contract and for the recognition of any profits or losses.

When it is probable that total contract costs will exceed total contract revenue, the loss to complete the contract is recognised as an expense immediately.

The contract costs, included in the cost to cost calculation, may be classified as:

- pre-operating costs, which include costs incurred during the start-up stage of the contract, before construction starts, such as the costs of design and specific studies carried out for the contract; organisation and production start-up costs and building site start-up costs. These pre-operating costs are included in the stage of completion calculation and in the cost to cost calculation once they have been incurred. During the initial stage of the contract, they are included in the carrying amount of contract work in progress, if recoverable, without recognising any profit margin when the contract profit or loss cannot be reliably estimated;
- contract operating costs, which include those directly attributable to the contract (eg, materials, subcontracting, labour, amortisation and depreciation, compulsory purchases, any directly attributable borrowing costs, etc.). They are recognised on an accruals basis and included in the calculation of the stage of completion;
- post-operating costs, which include site dismantlement costs generally incurred after the contract has been closed to remove the installations (or entire sites) and to return the machinery or plant to the company's premises or transfer them to another site. This category also includes losses on abandoned materials and the cost of transporting unused materials. They are included in the contract estimate and, therefore, if incurred during the contract term, they are comprised in the calculation of the progress billings. Therefore, no specific accruals are made to the income statement;
- costs for services to be rendered after completion of the contract, which mainly relate to services rendered after the contract has been completed. They may include assistance and supervision provided in the early stages of use of the plant or scheduled maintenance. If the contract does not include specific additional considerations for these services and the contract may be "closed" for accounting purposes (contracts are usually closed once work is completed and the customer has accepted the end result), the costs to be incurred to render these services when the contract is closed in the accounting records should be estimated and provided for in the specific items. These costs are included in the calculation to determine the contract revenue.

Real estate projects

Closing inventories of real estate projects are those real estate areas developed with a view to selling them. They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid to purchase the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.



Financial assets and liabilities

Measurement and presentation of financial instruments are covered by IAS 39 and IAS 32, respectively. The company introduced the disclosure required by IFRS 7 in 2007.

The financial instruments used by the company are classified as follows: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets or financial liabilities at fair value through profit or loss

This category includes derivatives that do not meet hedge accounting requirements.

Fair value gains or losses on derivatives in this category are recognised as "Financing income (costs)" in profit or loss when they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are measured at amortised cost, as detailed further on, and any gains or losses arising therefrom are recognised as "Financing income (costs)" in profit or loss under the amortised cost method.

This category includes the following items:

- **Trade receivables and payables and other receivables and payables**

Trade and other receivables are recognised at amortised cost, net of impairment losses determined on the basis of their estimated recoverable amount calculated by analysing each position and the total non-collection risk.

If the collection date is postponed and exceeds normal collection times for the sector, these receivables are discounted.

All factored receivables that do not meet the requirements for derecognition under IAS 39 continue to be recognised in the company's separate financial statements even when they have been legally transferred. They are thus included as assets and a financial liability of the same amount is recognised.

Trade and other payables are recognised at amortised cost, allocating interest to the income statement based on the effective interest rate, being the rate that exactly discounts estimated future cash payments through to the carrying amount of the related asset.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

- **Loans and bonds**

Loans and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

The effects arising from the recognition at amortised cost are taken to "Financing income (costs)".



Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the positive intention and ability to hold to maturity. They are recognised at amortised cost, and interest accrued thereon is taken to profit or loss under "Financial income" using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are not classified in the other categories. They mainly relate to consortia and consortium companies of which the company holds less than 20%. In accordance with IAS 39, such investments are stated as non-current assets measured at cost, adjusted for impairment, since their fair value cannot be determined. Dividend income from such financial instruments is recognised in profit or loss under financial income when the company is given the right to such dividend.

Fair value of financial instruments

The fair value of financial instruments has been estimated as follows:

- The fair value of financial instruments traded on an active market is based on the market price at the reporting date. This method has been applied especially to listed financial instruments classified as "Available-for-sale financial assets" and financial instruments classified as "Held-to-maturity investments".
- The fair value of the derivatives classified as "Hedging derivatives" and "Financial assets and financial liabilities at fair value through profit or loss" has been measured using the Discounted Cash Flow Model. With respect to interest rate swaps, future cash flows have been estimated using the implicit forward rate of the market Euro curve at 31 December 2012 and 2011, while the forward exchange rate market prices at the relevant reporting date have been used for currency forward transactions.
- The fair value of loans and receivables has been determined, for disclosure purposes in the notes, on the basis of the present value of their future cash flows discounted at a rate equal to the current interest rates applicable in the relevant markets and the average spread agreed by the company.

Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

- (i) the contractual rights to the cash flows from the financial asset expire;
- (ii) the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;
- (iii) the company transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the company has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the company could be required to pay.



(b) Financial liabilities

Financial liabilities are derecognised when the underlying obligation is discharged, cancelled or expires.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

Impairment of financial assets

If there is any indication that a financial asset is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

Derivatives and hedging transactions

Impregilo S.p.A. has derivatives recognised at fair value when the related agreement is signed and for subsequent fair value changes. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting are met, as described below.

The company has derivatives to hedge currency and financial risks. At the inception of the transaction, it documents the hedging relationship, its risk management and strategy objectives in entering into the transaction, the hedging instrument and hedged item or transaction and the nature of the hedged risk. Moreover, at the inception of the transaction and thereafter on an ongoing basis, the company documents whether or not the hedge meets the effectiveness requirements to offset its exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.

Based on the above-mentioned documentation, derivatives used for specific hedging purposes are classified and recognised as follows:

(a) Fair value hedges - If a derivative is designated as a hedge of exposure to changes in the fair value of an asset or liability due to a specific risk that may affect profit or loss, the gain or loss deriving from the subsequent measurement of the fair value of the hedging instrument is taken to profit or loss. The gain or loss on the hedged item, related to the hedged risk, changes the carrying amount of this item and is taken to profit or loss.

(b) Cash flow hedges - If a derivative is designated as a hedge of exposure to changes in cash flows of an asset or liability or a highly probable transaction and could affect profit or loss, the effective part of the gains or losses on the financial instrument is taken to equity. The cumulative gain or loss is derecognised from equity and taken to profit or loss in the same period in which the hedged transaction is recognised. The gain or loss related to a hedge or part of a hedge which has become ineffective is taken to profit or loss immediately. If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, the cumulative gains and losses, recognised in equity up to then, are reclassified to profit or loss when the transaction takes place. If it is unlikely the hedged transaction will take place, the unrealised gains and losses recognised in equity are immediately recognised in profit or loss.

“Hedging purposes” are assessed in strategic terms. When they do not meet the requirements of IAS 39 for hedge accounting, the derivatives are classified as “Financial assets or financial liabilities at fair value through profit or loss”.



Employee benefits

Post-employment benefits

Post-employment benefits are recognised at the actuarial value of the company's liability determined in line with ruling legislation and national and in-house labour agreements. The actuarial method, based on demographic, financial and turnover assumptions, is applied by independent actuaries. The related gains and losses are taken to profit or loss as costs or revenue.

The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

Income taxes

Current taxes are provided for using the tax rates and applying the tax laws ruling in Italy and other countries in which the company operates, including through its branches, based on the best estimate of the taxable profit for the year.

Beginning from 2004, the company has joined the national tax consolidation system, which is regulated by the conditions set out in agreements drawn up by the participating companies, as the consolidating party.

The agreements provide that tax losses transferred by the subsidiaries give rise to a benefit for them to the extent to which they could have been used had the national tax consolidation system not existed. Otherwise, the parent benefits, except for a partial payment to the companies transferring the losses, in proportion to the effective use in the national tax consolidation system. Moreover, the smaller taxes paid by Impregilo following the national tax consolidation system are prudently provided for when it is probable that the tax losses will be paid in the future to the subsidiaries that transferred them.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and their carrying amount in the statement of financial position. Deferred tax assets are recognised when the company holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

Provisions for risks and charges

In accordance with IAS 37, the company makes accruals to provisions for risks and charges when the following conditions exist:

- the company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;



- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value of money is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (ie, forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

Translation criteria for foreign currency items

The translation criteria for foreign currency items adopted by the company are as follows:

- foreign currency monetary assets and liabilities, excluding property, plant and equipment, intangible assets and equity investments measured at cost are measured at the closing spot rate with any exchange rate gains or losses taken to the income statement;
- property, plant and equipment and intangible assets (non-monetary assets) are recognised at historical cost denominated in the foreign currency and translated using the historical exchange rate;
- revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the date of the transaction;
- any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

The foreign branches' function currency is the Euro, as it is the primary currency they use in their operations.

Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;
- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition,
- subject only to terms that are usual and customary for sales of such assets, and
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.



A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell.

The results of discontinued operations are disclosed separately in the income statement. As required by IFRS 5.34 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are restated accordingly.

Revenue recognition

Revenue is measured to the extent it is probable that the economic benefits will flow to the company and the related amount can be determined reliably.

Revenue from the sale of goods is recognised when the company has shipped the goods and has transferred all the material risks and rewards of ownership to the buyer. Revenue from construction contracts is recognised as provided for in the related Standard, described below.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the reporting date based on the ratio of the costs incurred up to the reporting date to the total estimated contract costs, unless this is held to not represent the stage of completion of the contract.

Changes in the contract, claims and incentive payments are recognised to the extent that they are reasonably certain.

Revenue is recognised only to the extent of contract costs incurred that it is probable will be recovered. Contract costs are recognised as an expense in the year in which they are incurred.

Interest income

Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, ie, the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

Dividends

Dividends are recognised when the investors' right to receive payment arises in line with local ruling legislation.

Risks relating to customers and the countries in which Impregilo S.p.A. operates

The company is active in sectors where most of the contracts are with state-owned customers. Therefore, its results are strictly related to the amount and term of investments in large-scale infrastructure works scheduled and awarded by governments or public bodies of the countries in which the company carries out its ongoing activities. Impregilo is also exposed to a series of country risks, such as changes in political or social conditions and developments in economic policies.



Significant accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgments and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the “Property, plant and equipment”, “Leased property, plant and equipment” and “Other intangible assets” paragraphs of the “Accounting policies” section);
- recognise impairment losses (see the “Impairment of non-financial assets” paragraph of the “Accounting policies” section);
- recognise employee benefits (see the “Employee benefits” paragraph of the “Accounting policies” section);
- recognise taxes (see the “Income taxes” paragraph of the “Accounting policies” section);
- recognise provisions for risks and charges (see the “Provisions for risks and charges” paragraph of the “Accounting policies” section);
- determine total contract costs and the related stage of completion (see the “Contract work in progress and revenue from construction contracts” paragraph of the “Accounting policies” section). A significant part of the company’s activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the company may incur during performance of such contracts.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors’ report which gives an analysis of the risk areas of each segment.



STATEMENT OF FINANCIAL POSITION

1 Property, plant and equipment

Property, plant and equipment amount to euro 33.0 million, down from the 31 December 2011 figure by euro 20.0 million. The historical cost and carrying amount are given in the following table:

(Euro/000)	31 December 2012			31 December 2011		
	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	243	-	243	243	-	243
Buildings	3,370	(1,044)	2,326	3,371	(944)	2,427
Plant and machinery	70,443	(46,509)	23,934	83,378	(41,818)	41,560
Industrial and commercial equipment	11,196	(7,617)	3,579	7,747	(6,106)	1,641
Other assets	20,816	(17,912)	2,904	24,097	(17,932)	6,165
Assets under const. and payments on account	-	-	-	916	-	916
Total	106,068	(73,082)	32,986	119,752	(66,800)	52,952

Changes during the year are summarised below:

(Euro/000)	31 December 2011	Increases	Depreciation	Imp. losses/ Reversals of imp. losses	Disposals	Reclassifications	31 December 2012
Land	243	-	-	-	-	-	243
Buildings	2,427	-	(101)	-	-	-	2,326
Plant and machinery	41,560	14,078	(26,499)	(42)	(6,079)	916	23,934
Industrial and commercial equipment	1,641	2,816	(1,932)	-	(9)	1,063	3,579
Other assets	6,165	225	(2,292)	-	(131)	(1,063)	2,904
Assets under const. and payments on account	916	-	-	-	-	(916)	-
Total	52,952	17,119	(30,824)	(42)	(6,219)	-	32,986

The most significant changes include:

- increases of roughly euro 17.1 million, mainly due to the investments made in the United Arab Emirates projects;
- depreciation for the year of euro 30.8 million, calculated as described in the "Accounting policies" section;
- disposals of euro 6.2 million, mainly referring to sales to third parties and the disposal of assets related to foreign contracts.

Prior year changes are as follows:

(Euro/000)	31 December 2010	Increases	Depreciation	Imp. losses/ Reversals of imp. losses	Disposals	Reclassifications	31 December 2011
Land	259	-	-	-	(16)	-	243
Buildings	2,528	-	(101)	-	-	-	2,427
Plant and machinery	37,532	20,630	(19,103)	(273)	(1,665)	4,439	41,560
Industrial and commercial equipment	1,202	1,099	(954)	-	(2)	296	1,641
Other assets	13,761	1,951	(3,574)	-	(1,469)	(4,504)	6,165
Assets under const. and payments on account	1,058	89	-	-	-	(231)	916
Total	56,340	23,769	(23,732)	(273)	(3,152)	-	52,952

2 Intangible assets

Intangible assets amount to euro 32.9 million, down euro 1.0 million from the 31 December 2011 figure.

This item solely comprises contract acquisition costs and includes considerations paid to purchase the railway high speed/capacity business units in previous years. These assets have a finite life and are amortised in line with the stage of completion of the related contracts. A breakdown of and changes in this item are as follows:

(Euro/000)	31 December 2011	Increases	Amortisation	31 December 2012
Cociv (Milan - Genoa railway line)	33,943	-	(1,002)	32,941
Total	33,943	-	(1,002)	32,941

Prior year changes are given below for comparative purposes:

(Euro/000)	31 December 2010	Increases	Disposals	31 December 2011
Cociv (Milan - Genoa railway line)	33,686	256	-	33,942
Total	33,686	256	-	33,942

Amortisation of the contract acquisition costs for the high capacity business units is calculated using the stage of completion method of the contracts based on the cost to cost method and considering the related purchase dates.

Amortisation of the acquisition costs for the Milan-Genoa railway line started in 2012 when the related works were commenced.

3 Equity investments

Equity investments increased by euro 12.2 million to euro 580.2 million, as shown in the following table:

(Euro/000)	31 December 2012	31 December 2011	Variation
Investments in subsidiaries and associates and interests in jointly controlled entities	525,576	527,881	(2,305)
Investments in other companies	54,619	40,148	14,471
Total	580,195	568,029	12,166

Changes during the year are summarised below:

(Euro/000)	31 December 2012	31 December 2011
Acquisitions	14,760	400
Disinvestments and liquidations	(16,821)	(2,469)
Waivers of loans and receivables and share capital increases	5,819	48,161
Reversals of impairment losses	21,000	55,961
Impairment losses	(12,592)	(132,136)
Total	12,166	(30,083)

The increase in "Acquisitions" is mainly due to the capital injections of euro 12.0 million paid to the SPE which will upgrade the Jonica highway and of euro 2.7 million as another injection for the concession to operate the new Milan outer east by-pass (TE S.p.A.).

The disinvestments refer to capital repayments by the consortium company Passante di Mestre (euro 16.8 million).



Waivers of loans and receivables and share capital increases include the covering of the Chilean company Angostura's losses (euro 3.6 million) and another injection for Impregilo Colombia SAS (euro 2.0 million).

The impairment test of the item "Equity investments", carried out also to assess any reversals of previously recognised impairment losses, has been carried out on a case-by-case basis, considering the specific objectives pursued by each investee during the performance of their operating activities.

Based on such approach, the item can be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Interests in special purpose entities (SPEs)	212,612	215,878	(3,266)
Other investments	367,583	352,151	15,432
Total	580,195	568,029	12,166

Special purpose entities (SPEs) are legal entities set up specifically and solely to carry out construction contracts which Impregilo will not carry out directly and in which Impregilo has an interest equal to its share of the tender. These entities have a corporate structure compliant with the customers' requirements as communicated during the tender procedure and considering the specific legal context of the country in which the contract will be performed. They are classified depending on whether they are: (i) SPEs, the profit or loss of which are allocated to their venturers in line with their interests as provided for by law (ie, Italian-based consortia and consortium companies which operate on a "recharges of costs" basis), and (ii) other SPEs for which this allocation is not provided for by law (eg, foreign limited liability companies, companies limited by shares, etc.).

With respect to the SPEs that directly allocate their profit or loss to the venturers on whose behalf they operate, the company does not test them for impairment as any contract losses are passed on to the venturers.

The other SPEs are assessed for impairment as the profits or losses on the contracts they perform are not systematically reflected in the income statements of their venturers. Accordingly, their contracts are considered when testing for indication of impairment. Specifically, the SPEs' statements of financial position, which include the estimated contract costs or profits and are prepared in accordance with the relevant accounting standards interpreted by the group's procedures, are considered as they show the estimated cash flows of the entity.

In 2012, the company recognised impairment losses of euro 247.0 million on its interests in the SPEs carrying out the work to widen the Panama Canal (Panama), to build the Rio Sogamoso hydroelectric plant and the El Quimbo hydroelectric plant (Colombia) and the Angostura hydroelectric plant (Chile). Given that the carrying amount of the interests in these SPEs is limited to the initial capital injection (euro 6.8 million) and assuming that forecasts for the ongoing contracts, as generally also stipulated by the relevant by-laws, will not only entail additional impairment losses, which would also zero their carrying amounts, but will also require the company to recognise liabilities, despite their being of a merely probable nature, recognition of the above impairment losses exceeding the carrying amounts led the company to set up a provision for risks on equity investments of euro 240.2 million.

Other investments relate to non-consortium companies whose business object covers more than just one contract. In 2012, the conditions required by the IFRS to reverse the impairment losses of euro 21.0 million recognised on the controlling investment in FISIA Italmimpianti S.p.A. arose.

In accordance with the IFRS and in line with previous years, the company has calculated the value in use of its investment in FISIA Italmimpianti

on the basis of the 2013-2015 business plan (the "Plan") approved by the subsidiary's board of directors on 27 February 2013. In line with previous years, certain prudent adjustments were made to the assumptions underlying the Plan; specifically:

- a) receipt of proceeds from the sale of the remaining net assets of the USW Campania projects 18-24 months after the assumed dates in the Plan, without forecasting gains compared to the carrying amounts (although the proceedings support the subsidiary's legitimate claims for compensation for these projects); even though, based on pending litigation, the subsidiary's claims in this respect are grounded;
- b) development of commercial policies based on a prudent assessment of both expected market trends and in terms of development of acquisitions, with a consequent revenue growth trend even more prudent than previous assumptions during the period covered by the plan.

Moreover, the company has considered the following assumptions in its calculation of value in use based on the expected cash flows taken from the Plan:

- the terminal value has been calculated using perpetual income streams and a 1% growth rate for the years following those covered by the Plan, in line with the benchmarks;
- a 12.0% discount rate (WACC) has been used, which considers the tax effects;
- the discount rate was determined on the basis of the following parameters:
 - risk premium: 5.0%
 - Beta index: 0.90
 - additional risk premium considering the company's specific nature: 1%
- resort to additional debt or significant investments to expand the company's operating capacity are not planned.

Based on the above assumptions applied to analyse the Plan's cash flows, the resulting value in use (equity value) of FISIA Italmipianti is euro 79 million.

Given this result, which can be taken as the "base" value of the subsidiary's plan, prudently adjusted as indicated above, the company has reversed the impairment loss on its investment in this subsidiary by approximately euro 21 million.

With respect to the investment in FIBE S.p.A., given that the particular circumstances in which it operates do not reasonably allow preparation of a financial plan that meets the requirements of the IFRS for determination of value in use, the company reasonably assumed that its accounting equity at 31 December 2012 prudently reflects the recovery amount of its net assets. Therefore, it can be considered as a parameter to determine the investment's fair value and the carrying amount. As a result, Impregilo has impaired the carrying amount of its investment in FIBE S.p.A. by euro 5.6 million.

In its financial statements, Imprepar S.p.A. has measured its net assets (mainly comprising loans and receivables of a different nature, mostly arising from disputes, inventories relating to contracts being completed and current and/or potential liabilities again relating to contracts being completed) using accounting policies substantially in line with the procedures applied during its liquidation period, completed at the end of November 2010, and based on their estimated realisable value. Therefore, on this basis, the company has deemed that Imprepar's reporting equity at the measurement date adequately approximated the investment's value in use.

Reference should be made to the annex "Equity investments" for the list of investments in subsidiaries, joint ventures, associates and other companies.



4 Non-current financial assets

This item includes loans due from third parties. Changes on 31 December 2011 are as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current financial assets	4,960	75	4,885
Total	4,960	75	4,885

Non-current financial assets of euro 5.0 million include investments of available cash in treasury bonds and guaranteed-return insurance securities which mature after one year.

5 Non-current intragroup loans and receivables

The item amounts to euro 88.6 million (31 December 2011: euro 141.7 million) as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current intragroup loans and receivables	88,595	141,734	(53,139)
Total	88,595	141,734	(53,139)

They decreased by euro 53.1 million to euro 88.6 million and mainly consist of non-current loans and receivables with subsidiaries and associates.

The item includes:

- a loan due from FIBE S.p.A. of euro 85.2 million, down euro 51.0 million on the previous year end. Given the subsidiary's financial position and the commitments taken on by Impregilo to support it, the loan does not bear interest. It was partly repaid in 2012 following the subsidiary's collection of receivables for the Acerra waste-to-energy plant (reference should be made to the section "Non-current assets held for sale" in the Directors' report).
- the non-current portion of the loan due from Puentes del Litoral of euro 3.4 million (net of the allowance for impairment of euro 5.4 million). In 2010, following the resolution of a number of issues involving the associate Puentes del Litoral in a bankruptcy proceeding and based on the assessment, which was still pending at that time, of the timeframe for the recovery of the proceeding amounts, the net loan amounted to euro 7.8 million. The decrease over the previous year end is due to the reclassification of the portion due in 2012 as current and exchange rate trends.

Reference should be made to the Annex "Intragroup transactions" for a breakdown of such receivable shown as a gross balance and net of the related payables.

6 Other non-current assets

Other non-current assets amount to euro 0.4 million (31 December 2011: euro 0.8 million) and refer to guarantee deposits.

(Euro/000)	31 December 2012	31 December 2011	Variation
Other non-current assets	436	808	(372)
Total	436	808	(372)

7 Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to euro 37.9 million and euro 115.6 million at 31 December 2012, respectively.

Deferred tax liabilities of euro 115.6 million relate to the company's potential liability with the group companies that participate in the national tax consolidation system for their losses transferred and not yet settled with them, considering the characteristics of these losses from the subjective point of view of the companies that incurred them and also the terms of the existing tax consolidation system agreement (see the paragraph on "Income taxes" in the "Accounting policies" section).

Changes in deferred tax assets and liabilities and the related impact on profit or loss are set out below:

(Euro/000)	31 December 2011	Increases	Decreases	Other changes	31 December 2012
Deferred tax assets:					
Amortisation and depreciation exceeding tax rates	1,649	-	(260)	-	1,389
Provisions for risks and impairment losses	30,239	22,991	(6,080)	-	47,150
Other	495	630	(216)	-	909
Total	32,383	23,621	(6,556)	-	49,448
Offsetting	(6,175)	-	-	(5,325)	(11,500)
(a) Net deferred tax assets	26,208	23,621	(6,556)	(5,325)	37,948
Deferred tax liabilities:					
Unrecognised fiscally-driven amortisation and depreciation	(4,231)	-	-	-	(4,231)
Default interest income - Venezuelan branch	-	(5,530)	-	-	(5,530)
Other	(1,944)	-	205	-	(1,739)
Total	(6,175)	(5,530)	205	-	(11,500)
Offsetting	6,175	-	-	5,325	11,500
(b) Net deferred tax liabilities	-	(5,530)	205	5,325	11,740
(a)+(b) Net deferred tax (income) expense		18,091	(6,351)		11,740



Changes in 2011 were as follows:

(Euro/000)	31 December 2010	Increases	Decreases	Other changes	31 December 2011
Deferred tax assets:					
Amortisation and depreciation exceeding tax rates	1,996	-	(347)	-	1,649
Provisions for risks and impairment losses	34,931	3,239	(7,931)	-	30,239
Tax losses	4,825	-	(4,825)	-	-
Other	352	495	-	(352)	495
Total	42,104	3,734	(13,103)	(352)	32,383
Offsetting	(6,070)	-	-	(105)	(6,175)
(a) Net deferred tax assets	36,034	3,734	(13,103)	(457)	26,208
Deferred tax liabilities:					
Unrecognised fiscally-driven amortisation and depreciation	(4,231)	-	-	-	(4,231)
Other	(1,839)	(162)	57	-	(1,944)
Total	(6,070)	(162)	57	-	(6,175)
Offsetting	6,070	-	-	105	6,175
(b) Net deferred tax liabilities	-	(162)	57	105	-
(a)+(b) Net deferred tax (income) expense		3,572	(13,046)		(9,474)

8 Inventories

This item is analysed in the following table:

(Euro/000)	31 December 2012			31 December 2011			Variation
	Gross carrying amount	Allowance	Carrying amount	Gross carrying amount	Allowance	Carrying amount	
Real estate projects	20,009	(7,772)	12,237	20,055	(7,772)	12,283	(46)
Finished products and goods	1,155	-	1,155	620	-	620	535
Raw materials, consumables and supplies	19,469	(98)	19,371	22,700	-	22,700	(3,329)
Total	40,633	(7,870)	32,763	43,375	(7,772)	35,603	(2,840)

Real estate projects

Real estate projects amount to euro 12.2 million, substantially unchanged from the previous year end. They mainly relate to the real estate project of euro 11.6 million (net of the related allowance of euro 7.8 million) for the construction of a trade point in Lombardy. Although the project had not yet been launched at the reporting date, considering the current zoning provisions implemented by the relevant authorities, the directors deemed its carrying amount adequate, based also on an appraisal drawn up in 2012 by an independent expert.

Finished products and goods and Raw materials, consumables and supplies

Finished products of euro 1.2 million (31 December 2011: euro 0.6 million) principally comprise materials for resale.

Raw materials, consumables and supplies of euro 19.4 million (31 December 2011: euro 22.7 million) mainly relate to items used at the Venezuelan building sites (euro 16.4 million).

9 Contract work in progress

Contract work in progress totals euro 490.8 million at the reporting date, up on the previous year-end figure of euro 330.9 million. The following table shows contract work in progress calculated using the stage of completion method, net of losses realised or estimated at the reporting date and progress billings:

(Euro/000)	31 December 2012	31 December 2011	Variation
Contract work in progress	8,700,564	6,548,843	2,151,721
Progress payments and advances received (on approved work)	(8,209,806)	(6,217,945)	(1,991,861)
Total	490,758	330,898	159,860

The key contracts making up contract work in progress at year end and the related works performed during the year are summarised below:

(Euro/000)	Contract work in progress			Work
	31 December 2012	31 December 2011	Variation	
Venezuela	185,491	165,967	19,524	124,657
High speed/capacity	99,099	33,851	65,248	83,016
Salerno - Reggio Calabria Lots 5-6	76,896	72,845	4,051	110,425
Highway 36	43,284	19,928	23,356	79,991
Romania	31,603	7,856	23,747	88,168
Messina Bridge	19,985	19,487	498	5,396
Milan outer east by-pass	13,117	219	12,898	24,102
La Quado	3,390	3,092	298	21,194
Other	17,893	7,653	10,240	41,158
Total	490,758	330,898	159,860	578,107

The company does not deem there are significant risks for the recovery of the assets being used for the ongoing railway projects in Venezuela, although recovery normally takes much longer than in other geographical segments. The contracts are of a strategic nature for the country and the current contractual relationships reasonably allow the company to assume that the assets will be realised, as reflected in its measurement of the individual contracts.

With respect to the assets of the contract to build the "Bridge crossing the Messina Strait" awarded to the general contractor Eurolink S.c.p.A., an SPE led by Impregilo with a 42% interest, Law decree no. 187 was issued on 2 November 2012 providing for "Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. (the customer) and for local public transport". Following enactment of this decree and given the potential implications for its position as general contractor, Eurolink notified the customer of its intention to withdraw from the contract under the contractual terms, also to protect the positions of all the Italian and foreign co-venturers. However, given the immense interest in constructing the works, the general contractor also communicated its willingness to review its position should the customer demonstrate its real intention to carry out the project. To date, the ongoing negotiations have not been successful despite the parties' sincere interest in coming to an agreement. Eurolink has commenced various legal proceedings in Italy and the EU, arguing that the provisions of the above decree are contrary to the Constitution and EU laws and that they damage Eurolink's legally acquired rights under the contract. It has also requested that Stretto di Messina be ordered to pay the amounts



requested by the general contractor due to the termination of the contract for reasons not attributable to it. As a result, Impregilo's order backlog at 31 December 2012 was adjusted to reflect discontinuation of the contract. Considering the complex nature of the various legal proceedings, the legal advisors assisting Impregilo and the general contractor are reasonably positive about the outcome of the proceedings and the recoverability of the remaining assets recognised for this contract.

10 Trade receivables and current intragroup loans and receivables

Trade receivables of euro 241.0 million, net of the allowance for impairment (euro 9.4 million), show a net increase of euro 74.2 million. They comprise amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced. The increase is mainly due to the branches in Romania, Venezuela and the United Arab Emirates.

Changes in the allowance for impairment are shown in the following table:

(Euro/000)	31 December 2011	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2012
Trade receivables	12,021	-	(1,761)	-	(901)	9,359
Default interest	21	-	-	-	-	21
Total	12,042	-	(1,761)	-	(901)	9,380

Prior year changes are given below for comparative purposes:

(Euro/000)	31 December 2010	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2011
Trade receivables	11,452	3,131	(62)	(550)	(1,950)	12,021
Default interest	21	-	-	-	-	21
Total	11,473	3,131	(62)	(550)	(1,950)	12,042

Current intragroup loans and receivables amount to euro 406.9 million compared to euro 453.3 million at the end of 2011. They mainly comprise trade receivables, receivables for services and of a financial nature.

A breakdown of loans and receivables with group companies is as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Subsidiaries and jointly controlled entities	118,963	247,073	(128,110)
Associates	107,931	16,304	91,627
Other companies	211,453	215,094	(3,641)
Allowance for impairment	(31,448)	(25,140)	(6,308)
Total	406,899	453,331	(46,432)

The allowance for impairment mainly consists of the entire amounts related to the subsidiary Impresit Bakolori (Nigeria) and the SPE Eriday U.T.E.. The decrease reflects the company's revision of these positions at the reporting date, including the effects of exchange rate gains and losses on items in currencies other than the Euro.

Changes in the allowance for impairment are shown in the following table:

(Euro/000)	31 December 2011	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2012
Subsidiaries and associates	25,140	5,033	-	-	1,275	31,448
Total	25,140	5,033	-	-	1,275	31,448

Prior year changes are given below for comparative purposes:

(Euro/000)	31 December 2010	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2011
Subsidiaries and associates	23,838	13	(3)	(13)	1,305	25,140
Total	23,838	13	(3)	(13)	1,305	25,140

The key debtors of the above net receivables are summarised below:

(Euro/000)	31 December 2012	31 December 2011	Variation
Consorzio Cavet	19,046	25,815	(6,769)
SGF INC S.p.A.	7,882	3,772	4,110
FISIA Italmimpianti	89,808	166,500	(76,692)
Passante di Mestre	1,384	2,978	(1,594)
Consorzio OIV TOCOMA	129,948	94,491	35,457
Grupo Unidos por el Canal	69,850	9,501	60,349
Consorzio Contuy Medio	2,218	4,671	(2,453)
CMC Mavundla	7,184	31,141	(23,957)
FIBE	2,578	23,895	(21,317)
Other	77,001	90,567	(13,566)
Total	406,899	453,331	(46,432)

The FISIA Italmimpianti and FIBE balances decreased in 2012 following repayments as they collected compensation due to them related to the Acerra waste-to-energy plant (see earlier and the section "Non-current assets held for sale" in the Directors' report). After the reporting date and following the positive conclusion of a dispute in which FISIA Italmimpianti was involved with a foreign customer, it collected the related compensation and made another repayment of approximately euro 50 million to Impregilo, thus decreasing still further the amount shown above.

Reference should be made to the annex "Intragroup transactions" to these notes for details of the above balance and the related payables.



11 Derivatives and other current financial assets

This item includes loans due from third parties. Changes on 31 December 2011 are as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Current financial assets	-	687	(687)
Total	-	687	(687)

The 31 December 2011 balance related to securities held by Impregilo for investment purposes.

Derivative assets of euro 1.1 million include currency hedges as follows:

(Euro/000)	31 December 2012 Assets	31 December 2011 Assets
Currency swaps - FVTPL	1,091	-
Total derivatives presented in net financial position (indebtedness)	1,091	-

CURRENCY DERIVATIVES – FVTPL

Assets

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (Euro)
Impregilo	10/10/2012	10/01/2013	USD	1,810,000	23,402
Impregilo	19/10/2012	22/01/2013	USD	8,000,000	30,424
Impregilo	18/12/2012	19/02/2013	USD	1,552,000	10,057
Impregilo	18/12/2012	19/02/2013	USD	8,772,000	56,843
Impregilo	26/11/2012	26/02/2013	USD	6,320,000	123,985
Impregilo	06/12/2012	06/03/2013	USD	2,520,000	16,642
Impregilo	06/12/2012	06/03/2013	USD	15,100,000	99,719
Impregilo	10/12/2012	11/03/2013	USD	1,579,895	10,005
Impregilo	28/09/2012	28/03/2013	USD	15,678,000	277,151
Impregilo	13/11/2012	13/05/2013	USD	16,896,000	443,277
Total					1,091,505

This category includes derivatives that have been entered into to hedge the company against currency risks but that do not meet (or no longer meet and the situation has not been yet been resolved) hedge accounting requirements for cash flow hedges.

12 Current tax assets and other current tax assets

Current tax assets amount to euro 52.6 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Direct taxes	27,795	32,272	(4,477)
IRAP	610	1	609
Foreign direct taxes	24,160	21,953	2,207
Total	52,565	54,226	(1,661)

"Direct taxes" show the amounts claimed for reimbursement. "Foreign direct taxes" mainly relate to the Venezuelan and South African branches (euro 12.5 million and euro 10.4 million, respectively).

Other current tax assets amount to euro 45.0 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
VAT	36,942	28,284	8,658
Other indirect taxes	441	671	(230)
Foreign indirect taxes	7,274	7,758	(484)
Other Italian direct taxes	90	93	(3)
Tax credits and withholdings	256	171	85
Total	45,003	36,977	8,026

Foreign indirect taxes include withholdings of euro 7.3 million paid by the Icelandic branch on the remuneration paid to foreign temporary workers involved in the building site. A dispute arose with the local tax authorities about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site in 2004. Impregilo was firstly wrongly held responsible for the payment of the withholdings on this remuneration, which it therefore paid. Following the definitive ruling of the first level court, the company's claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company's claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the unduly paid withholdings of euro 6.9 million (at the original exchange rate) and the related interest accrued to date of euro 6.0 million. Impregilo had prudently impaired the interest amount in previous years, despite a previous local court ruling and the opinion of its consultants that confirmed its grounds, and only continued to recognise the unduly paid principal. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On 8 February 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying the infraction of the free exchange of services and requested the government to provide its observations about this. Based on the above considerations and reasonings, Impregilo does not believe objective reasons exist to change the valuations made about this dispute.

The company factored VAT receivables of euro 24.2 million to a major bank, as described in note 16.



13 Other current assets

Other current assets of euro 51.7 million are up euro 16.7 million over the previous year end and may be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Loans	1,586	2,141	(555)
Advances to suppliers	27,155	20,999	6,156
Other receivables	11,880	1,780	10,100
Prepayments and accrued income	11,038	9,991	1,047
Total	51,659	34,911	16,748

Loans of euro 1.6 million are due from certain co-venturers with which Impregilo operates in various countries. The decrease is due to their adjustment to their estimated realisable amount.

Advances to suppliers of euro 27.2 million increased by euro 6.2 million and mainly refer to the Venezuelan and Romanian branches.

The other receivables amount to euro 11.9 million. The principal variations on 31 December 2011 relate to recognition of compensation due to Impregilo by the original lessor of the building currently housing its registered office following the outcome of the dispute with the lessor of the Sesto San Giovanni (Milan) building where the company had its registered office until 2009. The latter lessor had challenged the existence of just cause which Impregilo cited as the reason for its early termination of the lease, originally due to expire in 2012. The lessor claimed its right to the entire lease payment, including default interest, from the date of termination to the original expiry date. On the other hand, the lessor of the building in which Impregilo currently has its registered office had signed an agreement with Impregilo whereby, should a dispute arise with the previous lessor and should this dispute give rise to a payable for Impregilo of more than euro 8 million, it would cover the sum exceeding euro 8 million. Given that, after the first stage of the dispute, Impregilo was found to owe the lessor of the Sesto San Giovanni building euro 14.7 million, it has correctly recognised euro 6.7 million (being the compensation obligation as described above) as a receivable in its statement of financial position at 31 December 2012.

Prepayments and accrued income increased by euro 1.0 million to euro 11.0 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Prepayments:			
- Insurance	3,753	5,570	(1,817)
- Commissions on sureties	4,973	2,335	2,638
- Leases	789	995	(206)
- Costs recognised in line with stage of completion of contracts	-	396	(396)
- Other	1,523	695	828
Total prepayments	11,038	9,991	1,047
Total	11,038	9,991	1,047

Prepayments mainly consist of commissions on sureties and insurance policies for certain contracts that are paid in advance.

14 Cash and cash equivalents

At 31 December 2012, cash and cash equivalents amount to euro 877.0 million, up by euro 721.1 million, as shown below:

(Euro/000)	31 December 2012	31 December 2011	Variation
Cash and cash equivalents	876,983	155,912	721,071

The statement of cash flows shows the reason for this increase and changes in current account facilities (note 16).

A breakdown of this item by geographical segment is as follows:

(Euro/000)	
Italy	2,072
Abroad	874,911
Total	876,983

"Abroad" includes on sight deposits of euro 763 million. At the reporting date, euro 1.4 million has been pledged to a leading bank to secure a USD 2.2 million credit facility that the bank granted to a foreign group operating company.

15 Equity

Equity amounts to euro 1,682.3 million at 31 December 2012 compared to euro 980.3 million at the end of 2011. Changes of the year in the different equity items are summarised in the schedule attached to the separate financial statements.

(Euro/000)	31 December 2012	31 December 2011	Variation
Share capital	718,364	718,364	-
Share premium reserve	1,222	1,222	-
- <i>Legal reserve</i>	<i>21,517</i>	<i>18,714</i>	<i>2,803</i>
Total other reserves	21,517	18,714	2,803
Retained earnings	202,574	185,952	16,622
Profit for the year	738,606	56,066	682,540
Total equity	1,682,283	980,318	701,965

In their meeting held on 27 April 2012, the parent's shareholders resolved to allocate the profit for 2011 as follows:

- euro 2,803,304.30, equal to 5% of the profit for the year, to the legal reserve;
- euro 36,221,214.33 as a dividend to the holders of ordinary shares, equal to euro 0.09 per share;
- euro 420,027.66 as a dividend to the holders of savings shares, equal to euro 0.26 per share, as per article 33.b) of the by-laws;
- euro 16,621,539.71 to be carried forward.

Disclosures about the individual items are set out below.



Share capital

The company's share capital of euro 718.4 million is unchanged with respect to 31 December 2011.

As a result, the company's share capital amounts to euro 718,364,456.72 at the reporting date, split into 404,073,428 shares, including 402,457,937 ordinary shares and 1,615,491 savings shares.

Savings shares issued pursuant to the law do not carry voting rights, have preference dividend and capital repayment rights and can be bearer shares, subject to the provisions of article 2354.2 of the Italian Civil Code. Upon the shareholder's request and at its own expense, they can be converted into registered shares and vice versa. Savings shares held by directors, statutory auditors and general managers are registered. Except when the company's by-laws or relevant legislation provide for otherwise, savings shares give the holders the same rights as those of ordinary shares.

Holders of savings shares do not have the right to attend the company's shareholders' meetings or to request that they be called. The special savings shareholders' meeting is regulated by law. When reserves are distributed, the savings shares have the same rights as ordinary shares.

Upon dissolution of the company, savings shares bear preference rights to capital repayment, up to euro 5.2 per share. When shares are grouped or split (as well as when capital transactions are carried out and as necessary in order to protect the savings shareholders' rights in the case the shares have nominal value), the above fixed amount shall be adjusted accordingly.

The profit for the year as per the separate financial statements is allocated as follows:

- a) 5% to the legal reserve, up to the legally-required amount;
- b) to savings shares, to the extent of 5% of euro 5.2 per share (ie, euro 0.26 per share). If a dividend lower than 5% of euro 5.2 per share (ie, euro 0.26 per share) is paid one year, the difference is taken as an increase in the preferred dividend of the following two years;
- c) the residual amount, to all shareholders in such a way as to allocate to savings shares a total dividend which is 2% of euro 5.2 per share (ie, euro 0.104 per share) greater than that distributed to ordinary shares, except when the shareholders decide to allocate an amount to the extraordinary reserves or for other uses.

Details on the possible use of equity items and uses in prior years are summarised below:

Nature/Description	Amount	Possible use (A, B, C)	Available portion	Summary of use in the three previous years	
				To cover losses	Other
Share capital	718,364				
Equity-related reserves:					
Share premium reserve	1,222	A, B, C	1,222	-	
Other reserves:					
Legal reserve	21,517	B	21,517	-	
Total other reserves	21,517		21,517	-	
Retained earnings	202,574	A, B, C	202,574		-
Total			225,313	-	-
Non-distributable portion			22,739		
Residual distributable portion			202,574		

A: share capital increase B: to cover losses C: dividends

The share premium reserve cannot be distributed until the legal reserve reaches 20% of the share capital.

Share premium reserve

The share premium reserve did not change during the year.

Other reserves

This item is broken down as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Legal reserve	21,517	18,714	2,803
Total	21,517	18,714	2,803

- **Legal reserve**

This reserve underwent the following changes:

(Euro/000)	
31 December 2011	18,714
Allocation of profit	2,803
31 December 2012	21,517

Prior year changes are given below:

(Euro/000)	
31 December 2010	10,820
Allocation of profit	7,894
31 December 2011	18,714

16 Bank and other loans and factoring payables

Bank and other loans and factoring payables amount to euro 216.2 million. They decreased by euro 163.0 million on 31 December 2011.

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	100,835	17,554	83,281
Current portion	115,411	361,728	(246,317)

The company's financial indebtedness is broken down by loan type in the following table:

(Valori in Euro/000)	31 December 2012			31 December 2011		
	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	75,000	16,582	91,582	7,551	259,272	266,823
Bank project financing	3,295	5,842	9,137	-	101	101
Current account facilities	-	82,819	82,819	-	92,143	92,143
Factoring payables	22,540	10,168	32,708	10,003	10,212	20,215
Total	100,835	115,411	216,246	17,554	361,728	379,282



Bank loans

They are broken down in the following table:

(Euro/000)	Company/branch	Country	31 December 2012			31 December 2011		
			Total loans	Current	Non-current	Total	Current	Non-current
Popolare dell'Emilia	Impregilo	Italy	-	-	-	30,151	30,151	-
OPI/West LB	Impregilo	Italy	-	-	-	24,286	24,286	-
Royal Bank of Scotland	Impregilo	Italy	9,000	9,000	-	15,000	15,000	-
Intesa - San Paolo	Impregilo	Italy	-	-	-	100,082	100,082	-
Banca Carige	Impregilo	Italy	7,557	7,557	-	22,297	14,746	7,551
Unicredit	Impregilo	Italy	75,025	25	75,000	75,007	75,007	-
Total bank corporate loans			91,582	16,582	75,000	266,823	259,272	7,551
Europe Arab Bank	United Arab Emirates branch	United Arab Emirates	5,842	5,842	-	101	101	-
Other banks	Venezuelan branch	Venezuela	3,295	-	3,295	-	-	-
Total bank project financing			9,137	5,842	3,295	101	101	-

The main conditions of the bank loans in place at 31 December 2012 are as follows:

	Company/branch	Interest rate	Expiry date	Note
Royal Bank of Scotland	Impregilo	Euribor	2013	
Banca Carige	Impregilo	Euribor	2013	
Unicredit	Impregilo	Euribor	2014	
Europe Arab Bank	United Arab Emirates branch	Libor	2013	
Other banks	Venezuelan branch	Fixed rate	2014	

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing. The decision to apply the Euribor (1, 2, 3 or 6 months) has been contractually provided for to the benefit of Impregilo.

The non-current portion of the above loans will be repaid at their contractual maturity, based on the following time bands:

(Euro/000)	Company/branch	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Unicredit	Impregilo S.p.A.	Italy	75,000	75,000	-	-
Other banks	Venezuelan branch	Venezuela	3,295	3,295	-	-
Total			78,295	78,295	-	-

The fair value of the bank loans, measured as set out in the "Accounting policies" section, is euro 100.4 million.

Current account facilities

Current account facilities total euro 82.8 million. This item mainly relates to the Venezuelan branch and, in addition to representing a source of funding for contracts operative in that area, is a hedge against local currency exchange rate fluctuations.

Factoring payables

The following table shows the company's factoring payables:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	22,540	10,003	12,537
Current portion	10,168	10,212	(44)
Total	32,708	20,215	12,493

During the year, Impregilo factored VAT receivables claimed for reimbursement pursuant to the ruling legislation (euro 24.2 million) and other receivables for withholdings (euro 8.5 million) to major banks.

The company's net financial position is shown in the following table:

Net financial position of Impregilo S.p.A.

(Euro/000)	Note (*)	31 December 2012	31 December 2011	Variation
Non-current financial assets	4	4,960	75	4,885
Other current financial assets	11	-	687	(687)
Cash and cash equivalents	14	876,983	155,912	721,071
Total cash and cash equivalents and other financial assets		881,943	156,674	725,269
Non-current bank loans	16	(78,295)	(7,551)	(70,744)
Finance lease payables	17	(16)	(29)	13
Total non-current indebtedness		(78,311)	(7,580)	(70,731)
Current portion of bank loans and current account facilities	16	(105,243)	(351,516)	246,273
Current portion of finance lease payables	17	(28)	(21)	(7)
Total current indebtedness		(105,271)	(351,537)	246,266
Derivative assets	11	1,091	-	1,091
Derivative liabilities	18	(65)	(1,628)	1,563
Current portion of factoring payables	16	(10,168)	(10,212)	44
Non-current portion of factoring payables	16	(22,540)	(10,003)	(12,537)
Total other items in net financial position (indebtedness)		(31,682)	(21,843)	(9,839)
Net financial position (indebtedness)		666,679	(224,286)	890,965

(*) The note numbers refer to the notes to the separate financial statements where the items are analysed in detail.



17 Finance lease payables

Finance lease payables may be broken down as follows at 31 December 2012:

(Euro/000)	31 December 2012	31 December 2011	Variation
Non-current portion	15	29	(14)
Current portion	28	21	7
Total	43	50	(7)

This caption includes the principal of future lease payments at the reporting date. It refers solely to the Brazilian branch for leased cars (euro 43 thousand). The decrease reflects the amount repaid during the year.

The payables relate to two leases and bear floating interest indexed to the local interbank rate.

The present value of the minimum future lease payments is euro 43 thousand.

Payables for these leases are guaranteed to the lessor via rights on the leased assets.

18 Derivative liabilities

Derivative liabilities amount to euro 65 thousand (31 December 2011: euro 1.6 million). They relate to currency and interest rate hedges.

(Euro/000)	31 December 2012 Liabilities	31 December 2011 Liabilities
Currency swaps - FVTPL	(65)	(1,628)
Total derivatives presented in net financial position (indebtedness)	(65)	(1,628)

CURRENCY DERIVATIVES – FVTPL

Liabilities

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (euro)
Impregilo	02/03/2012	04/03/2013	USD	3,840,000	(65,327)
Total					(65,327)

This category includes derivatives that have been entered into to hedge the company against currency risks but that do not meet (or no longer meet and the situation has not been currently resolved) hedge accounting requirements for cash flows hedges.

19 Post-employment benefits and employee benefits

At 31 December 2012, the company's liability due to all its employees determined using the criteria set out in IAS 19 is euro 11.4 million.

The balance mainly consists of post-employment benefits.

At 31 December 2012 and 2011, the liability for post-employment benefits is the outstanding payable at the reform effective date, net of benefits paid up to the reporting dates. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of an independent expert, was based on the following rates:

- turnover rate: 7.25%;
- discount rate: 3.30%;
- advance payment rate: 2%;
- inflation rate: 2%.

The company has considered bonds with a minimum A rating to calculate the discount rate given the volatility of the reference indexes used for the actuarial valuations. Up until 31 December 2011, it had adopted actuarial valuations which considered bonds with a minimum rating of AA.

Had the same valuations been maintained, the difference would not have been significant.

Changes in the provision are as follows:

(Euro/000)	31 December 2011	Accruals	Payments	Contributions transferred to INPS treasury and other funds	Other changes	31 December 2012
Post-employment benefits and employee benefits	12,015	6,673	(4,759)	(2,469)	(57)	11,403

Changes in the previous year are as follows:

(Euro/000)	31 December 2010	Accruals	Payments	Contributions transferred to INPS treasury and other funds	Exchange rate gains (losses)	Other changes	31 December 2011
Post-employment benefits and employee benefits	15,563	7,461	(8,241)	(2,889)	-	121	12,015

The net decrease in post-employment benefits in 2012 is due to both payments made during the year and contributions transferred to the INPS treasury and other funds, as well as the accrual for the year.



20 Provisions for risks

These provisions amount to euro 253.5 million at the reporting date. Changes during the year are as follows:

(Euro/000)	31 December 2011	Accruals	Utilisations / Releases	Reversals	Reclassifications	31 December 2012
Provision for risks on equity investments	4,371	240,173	-	-	-	244,544
Other provisions	16,965	232	(8,036)	(228)	-	8,933
Total	21,336	240,405	(8,036)	(228)	-	253,477

Prior year changes are given below for comparative purposes:

(Euro/000)	31 December 2010	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2011
Provision for risks on equity investments	17,736	-	(13,365)	-	-	4,371
Other provisions	73,946	336	(57,071)	(246)	-	16,965
Total	91,682	336	(70,436)	(246)	-	21,336

The provision for risks on equity instruments may be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Equity investments in SPEs with negative carrying amounts	244,544	4,371	240,173
Total	244,544	4,371	240,173

As disclosed in note 5 (to which reference should be made), the provision for risks on equity investments includes the impairment losses on investments in certain SPEs for the part exceeding their carrying amounts.

Other provisions decreased by euro 8.0 million to euro 8.9 million. Changes of the year comprise:

- (i) accruals of euro 0.2 million, mainly for risks of labour disputes;
- (ii) utilisations/releases of euro 8.0 million, due to the occurrence of the events for which the accruals had been made;

Other provisions include the following:

(Euro/000)	31 December 2012	31 December 2011	Variation
Ongoing litigation	6,315	6,568	(253)
Building segment litigation	1,402	1,414	(12)
Tax and social security litigation	90	90	-
Labour disputes	750	734	16
Other	376	8,159	(7,783)
Total	8,933	16,965	(8,032)

The provision for ongoing litigation mainly relates to foreign contracts completed in previous years.

The provision for building segment litigation was originally set up by Impregilo Edilizia e Servizi, merged into Impregilo S.p.A. in previous years.

During 2008, the company commenced a dispute with the tax authorities about an assessment challenging the tax treatment of impairment losses and losses on certain investments held by it in 2003. The most significant issue relates to the sale of its entire investment in the Chilean operator Costanera Norte S.A. to Impregilo International Infrastructures N.V. in that year.

The dispute is currently before the Supreme Court following the tax authorities' appeal notified on 5 November 2010. The second level court ruling was filed on 11 September 2009 reversing the first level ruling and fully cancelling the assessment about the key issue raised by the tax authorities about redetermination of the sales price for the investment in Costanera Norte S.A..

With respect to the criminal proceedings commenced against the C.A.V.E.T. consortium and certain individuals, including several former managers of the consortium, the appeal hearing was completed in June 2011 and the related ruling handed down on 27 June 2011 reversed the first level decision in full, thus quashing the measures and fully absolving both the consortium and the individuals of the charges made against them. Following the appeal to the Supreme Court by the Florence public prosecutor, the Supreme Court cancelled part of the ruling issued by the Florence Appeal Court on 18 March 2013. It ordered that the case be returned to the latter court. The reasons for this decision have not yet been made known.

The decrease in "Other" is due to the utilisation of the provision for the events for which it was set up.

21 Progress payments and advances on contract work in progress

The item "Progress payments and advances on contract work in progress" included in "Current liabilities" amounts to euro 74.8 million, down euro 11.1 million on the figure at 31 December 2011. It comprises:

(Euro/000)	31 December 2012	31 December 2011	Variation
Contract work in progress	(4,753,433)	(6,063,462)	1,310,029
Progress payments and advances received (on approved work)	4,804,397	6,098,340	(1,293,943)
Negative contract work in progress	50,964	34,878	16,086
Contractual advances	23,849	51,046	(27,197)
Total	74,813	85,924	(11,111)

Contract work in progress recognised under liabilities (negative WIP) is the negative net balance, for each contract, of work performed to date, the provision for contractual risks and progress billings.

Contractual advances received include the amounts paid by customers as per the related contract and recovered over the contract term.



The following table shows the contribution by key contract:

(Euro/000)	31 December 2012			31 December 2011			Variation	Work
	Negative WIP	Contractual advances	Total	Negative WIP	Contractual advances	Total		
United Arab Emirates	36,095	4,048	40,143	16,307	11,892	28,199	11,944	138,984
High speed/capacity	8,389	-	8,389	11,049	-	11,049	(2,660)	17,813
Venezuela	1,887	11,892	13,779	-	17,363	17,363	(3,584)	-
Pedelombarda	1,650	-	1,650	1,316	-	1,316	334	109,424
Romania	-	7,487	7,487	-	20,984	20,984	(13,497)	-
Other	2,943	422	3,365	6,206	807	7,013	(3,648)	890
Total	50,964	23,849	74,813	34,878	51,046	85,924	(11,111)	267,111

“Other” mainly relates to work which is nearing completion and other minor contracts.

22 Trade payables and current intragroup payables

Trade payables amount to euro 136.7 million at the reporting date. The increase of euro 24.6 million on 31 December 2011 reflects normal operating activities in 2012.

Current intragroup payables amount to euro 376.3 million, up euro 74.2 million at the reporting date. A breakdown of this item is as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
Subsidiaries and jointly controlled entities	206,700	148,846	57,854
Associates	85,258	79,080	6,178
Other	84,310	74,184	10,126
Total	376,268	302,110	74,158

Gross intragroup payables and related nettable amounts against receivables due from the same companies are shown in the following table. Reference should be made to the annex “Intragroup transactions” to these notes for further details on such amounts.

(Euro/000)	31 December 2012			31 December 2011		
	Gross intragroup payables	Netting	Net intragroup payables	Gross intragroup payables	Netting	Net intragroup payables
Subsidiaries and jointly controlled entities	313,127	(106,427)	206,700	315,501	(166,655)	148,846
Associates	158,366	(73,108)	85,258	127,647	(48,567)	79,080
Other	259,496	(175,186)	84,310	177,740	(103,556)	74,184
Total	730,989	(354,721)	376,268	620,888	(318,778)	302,110

The creditors of the main net payables are summarised below:

(Euro/000)	31 December 2012	31 December 2011	Variation
Consorzio Cociv	48,025	41,355	6,670
Impregilo International Infrastructures	-	56,465	(56,465)
Eurolink S.c.p.a.	56,285	52,136	4,149
Impregilo Lydco	26,666	26,752	(86)
Salerno Reggio Calabria S.c.p.a.	43,208	-	43,208
Reggio Calabria - Scilla S.c.p.a.	42,671	48,055	(5,384)
FISIA Babcock	77,538	-	77,538
Pedelombarda	11,929	22,660	(10,731)
Consorzio Torre	3,383	10,695	(7,312)
Sirjo	11,458	-	11,458
Iricav Due	4,991	5,546	(555)
S.A. Healy Company	8,207	5,777	2,430
Other	41,907	32,669	9,238
Total	376,268	302,110	74,158

The payables due to SPEs (consortia and consortium companies) relate to ordinary allocations of costs to the relevant contracts.

The balance due to Impregilo Lydco (Libya) mostly relates to the guarantee deposit paid by the subsidiary at the beginning of 2011 to cover the portion of risks that the parent Impregilo took on vis-a-vis local customers. Details of this subsidiary's particular situation can be found in the initial part of the notes to the consolidated financial statements.

The amount due to the subsidiary Impregilo International Infrastructures N.V. (Netherlands) decreased to zero during the year. As described in the 2011 Annual Report, it related to payments it made, including those made to support the development of the new concession projects launched by the parent that are managed by the subsidiary as the head of the Concessions business segment (TE S.p.A., SABROM S.p.A. and Yuma S.A.).

23 Current tax liabilities and other current tax liabilities

Current tax liabilities amount to euro 41.8 million as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
IRES	26,583	2,127	24,456
IRAP	-	1,245	(1,245)
Foreign taxes	15,265	17,648	(2,383)
Total	41,848	21,020	20,828



Other tax liabilities of euro 8.3 million decreased by euro 12.2 million over 31 December 2011. They may be analysed as follows:

(Euro/000)	31 December 2012	31 December 2011	Variation
VAT	4,546	16,445	(11,899)
Foreign indirect taxes	12	11	1
Withholdings applied in Italy	3,150	2,155	995
Withholdings applied abroad	499	1,644	(1,145)
Other	108	255	(147)
Total	8,315	20,510	(12,195)

24 Other current liabilities

Other current liabilities of euro 59.7 million (euro 53.0 million) comprise:

(Euro/000)	31 December 2012	31 December 2011	Variation
Social security institutions	4,464	4,434	30
Employees	16,817	11,314	5,503
Other payables	31,908	29,562	2,346
Accrued expenses and deferred income	6,526	7,717	(1,191)
Total	59,715	53,027	6,688

They include:

- payables of euro 16.8 million due to employees relating to accrued unpaid remuneration;
- other payables of euro 31.9 million (euro 29.6 million) mainly relating to outstanding amounts due to third parties in relation to the high speed/capacity railway business units. The euro 2.3 million increase is principally due to invoicing of work on behalf of the newly set up operator Metro 4;
- accrued expenses and deferred income of euro 6.5 million, which refer to the following items:

(Euro/000)	31 December 2012	31 December 2011	Variation
Accrued expenses:			
- Commissions on sureties	184	454	(270)
- Ten-year liability insurance	1,996	2,659	(663)
- Other	3,425	3,032	393
Total accrued expenses	5,605	6,145	(540)
Deferred income:			
- Other	921	1,572	(651)
Total deferred income	921	1,572	(651)
Total	6,526	7,717	(1,191)

Other accrued expenses mainly include costs not yet paid for contract work in progress.

25 Guarantees and commitments

The key guarantees given by the company are set out below:

- Contractual sureties: these total euro 3,919.0 million and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the company has guarantees given by its subcontractors.
- Sureties for credit: they amount to euro 923.6 million and relate to subsidiaries (euro 626.0 million), associates (euro 152.0 million) and other group companies (euro 86.9 million). The residual amount, euro 58,7 million, relates to sureties granted on behalf of Impregilo S.p.A..
- Sureties granted to Sace for export credit of euro 59.2 million.
- Other personal guarantees of euro 222.8 million consisting of guarantees related to customs and tax obligations.
- Collateral related to:
 - a) liens on shares of the consortium companies Salerno Reggio Calabria S.c.p.a. and Reggio Calabria-Scilla S.c.p.a. given to guarantee a loan (euro 43.3 million);
 - b) liens on shares of Tangenziale Esterna S.p.A. given to guarantee a loan (euro 15.5 million).

26 Financial instruments and risk management

Categories of financial instruments

The company's financial instruments are broken down by category in the following table, which also shows their fair value:

31 December 2012 (Euro/000)	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to- maturity investments	Available-for- sale financial assets	Total	Fair Value
Financial assets								
Non-current financial assets	4	-	-	-	4,960	-	4,960	4,960
Non-current intragroup loans and receivables	5	88,595	-	-	-	-	88,595	88,595
Trade receivables	10	240,969	-	-	-	-	240,969	240,969
Current intragroup loans and receivables	10	406,899	-	-	-	-	406,899	406,899
Derivatives	11	-	1,092	-	-	-	1,092	1,092
Cash and cash equivalents	14	876,983	-	-	-	-	876,983	876,983
Total		1,613,446	1,092	-	4,960	-	1,619,498	1,619,498

31 December 2012 (Euro/000)	Note	Other liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair Value
Financial liabilities						
Bank and other loans	16	216,246	-	-	216,246	215,883
Finance lease payables	17	43	-	-	43	43
Derivatives	18	-	65	-	65	65
Trade payables	22	136,701	-	-	136,701	136,701
Current intragroup payables	22	376,267	-	-	376,267	376,267
Total		729,257	65	-	729,322	728,959



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31 December 2011	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair Value
(Euro/000)								
Financial assets								
Non-current intragroup loans and receivables	5	141,734	-	-	-	-	141,734	141,734
Trade receivables	10	166,740	-	-	-	-	166,740	166,740
Current intragroup loans and receivables	10	453,331	-	-	-	-	453,331	453,331
Other current financial assets	11	-	-	-	687	-	687	687
Derivatives	11	-	-	-	-	-	-	-
Cash and cash equivalents	14	155,912	-	-	-	-	155,912	155,912
Total		917,717	-	-	687	-	918,404	918,404

31 December 2011	Note	Other liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair Value
(Euro/000)						
Financial liabilities						
Bank and other loans	16	379,282	-	-	379,282	383,046
Finance lease payables	17	50	-	-	50	50
Derivatives	18	-	1,628	-	1,628	1,628
Trade payables	22	112,115	-	-	112,115	112,115
Current intragroup payables	22	302,110	-	-	302,110	302,110
Total		793,557	1,628	-	795,185	798,949

The note column gives the section in which the relevant item is described.

Reference should be made to the section on accounting policies for information on the fair value measurement of these items. Specifically, their fair value is based on the present value of the estimated forecast cash flows.

Risk management

Impregilo is exposed to financial risks, including the following:

- **market risk** deriving from the company's exposure to interest rate fluctuations and exchange rate fluctuations;
- **credit risk** deriving from the company's exposure to potential losses arising from customers' non-compliance with their obligations;
- **liquidity risk** deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

Impregilo's international presence entails its exposure to the risk of fluctuations in exchange rates of the Euro and the currencies of the various countries in which it operates. Currency risk at 31 December 2012 mainly related to the following currencies:

- Dollar (United States)
- Bolivar (Venezuela)
- Rand (South Africa)

The company's currency risk management strategy is essentially based on the following policies:

- agreement of contractual considerations for works and projects in countries with weak currencies using a primarily multi-currency format, in which only a portion of the consideration is expressed in local currency;
- use of portions of the contractual considerations in local currency mainly to cover project expenses to be incurred in that currency;
- analysis of exposure in US dollars on a cumulative and prospective basis with consistent deadlines and setting up forward transactions in the same currency to hedge the company's net exposure at those deadlines.

Adoption of the above-mentioned policies has contained the company's exposure to currency risk, which only relates to the US dollar, the Bolivar and the Rand.

Given the regulated regime controlling the Bolivar and the company's strategy in place to hedge currency risk on currencies other than the US dollar or other strong currencies, whereby they are hedged directly in the contract, it did not perform a sensitivity analysis of the Venezuelan currency. In February 2013, the Bolivar was depreciated against the US dollar. Pursuant to IAS 21 and IAS 10, this depreciation was not reflected in Impregilo's separate financial statements at 31 December 2012. The related exchange rate gains and losses, which are not material, will be recognised in 2013.

Had the Euro appreciated or depreciated by 5% against the US dollar at year end, the pre-tax profit for the year would have been respectively lower or greater by euro 1.9 million, assuming that all other variables remained constant, mainly due to unrealised exchange rate losses (gains) on net assets in US dollars. A similar change at the end of the previous year would have led to a euro 1.3 million decrease (increase in the case of depreciation) in the pre-tax profit for the year, mainly due to unrealised exchange rate losses (gains) on net assets in US dollars.

Had the Euro appreciated or depreciated by 5% against the Rand at year end, the pre-tax profit for the year would have been respectively lower or greater by euro 0.1 million, assuming that all other variables remained constant, mainly due to unrealised exchange rate losses (gains) on net assets in Rands. A similar change at the end of the previous year would have led to a euro 1.3 million decrease (increase in the case of depreciation) in the pre-tax profit for the year, mainly due to the unrealised exchange rate losses (gains) on net assets in Rands.



Interest rate risk

Impregilo has adopted a combined strategy of streamlining operations by disposing of non-strategic assets, containing debt and hedging interest rate risks on a portion of the non-current structured loans through interest rate swaps (IRSs).

The financial risks arising from market interest rate fluctuations to which the company is potentially exposed and which are monitored by the relevant company personnel relate to non-current floating rate loans. Such risk is mitigated by interest accrued on short-term investments of liquidity available at the Italian-based consortia and consortium companies and foreign subsidiaries, which are used to support the company's operations.

Had interest rates increased or decreased by an average 75 basis points in 2012, the pre-tax profit for the year would have been respectively lower or greater by euro 2.3 million, assuming that all other variables remained constant and without considering cash and cash equivalents. A similar change in the previous year would have led to a euro 2.9 million decrease or increase in the pre-tax profit for the year, assuming that all other variables remained constant.

Credit risk

The credit risk is that deriving from the company's exposure to potential losses arising from customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of bids, through a careful analysis of the characteristics of the countries in which the company's activities should be carried out and the customers, which are usually state or similar bodies, requesting a bid.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (positive and negative work in progress, contractual advances and progress payments and advances) in relation to contract work in progress as a whole.

A breakdown of working capital by country, as shown in the section on segment reporting, is set out below:

(Euro/000)

Working capital by country	31 December 2012	31 December 2011
Italy	65,551	128,513
Other EU countries	(58,926)	(63,936)
Other non-EU countries	6,754	5,538
Central and South America	608,005	451,988
Other areas	(45,831)	(53,796)
Total	575,553	468,307

The reconciliation of the reclassified statement of financial position details the items included in working capital.

mpregilo's exposure to customers, broken down by contract location, is analysed below:

Customer by contract location	Receivables	Positive WIP	Negative WIP and contractual advances	Total	Allowances
(Euro/000)					
31 December 2012					
Italy	21,042	266,243	(13,186)	274,099	5,000
Other EU countries	10,110	31,603	(7,705)	34,008	-
Central and South America	188,379	185,491	(13,779)	360,091	-
Other areas and eliminations	21,438	7,421	(40,143)	(11,284)	-
Total	240,969	490,758	(74,813)	656,915	5,000
31 December 2011					
Italy	8,867	157,075	(19,378)	146,563	2,013
Other EU countries	3	7,856	(20,984)	(13,125)	-
Central and South America	151,503	165,967	(17,363)	300,107	3,131
Other areas and eliminations	6,368	-	(28,198)	(21,830)	-
Total	166,740	330,898	(85,923)	411,715	5,144

Liquidity risk

Liquidity risk derives from the risk that the financial resources necessary to meet obligations may not be available to the company at the agreed terms and deadlines.

The company's strategy aims at ensuring that each ongoing contract is financially independent. This strategy is strictly monitored centrally.

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(Euro/000)	31/12/2013	31/12/2014	31/12/2017	After	Total
Current account facilities	82,819	-	-	-	82,819
Bank loans and borrowings and factoring payables	32,689	103,571	-	-	136,260
Finance lease payables	28	15	-	-	43
Derivatives	65	-	-	-	65
Gross financial liabilities	115,601	103,586	-	-	219,187
Trade payables	136,701	-	-	-	136,701
Total	252,302	103,586	-	-	355,888

Future interest has been estimated based on the market interest rates at the date of preparation of these separate financial statements, summarised in the notes.



The prior year figures are given below for comparative purposes:

(Euro/000)	31/12/2012	31/12/2013	31/12/2016	After	Total
Current account facilities	92,143	-	-	-	92,143
Bank loans and borrowings	273,228	7,696	10,003	-	290,927
Finance lease payables	21	-	29	-	50
Derivatives	1,628	-	-	-	1,628
Gross financial liabilities	367,020	7,696	10,032	-	384,748
Trade payables	112,115	-	-	-	112,115
Total	479,135	7,696	10,032	-	496,863

Liquidity risk management is mainly based on containing debt and maintaining a balanced financial position.

Loans (principal) and trade payables (net of advances to suppliers) falling due before 31 March 2013 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below.

(Euro/000)	
<i>Total current financial commitments</i>	289,788
of which: due before 31 March 2013	212,628
Cash and cash equivalents	875,587
Difference	(662,959)

Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

Financial instruments recognised by the company at fair value are classified at the following levels:

(Euro/000)	Note	Level 1	Level 2	Level 3
Derivative assets	11	-	1,092	-
Derivative liabilities	18	-	(65)	-
Total		-	1,027	-

There were no movements from Level 1 to Level 2 during the year or vice versa.



Income statement

27 Revenue

Revenue for 2012 amounts to euro 1,367.0 million, up 21.7% on the previous year:

(Euro/000)	2012	2011	Variation	Var. %
Operating revenue	1,302,378	1,085,461	216,917	20.0%
Other revenue and income	64,626	37,860	26,766	70.7%
Total	1,367,004	1,123,321	243,683	21.7%

The 21.7% increase on 2011 is due to progress on large contracts abroad (South Africa, United Arab Emirates and Romania) and several motorway contracts in Italy.

Operating revenue may be broken down as follows:

(Euro/000)	2012	2011	Variation	Var. %
Works invoiced to customers	841,692	581,950	259,742	44.6%
Allocation of revenue from group companies	422,960	456,704	(33,744)	(7.4%)
Services	36,155	45,853	(9,698)	(21.2%)
Other	1,571	954	617	64.7%
Total	1,302,378	1,085,461	216,917	20.0%

Work invoiced to customers includes contractual revenue deriving from production carried out during the year, measured using the stage of completion method. The contribution of the main contracts is disclosed in the notes on "Contract work in progress" and "Progress payments and advances on contract work in progress".

Allocation of revenue from group companies, down euro 33.7 million on the previous year, relates to the portion of revenue earned by joint ventures pertaining to Impregilo. This item relates to the Tunnel Alp Transit (T.A.T.) contract (euro 18.3 million), Consorzio OIV Tocoma (euro 256.0 million), the Greek consortium for the construction of the Thessalonica metro (euro 14.0 million), the South African contracts (euro 82.1 million) and the US contracts (euro 35.5 million).

Services mainly relate to sponsorship fees and services provided to support group companies.

A breakdown of other revenue and income is given in the following table:

(Euro/000)	2012	2011	Variation	Var. %
Cost recoveries	19,446	26,439	(6,993)	(26.4%)
Rent and leases	492	250	242	96.8%
Gains on the disposal of property, plant and equipment	2,359	2,400	(41)	(1.7%)
Prior year income	1,798	3,077	(1,279)	(41.6%)
Other	40,531	5,694	34,837	611.8%
Total	64,626	37,860	26,766	70.7%



Cost recoveries relate to the portion of costs (insurance, technical and administrative services and sponsorship fees) incurred by the company on behalf of other group companies.

“Other” mainly relates to the additional revenue paid to Impregilo S.p.A. on the basis of the specific agreements with the C.M.C.-Mavundla-IGL joint venture (South Africa).

28.1 Raw materials and consumables

The cost of raw materials and consumables incurred in 2012 increased by euro 28.9 million to euro 59.4 million compared to the corresponding figure of the previous year:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Purchases of raw materials and consumables	56,085	4.1%	30,599	2.7%	25,486
Change in raw materials and consumables	3,329	0.2%	(51)	0.0%	3,380
Total	59,414	4.3%	30,548	2.7%	28,866

28.2 Subcontracts

Costs of subcontracts increased to euro 154.5 million, up euro 84.6 million on the previous year. The increase is due to the contracts in Romania (euro 57.6 million), the United Arab Emirates (euro 19.0 million) and in Venezuela (euro 3.7 million) and head office contracts (euro 4.3 million).

28.3 Other operating expenses

Other operating expenses amount to euro 894.1 million, up euro 166.1 million on 2011 as follows:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Consultancy and technical services	47,358	3.5%	40,553	3.6%	6,805
Fees to directors, statutory auditors and independent auditors	3,368	0.2%	3,574	0.3%	(206)
Maintenance	1,288	0.1%	1,118	0.1%	170
Transportation and freight	15,811	1.2%	12,779	1.1%	3,032
Insurance	9,669	0.7%	10,378	0.9%	(709)
Recharges and allocation of costs from consortia and joint ventures	752,452	55.0%	615,790	54.8%	136,662
Rent and leases	23,752	1.7%	13,778	1.2%	9,974
Other operating expenses	32,568	2.4%	19,045	1.7%	13,523
Commissions on sureties	6,454	0.5%	8,404	0.7%	(1,950)
Prior year expense	697	0.1%	1,581	0.1%	(884)
Losses on the disposal of assets	211	0.0%	450	0.0%	(239)
Bank charges and commissions	428	0.0%	488	0.0%	(60)
Total	894,056	65.4%	727,938	64.8%	166,118



The increase in this item is mainly due to the rise in recharges of costs from consortia and joint ventures, specifically the combined effect of the following:

- greater costs recognised for the Salerno - Reggio Calabria contract (euro 8.3 million), by Consorzio COCIV (euro 18.0 million), Lambro S.c.r.l. (euro 13.0 million), La Quado (euro 17.6 million), Pedelombarda (euro 66.8 million), T.E.E.M. (euro 9.3 million), for new contracts in the US (euro 12.4 million), the South African contracts (euro 29.9 million) and by Metro Blu S.c.r.l. (euro 4.7 million);
- smaller costs recharged by consortia whose contracts are nearing completion, such as the high speed/capacity consortium (euro 10.5 million), Consorzio TAT (euro 13.9 million) and for the Venezuelan contract of Consorzio OIV Tocoma (euro 18.4 million).

"Consultancy and technical services" mainly consist of costs for the design and construction work carried out by the SPEs. These costs are broken down in the following table:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Design and engineering services	25,990	1.9%	22,889	2.0%	3,101
Testing	364	0.03%	458	0.04%	(94)
Construction	11,417	0.8%	7,974	0.7%	3,443
Legal, administrative and other services	9,587	0.7%	9,232	0.8%	355
Total	47,358	3.5%	40,553	3.5%	6,805

Fees to the independent auditors, PricewaterhouseCoopers S.p.A., and other companies of its network for 2012 are detailed as follows:

Service		Fees (Euro/000)
Audit	Impregilo S.p.A.	768
Audit	Subsidiaries	754
Total audit		1,522
Tax assistance	Impregilo S.p.A.	135
Tax assistance	Subsidiaries	70
Total tax assistance		205
Other services	Impregilo S.p.A.	222
Other services	Subsidiaries	28
Total other services		250
Total Impregilo group		1,977



28.4 Personnel expenses

Personnel expenses for the year amount to euro 121.3 million, up euro 9.3 million on 2011. The item is made up as follows:

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Wages and salaries	77,527	5.7%	73,445	6.5%	4,082
Social security and pension contributions	15,837	1.2%	15,727	1.4%	110
Post-employment benefits	6,673	0.5%	7,461	0.7%	(788)
Other personnel expenses	21,232	1.6%	15,335	1.4%	5,897
Total	121,269	8.9%	111,968	10.0%	9,301

Other personnel expenses mainly relate to termination benefits and repayments of travel expenses.

The increase in personnel expenses is due to the overall rise in personnel numbers, mostly as a result of progress on the Construction segment's existing Italian and foreign contracts. The following table shows the workforce at year end and the related average number:

no.	31 December 2012			31 December 2011			2012 average
	Head office	Branches	Total	Head office	Branches	Total	
Managers	67	29	96	66	32	98	97
White collars	225	559	784	224	547	771	778
Blue collars	2	956	958	3	728	731	845
Total	294	1,544	1,838	293	1,307	1,600	1,720

28.5 Amortisation, depreciation, provisions and impairment losses

This item of euro 26.9 million shows a decrease on the previous year figure of euro 28.8 million. It may be analysed as follows.

(Euro/000)	2012	% of revenue	2011	% of revenue	Variation
Accrual to the allowance for impairment	4,666	0.3%	4,494	0.4%	172
Accrual to the provisions for risks	231	0.02%	336	0.0%	(105)
Net reversals of impairment losses	(1,746)	(0.13%)	(340)	(0.0%)	(1,406)
Utilisations / Releases	(8,036)	(0.6%)	(57,071)	(5.1%)	49,035
Total provisions and impairment losses	(4,885)	(0.4%)	(52,581)	(4.7%)	47,696
Amortisation	1,002	0.07%	-	0.00%	1,002
Depreciation	30,824	2.3%	23,732	2.1%	7,092
Total amortisation and depreciation	31,826	2.3%	23,732	2.1%	8,094
Total	26,941	2.0%	(28,849)	(2.6%)	55,790

The accrual to the allowance for impairment was mainly made for impaired receivables from a number of foreign customers. The accrual to the provisions for risks principally relates to charges expected to be incurred for the Brazilian branch.

Net reversals of impairment losses came to euro 1.7 million, as certain receivables from customers and other group companies are no longer at risk and, therefore, the related allowance for impairment recognised in previous years has been reversed.

The utilisation/release of euro 8.0 million relates to events for which the provision was set up in previous years.

As already discussed in note 20, the 2011 release of provisions was mainly due to the updating of assessments about the legal interlocutory proceedings in connection with the USW Campania projects. Reference should be made to note 20 and the section on “Non-current assets classified as held for sale” of the Directors’ report – Part II, for further details. After the update, the directors reclassified previously recognised accruals of euro 50.0 million to profit or loss. The item also relates to the release of the provision for contract losses to complete of the Swiss consortium Trans Alp Tunnel (euro 6.7 million).

29.1 Financial income

Financial income totalled euro 33.1 million (2011: euro 21.4 million) and is made up as follows:

(Euro/000)	2012	2011	Variation
Bank interest income	1,674	1,343	331
Gains on the sale of securities	-	2,653	(2,653)
Interest income on intragroup transactions	10,375	14,507	(4,132)
Interest income on other items of net invested capital:			
- <i>Interest income on tax assets</i>	523	1,237	(714)
- <i>Default interest income</i>	20,519	1,620	18,899
- <i>Other interest income</i>	12	71	(59)
Total interest income on other items of net invested capital	21,054	2,928	18,126
Financial discounts and allowances	30	7	23
Total	33,133	21,438	11,695

The increase over the corresponding figure of the previous year is due to the following:

- higher interest income on other items of net invested capital, including default interest income of euro 18.9 million due to payment of default interest contractually due to Impregilo by several South American customers;
- smaller interest income of euro 4.1 million accrued on intragroup transactions with the companies listed below:

(Euro/000)	2012	2011	Variation
Impregilo International Infrastructures N.V.	87	1,714	(1,627)
Consorzio C.A.V.TO.MI	808	1,631	(823)
Consorzio C.A.V.E.T.	1,122	1,850	(728)
FISIA Italmiporti	5,905	7,608	(1,703)
SGF-INC S.p.A.	582	692	(110)
Eriday	358	197	161
Consorzio Aglipo	-	135	(135)
CFT 2000	8	7	1
Consorzio Torre	4	69	(65)
Consorzio Contuy Medio	1,184	6	1,178
Puentes del Litoral	-	152	(152)
Other	317	446	(129)
Total	10,375	14,507	(4,132)

29.2 Financial expense

2012 financial expense decreased by euro 8.6 million to euro 39.1 million, as follows:

(Euro/000)	2012	2011	Variation
Bank interest expense	(25,863)	(41,108)	15,245
Interest expense on other loans	(926)	(549)	(377)
Lease interest expense	(8)	(4)	(4)
Interest expense on intragroup transactions	(10,094)	(4,457)	(5,637)
<i>Interest expense on other items of net invested capital</i>			
- Interest expense on tax liabilities	(678)	(579)	(99)
- Other interest expense	(169)	(51)	(118)
Total interest expense on other items of net invested capital	(847)	(630)	(217)
Impairment losses on loans, net of utilisation of allowance	-	381	(381)
Bank charges and commissions	(1,408)	(1,357)	(51)
Total financial expense	(39,146)	(47,724)	8,578

The euro 8.6 million decrease is mainly due to the following:

- a euro 15.2 million reduction in bank interest expense, which includes euro 20.5 million (euro 27.9 million) related to the Venezuelan branch and euro 5.2 million (euro 12.9 million) to the head office;
- larger interest expense (euro 5.6 million) on intragroup transactions with the following companies:

(Euro/000)	2012	2011	Variation
Consorzio C.A.V.TO.MI	(762)	(1,353)	591
Consorzio C.A.V.E.T.	(567)	(1,018)	451
Imprepar	(1)	(1)	-
Impregilo International Infrastructures N.V.	(6,220)	(1,498)	(4,722)
FISIA Babcock Environment GmbH	(1,936)	-	(1,936)
Impregilo Lydco	(348)	(355)	7
Other	(260)	(232)	(28)
Total	(10,094)	(4,457)	(5,637)

29.3 Exchange rate gains (losses)

Net exchange rate gains amount to euro 7.5 million, an improvement of euro 11.5 million on the previous year, as shown in the following table:

(Euro/000)	2012	2011	Variation
Exchange rate gains (losses)	39,271	(6,559)	45,830
Unrealised exchange rate gains (losses)	(32,127)	3,770	(35,897)
Currency hedging gains (losses)	377	(1,225)	1,602
Total	7,521	(4,014)	11,535

30 Net gains (losses) on investments

Net gains on investments came to euro 669.9 million compared to net losses of euro 76.2 million for the previous year. They are made up as follows:

(Euro/000)	2012	2011	Variation
Impairment losses on investments	(252,764)	(132,137)	(120,627)
Reversals of impairment losses on investments	21,000	55,961	(34,961)
Dividends	901,665	138	901,527
Net losses on the disposal of investments	(15)	(130)	115
Total	669,886	(76,168)	746,054

The net gains on investments include the following effects:

- the dividend distribution authorised by the subsidiary Impregilo International Infrastructures N.V. in 2012 (euro 900 million);
- the reversal of impairment losses on investments in subsidiaries (FISIA Italmimpianti) based on the results of the impairment testing, described in more detail in note 3 (euro 21 million);
- the net impairment losses approximating euro 247 million on interests in joint ventures and SPEs, determined using their statements of financial position and considering the reporting-date estimated losses to complete their contracts;
- impairment losses on the investment in FIBE S.p.A. (euro 5.6 million).

Note 3 provides more information about changes in the carrying amounts of the above equity investments.

31 Income tax expense

The company's income tax expense for the year is euro 43.6 million as follows:

(Euro/000)	2012	2011	Variation
Current taxes (income taxes)	50,703	34,781	15,922
Net deferred tax (income) expense	(11,740)	9,474	(21,214)
Prior year taxes	561	821	(260)
Total income taxes	39,524	45,076	(5,552)
IRAP	4,081	4,156	(75)
Total	43,605	49,232	(5,627)

An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

	INCOME TAX EXPENSE	
	Euro m	%
Profit before tax	782.2	
Theoretical tax expense	215.1	27.5%
Effect of permanent differences	(172.4)	(22.0%)
Recovered foreign taxes	(1.8)	(0.2%)
Other	(1.4)	(0.2%)
Total	39.5	5.1%



The effective tax expense is lower than the theoretical tax expense and is affected by:

- permanent differences, mainly due to impairment losses on investments in subsidiaries and receipt of dividends distributed by subsidiaries;
- taxes paid abroad which met the requirements for recovery during the year;
- net income from the national IRES consolidation agreement with other group companies;
- the adjustment for prior year taxes.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

	Eurom	IRAP	%
Operating profit	110.8		
Personnel expenses	121.3		
Operating profit for IRAP tax purposes	232.1		
Theoretical tax expense	9.1		3.9%
Tax effect of foreign production	(4.1)		(1.8%)
Tax effect of permanent differences	(0.9)		(0.4%)
Total	4.1		1.7%

The net deferred tax income contributes positively to the company's profit for euro 11.7 million, specifically for the following items:

(Euro/000)	
Deferred tax expense for the year	5,530
Reversal of deferred tax liabilities recognised in previous years	(205)
Deferred tax income for the year	(23,621)
Reversal of deferred tax assets recognised in previous years	6,556
Total	(11,740)

32 Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature and were mostly carried out with:

- directors, statutory auditors and key management personnel, in line with the contracts regulating their positions within the group;
- associates; these transactions mainly relate to:
 - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
 - services (technical, organisational, legal and administrative), carried out at centralised level;
 - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

Transactions are carried out with subsidiaries and associates in the interests of Impregilo, aimed at building on existing synergies in the group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;



- other related parties: the main transactions with other related parties, identified pursuant to IAS 24, are summarised below:

Related party	31 December 2012							
	Loans and receivables	Other current assets	Payables	Other current liabilities	Operating revenue	Costs	Financial income (expense)	Cash flows for the year
IMPRESA GRASSETTO	-	-		18,343	-	-	(420)	-
SINA S.p.A.	-	-	196		-	457	-	(981)
Total	-	-	196	18,343	-	457	(420)	(981)

The payable to Impresa Grassetto relates to the acquisition of several business units in 1998 for which the conditions for payment had not yet arisen at the reporting date.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts.

The above transactions are governed by specific agreements and carried out on an arm's length basis. Their effects on the statement of financial position and income statement are shown together with the related contract, when appropriate. Their impact on the company's financial position at 31 December 2012 and results of operations for the year then ended has not been material.

Transactions with directors, statutory auditors and key management personnel are shown below:

(Euro/000)	2012			2011		
	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-employment benefits	Total
Directors and statutory auditors	2,002	-	2,002	2,430	-	2,430
Key management personnel	1,988	8,294	10,282	4,879	348	5,227
Total	3,990	8,294	12,284	7,309	348	7,657

The Company's production is carried out mainly through special purpose entities, which, depending on Impregilo's share in their contracts, qualify as subsidiaries or associates. In many cases, they have corporate structures that directly and continuously allocate the profits and losses on contracts to their investors, including by "reallocating costs and fees". They can be considered to be "transparent" considering the original contractual relationship whereby Impregilo, together with the other investors, depending on the type of organisation selected during the tender stage, is the direct counterparty of the customer and the SPE acts in its own name but on behalf of its investors, including vis-à-vis third party suppliers. Accordingly, transactions between Impregilo and the SPEs, in which it has an investment, are not presented in this section but are summarised with other transactions with subsidiaries and associates in the annex "SEPARATE FINANCIAL STATEMENT OF IMPREGILO S.p.A. - Intragroup transactions - 31 December 2012".



The next table shows the impact of transactions with the above companies on the statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

(Euro/000)

As at 31 December 2012	Non-current loans and receivables ⁽¹⁾	Current loans and receivables ⁽²⁾	Current payables ⁽³⁾	Revenue	Financial income	Financial expense
Total - group companies	88,595	406,899	376,267	2,951	10,375	10,094
Total financial statements item	778,060	2,202,772	817,244	1,367,004	33,133	39,146
% of financial statements item	11.4%	18.5%	46.0%	0.2%	31.3%	25.8%

(Euro/000)

As at 31 December 2011	Non-current loans and receivables ⁽¹⁾	Current loans and receivables ⁽²⁾	Current payables ⁽³⁾	Revenue	Financial income	Financial expense
Total - group companies	141,734	453,331	302,110	2,473	14,507	4,458
Total financial statements item	823,748	1,269,285	958,083	1,123,321	21,438	47,724
% of financial statements item	17.2%	35.7%	31.5%	0.2%	67.7%	9.3%

(1) The percentage of non-current loans and receivables is calculated considering total non-current assets.

(2) The percentage of current loans and receivables is calculated considering total current assets.

(3) The percentage of current payables is calculated considering total current liabilities.

33 Significant non-recurring events and transactions

Apart from the dividends distributed by the subsidiary Impregilo International Infrastructures N.V. (see note 32), the company's financial position, performance and cash flows were not affected by significant non-recurring events and transactions in 2012.

34 Balances or transactions arising from atypical and/or unusual transactions

During the year, Impregilo did not carry out any atypical and/or unusual transactions, as defined in the Consob communication no. DEM/6064293⁽⁵⁾.

5) Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the company's assets and non-controlling interests.

35 Events after the reporting period

In January 2012, Impregilo group completed the process for sale of its investment in the Brazilian group EcoRodovias to third parties, selling the residual 6.5%. It held this investment through the group company Impregilo International Infrastructures N.V.. Reference should be made to the information document published on 26 January 2013 prepared pursuant to article 71 and annex 3B (table 3) of the implementation regulation (the Issuer Regulation) of Legislative decree no. 58 of 24 February 1998 (the Consolidated Finance Act), adopted by Consob with resolution no. 11971 of 14 May 1999.

In the same month, Impregilo won the tender called by Minera Panama SA, a subsidiary of the Canadian Inmet Mining Corporation, as part of a joint venture with Salini. The contract is for the construction of the "Mina de Cobre" project in Panama and consists of the preparatory and preliminary work to develop an important copper mine. Specifically, the contractor will build service roads and new access routes to the mine, located about 120 km from the capital, Panama City, excavate about 45,000,000 m³ of rock and earth and create deposits with the excavated material. The contract is worth roughly USD 560.0 million (Impregilo's share is 50%).

In accordance with the relevant ruling regulations, Impregilo was informed about the shareholder Salini S.p.A.'s intention to proceed with a voluntary takeover bid for all its ordinary shares on 6 February 2013. Pursuant to the law, on 16 March 2013, Salini S.p.A. published its Bid Document and the Issuer's communication was also made public, prepared as per article 103 of the Consolidated Finance Act and article 39 of the Issuer Regulation, approved by Impregilo's board of directors on 10 March 2013. It also approved a proposal to distribute dividends of approximately euro 600 million on the same date.

With respect to this proposal, the subsidiary Impregilo International Infrastructures N.V. placed two bond issues of euro 150,000,000 each on 26 November 2010, fully underwritten by Impregilo S.p.A.. They mature on 26 November 2013 and 26 November 2015, respectively. Their outstanding principal at 31 December 2012 was euro 112.5 million and euro 150 million, respectively.

The related contracts include certain clauses whereby, should certain events take place, the bonds have to be redeemed early. Considering the sale of the entire investment in EcoRodovias Infrastruttura e Logistica S.A. by Impregilo International Infrastructures N.V. and the related collection by Impregilo of the dividend distributed by Impregilo International at the end of 2012, Impregilo's adoption of a resolution to distribute dividends of the same amount would imply early redemption of both bond issues. However, with respect to the issue maturing on 26 November 2015, the bondholders have formally agreed to release Impregilo from its obligation while the bond issue maturing on 26 November 2013 will be redeemed early.

Reference should be made to the section on "Non-current assets held for sale" in the Directors' report of this Annual Report for details on the key events that have taken place since 31 December 2012 with respect to the USW Campania projects.

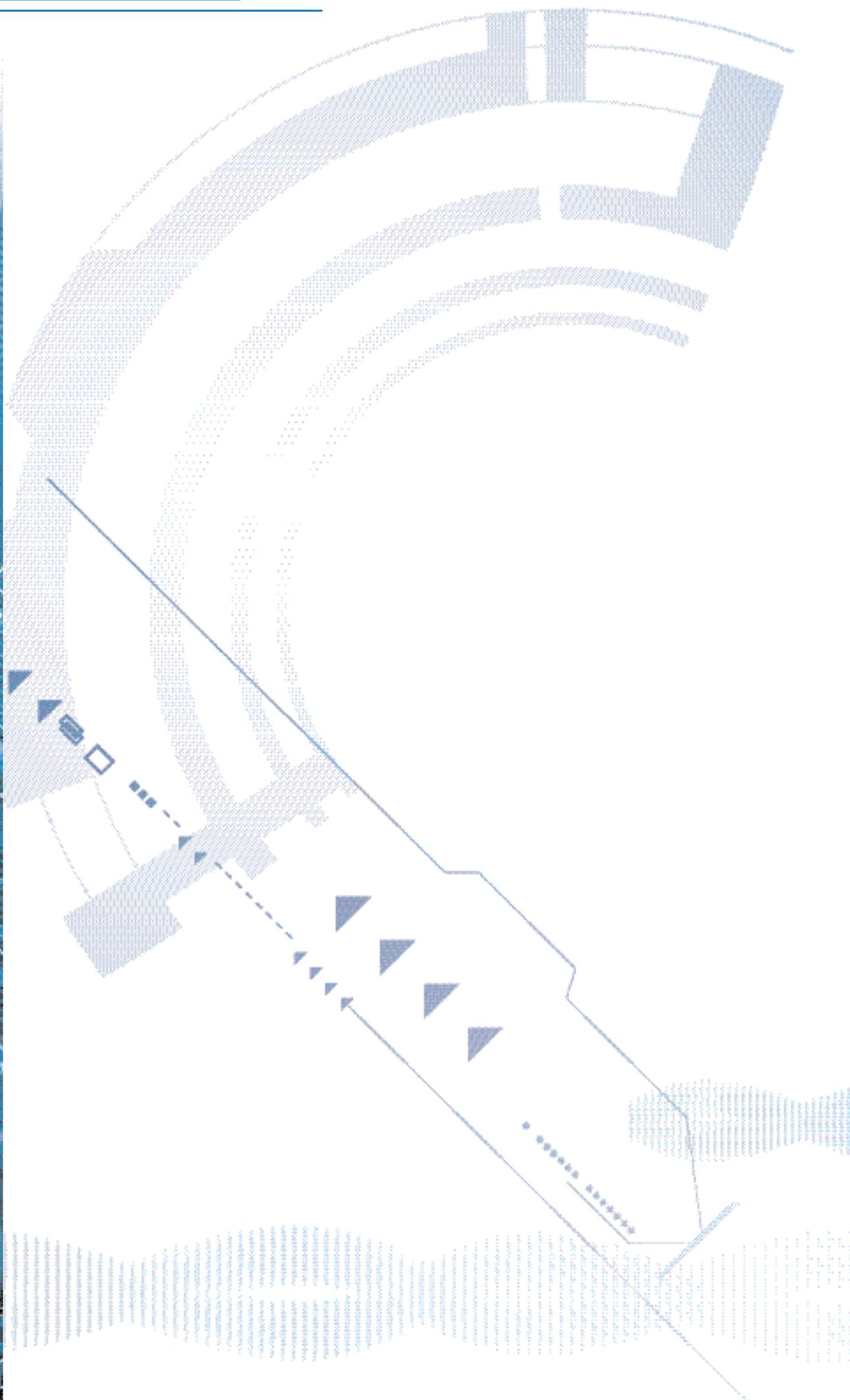
No other significant events took place after the reporting date further to that disclosed in these notes.

On behalf of the board of directors

Chairman

Claudio Costamagna
(signed on the original)







SEPARATE FINANCIAL STATEMENTS OF IMPREGILO S.p.A. INTRAGROUP TRANSACTIONS

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SEPARATE FINANCIAL STATEMENTS OF IMPREGILO S.p.A. INTRAGROUP TRANSACTIONS - 31 DECEMBER 2012

(Euro)	FINANCIAL ASSETS			total	trade payables
	trade receivables	loans	other		
Other					
CONCESSIONS					
Pedemontana Veneta S.p.A.	75,130	101,125		176,255	
Tangenziale Esterna di Milano S.p.A.	34,508			34,508	
Tangenziale Esterna di Milano	6,010			6,010	
Total	115,648	101,125		216,773	
CONSTRUCTION					
Barnard Impregilo Healy JV		2,138,802	834,627	2,973,429	
CMC-MAVUNDLA-IGL JV	24,789,000	76		24,789,076	(11,469,050)
Consorzio Acueducto Oriental			859,503	859,503	
Consorzio Central Hidroelectrica Daule Peripa Division Obras Civiles			4,208,914	4,208,914	
Consorzio Cigla-Sade	150,498	1,270,932		1,421,429	
Consorzio Contuy Medio		939,571	1,278,295	2,217,867	
Consorzio Contuy Medio Grupo A					
Consorzio Grupo Contuy-Proyectos y Ob. De F.		1,271,702		1,271,702	
Consorzio Impregilo - OHL	266,580			266,580	
Consorzio Impregilo Yarull	80,772		1,006,936	1,087,708	
Consorzio OIV-TOCOMA	337,415	102,078,120	27,532,948	129,948,482	
Consorzio Serra do Mar	76		2,614,030	2,614,107	
Consorzio V.S.T. Tocoma		191,007		191,007	
Consorzio VIT Tocoma		1,276,727		1,276,727	
Consorzio Alta V. Bo/Fi - C.A.V.E.T.	1,399,562	18,749,324		20,148,886	(1,102,461)
Consorzio Alta V. Torino/Milano - C.A.V.TO.MI.	55,531,071			55,531,071	(6,138,132)
Consorzio Caserma Donati	215,258			215,258	(129,414)
Consorzio CCTE	1,414	139,756		141,170	(37,250)
Consorzio Cociv	37,345,209	766		37,345,975	(85,371,304)
Consorzio CORAV		360,076		360,076	(4,513)
Consorzio Costruttori TEEM	5,151,058	140		5,151,198	(14,060,871)
Consorzio CPS Pedemontana	226,568			226,568	(618)
Consorzio Iricav Due	1,294,688			1,294,688	(6,285,195)
Consorzio Italian Engineering & Contractors for Al Faw - IECAF	1,978,838			1,978,838	(1,922,516)
Consorzio Miteco	506,517			506,517	(332,603)
Consorzio MM4	177,679	310,536		488,215	(2,335,232)
Consorzio NOG.MA					(154,311)
Consorzio Pedelombarda 2	15,177			15,177	(14,089)
Consorzio San Cristoforo					(35,609)
Consorzio Scilla	1,706,610			1,706,610	(5,909,623)
Consorzio TAT-Tunnel Alp Transit Ticino	29,517	21,750	8,196,934	8,248,201	
Consorzio Torre	33,763,381	8		33,763,389	(37,146,062)
Consorzio TRA.DE.Cl.V.	215,405			215,405	(204,628)
Consorzio Venice Link	111,022			111,022	(4,304)
Consorzio VIT Caroni Tocoma		1,299,419		1,299,419	

FINANCIAL LIABILITIES			NET				
loans	other	total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	revenue from sp. fees	financial income	financial expense
			176,255				
			34,508				
			6,010				
			216,773				
			2,973,429				
(1,247,081)	(4,888,559)	(17,604,690)	7,184,386				
(137,922)		(137,922)	721,581				
(4,786,082)		(4,786,082)		(577,168)			
			1,421,429			60,134	
			2,217,867				
						5,682	
			1,271,702				
			266,580				
			1,087,708				
			129,948,482				
(2,117,035)		(2,117,035)	497,071				
			191,007				
			1,276,727				
	(1)	(1,102,462)	19,046,424		341,685	1,122,163	567,317
(57,436,550)	(60,441)	(63,635,123)		(8,104,052)		868,436	761,993
(7,664)		(137,078)	78,180				7
		(37,250)	103,920				
		(85,371,304)		(48,025,329)			
		(4,513)	355,563				
		(14,060,871)		(8,909,673)			
		(618)	225,951				
		(6,285,195)		(4,990,507)			
		(1,922,516)	56,322				
		(332,603)	173,914				
		(2,335,232)		(1,847,017)	7,969	10	
		(154,311)		(154,311)			
		(14,089)	1,088				
		(35,609)		(35,609)			
		(5,909,623)		(4,203,013)			
			8,248,201			38,418	
		(37,146,062)		(3,382,673)		3,536	
		(204,628)	10,777				
		(4,304)	106,718				
			1,299,419				



(Euro)	FINANCIAL ASSETS			total	trade payables
	trade receivables	loans	other		
(continued) CONSTRUCTION					
Constructora Mazar Impregilo-Herdoiza Crespo			3,004,498	3,004,498	
E.R. Impregilo/Dumez y Asociados para Yaciretê	2,707,971	6,053,045		8,761,016	(126,431)
Executive J.V. Impregilo S.p.A. Terna S.A.		7,186		7,186	
G.T.B. S.c.r.l.	220,317			220,317	
Ghazi-Barotha Contractors J.V.	54,570	3,449,532		3,504,102	
Grupo Empresas Italianas - GEI		974,510		974,510	
Impregilo - Salini for Owen Falls H.O.					(2,335)
Impregilo-Terna SNFCC	747,729	1,710	50,998	800,436	
Joint Venture Aktor Ate - Impregilo S.p.A.	12,063			12,063	
Joint Venture Impregilo S.p.A. - Empedos S.A. - Ak	1,481,672	286,177		1,767,850	
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	1,206,575	7,578,548		8,785,123	(4,840)
Line 3 Metro Stations	20,128	215,000	30,406	265,534	
M.N. 6 S.c.r.l.	1,897,376			1,897,376	(450,000)
Metropolitana di Napoli S.p.A.	85,245			85,245	(64,655)
Nathpa Jhakri J.V.			1,065,932	1,065,932	(24,864)
Riviera S.c.r.l.	218,942	33,318		252,260	(1,334,899)
S.I.MA. GEST 3 S.c.r.l.					(162,355)
Sarmento S.c.r.l.	4,200	423,111		427,311	
Shimmick-FCC-Impregilo JV		267,094	386,277	653,370	
SO.C.E.T. Societa' Costruttori Edili Toscani					(106,287)
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A		1,277,679	1,663,028	2,940,707	
Thessaloniki Metro					
Thessaloniki Metro CW	1,048,718		940,851	1,989,569	(1,158)
Vegas Tunnel Constructors	294,711		1,839,662	2,134,374	
Total	175,293,536	150,615,623	55,513,838	381,422,997	(174,935,612)
TOTAL Other	175,409,183	150,716,748	55,513,838	381,639,769	(174,935,612)
Associates					
CONCESSIONS					
Aguas del Gran Buenos Aires S.A.	22,120			22,120	(83,567)
Consorcio Agua Azul S.A.	19,609			19,609	
Puentes del Litoral S.A.	639	4,390,592		4,391,231	(3,420)
Sistranyac S.A.		108		108	
Total	42,368	4,390,700		4,433,068	(86,987)
CONSTRUCTION					
Anagnina 2000 S.c.r.l.	111,734	990		112,725	
Ancipa S.c.r.l.	4,132			4,132	
Aurelia 98 S.c.r.l.					(16,121)
CE.S.I.F. S.c.p.a.					(4,725)
Diga Ancipa S.c.r.l.	4,132			4,132	
Empresa Constructora Lo Saldes Ltda			33,064	33,064	
Eurolink S.c.p.a.	10,805,196			10,805,196	(16,464,896)

FINANCIAL LIABILITIES			NET				
loans	other	total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	revenue from sp. fees	financial income	financial expense
			3,004,498				
	(4,895,428)	(5,021,859)	3,739,158			357,922	
			7,186				
			220,317				
	(1,006,825)	(1,006,825)	2,497,278				
			974,510				
		(2,335)		(2,335)			
			800,436				
			12,063				
			1,767,850				
	(2,765,484)	(2,770,324)	6,014,799				
			265,534				
		(450,000)	1,447,376				119,650
		(64,655)	20,590				
(603,880)		(628,744)	437,188				
		(1,334,899)		(1,082,639)		214	
		(162,355)		(162,355)			
			427,311			20,016	
			653,370				
		(106,287)		(106,287)			
			2,940,707				
	(2,726,633)	(2,726,633)		(2,726,633)			
		(1,158)	1,988,410				
(1,880,748)		(1,880,748)	253,626				
(68,216,962)	(16,343,370)	(259,495,944)	206,236,655	(84,309,602)	349,654	2,476,531	1,448,967
(68,216,962)	(16,343,370)	(259,495,944)	206,453,428	(84,309,602)	349,654	2,476,531	1,448,967
		(83,567)		(61,447)			
			19,609				
	(10,491)	(13,911)	4,377,320				
			108				
	(10,491)	(97,478)	4,397,037	(61,447)			
(3,615)		(3,615)	109,109				
			4,132				
		(16,121)		(16,121)			
		(4,725)		(4,725)			
			4,132				
			33,064				
(50,625,000)		(67,089,896)		(56,284,700)	46,287		



(Euro)	FINANCIAL ASSETS			total	trade payables
	trade receivables	loans	other		
(continued) CONSTRUCTION					
Grupo Unidos por El Canal	13,787,326	56,063,810		69,851,137	(984)
Impregilo Arabia Ltd	330,691	177,971		508,662	
Impresit Bakolori Plc					
La Quado S.c.a.r.l.	401,400			401,400	(3,591,971)
Metro Blu S.c.a.r.l.	8,774,223	1,050,000		9,824,223	(4,745,758)
Metrogenova S.c.r.l.	139,407			139,407	(2,281,991)
Monte Vesuvio S.c.r.l.	3,600	17,713		21,313	
Passante di Mestre S.c.p.a.	4,618,078			4,618,078	(3,233,387)
Pedelombarda S.c.p.a.	53,630,509	318		53,630,826	(37,360,092)
Pietrarossa S.c.r.l.	4,132			4,132	
Quattro Venti S.c.r.l.	159,503			159,503	(72,040)
San Giorgio Caltagirone S.c.r.l.	2,582			2,582	
Sclafani S.c.r.l.	2,582			2,582	
Sirjo S.c.p.A.	34,089			34,089	(2,491,671)
VE.CO. S.c.r.l.					(138,527)
Total	92,813,317	57,310,802	33,064	150,157,183	(70,402,164)
TOTAL Associates	92,855,685	61,701,502	33,064	154,590,252	(70,489,150)
Subsidiaries					
ENGINEERING & PLANT CONSTRUCTION					
Fisia Kuwait branch	1,552			1,552	
Fisia Babcock Environment GmbH	1,397,240			1,397,240	
Fisia Babcock Engineering Co Ltd		608,053		608,053	(622,470)
Fisia Italmimpianti S.p.A.	5,846,308	83,982,297		89,828,605	(19,882)
Fisia Italmimpianti S.p.A. filiale Qatar	33,129			33,129	
Gestione Napoli S.p.A.	1,879			1,879	
Total	7,280,107	84,590,351		91,870,458	(642,352)
CONCESSIONS					
Fibe S.p.A.	22,607	2,972,325		2,994,931	(236,457)
IGLYS S.A.	13,051	281,398		294,449	(225,520)
Impregilo International Infrastructures N.V.	52,370			52,370	
Impregilo New Cross Ltd	3,200			3,200	(97,876)
Total	91,227	3,253,723		3,344,950	(559,853)
CONSTRUCTION					
Alia S.c.r.l.	1,808	227,138		228,945	
Aquilgest S.c.r.l.		182,043		182,043	
Aquilpark S.c.r.l.		503,343		503,343	
Bocoge S.p.A. - Costruzioni Generali					
Campione S.c.r.l.		672,678		672,678	
CIS Divisione Prefabbricati Vibrocesa Scac - C.V.S. S.r.l.		941,226		941,226	
CO. MAR. S.c.r.l.		32,763		32,763	

FINANCIAL LIABILITIES			NET				
loans	other	total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	revenue from sp. fees	financial income	financial expense
		(984)	69,850,152			1,184,113	
			508,662				
(20,258)		(20,258)		(20,258)			
		(3,591,971)		(3,190,571)	769,744		
(5,000)		(4,750,758)	5,073,465				
	(12,331)	(2,294,322)		(2,154,915)	154,276		
			21,313				
		(3,233,387)	1,384,691		84,294		
(28,200,000)		(65,560,092)		(11,929,265)			
			4,132				
		(72,040)	87,464				
			2,582				
			2,582				
(9,000,000)		(11,491,671)		(11,457,582)			
		(138,527)		(138,527)			
(87,853,873)	(12,331)	(158,268,369)	77,085,481	(85,196,666)	1,054,602	1,184,113	
(87,853,873)	(22,822)	(158,365,846)	81,482,518	(85,258,112)	1,054,602	1,184,113	
			1,552				
(78,935,091)		(78,935,091)		(77,537,851)			1,935,757
		(622,470)		(14,417)			
		(19,882)	89,808,723			5,904,922	
			33,129				
			1,879				
(78,935,091)		(79,577,442)	89,845,283	(77,552,267)		5,904,922	1,935,757
		(236,457)	2,758,474				
		(225,520)	68,929				
			52,370			87,370	6,220,164
		(97,876)		(94,676)			
		(559,853)	2,879,773	(94,676)		87,370	6,220,164
			228,945			10,743	
			182,043			8,609	
			503,343			23,813	
(2,685,360)		(2,685,360)		(2,685,360)			35,505
			672,678				
			941,226			44,533	
			32,763			1,545	



(Euro)	FINANCIAL ASSETS			total	trade payables
	trade receivables	loans	other		
(continued) CONSTRUCTION					
Collegamento Ferroviario Genova-Milano	19,240			19,240	
Congressi 91 S.c.r.l.					
Consorzio Cogefar-Impresit Cariboni per la Frana di Spriana S.c.r.l.	8,332	3,271		11,603	(47,873)
Constructora Ariguani Sas	99,668			99,668	(4,142)
Costruzioni Ferroviarie Torinesi Duemila S.c.r.l.	1,800	178,487		180,287	
CSC Impresa Costruzioni S.A.	40,637			40,637	
Empresa Constructora Angostura Ltda	1,497,001	2,761,619		4,258,620	
Eurotechno S.r.l.		23,718		23,718	
Grupo ICT II	4,279,216			4,279,216	(96,628)
I.L.I.M. - Iniziative Lombarde Immobiliari S.r.l.					
Imprefeal S.r.l.		202,452		202,452	
Impregilo Colombia SAS		2,724		2,724	
Impregilo Lidco General Contracting Co	191,980			191,980	(72,716)
Imprepar - Impregilo Partecipazioni S.p.A.	48,621	7,205,841		7,254,462	(4,352,864)
Impresa Castelli S.r.l.					
INC - Algerie S.a.r.l.					(137,984)
INCAVE S.r.l.					
Lambro Scrl	5,264,406	2,268,942		7,533,348	(7,413,416)
Lavori Lingotto S.c.r.l.	878,241	488,751		1,366,993	
Librino S.c.r.l.	1,808			1,808	
Montenero S.c.r.l.		357,424		357,424	
Nuovo Dolonne S.c.r.l.					(429,775)
PGH Ltd	57,074	1,970,984		2,028,058	(19,214)
Reggio Calabria Scilla S.c.p.a.	8,021,158	761,123		8,782,281	(51,453,447)
Rivigo J.V. (Nigeria) Ltd	31,068			31,068	
S. Anna Palermo S.c.r.l.	70,370			70,370	
S. Leonardo Due S.c.r.l.		734		734	
S. Leonardo S.c.r.l.	6,197			6,197	
S.A. Healy Company	75,696			75,696	
S.G.F. - I.N.C. S.p.A.	259,720	12,619,630		12,879,350	(4,997,672)
S.G.F. I.N.C. S.p.A. - filiale Venezuela	438,489		1,063,994	1,502,483	(825,324)
Salerno-Reggio Calabria S.c.p.a.	75,775,269			75,775,269	(118,983,013)
San Martino Prefabbricati S.p.A.	29,918			29,918	
SGF filiale Colombia		368		368	
Società Industriale Prefabbricazione Edilizia del Mediterraneo SIPEM S.p.A.		400,532		400,532	
Suramericana de Obras Publicas C.A		202,023		202,023	
Sviluppo Applicazioni Industriali - SAPIN S.r.l.					
Trincerone Ferroviario S.c.r.l.		3,349		3,349	
Vittoria S.c.r.l.	1,807			1,807	
Total	97,099,523	32,011,164	1,063,994	130,174,681	(188,834,067)
TOTAL Subsidiaries	104,470,858	119,855,237	1,063,994	225,390,089	(190,036,272)
TOTAL CURRENT	372,735,726	332,273,488	56,610,896	761,620,110	(435,461,034)



FINANCIAL LIABILITIES			NET				
loans	other	total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	revenue from sp. fees	financial income	financial expense
(1,514)		(1,514)	17,726				
(6,501)		(6,501)		(6,501)			6
		(47,873)		(36,270)		150	
		(4,142)	95,526				
			180,287			8,167	
(559,029)		(559,029)		(518,392)	454,777		25,615
			4,258,620		1,091,837	7,715	
			23,718			1,117	
(343,166)		(439,794)	3,839,422				
(3,292,746)		(3,292,746)		(3,292,746)			
			202,452				
			2,724				
(26,785,283)		(26,857,999)		(26,666,019)			348,848
(775,017)		(5,127,881)	2,126,581			7,159	526
(226,254)		(226,254)		(226,254)			102
		(137,984)		(137,984)			
(455,750)		(455,750)		(455,750)			368
		(7,413,416)	119,932				
			1,366,993				
			1,808				
			357,424			16,908	
(63,488)		(493,263)		(493,263)			55
		(19,214)	2,008,845			9,173	
		(51,453,447)		(42,671,166)			
			31,068				
			70,370				
			734			30	
(9,274)		(9,274)		(3,076)			8
(8,282,917)		(8,282,917)		(8,207,220)			69,676
		(4,997,672)	7,881,678			581,904	
		(825,324)	677,159				
		(118,983,013)		(43,207,744)			
(21,903)		(21,903)	8,015				19
			368				
			400,532				
(638,371)		(638,371)		(436,348)			8,010
(8,755)		(8,755)		(8,755)			
			3,349			153	
			1,807				
(44,155,328)		(232,989,396)	26,238,135	(129,052,849)	1,546,615	721,719	488,738
(123,090,419)		(313,126,691)	118,963,190	(206,699,792)	1,546,615	6,714,011	8,644,659
(279,161,254)	(16,366,192)	(730,988,480)	406,899,136	(376,267,506)	2,950,871	10,374,655	10,093,626

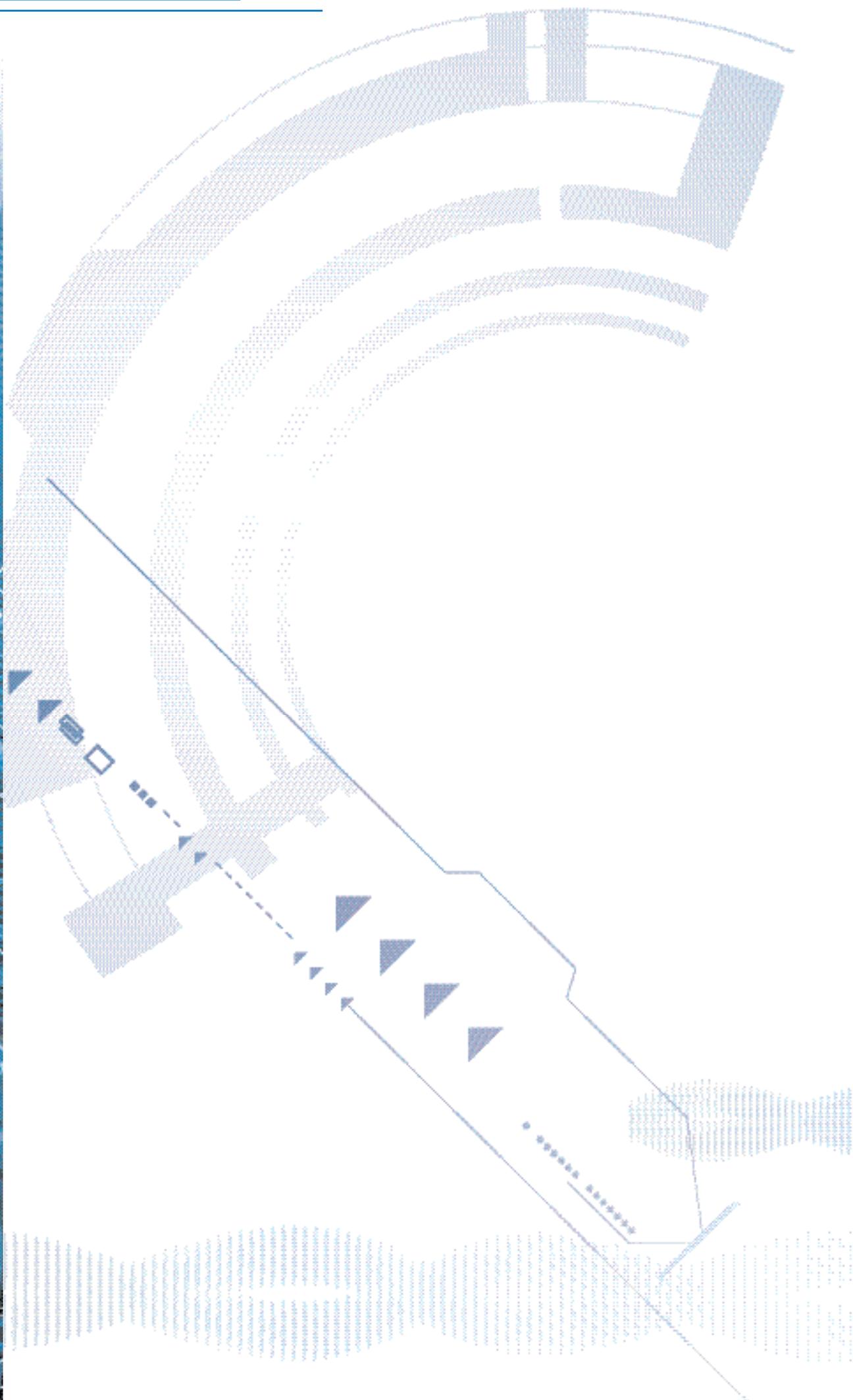


(Euro)	FINANCIAL ASSETS			total	trade payables
	trade receivables	loans	other		
Associates					
CONCESSIONS					
Puentes del Litoral S.A.		3,431,185		3,431,185	
TOTAL Associates		3,431,185		3,431,185	
Subsidiaries					
CONCESSIONS					
Fibe S.p.A.		85,163,692		85,163,692	
TOTAL Subsidiaries		85,163,692		85,163,692	
TOTAL NON-CURRENT		88,594,877		88,594,877	
TOTAL	372,735,726	420,868,365	56,610,896	850,214,987	(435,461,034)



FINANCIAL LIABILITIES			NET				
loans	other	total	FINANCIAL ASSETS	FINANCIAL LIABILITIES	revenue from sp. fees	financial income	financial expense
			3,431,185				
			3,431,185				
			85,163,692				
			85,163,692				
			88,594,877				
(279,161,254)	(16,366,192)	(730,988,480)	495,494,013	(376,267,506)	2,950,871	10,374,655	10,093,626





SEPARATE FINANCIAL STATEMENTS
OF IMPREGILO S.p.A. - EQUITY INVESTMENTS



SEPARATE FINANCIAL STATEMENTS OF IMPREGILO S.p.A. EQUITY INVESTMENTS

(Euro)

Name	% direct	% in- direct	registered office	amount Igl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES - CONSOLIDATED						
- Construction segment						
Barnard Impregilo Healy J.V.	25	45	Montana			
Bocoge S.p.A. - Costruzioni Generali		100	Milan			
Campione S.c.r.l. (in liq.)	99.9	99.9	Milan			
Consorcio Acueducto Oriental	67	67	Santo Domingo			
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	36.4	36.4	Charallave	1,027		
Consorcio Impregilo - Ingco	70	70	Santo Domingo			
Consorcio Impregilo OHL		70	Bogotá			
Consorcio Impregilo Yarull	70	70	Santo Domingo			
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	74.69	74.69	Milan	3,691,882	43,532	0
Consorzio Autosilo Vico Morcote		70	Lugano			
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	75.98	75.98	Pianoro	4,015,282	105,123	0
Consorzio Camaiole Impianti (in liq.)	55	55	Cavriago	14,203		
Consorzio Caserma Donati	84.2	84.2	Milan	240,000		
Consorzio CCTE (in liq.)	60	100	Milan	24,790		
Consorzio Cociv	54	54	Genoa	267,831	11,056	0
Consorzio Cogefar-Impresit Cariboni per la Frana di Spriana S.c.r.l. (in liq.)	100	100	Milan	46,481		
Consorzio Scilla (in liq.)	51	51	Palmi	508		
Consorzio Torre	94.6	94.6	Milan	4,730,000		
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	96.97	96.97	Milan	51,563		
Consorzio Venice Link (in liq.)	61	61	Venice	610		
Constructora Ariguani SAS	51	51	Bogotá			
Constructora Mazar Impregilo-Herdoiza Crespo	70	70				
Constructora Impregilo y Asociados S.A.-CIGLA S.A.	100	100	San Paolo			
CSC Impresa Costruzioni S.A.	100	100	Lugano	3,208,553		
Effepi - Finanza e Progetti S.r.l. (in liq.)		100	Milan			
Empresa Constructora Angostura L.t.d.a.	65	65	Santiago	46,100	3,629,294	0
Empresa Constructora Costanera Norte Ltda	77.78	77.78	Santiago	14,634		
Eurolink S.c.p.a.	45	45	Rome	67,500,000		
Ghazi-Barotha Contractors J.V.	57.8	57.8	Lugano			
Grupo ICT II S.a.s.	100	100	Bogotá	486,459		
Grupo Unidos Por El Canal S.A.	48	48	Panama	323,996		
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	100	100	Milan	3,834,610		
Impregilo Colombia SAS	100	100	Bogotá	338,787	2,000,000	D
Impregilo Lidco Libya General Contracting Company	60	60	Tripoli	1,785,000		
Impregilo-Terna SNFCC Joint Ventures	51	51	Athens			
INC - Algeria S.a.r.l.		99.97	Touggourt			
Interstate Healy Equipment J.V.		45	San Francisco			

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
						834,663	834,663	12/12
			Euro	11,000	10,989	(1,089,917)	(39,814)	12/11
						2,850,748	164,951	12/11
		1,027				7,811,977	6,094,737	12/07
						(209,621)	1,472,912	12/11

								12/11
48,334	N	3,687,080	Euro	5,000,000	3,734,500	3,686,164	(48,336)	12/12
						-----	-----	-----
26,417	N	4,093,988	Euro	5,422,797	4,120,241	4,093,824	(26,416)	12/12
		14,203	Euro	25,500	14,025	14,203		12/11
		240,000	Euro	300,000	252,600	252,600		12/12
		24,790	Euro	41,315	41,315	24,788		12/11
		278,887	Euro	516,457	278,887	278,887		12/12
		46,481	Euro	45,900	45,900	46,481		12/11
		508	Euro	1,000	510	510		12/11
		4,730,000	Euro	5,000,000	4,730,000	4,730,000		12/12
		51,563	Euro	51,129	49,580	49,580		12/11
		610	Euro	1,000	610	610		12/11
			COP	100,000,000	21,877	27,784	5,818	12/12
			USD			11,458,599	(3,045,093)	12/09
			BRL	7,641,014	2,826,237	(208,064)	1,586	12/12
		3,208,553	CHF	2,000,000	1,656,726	26,408,896	1,572,278	12/11
			Euro	78,000	78,000	-----	-----	-----
3,675,394	N		CLP	50,000,000	51,446	(282,975)	(1,026,249)	12/11
14,634	I		CLP	10,000,000	12,312	(2,167,491)	(44,230)	12/10
		67,500,000	Euro	150,000,000	67,500,000	67,500,000		12/11
			PKR	100,000	451	(299,943)	(598,662)	12/08
486,459	N		COP	1,300,000,000	557,646	1,525,373	(1,705,687)	12/11
323,996	N		USD	1,000,000	363,802	5,940,497	2,336,848	12/11
		3,834,610	Euro	3,100,000	3,100,000	3,794,129	(28,538)	12/11
2,338,787	N		CLP	5,877,000,000	9,303,040	1,225,561	(106,285)	12/11
		1,785,000	LYD	1,500,000	540,515	1,228,538	(224,562)	12/10
			GRD					1st yr 2012
			DZD	151,172,000	1,461,799	-----	-----	-----
			USD					1st yr 2012



Equity investments

(Euro)

Name	% direct	% in-direct	registered office	amount lgl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- (continued) Construction segment						
Joint Venture Impregilo S.p.A. - S.G.F. INC. S.p.A.	99	100	Drakotrypa			
La Quado S.c.a.r.l.	35	35	Milan	3,500		
Lambro S.c.r.l.	94.44	94.44	Milan		188,880	L
Lavori Lingotto S.c.r.l. (in liq.)	100	100	Turin			
Metro Blu S.c.r.l.	50	50	Milan		5,000	A
Nathpa Jhakri J.V.	60	60	Nuova Delhi			
Nuovo Dolonne S.c.r.l. (in liq.)	100	100	Milan	50,000		
Passante di Mestre S.c.p.A.	42	42	Venice	21,000,000		
Pedelombarda S.c.p.a.	47	47	Milan	37,600,000		
PGH Ltd	100	100	Port Harcourt			
Reggio Calabria - Scilla S.c.p.a.	51	51	Rome	17,850,000		
Rivigo J.V. (Nigeria) Ltd		70	Port Harcourt			
S.A. Healy Company	100	100	Lombard	26,370,486		
S.G.F. - I.N.C. S.p.A.	100	100	Milan	4,637,895		
Salerno-Reggio Calabria S.c.p.a.	51	51	Rome	25,500,000		
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A. -J.V.	30	30	Long Beach			
Società Ind. Prefab. Edilizia del Mediterraneo - S.I.P.E.M. S.p.A. (in liq.)	100	100	Assoro			
Suramericana de Obras Publicas C.A. - Suopca C.A.	99	100	Caracas	3,365,395		
Val Viola S.c.r.l. (in liq.)	60	60	Milan	6,143		
Vegas Tunnel Constructores	40	100	Las Vegas			
- Engineering & Plant Construction segment						
Fisia Babcock Engineering CO. Ltd		100	Shanghai			
Fisia Babcock Environment Gmbh		100	Gummersbach			
Fisia Italmianti S.p.A.	100	100	Genoa	58,000,000	21,000,000	M
Gestione Napoli S.p.A. (in liq.)	24	99	Genoa	41,001		
Shanghai Pucheng Thermal Power Energy Co. L.t.d.		50	Shanghai			
Steinmuller International Gmbh		100	Gummersbach			
- FIBE						
Fibe S.p.A.	99.989	99.998	Naples	22,643,133		
- Concessions segment						
IGLYS S.A.		100	Buenos Aires			
Impregilo International Infrastructures N.V.	100	100	Amsterdam	170,000,000		
Impregilo New Cross Ltd		100	Abingdon			
Impregilo Parking Glasgow Ltd		100	Abingdon			
Mercovia S.A.		60	Buenos Aires			

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
			Euro				47,268	12/11
		3,500	Euro	10,000	3,500			12/11
		188,880	Euro	200,000	188,880			
			Euro	25,000	25,000	(1,234,417)	75,858	12/11
		5,000	Euro	10,000	5,000			
			USD	1,000,000	454,752			
		50,000	Euro	50,000	50,000	49,999		12/11
16,800,000	F	4,200,000	Euro	10,000,000	4,200,000	21,000,000		12/11
		37,600,000	Euro	80,000,000	37,600,000	37,600,000		12/11
			NGN	52,000,000	252,300	2,275,750	3,689,898	12/11
		17,850,000	Euro	35,000,000	17,850,000	17,850,000		12/11
			NGN	25,000,000	84,909	-----	-----	-----
		26,370,486	USD	11,320,863	8,580,312	26,268,239	7,106,281	12/11
		4,637,895	Euro	3,859,680	3,859,680	2,660,573	(4,618,357)	12/10
		25,500,000	Euro	50,000,000	25,500,000	25,500,000		12/11
			USD			1,117,360	518,827	12/12
			Euro	438,546	438,546	(189,366)	(30,000)	12/11
		3,365,395	VEF	2,874,118,000	411,522,442	5,978,506	597,084	12/10
6,143	I		Euro	10,200	6,120			wound up
			USD			(1,089,166)	2,550,716	12/11
			Euro	140,000	140,000	-----	-----	-----
			Euro	15,000,000	15,000,000	-----	-----	-----
		79,000,000	Euro	10,000,000	10,000,000	28,201,519	(33,550,582)	12/11
		41,001	Euro	100,000	99,000	7,379	(7,219)	12/101
			CNY	200,000,000	12,164,414	-----	-----	-----
			Euro	25,000	25,000	-----	-----	-----
5,566,763	N	17,076,370	Euro	3,500,000	3,499,930	22,640,641	1,931,065,359	12/11
			ARS	17,000,000	2,620,864	-----	-----	-----
		170,000,000	Euro	100,000,000	100,000,000	428,735,000	59,184,000	12/11
			GBP	2	2	-----	-----	-----
			GBP	1,000	1,225	-----	-----	-----
			ARS	10,000,000	925,011	-----	-----	-----



Equity investments

(Euro)

Name	% direct	% in- direct	registered office	amount lgl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- Imprepar						
Imprepar-Impregilo Partecipazioni S.p.A. (°°°)	100	100	Milan	50,190,618		
Total investments in subsidiaries, associates and jointly controlled entities - consolidated				527,880,487	26,982,885	

OTHER NON-CONSOLIDATED ENTITIES

- Construction segment

Aegek-Impregilo-Aslom J.V.	45.8	45.8	Athens			
Anagnina 2000 S.c.r.l.	50	50	Milan	5,165		
Aoet Arbeitsgemeinschaft Oenzberg Tunnel Arge		10	Herzogenbuchsee			
Arbeitsgemeinschaft Aschertunnel		15				
Arbeitsgemeinschaft Tunnel Umfahrung Saas (ATUS)		32	Herzogenbuchsee			
Arge Haupttunnel Eyholz		36	Thun			
Arge Uetlibergtunnel		15	Zurich			
B.O.B.A.C. S.c.a.r.l. (in liq.)		50	Pozzuoli			
Calpark S.p.A.		1.89	Rende			
CCB Consorzio Centro Balneare		40	Lugano			
CE.S.I.F. S.c.p.a. (in liq.)	24.18	24.18	Naples	63,460		
CGMR Gestione Materiale Roveredo		40	Poschiavo			
CGR Consorzio Galliera Roveredo		37.5	Lugano			
Churchill Construction Consortium		30				
CMC - Consorzio Monte Ceneri lotto 851		40	Lugano			
CMC - Mavundla - Impregilo J.V.	39.2	39.2				
Collegamento Ferroviario Genova-Milano S.p.A.	60.4	60.4	Genoa	96,548	8,544	0
Consorzio Central Hidroelectrica Daule Peripa Division Obras Civiles	85	90	Guayaquil			
Consorzio Cigla-Sade		50	Sonora			
Consorzio Contuy Medio	29.04	29.04	Caracas			
Consorzio Grupo Contuy-Proyectos y Obras de Ferrocarriles	33.33	33.33	Caracas			
Consorzio Imigrantes		50	S. Bernardo do C.			
Consorzio Normetro	13.18	13.18	Porto			
Consorzio OIV-TOCOMA	20	20	Caracas			
Consorzio Serra do Mar	25	50	Cubatao			
Consorzio V.I.T. - Tocoma	35	35	Caracas			
Consorzio V.I.T. Caroni - Tocoma	35	35	Caracas			
Consorzio V.S.T.		35	Caracas			
Consorzio V.S.T. Tocoma	30	30	Caracas			
Consorzio Stazione Mendrisio		25	Lugano			
Consorzio Casale Nei		3.45	Rome			
Consorzio CEMS		33.4	Lodrino			
Consorzio CGCC		50	Lugano			
Consorzio CMM4	31.05	31.05	Milan		62,100	A

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
		50,190,618	Euro	3,100,000	3,100,000	50,190,618	(745,826)	12/11
29,286,927		525,576,445						
		5,165	Euro	10,329	5,165	5,165		12/11
			Euro	10,200	5,100	-----	-----	-----
			Euro	511,141	9,661			
		63,460	Euro	250,000	60,450	62,695		12/11
104,514	N	578	Euro	120,000	72,480	63,935	(8,779)	12/11
			Euro	22,466	775			
		62,100	Euro	200,000	62,100			



Equity investments

(Euro)

Name	% direct	% in- direct	registered office	amount Igl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- (continued) Construction segment						
Consorzio CON.SI	2.27	2.27	Pordenone	516		
Consorzio Costruttori TEEM	34	34	Milan	3,400		
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	35	35	Verona	35,000		
Consorzio Edile Palazzo Mantegazza		45	Lugano			
Consorzio Felce		25	Lodrino			
Consorzio Felce lotto 101		25	Lugano			
Consorzio Iricav Due	13.64	13.64	Rome	70,339		
Consorzio Italian Engineering & Contractors for Al Faw - IECAF	33.1	33.1	Milan	3,310		
Consorzio MARC - Monitoraggio Ambientale Regione Campania (in liq.)		10	Naples			
Consorzio Miteco	44.16	44.16	Castelnuovo (RE)	4,416		
Consorzio MPC		33	Lugano			
Consorzio Nazionale Imballaggi - CO.NA.I.	1	1	Milan	5		
Consorzio NOG.MA	14	14	Venice	84,000		
Consorzio Pedelombarda 2	40	40	Milan	4,000		
Consorzio Piottino		25	Lugano			
Consorzio portale Vezia (CPV Lotto 854)		60	Vezia			
Consorzio SI.VI.CI.CA.		25	Lugano			
Consorzio TAT-Tunnel Alp Transit Ticino, Arge	17.5	25	Aarau			
Consorzio TRA.DE.CI.V.	8.06	8.06	Naples	12,534		
Consorzio Trevi - S.G.F. INC per Napoli		45	Naples			
Constructora Ariguani SAS	51	51	Bogotà	19,849		
CRA Consorzio Realizzazione Arca		40	Lugano			
CSLN Consorzio		28	Lugano			
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	18.75	20.75	Buenos Aires			
EDIL.CRO S.c.r.l.		16.65	Lamezia			
Emittenti Titoli S.p.A.	0.24	0.24	Milan	10,832		
Empresa Constructora Lo Saldes L.t.d.a.	35	35	Santiago	5,341		
Executive J.V. Impregilo S.p.A. Terna S.A. - Iris S.A. (in liq.)	33.33	33.33	Athens			
G.T.B. S.c.r.l.	0.01	0.01	Naples	5		
Groupement Hydrocastoro		49.5	Touggourt			
Grupo Empresas Italianas - GEI	33.33	33.33	Caracas			
Healy-Yonkers-Atlas-Gest J.V.		45	Harrogate			
I_Faber S.p.A.	8	8	Milan	583,317		
Immobiliare Golf Club Castel D'Aviano S.r.l.	0.44	0.44	Aviano	62,910		
Impregilo - Rizzani de Eccher J.V.	67	67	Lugano			
Impregilo Alfred Mcalpine Curchill Hospital J.V.		50				
Impregilo Arabia L.t.d.	50	50	Jeddah	4,164,064		
Isibari S.c.r.l.		55	Bari			
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.		0.42	Rome			

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
		516	Euro	22,724	516			
		3,400	Euro	10,000	3,400			
		35,000	Euro	100,000	35,000			
		70,339	Euro	510,000	69,564			
		3,310	Euro	10,000	3,310			
			Euro	25,822	2,582			
		4,416	Euro	10,000	4,416			
		5	Euro	130	1			
		84,000	Euro	600,000	84,000			
		4,000	Euro	10,000	4,000			
			CHF					
		12,534	Euro	155,535	12,536			
			Euro	10,000	4,500			
		19,849						
			USD	539,400	84,831			
			Euro	10,200	1,698			
		10,832	Euro	4,264,000	10,234			
		5,341	CLP	10,000,000	5,540			
			GRD	450,000				
		5	Euro	51,000	5			
			DZD	2,000,000	9,576			
			VEF	10,000,000	477,226			
		583,317	Euro	5,652,174	452,174			
		62,910	Euro	3,891,720	17,124			
		4,164,064	SAR	40,000,000	4,041,727	3,065,440	258,223	12/11
			Euro	15,300	8,415	-----	-----	-----
			Euro	111,045	466			



Equity investments

(Euro)

Name	% direct	% in-direct	registered office	amount lgl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- (continued) Construction segment						
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda	26.71	26.71	Moroussi			
Joint Venture Aktor Ate - Impregilo S.p.A. (Constantinos)	40	40	Athens			
Joint Venture Aktor S.A. - Impregilo S.p.A.	0.01	0.01	Athens			
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E.	66	66	Athens			
Joint Venture Terna - Impregilo	45	45	Athens			
Lambro S.c.r.l.	94.44	94.44	Milan	188,880		
Line 3 Metro Stations	50	50	Athens			
M.N. 6 S.c.r.l.	1	1	Naples	510		
Markland S.r.l. (in liq.)	1.9	1.9	Milan	1,270		
Metrogenova S.c.r.l.	35.63	35.63	Genoa	8,257		
Metropolitana di Napoli S.p.A.	5.18	5.18	Naples	313,652		
Mohale Dam Contractors (MDC) J.V.	50	50				
Mohale Tunnel Contractors (MTC) J.V.	35	35				
Normetro - Agrupamento Do Metropolitano Do Porto, ACE	13.18	13.18	Porto			
Quattro Venti S.c.r.l. (in liq.)	40	40	Rome	20,658		
Rimini Fiera S.p.A.	2.09	2.09	Rimini	3,193,672		
Riviera S.c.r.l.	10.54	10.54	Naples	5,271		
S. Anna Palermo S.c.r.l. (in liq.)	71.6	71.6	Palermo	18,592		
S.I.MA. GEST 3 S.c.r.l. (in liq.)	0.01	0.01	Zola Predosa	5		
Sarmento S.c.r.l.		0.01	Milan			
SI.VI.CI.CA. 2		25	Lugano			
Sirjo S.c.p.A.	40	40	Rome		12,000,000	A
Skiarea Valchiavenna S.p.A.	0.98	0.98	Madesimo	99,740		
SO.CO.TAU. S.c.r.l. (in liq.)		20.27	Guidonia			
Società di gestione SSIC-TI		5	Bellinzona			
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	26.25	35	Buenos Aires	3,945		
Thessaloniki Metro CW J.V.	42.5	42.5	Athens			
Transmetro - Construaao de Metropolitano A.C.E.	5	5	Porto			
Unicatanzaro S.c.r.l. (in liq.)		56	Germaneto			
VE.CO. S.c.r.l.	25	25	Venice	2,582		
Wurno Construction Materials - WUCOMAT Ltd		5.07	Sokoto			
Yellow River Contractors J.V.	36.5	36.5	Pechino			
- Engineering & Plant Construction segment						
Consorzio Agrital Ricerche (in liq.)		20	Maccarese			
Consorzio Aree Industriali Potentine (in liq.)		2	Baraggiano S.			
Consorzio Ramsar Molentargius (in liq.)		5.05	Rome			
Consorzio Unitam (in liq.)		3.57	Naples			
Nautilus S.c.p.a. (in liq.)		34.41	Rome			

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
188,880	L							
		510	Euro	51,000	510			
		1,270	Euro	66,810	1,269			
		8,257	Euro	25,500	9,086	9,201		12/11
		313,652	Euro	3,655,397	189,350			
			PTE	100,000				
		20,658	Euro	51,000	20,400	20,658		12/11
		3,193,672	Euro	42,294,067	883,946			
		5,271	Euro	50,000	5,270			
		18,592	Euro	40,800	29,213	29,583		12/11
		5	Euro	50,000	5			
			Euro	10,200	1			
		12,000,000	Euro	30,000,000	12,000,000			1st yr 2012
		99,740	Euro	10,568,180	103,568			
			Euro	10,200	2,068	----	----	----
			CHF	1,000,000	41,418			
		3,945						
			Euro	15,300	8,568	----	----	----
		2,582	Euro	10,200	2,550	2,582		12/99
			NGN	3,300,000	812			
			Euro	138,405	27,681			
			Euro	408,000	8,160			
			Euro	51,646	2,608			
			Euro	185,640	6,627			
			Euro	479,880	165,127	----	----	----



Equity investments

(Euro)

Name	% direct	% in- direct	registered office	amount Igl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- Concessions segment						
Villagest S.c.r.l. (in liq.)		50	Cagliari			
Aba Porto Participacoes S.A.		6.5	San Paolo			
Acqua Campania S.p.A.		0.1	Naples			
Aguas del Gran Buenos Aires S.A. (in liq.)	16.5	42.59	La Plata		21,130	D
Aguas del Oeste S.A.		33.33	Buenos Aires			
Anish Empreend e Participacoes Ltda		5.2	San Paolo			
Autopistas del Sol S.A.		19.82	Buenos Aires			
CFF Participacoes L.t.d.a.		6.5	San Paolo			
Coincar S.A.	26.25	35	Buenos Aires			
Concessionaria Das Rodovias Ayrton Senna e Carvalho Punto SA-Ecopistas		6.5	San Paolo			
Concessionaria Ecovia Caminho do Mar S.A.		6.5	Curitiba			
Concessionaria Ecovias dos Imigrantes S.A.		6.5	San Bernardo			
Consortio Agua Azul S.A.		25.5	Lima			
ECO Concessionaria de Rodovias S.A.		5.2	San Paolo			
Ecopatio CLB Imigrantes Emp. Imobiliarios S.A.		11.7	San Paolo			
Ecopatio Logistica Cubatao L.t.d.a.		5.2	San Paolo			
Ecoporto Holding S.A.		6.5	San Paolo			
Ecorodovias Concessoos e Servicos S.A.		6.5	San Paolo			
Ecorodovias Infraestrutura e Logistica S.A.		6.5	San Paolo			
Eil 01 Participacoes Ltda		5.2	San Paolo			
Eil 02 S.A.		6.49	San Paolo			
Elg 01 Participacoes L.t.d.a.		6.49	San Paolo			
Elog Logistica Sul Ltda Ltda		4.57	Curitiba			
Elog S.A.		5.2	San Paolo			
Elog Sudeste S.A. (ex Armazens Gerais Columbia S.A.)		3.93	Barueri			
Empr. Constr. Delta S.A., Josè Cartellone Constr. Civ. S.A., Iglys S.A. U.T.E.		5	Cordoba			
Empr.Concessionaria de Rodovias do Sul S.A. - Ecosul		5.85	Pelotas			
Enecor S.A.		30	Buenos Aires			
Impregilo Wolverhampton Ltd		20	Abingdon			
Ochre Solutions Holdings Ltd		40	Abingdon			
Paquetê Participacoes Ltda		5.2	San Paolo			
Pedemontana Veneta S.p.A.	19	19	Verona	1,213,500		
Puentes del Litoral S.A.	22	26	Buenos Aires			
Rodovia Das Cataratas S.A. - Ecocataratas		6.5	Cittè de Cascavel			
Servicos e Tecnologia de Pagamentos S.A.		0.83	San Paolo			
Sistranyac S.A.		20.1	Buenos Aires			
Società Autostrada Broni-Mortara S.p.A.	40	40	Milan	10,000,000		
Tangenziale Esterna di Milano S.p.A.	2.73	2.73	Milan		2,692,965	A
Tangenziale Esterna S.p.A.	15.5	16.78	Milan	15,500,000		

decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
			Euro	13,944	6,972	----	----	----
			BRL	106,107,988	2,551,050			1st yr 2012
			Euro	4,950,000	4,950			
21,130	N		ARS	45,000,000	2,954,716	(77,401)	(14,988)	12/11
			ARS	170,000	8,735	----	----	----
			BRL	14,323,150	275,486	----	----	----
			ARS	175,396,394	5,359,446			
			BRL	364,338,134	8,759,424			1st yr 2012
			ARS	40,465,122	2,183,456	2,379,772	123,882	11/11
			BRL	85,946,000	2,066,315	----	----	----
			BRL	15,600,000	375,055	----	----	----
			BRL	270,386,120	6,500,628	----	----	----
			PEN	69,001,000	5,224,601	----	----	----
			BRL	150,000,100	2,885,044			
			BRL	15,873,440	686,933			
			BRL	69,826,666	1,343,019	----	----	----
			BRL	570,064,000	13,705,489	----	----	----
			BRL	477,792,042	11,487,085	----	----	----
			BRL	1,340,699,080	32,233,111	----	----	----
			BRL	18,565,650	357,085	----	----	----
			BRL	1,000	24	----	----	----
			BRL	1,000	24	----	----	----
			BRL	4,602,208	77,793	----	----	----
			BRL	107,880,216	2,074,926	----	----	----
			BRL	87,695,482	1,274,757	----	----	----
			BRL	17,755,000	384,179	----	----	----
			ARS	8,000,000	370,004	----	----	----
			GBP	1,000	245	----	----	----
			GBP	20,000	9,803	----	----	----
			BRL	11,000,000	211,570	----	----	----
		1,213,500	Euro	6,000,000	1,140,000			
			ARS	43,650,000	1,749,658	402,321	(381,039)	12/10
			BRL	291,468,261	7,007,485	----	----	----
			BRL	22,297,000	68,451	----	----	----
			ARS	3,000,000	92,964	----	----	----
		10,000,000	Euro	25,000,000	10,000,000			
		2,692,965	Euro	53,616,422	1,463,728			
		15,500,000	Euro	100,000,000	16,780,000			



Equity investments

(Euro)

Name	% direct	% in- direct	registered office	amount Igl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
- (continued) Concessions segment						
TECONDI - Terminal para Containeres da Margem Direita S.A.			6.5 San Paolo			
TERMARES - Terminais Maritimos Especializados L.t.d.a.			6.5 San Paolo			
TERMLOG - Transporte e Logistica L.t.d.a.			6.5 San Paolo			
Yacylec S.A.		18.67	Buenos Aires			
Yuma Concessionaria S.A.	40	40	Bogotá	4,348,551		
Total investments in other non-consolidated companies				40,148,096	14,784,739	
Total equity investments with positive carrying amounts				568,028,583	41,767,624	



decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
			BRL	28,000,000	673,177			
			BRL	52,500,402	1,262,216			
			BRL	8,577,124	206,211			
			ARS	20,000,000	575,665	----	----	----
		4,348,551	COP	26,000,100,000	4,461,181			
314,524		54,618,311						
29,601,451		580,194,756						



Equity investments

(Euro)

Name	% direct	% in- direct	registered office	amount lgl S.p.A. 1.1.2012 (Euro)	increases for the year	no.
SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES - CONSOLIDATED, WITH NEGATIVE CARRYING AMOUNT						
Campione S.c.r.l. (in liq.)	99.9	99.9	Milan	(931,066)		
Construtora Impregilo y Asociados S.A.-CIGLA S.A.	100	100	San Paolo	(380,221)		
Empresa Constructora Angostura L.t.d.a.	65	65	Santiago			
Grupo ICT II S.a.s.	100	100	Bogotá			
Grupo Unidos Por El Canal S.A.	48	48	Panama			
Impregilo Colombia SAS	100	100	Bogotá			
Lavori Lingotto S.c.r.l. (in liq.)	100	100	Turin	(1,280,793)		
PGH Ltd	100	100	Port Harcourt	(1,779,389)		
Total investments in subsidiaries, associates and jointly controlled entities – consolidated, with negative carrying amount				(4,371,469)		



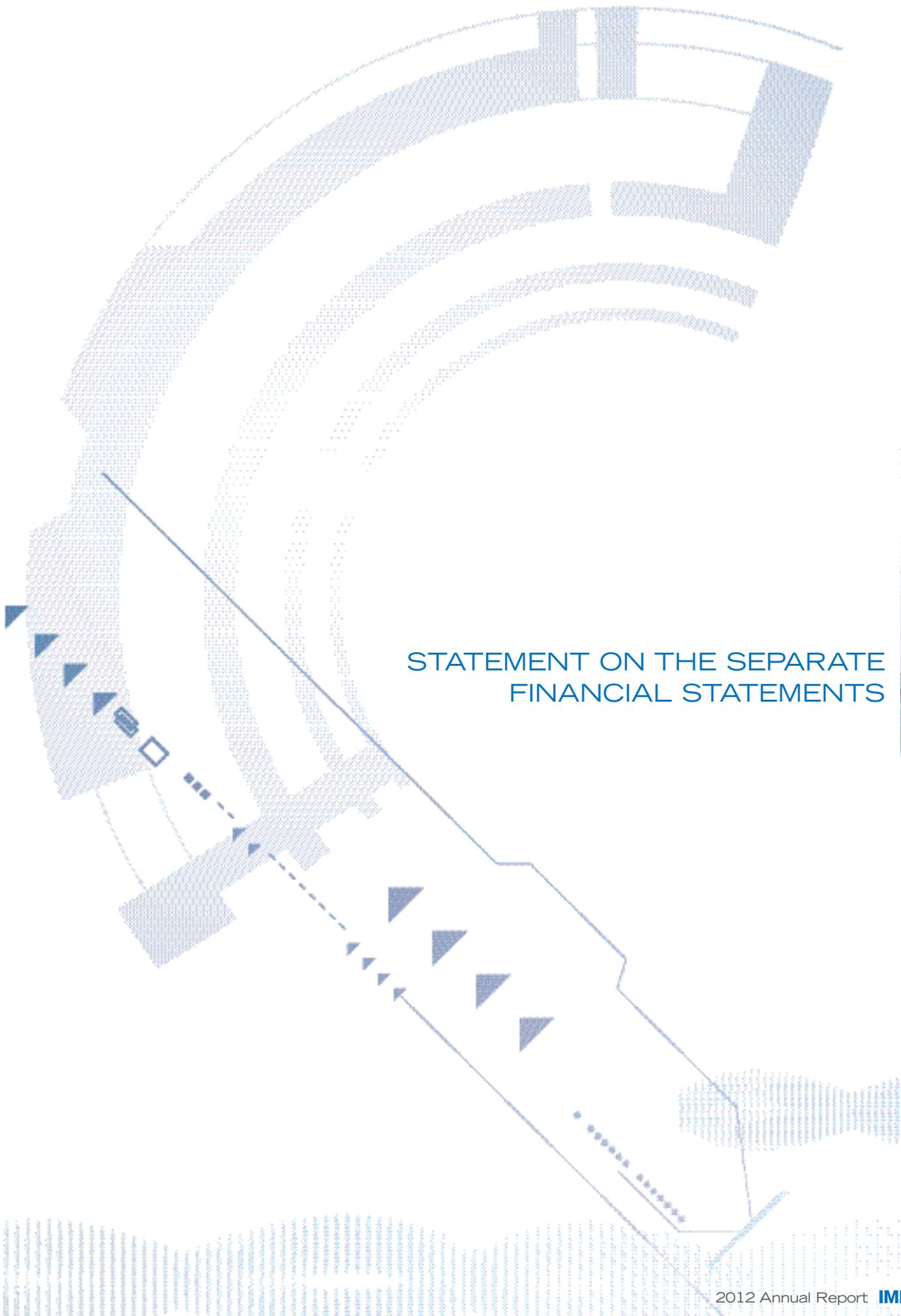
decreases in the year	no.	amount Igl S.p.A. 31.12.2012 (Euro)	Curr- ency	nom. value sub./pag. in rep. currency 31.12.2012	nom. value sub./pay. of investment (Euro)	Lastest published financial statements translated into Euros at 31.12.2012 (direct investment)		
						reporting equity	profit (loss)	reporting date
		(931,066)	Euro	11,000	10,989			
		(380,221)	BRL	7,641,014	2,826,237			
(11,263,310)	N	(11,263,310)	CLP	50,000,000	51,446			
(67,337,712)	N	(67,337,712)	COP	1,300,000,000	557,646			
(138,515,006)	N	(138,515,006)	USD	1,000,000	363,802			
(23,056,237)	N	(23,056,237)	CLP	5,877,000,000	2,520,987			
		(1,280,793)	Euro	25,000	25,000			
		(1,779,389)	NGN	52,000,000	252,300			
(240,172,265)		(244,543,734)						



Summary of changes in equity investments

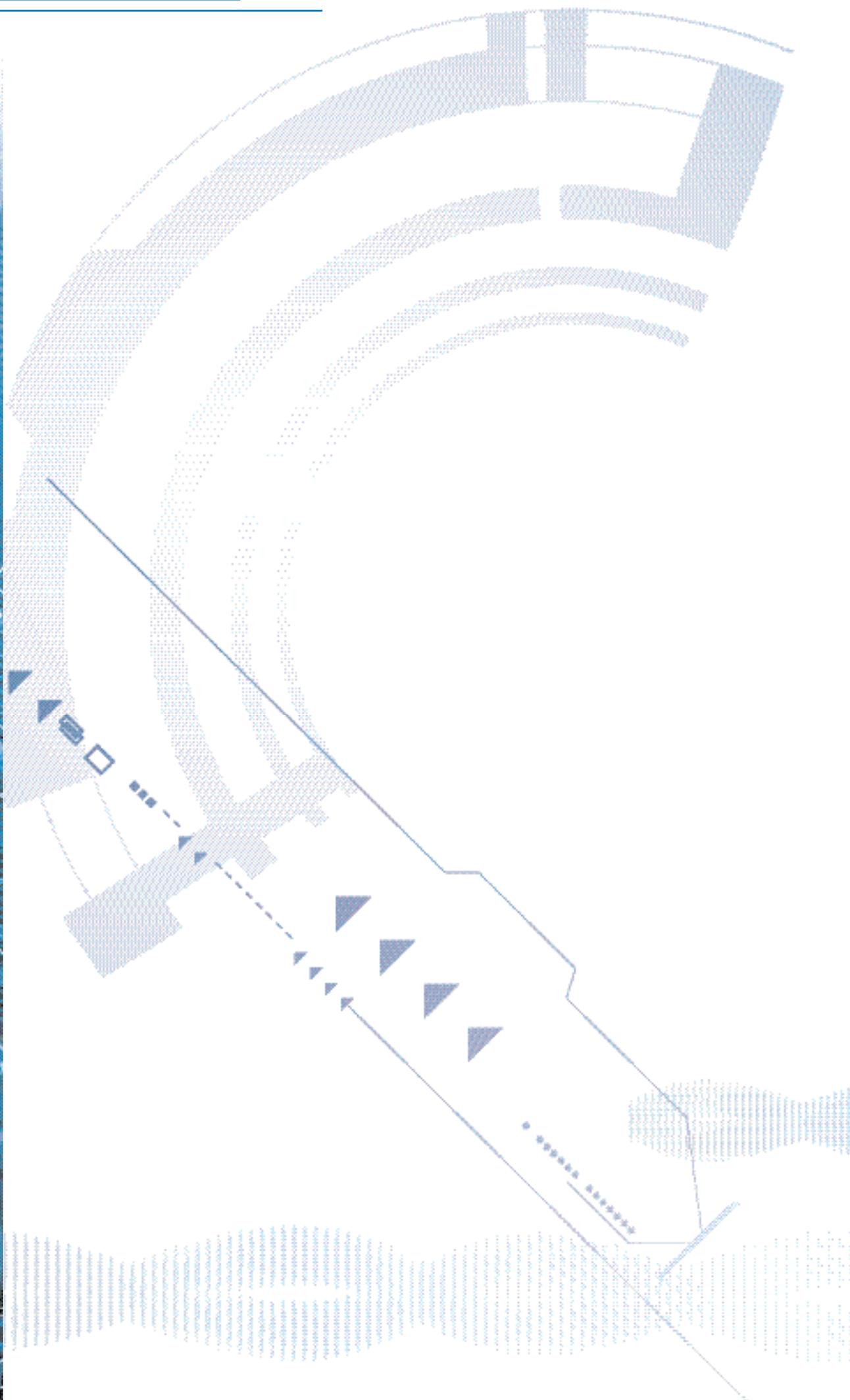
Summary of changes in equity investments			
(Euro)		Increases	Decreases
Incorporations and subscriptions	A	14,760,065	
Acquisitions and increases in investments	B		
Reclassifications	C		
Capital increases	D	2,021,130	
Capital injections for capital increases	E		
Reclassifications due to changes in scope	F		16,800,000
Intragroup sales	G		
Sales to third parties	H		
Liquidations	I		20,777
Reclassifications due to changes in investments or other changes	L	188,880	188,880
Reversals of impairment losses to the extent of previously recognised impairment losses	M	21,000,000	
Impairment losses	N		252,764,058
Reconstitution of share/quota capital to cover losses	O	3,797,549	
Revaluations	P		
Mergers	Q		
Cancellations due to mergers	R		
Reclassifications of investments with a negative carrying amount	S		
Total		41,767,624	269,773,715

(^{ooo}) Imprepar's subsidiaries and associates are mainly dormant, held for sale or in liquidation and, hence, their list is not attached hereto.



STATEMENT ON THE SEPARATE FINANCIAL STATEMENTS





Statement on the separate financial statements pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1 Pietro Salini, as CEO, and Rosario Fiumara, as central corporate manager and manager in charge of financial reporting, of Impregilo S.p.A., considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state:

- that the administrative and accounting procedures are adequate given the company's characteristics; and
- that they were actually applied

during 2012 to prepare the separate financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 the separate financial statements:

- a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to EC regulation 1606/2002 of the European Parliament and Council of 19 July 2002;
- b) are consistent with the accounting records and entries;
- c) are suitable to give a true and fair view of the financial position of the Issuer at 31 December 2012 and its results of operations and cash flows for the year then ended;

3.2 the directors' report includes a reliable analysis of the financial position and results of operations of the Issuer and the consolidated companies, together with information about the main risks and uncertainties to which they are exposed.

Milan, 25 March 2013

Chief Executive Officer

Pietro Salini

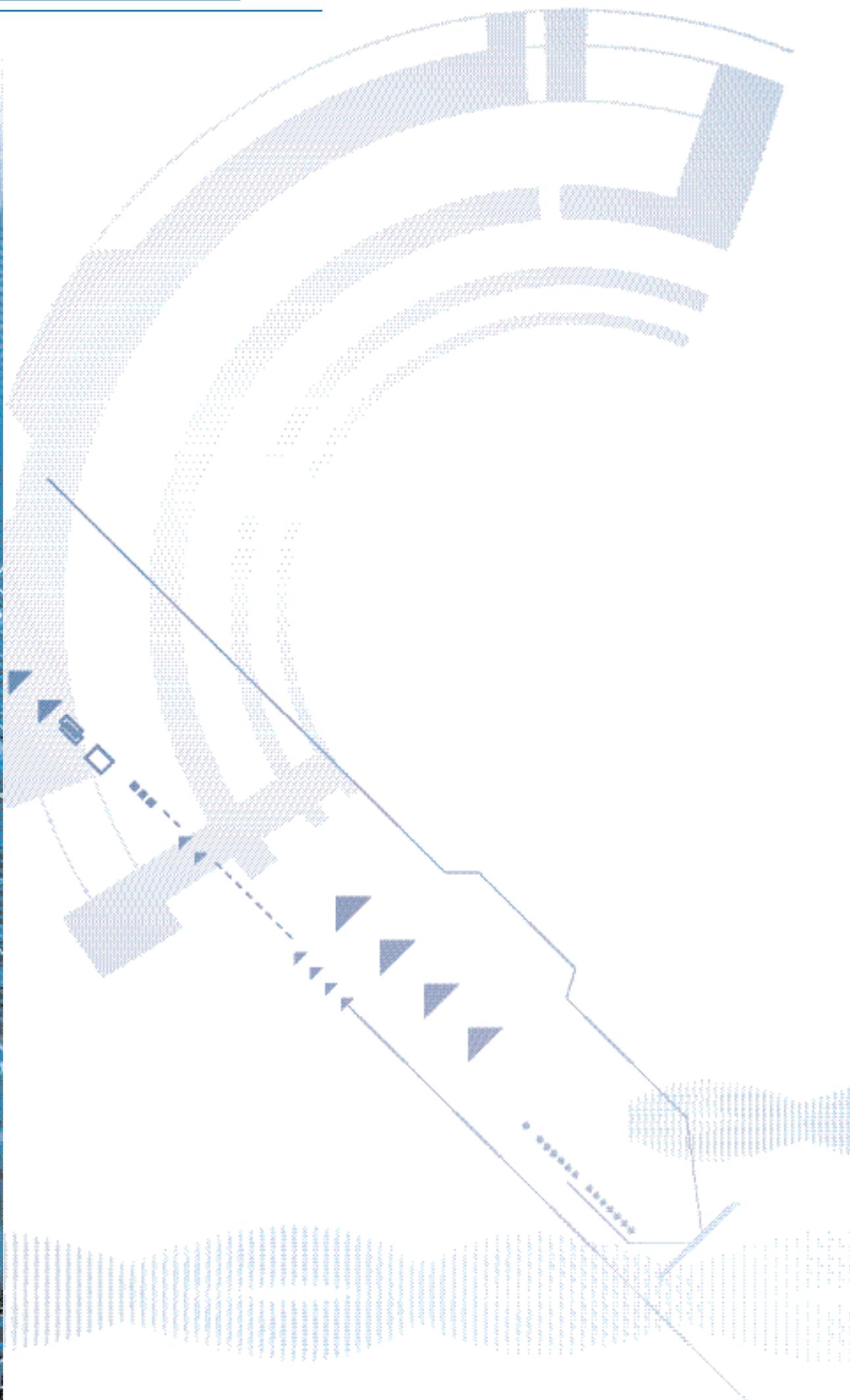
(signed on the original)

Manager in charge of financial reporting

Rosario Fiumara

(signed on the original)





REPORTS OF THE INDEPENDENT AUDITORS
AND BOARD OF STATUTORY AUDITORS



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AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Impregilo SpA

1 We have audited the consolidated financial statements of Impregilo SpA and its subsidiaries ("Impregilo Group") as of 31 December 2012 which comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flows and related notes. The directors of Impregilo SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present, for comparative purposes, the prior year consolidated financial figures. As disclosed in the notes, directors restated some comparative figures related to the prior year, in respect to the figures previously presented and on which we issued our report on 5 April 2012. The methods used to restate the comparative figures and the disclosures presented in the notes have been examined by us for the purpose of expressing the opinion on the consolidated financial statements as of 31 December 2012.

3 In our opinion, the consolidated financial statements of Impregilo Group as of 31 December 2012 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Impregilo Group for the period then ended.

4 We draw your attention to the following circumstances described in more details in the Directors' report and in the notes to the consolidated financial statements as of 31 December 2012:

(i) "USW Campania Projects"

Directors have disclosed the significant developments of the issues connected to the activity related to the realization and management of the Urban Solid Waste disposal

PricewaterhouseCoopers SpA

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plants in Campania (USW projects) operated by Fibe SpA and Fibe Campania SpA (merged in Fibe SpA).

Details are reported in chapter “Non-current assets held for sale” of the Directors’ report – Part II and in the notes to the consolidated financial statements.

(ii) “Libyan situation”

Directors have disclosed the situation of the Group’s activities in Libya. Details are reported in the paragraph “Construction – Risk Areas” of the chapter “Performance by business segment” of the Directors’ report – Part II and in the notes to the consolidated financial statements.

- 5 The directors of Impregilo SpA are responsible for the preparation of the Directors’ report in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors’ report and of the specific section on corporate governance and ownership structure, solely with reference to the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard No. 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the Directors’ report and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98 presented in the specific section of the aforementioned report are consistent with the consolidated financial statements of Impregilo Group as of 31 December 2012.

Milan, 5 April 2013

PricewaterhouseCoopers SpA

Signed by
Giorgio Greco
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the consolidated financial statements referred to in this report.



AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the shareholders of
Impregilo SpA

1 We have audited the separate financial statements of Impregilo SpA as of 31 December 2012 which comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes. The directors of Impregilo SpA are responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these separate financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the separate financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the separate financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 5 April 2012.

3 In our opinion, the separate financial statements of Impregilo SpA as of 31 December 2012 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been prepared clearly and give a true and fair view of the financial position, result of operations and cash flows of Impregilo SpA for the period then ended.

4 We draw your attention to the significant developments of the issues connected to the activity related to the realization and management of the Urban Solid Waste disposal plants in Campania (USW projects) operated by Fibe SpA and Fibe Campania SpA (merged in Fibe SpA). Details are reported in chapter "Non-current assets held for sale" of the Directors' report – Part II and in the notes to the separate financial statements.

5 The directors of Impregilo SpA are responsible for the preparation of the Directors' report in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Directors' report and of the specific section on corporate governance and ownership structure, solely with reference to the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98, with the financial statements, as required by law. For this purpose, we have

PricewaterhouseCoopers SpA

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performed the procedures required under Italian Auditing Standard No. 001 issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and recommended by Consob. In our opinion, the Directors' report and the information referred to in paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b), of article 123-bis of Legislative Decree No. 58/98 presented in the specific section of the aforementioned report are consistent with the separate financial statements of Impregilo SpA as of 31 December 2012.

Milan, 5 April 2013

PricewaterhouseCoopers SpA

Signed by
Giorgio Greco
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers. We have not examined the translation of the separate financial statements referred to in this report.



(Translation from the Italian original which remains the definitive version)

IMPREGILO S.p.A.

Registered office in Milan - Via dei Missaglia 97

Share capital Euro 718,364,456.72

Tax code and Milan Company Registration no. 00830660155

**REPORT OF THE BOARD OF STATUTORY AUDITORS
ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IMPREGILO S.p.A.
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2012**

Dear shareholders,

The consolidated financial statements of Impregilo group as at and for the year ended 31 December 2012, given to us with the separate financial statements of Impregilo S.p.A., include the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity and the notes thereto. They have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union and effective at 31 December 2012.

They show equity of euro 1,805,805 thousand, including the share attributable to non-controlling interests (euro 4,851 thousand), and a profit for the year of euro 602,999 thousand, including the profit attributable to non-controlling interests of euro 340 thousand.

Based on the information obtained from the independent auditors, PricewaterhouseCoopers S.p.A., the figures in the consolidated financial statements comply with those in the accounting records of the parent and information formally sent to it by its subsidiaries.

The independent auditors issued an unqualified report on the consolidated financial statements, stating that they are clearly stated and give a true and fair view of the group's financial position, financial performance and cash flows.



The report includes two emphasis of matter paragraphs, with which we agree.

The parent complied with the disclosure requirements of article 2428 of the Italian Civil Code in a single document.

The specific information about the group, as shown in the figures set out in the consolidated financial statements, is given in detail in the directors' report which comments on the group companies' performance, the group's decisions and strategies.

Milan, 5 April 2013

Board of Statutory Auditors

Alessandro Trotter - Chairperson (signed on the original)

Fabrizio Gatti - Statutory auditor (signed on the original)

Nicola Miglietta - Statutory auditor (signed on the original)



(Translation from the Italian original which remains the definitive version)

IMPREGILO S.p.A.

Registered office in Milan - Via dei Missaglia 97

Share capital euro 718,364,456.72

Tax code and Milan Company Registration no. 00830660155

**REPORT OF THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS OF IMPREGILO S.p.A.
PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE NO. 58/1998
AND ARTICLE 2429.2 OF THE ITALIAN CIVIL CODE**

Dear shareholders,

Pursuant to ruling legislation covering public companies listed on regulated markets and in accordance with the Italian Civil Code requirements, we inform you that we performed the supervisory activities based on the conduct standards recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti and Esperti contabili) and the Consob (the Italian Commission for Listed Companies and the stock exchange) communications about company controls and board of statutory auditors' activities during 2012.

We would firstly like to note that the company was affected by the following events during the year which we do not comment on but which require presentation. On 17 July 2012, the shareholders removed the board of directors in office and elected the current board. On the same date, the chairperson of the board of statutory auditors resigned for professional reasons. He was substituted by Alessandro Trotter and the substitute statutory auditor, Fabrizio Gatti, became an effective member. On 19 November 2012, the substitute statutory auditor Michela Zeme resigned. Therefore, the shareholders should elect the statutory auditors necessary to integrate the board of statutory



auditors which falls from office with the approval of the financial statements at 31 December 2013. The new board of directors, composed of 15 directors, nine of whom are independent, took office and appointed an executive committee, a remuneration and appointment committee, a risk and control committee and a related party transactions committee. As a result, it modified the parties involved in the company's corporate governance system.

Based on our work performed during the year and considering specifically the guidelines set out by Consob in its communications, we note the following:

- we monitored compliance with the law and the by-laws;
- we took part in the shareholders' meeting, as well as all the meetings of the board of directors held during the year and obtained regular information from the directors on the activities and key transactions performed by the company and its subsidiaries;
- pursuant to article 19.1 of Legislative decree no. 39/2010, we monitored the financial reporting system, the effectiveness of the internal controls, internal audit and risk management; the legally-required audit of the annual separate and consolidated financial statements; the independence of the auditors engaged to perform the legally-required audit, especially as regards the provision of non-audit services;
- in accordance with article 19.3 of Legislative decree no. 3/2010, the independent auditors informed us about the key findings of their legally-required audit and, specifically, on the absence of significant weaknesses in the internal controls over financial reporting;



- we actively took part in meetings of the executive committee, the internal control committee (which has changed its name to the risk and control committee), the remuneration and appointment committee and the supervisory board and collected information about their work, including at the subsidiaries;
- we acknowledged preparation of the remuneration report as per article 123-ter of Legislative decree no. 58 of 24 February 1998 and article 84-quater of Consob regulation no. 11971/1999, and have no comments to make, and the report on corporate governance and the ownership structure as per article 123-bis of the Consolidated Finance Act;
- we checked the consistency of changes to the by-laws with the legal provisions and regulations, including Law no. 120 of 12 July 2011, which introduced the rules about gender equality in boards of directors and statutory auditors of listed companies into Legislative decree no. 58 of 24 February 1998 (articles 147-ter and 148);
- we monitored the consistency of internal procedures governing related party transactions with the relevant Consob regulations and that they were complied with;
- we checked compliance with the laws and regulations about the preparation and format of financial statements, verifying the suitability of the impairment tests (in terms of the method used) and the consistency of the 2012 directors' report.

A number of significant events took place in 2012 which are worthy of mention in this report; specifically:

- As a result of the shareholders' meeting held on 12 July 2012, suspended and completed in the

- meeting of 17 July 2012 pursuant to article 2374 of the Italian Civil Code, a new board of directors was elected.
- On 18 July 2012, the board of directors met in an urgent meeting as per article 22 of the by-laws and appointed a CEO and the board committees listed at the start of this report.
 - On 30 July 2012, a corporate governance advisory board was set up to provide proposals and opinions to the board of directors and its committees, assisted by independent experts, to align the corporate governance rules with best practices, especially as regards the management of conflicts of interest and protection of non-controlling investors. On 28 August, the board of directors approved the inclusion of an external expert in the board.
 - On 25 September 2012, the company's board of directors approved a strategic commercial and organisational cooperation agreement with Salini Costruttori S.p.A.. The related information document was posted on the internet site in the "Other corporate governance documents" section.
 - On 6 December 2012, the board of directors approved a strategic growth and development plan covering the period from 2013 to 2015.
 - After year end, on 6 February 2013, Salini S.p.A. informed the market of its decision to launch a voluntary takeover bid pursuant to article 106 of Legislative decree no. 58/98 for all the ordinary shares of Impregilo S.p.A. not already held by it, excluding the saving shares, at a price of euro 4 per share.

Pursuant to the guidelines provided by Consob about statutory auditors' reports, we provide the following information:



1. Significant financial or capital transactions

The directors informed us periodically about the operations and key transactions undertaken by the company and its subsidiaries. They also described such operations and transactions in their report with details of their characteristics and effects.

We obtained adequate information about them in order to be in a position to assess their compliance with the law, by-laws and correct administration standards.

2. Atypical and/or unusual transactions, intragroup transactions or related party transactions

We did not identify nor were we informed by the directors, independent auditors or internal control head about any atypical and/or unusual transactions carried out with third parties, related parties or other group companies.

3. Adequacy of information provided in the directors' report about atypical and/or unusual transactions, intragroup transactions or related party transactions

The directors described the day-to-day transactions carried out during the year with group companies and related parties in the notes to the separate financial statements to which reference should be made, also for details about their characteristics and financial effects.

They did not identify any critical issues with respect to their suitability and compliance with the company's interests. As described in detail in the report on corporate governance, the board of directors approved a procedure for related party transactions (the "Procedure") in its meeting of 30 November 2010 pursuant to Consob regulation no. 17221 of 12 March 2010. We assessed the compliance of this procedure with the instructions set out in this regulation. In its meetings of 20 April and 9 July 2012, the board of directors amended the Procedure, with the favourable opinion of

the related party transactions committee. On the same dates, the board of statutory auditors confirmed that the amended Procedure was consistent with the regulation principles. The board of directors elected by the shareholders on 17 July 2012 commenced a process to assess whether the Procedure should be amended, assisted by the related party transactions committee and the corporate governance advisory board. This process is still ongoing. We checked that the Procedure had been posted on the internet site in the “Corporate Governance - Related party transactions” section.

4. Comments on and proposals about the findings and disclosures in the independent auditors’ report

The independent auditors issued an unqualified report on the separate financial statements. They stated that the financial statements comply with the regulations governing their preparation and included an emphasis of matter paragraph with which we agree. This is set out in point 18 of this report.

5. Complaints as per article 2408 of the Italian Civil Code

No such complaints were received.

6. Communications presented

No communications were presented.



7. Engagements of independent auditors

We obtained evidence from the company supporting the recognition of the following fees paid to the independent auditors, PricewaterhouseCoopers S.p.A., and companies belonging to their network for their services provided in 2012, as set out in the following table (in Euros):

Fees	Audit	Other services	Total
Audit of the separate financial statements (*)	565,077		565,077
Audit of the consolidated financial statements	92,605		92,605
Review of the interim financial report	93,705		93,705
Quarterly checks pursuant to Legislative decree no. 58/1998	16,579		16,579
Total ordinary audit activities	767,966		767,966
Other services			
Audit of the financial statements of the Italian subsidiaries	460,332		460,332
Other services (attestation services and other agreed-upon procedures engagements, etc.)		178,000	178,000
Tax services		840	840
Total other services	460,332	178,840	639,172
Total			1,407,138

(*) Includes euro 156,476 related to audit services provided to foreign branches by foreign entities of the PricewaterhouseCoopers network.

The independent auditors confirmed their continued independence and objective position in respect of Impregilo S.p.A. and Impregilo group during the year.

8. Assignment of other engagements to parties related to the independent auditors

We noted that the company also recorded the following additional fees paid to companies or professional firms part of the international PricewaterhouseCoopers network for the following engagements (in Euros):

Company / Tax and legal firm of the international network	Service provided	Amount
PricewaterhouseCoopers network	Audit services for foreign group companies	293,935
PricewaterhouseCoopers network	Other attestation, administrative and tax advisory services	275,541
Total		569,476

9. Legally-required opinions

Opinions pursuant to article 2389 of the Italian Civil Code were expressed during the year.

10. Frequency of attendance at company body meetings

We took part in 19 meetings of the board of directors, 14 of the executive committee, eight of the risk and control committee, seven of the remuneration and appointment committee and held 12 board of statutory auditors' meetings.

11. Compliance with correct administration standards

We have no comments to make about compliance with such standards based on our work.



12. Adequacy of the organisational structure

We believe that the company's organisational structure is adequate given its size and type of activities.

13. Adequacy of the internal control system

We supervised, tested and checked the adequacy of the internal control system. Specifically:

- a) we regularly obtained information about the operations carried out during the meetings of the control and risk committee (formerly the internal control committee), through meetings with the internal control supervisor and by obtaining specific periodic documentation;
- b) we were provided with the internal control supervisor's report which summarised the activities carried out during the year, principally aimed at ensuring compliance with and the adequacy of the group's internal controls. This entailed our performing tests at different internal levels at the company's sites and corporate offices;
- c) we were provided with the supervisory board's reports required by Legislative decree no. 231/2001 which summarise its activities for the year.

To the extent of its duties, this board holds that the "Organisational, management and control model", adopted by the company and regularly revised, is suitable to prevent the crimes covered by the aforesaid Legislative decree.

14. Adequacy of the administrative-accounting system and its reliability

We monitored and tested the adequacy of the administrative-accounting system and its ability to correctly show the company's operations of the year by obtaining information from the different department heads, reviewing internal documentation and analysing the findings of the work performed by the independent auditors.



15. Adequacy of the instructions given to subsidiaries

We believe that the instructions issued by the company to its subsidiaries pursuant to article 114.2 of Legislative decree no. 58/1998 are adequate to ensure compliance with the legal disclosure requirements.

16. Issues which arose during meetings with the independent auditors.

No issues arose during the meetings with the independent auditors, held in accordance with article 150 of Legislative decree no. 58/1998, that require disclosure or were significant in nature.

17. Compliance with the Code of Conduct of the Committee for Corporate Governance of Listed companies

The company has complied with the Code of Conduct prepared by the Committee for Corporate Governance of Listed Companies. During 2012, it made the necessary changes to comply with the new version of the Code issued in December 2011.

As required by the Consolidated Finance Act and article 89-bis of the Consob Issuer Regulation, the company prepared and published the subject report and included it in the directors' report.

We checked the correct application of the criteria and procedures used by the board of directors to assess the independence of its members.

We verified that all the statutory auditors continued to meet the independence criteria established by the Code of Conduct throughout 2012.

18. Assessment of the supervisory activities

As noted, no reprehensible behaviour, omissions or irregularities were noted during our work that would require communication to the supervisory bodies. However, we were in contact with Consob



during the second half of the year to discuss communications received from shareholders and requests made directly by the supervisory authority.

We point out the important developments in the issue of the construction and management of urban solid waste (USW) plants in Campania affecting two SPEs, FIBE S.p.A. and FIBE Campania S.p.A. (now merged into FIBE S.p.A.), described in detail in the directors' report and in the notes to the separate financial statements.

Moreover, the profit for the year reflects recognition of the effects of the sale of the investment in Ecorodovias Infrastruttura e Logistica S.A., held by Impregilo through Impregilo International Infrastructures N.V., to third parties.

19. Proposals to the shareholders

To the extent we are concerned, we state our consent to approval of the separate financial statements as at and for the year ended 31 December 2012 and the directors' report as they are presented by the board of directors, and the proposals made by the directors about allocation of the profit for the year.

Milan, 5 April 2013

Board of Statutory Auditors

Alessandro Trotter - Chairperson (signed on the original)

Fabrizio Gatti - Statutory auditor (signed on the original)

Nicola Miglietta - Statutory auditor (signed on the original)





ABSTRACT FROM THE SHAREHOLDER AGREEMENTS



(Translation from the Italian original which remains the definitive version)
**Abstract from the shareholder agreements communicated to Consob
pursuant to article 122 of Legislative decree no. 58 of 24 February 1998
IMPREGILO S.p.A.**

The shareholder agreement signed by Argo Finanziaria S.p.A., Autostrade per l'Italia S.p.A., Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. on 12 June 2010, which aimed at covering the relationships of the Parties as shareholders of IGLI S.p.A. directly and of Impregilo S.p.A. indirectly, terminated on 8 March 2012 due to Autostrada Torino Milano S.p.A.'s acquisition of the entire share capital of IGLI S.p.A..

Pursuant to article 122 of the Consolidated Act and article 127 and following articles of the Consob regulation, the following is notified.

Introduction

- (A) On 27 December 2011, Argo Finanziaria S.p.A., with registered office at Corso Romita 10, Tortona ("**Argo Finanziaria**") and Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l., both with registered office at Corso Galileo Galilei 12, Turin (respectively "**Immobiliare Fondiaria SAI**" and "**Immobiliare Milano Assicurazioni**") signed a contract for the acquisition by Argo Finanziaria of 8,040,000 ordinary shares, equal to 33.33% of the share capital of IGLI S.p.A., with registered office at Via Quintino Sella 4, Milan, Milan Company Registration no. and tax code 04822800969, share capital of Euro 24,120,000.00 ("**IGLI**").
- (B) On 24 February 2012, Argo Finanziaria and Autostrade per l'Italia S.p.A., with registered office at Via A. Bergamini 50, Rome ("**Autostrade**") signed a contract for the acquisition by Argo Finanziaria of 8,040,000 ordinary shares, equal to 33.33% of IGLI's share capital.
- (C) Each of the contracts set out in (A) and (B) (the "**Fondiaria and Autostrade purchase and sale contracts**") provides that Argo Finanziaria has the right to appoint Autostrada Torino Milano S.p.A., with registered office at Corso Regina

Margherita 165, Turin ("**ASTM**") as the buyer of the shares covered by the agreements.

- (D) On 5 March 2012, following the appointment by Argo Finanziaria and related acceptance by ASTM, the latter replaced the former in the Fondiaria and Autostrade purchase and sale contracts as the appointed party as per article 1401 of the Italian Civil Code and acquired/assumed Argo's rights and obligations under the Fondiaria and Autostrade purchase and sale contracts.
- (E) On 6 March 2012, Argo Finanziaria and ASTM signed a contract for the acquisition by ASTM of 8,040,000 ordinary shares, equal to 33.33% of IGLI's share capital ("**Argo Finanziaria purchase and sale contract**").
- (F) On 8 March 2012, following the performance of the Fondiaria and Autostrade purchase and sale and Argo Finanziaria purchase and sale contracts, ASTM acquired IGLI's entire share capital. IGLI, in turn, holds 120,576,293 ordinary shares, equal to 29.96% of the ordinary share capital of Impregilo S.p.A., with registered office at Via dei Missaglia 97, Milan, Milan Company Registration no. 00830660155, share capital Euro 718,364,456.72 split into 404,073,428 shares, including 402,457,937 ordinary shares and 1,615,491 savings shares, with no mention of their nominal amount ("**Impregilo**").
- (G) Due to the transactions set out in (A), (B), (D), (E) and (F), the shareholder agreement that Argo Finanziaria, Autostrade, Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni signed to cover the relationships of the Parties as shareholders of IGLI S.p.A. directly and of Impregilo S.p.A. indirectly was terminated.
- (H) The Fondiaria and Autostrade purchase and sale contracts include certain shareholder agreements which are summarised below.



1. Company whose financial instruments are covered by the shareholder agreements

The shareholder agreements cover: (i) IGLI and (ii) Impregilo.

2. Parties and financial instruments covered by the shareholder agreements

IGLI's share capital is wholly-owned by ASTM.

IGLI holds 120,576,293 ordinary shares, equal to 29.96% of Impregilo's ordinary share capital.

The shareholder agreements summarised herein have been entered into by ASTM and Autostrade and by ASTM and Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni.

At the date of this abstract, Autostrade, Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni do not hold either IGLI or Impregilo shares.

3. Content of the shareholder agreements

The Fondiaria and Autostrade purchase and sale contracts provide that:

- A) each seller (and, hence, namely, Autostrade, Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni, collectively the "Sellers"):
- (i) when so requested by ASTM, shall ensure that the members of IGLI and Impregilo's boards of directors elected from the Sellers' list resign irrevocably from their offices;
 - (ii) when so requested by ASTM, shall do everything in their power so that the members of IGLI and Impregilo's boards of statutory auditors elected from the Sellers' list resign irrevocably from their offices.
- B) At IGLI and Impregilo shareholders' meetings, ASTM shall not propose, and if proposed by the other shareholders shall vote against, any derivative claims and lawsuits against the directors and/or statutory auditors of IGLI and/or Impregilo

elected from the Sellers' list, who have resigned following its request to Sellers to ensure their resignation.

- C) Immobiliare Fondiaria-SAI and Immobiliare Milano Assicurazioni shall not acquire, either directly or indirectly, through trustees or nominees, for any reasons, Impregilo shares during the 12 (twelve) month period starting from 8 March 2012.
- D) Autostrade shall not acquire, either directly or indirectly, through trustees or nominees, for any reasons, Impregilo shares during the 24 (twenty-four) month period starting from 8 March 2012.

4. Party exercising control pursuant to article 93 of the Consolidated Finance Act

There is no party which controls Impregilo pursuant to article 93 of the Consolidated Act as a result of the shareholder agreements.

5. Filing of the purchase and sale contracts comprising the shareholder agreements

The Fondiaria and Autostrade purchase and sale contracts comprising the shareholder agreements were filed with the Milan Company Registrar Office on 9 March 2012 (no. PRA/64430/2012/CMIAUTO, Automated registration of 9 March 2012).

12 March 2012
Autostrada Torino Milano S.p.A.





RESOLUTIONS TAKEN BY THE SHAREHOLDERS IN THEIR MEETING OF 30 APRIL 2013

Resolutions taken by the shareholders in their meeting of 30 April 2013

Holders of 352,321,351 ordinary shares, equal to roughly 87.54% of the share capital with voting rights, attended the ordinary shareholders' meeting of IMPREGILO S.p.A., held on 30 April 2013 and chaired by the chairperson Claudio Costamagna.

The shareholders:

approved the financial statements as at and for the year ended 31 December 2012 and the proposed allocation of the profit for the year as follows:

- euro 36,930,293.29, equal to 5% of the profit for the year, to the legal reserve;
- euro 599,662,326.13 as a dividend to the holders of ordinary shares, equal to euro 1.49 per share;
- euro 2,575,092.65 as a dividend to the holders of savings shares, equal to euro 1.594 per share;
- euro 99,438,153.71 to be carried forward;

to set the ex-dividend date as 20 May 2013 and the payment date as 23 May 2013;

confirmed Alessandro Trotter as chairperson of the board of statutory auditors and Fabrizio Gatti as standing statutory auditor and appointed Marco Tabellini and Pierumberto Spanò as substitute statutory auditors;

resolved to increase the board of statutory auditors' remuneration starting from 2013 by an attendance fee for attending each meeting of the board of directors and its committees. Specifically, the chairperson and each standing statutory auditor will receive euro 1,000 (one thousand) for their personal attendance and euro 500.00 (five hundred) for their attendance by conference call or video conference.

The shareholders cast their advisory votes in favour of the first section of the Remuneration report pursuant to article 123-ter of the Consolidated Finance Act.



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