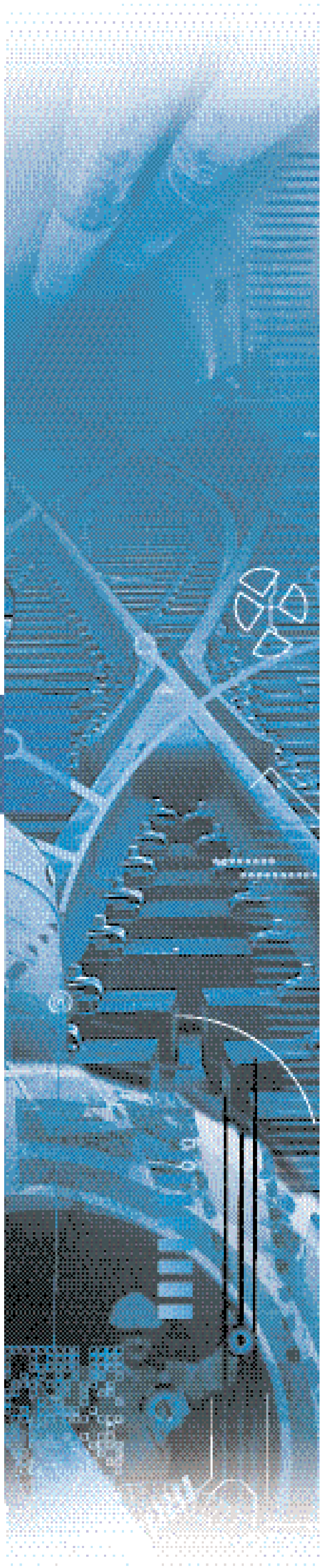
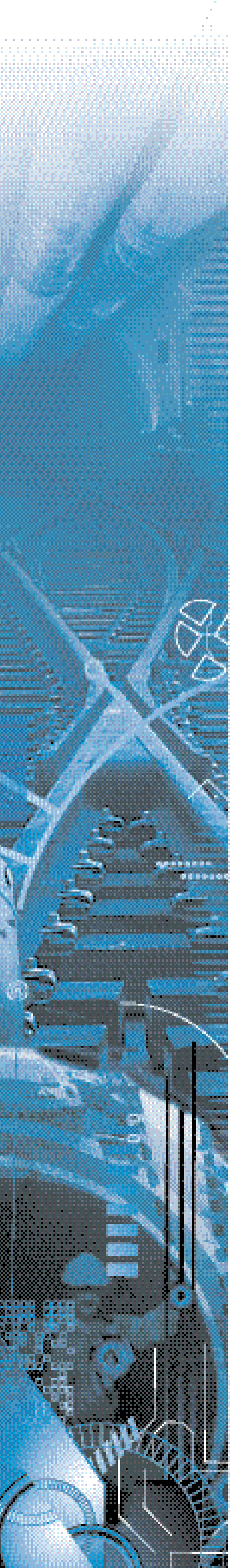
Impregilo Group interim financial report
at 30 June 2013

salini impregilo



Interim financial report at 30 June 2013

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
Impregilo S.p.A. Company managed and coordinated by Salini S.p.A.



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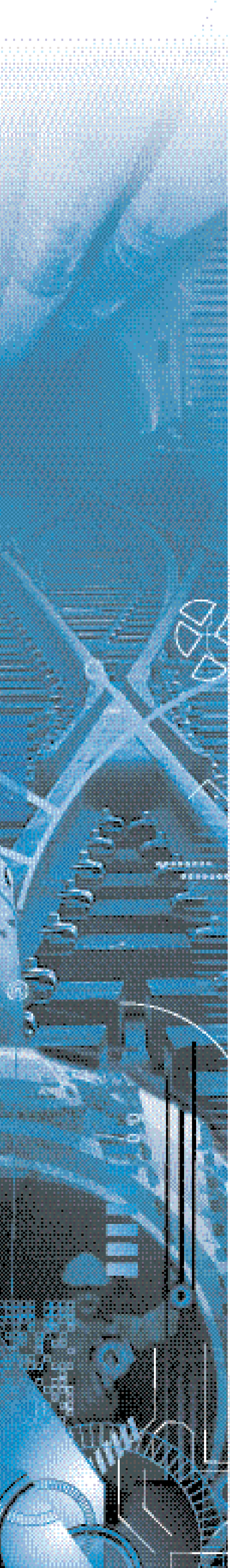
GENERAL INFORMATION

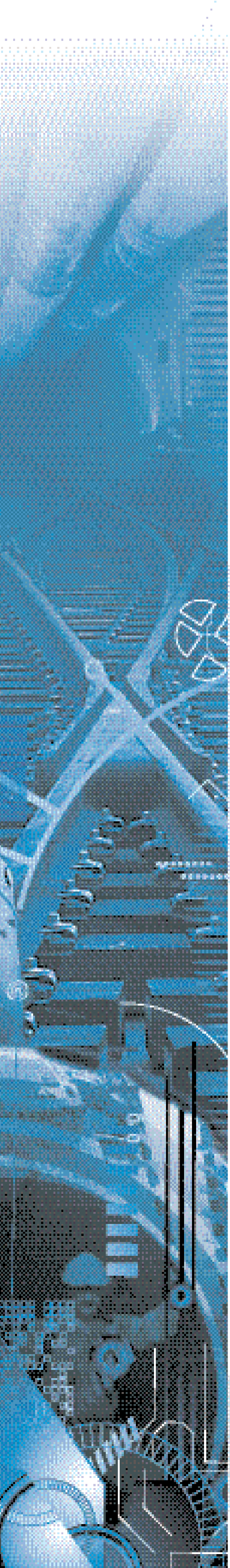


COMPANY OFFICERS

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.
(*) Resigned on 5 July 2013.

Favazzina viaduct, Salerno Reggio Calabria motorway – Italy



IMPREGILO GROUP STRUCTURE AT 30 JUNE 2013

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
Consorcio 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 218 COMPANIES

TOTAL 286

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
Società Autostrade Broni-Mortara S.p.A.		59.8
Ochre Solutions Holding L.t.d.		40
Yuma Concessionaria S.A.		40
Puentes del Litoral S.A.		26
- Impregilo S.p.A.	22	
- Iglys S.A.	4	
Consorcio Agua Azul S.A.		25.5
Yacylec S.A.		18.67

OTHER 12 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.r.l. (in liq.)		99
- Fisia Italimpianti S.p.A.	54	
- Impregilo S.p.A.	24	
- Fisia Babcock Environment Gmbh	21	
Shanghai Pucheng T.P.E. Co. L.t.d.		50
- Impregilo Intern. Infrastruc. N.V.	50	

OTHER 5 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 Italimpianti S.p.A.	0.003	

THE HISTORICAL PRESENCE

Algeria
Argentina
Australia
Austria

Bahrain
Belgium
Bolivia
Botswana
Brazil
Burkina Faso
Burundi

Cameroon
Canada
Chad
Chile
China
Colombia
Cote d'Ivoire
Cyprus
Czech Republic

Democratic Republic of the Congo
Denmark
Dominican Republic

Egypt
El Salvator
Ecuador
Ethiopia

Finland
France
French Guyana

Gabon
Germany
Ghana
Great Britain
Greece
Guatemala

Honduras
Hungary

Iceland
India
Indonesia
Iran
Iraq
Italy

Jordan

Kazakhstan
Kenia
Kuwait

Lesotho
Liberia
Lithuania
Lybia
Luxemburg

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


Russia
Lithuania
Poland
Germany
Romania
Greece
Kazakhstan
China
Turkey
Iraq
Kuwait
Qatar
South Korea
Saudi Arabia
United Arab Emirates
South Africa
Australia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TAUR
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GROUP HIGHLIGHTS

INTRODUCTION

Impregilo group closed the first six months of 2013 with revenue of euro 1,164.1 million (euro 1,112.3 million for the corresponding period of 2012), an operating profit of euro 98.8 million (operating loss of euro 34.0 million for the corresponding period of 2012) and a profit attributable to the owners of the parent of euro 132.9 million (loss of euro 27.8 million for the corresponding period of 2012).

The key event of the period was the substantial completion of the "National Champion" project, whereby the shareholder Salini S.p.A. launched a voluntary takeover bid pursuant to articles 102 and 106.4 of Legislative decree no. 58/1998 for all Impregilo's ordinary shares. It already held roughly 29.9% of Impregilo's shares at the start of the period. The bid opened on 18 March 2013 and closed on 2 May 2013 (all the related documentation was made available to the public in the manner and timeframe required by ruling legislation). On the closing date, Salini S.p.A. held shares equal to 92.08% of Impregilo's share capital. After this date and considering its commitment to reconstitute a float sufficient to ensure regular trading of the Impregilo shares, Salini S.p.A. decreased its investment to 88.83% of Impregilo's ordinary shares at 30 June 2013.

Furthermore, on 24 June 2013, the boards of directors of Impregilo S.p.A. and Salini S.p.A. approved a proposal to merger Salini S.p.A. into Impregilo S.p.A. with effect from 1 January 2014. The related documentation made available to the public as required by the ruling regulations and laws provides more information about this merger.

The group completed the sale of its investment in the Brazilian holding company EcoRodovias Infraestrutura e Logistica S.A. ("EcoRodovias") held via the group company Impregilo International Infrastructures N.V. at the start of the period. This transaction was part of the agreements finalised at the end of October 2012 to sell the investment to third parties in order to make the most of the group's non-core assets. Accordingly, it sold 3.74% to third parties on 31 October 2012, another 19% at the end of December 2012 and the residual 6.5% in January 2013. As a result, EcoRodovias group's contribution to the consolidated income statement for 2012 was recognised under "Profit from discontinued operations" starting from the last quarter of that year, pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations. For comparative purposes, the Brazilian group's results for the first six months of 2012 have been re-presented separately (but combined) from the results of Impregilo group's continuing operations in this Report, again in compliance with IFRS 5.

Total revenue for the first six months of 2013 comes to euro 1,164.1 million compared to euro 1,112.3 million for the corresponding period of 2012.

The group's **operating profit** amounts to euro 98.8 million (operating loss of euro 34.0 million for the corresponding period of 2012), with a return on sales (R.o.S.) of 8.5% (-3.1%). The Construction segment contributed the most to this result with euro 123.6 million (R.o.S. of 11.4%).

The group's other segments made an operating loss of euro 1.4 million (operating loss of euro 4.9 million for the first six months of 2012), while the corporate structure's net costs came to euro 23.5 million (euro 17.7 million for the corresponding period of 2012).

Financing income (costs) and gains (losses) on investments come to a negative euro 21.4 million for the six months compared to a negative euro 2.7 million for the corresponding period of 2012.

The **profit from discontinued operations** amounts to euro 83.2 million (euro 19.9 million for the corresponding period of 2012) and consists of the results of the USW Campania projects and the sale of the investment in EcoRodovias.

The **profit** attributable to the owners of the parent for the six months is euro 132.9 million (loss of euro 27.8 million for the corresponding period of 2012).

The **net financial position** at 30 June 2013 is euro 60.1 million compared to euro 566.7 million at 31 December 2012. Therefore, the net debt/equity ratio is a negative 0.04.

At period end, the group's **order backlog** amounts to euro 20.1 billion, including euro 11.8 billion brought in by the Construction and Engineering & Plant Construction segments and euro 8.3 billion related to the Concessions segment's residual order backlog.

The group **acquired new contracts** worth euro 3,448.0 million during the six months.

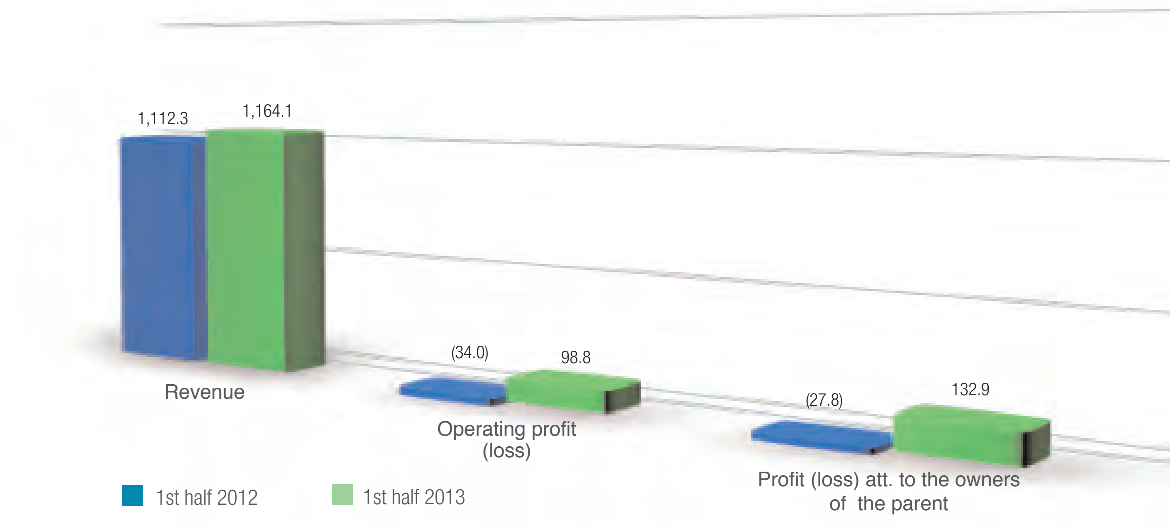
FINANCIAL HIGHLIGHTS

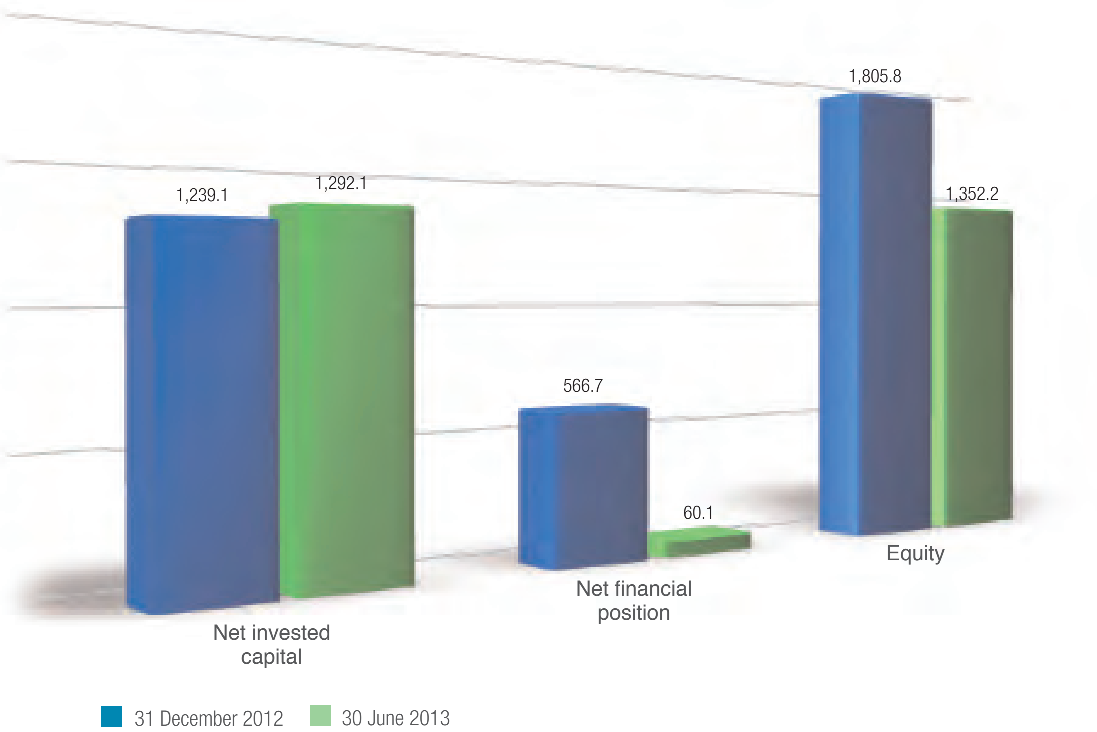
(in millions of Euros)

Impregilo group

The “Alternative performance indicators” paragraph 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 2012 corresponding figures have been restated accordingly. In addition, the income statement for the six months ended 30 June 2012 was restated to reflect the effects of IAS 19 revised in 2011 and applicable retrospectively by Impregilo group from 2013.





CONSOLIDATED INCOME STATEMENT

(in millions of Euros)	1st half 2013	1st half 2012 (*)
Revenue	1,164.1	1,112.3
Costs	(1,019.6)	(1,094.4)
Gross operating profit	144.5	17.9
Gross operating profit %	12.4%	1.6%
Operating profit (loss)	98.8	(34.0)
R.o.S.	8.5%	-3.1%
Net financing costs	(22.4)	(3.3)
Net gains on investments	1.0	0.6
Profit (loss) before tax	77.4	(36.7)
Income tax expense	(27.8)	(10.5)
Profit (loss) from continuing operations	49.6	(47.2)
Profit from discontinued operations	83.2	19.9
Profit (loss) attributable to the owners of the parent	132.9	(27.8)

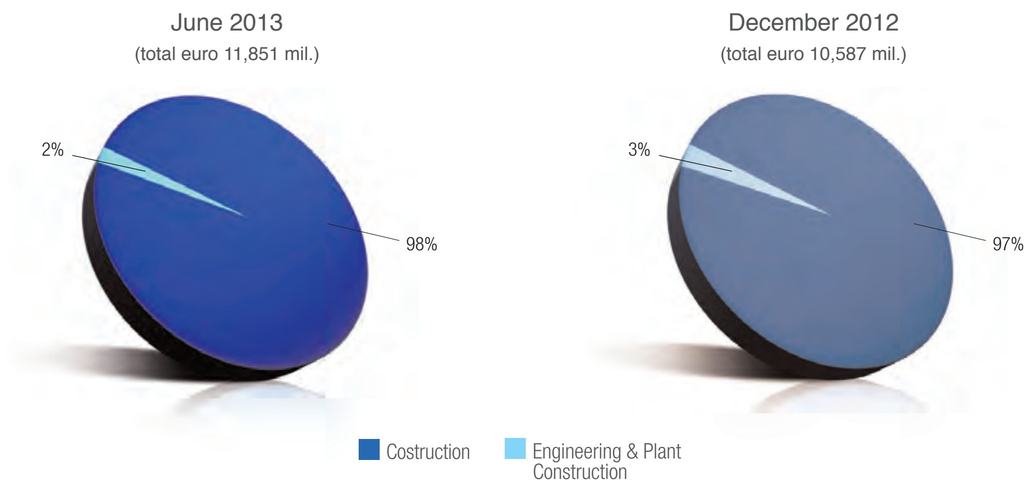
(*) Following the three-instalment sale during the last quarter of 2012 and early 2013, EcoRodovias group's operations have been considered as discontinued operations pursuant to IFRS 5. The 2012 corresponding figures have been restated accordingly. In addition, the income statement for the six months ended 30 June 2012 was restated to reflect the effects of IAS 19 revised in 2011 and applicable retrospectively by Impregilo group from 2013.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

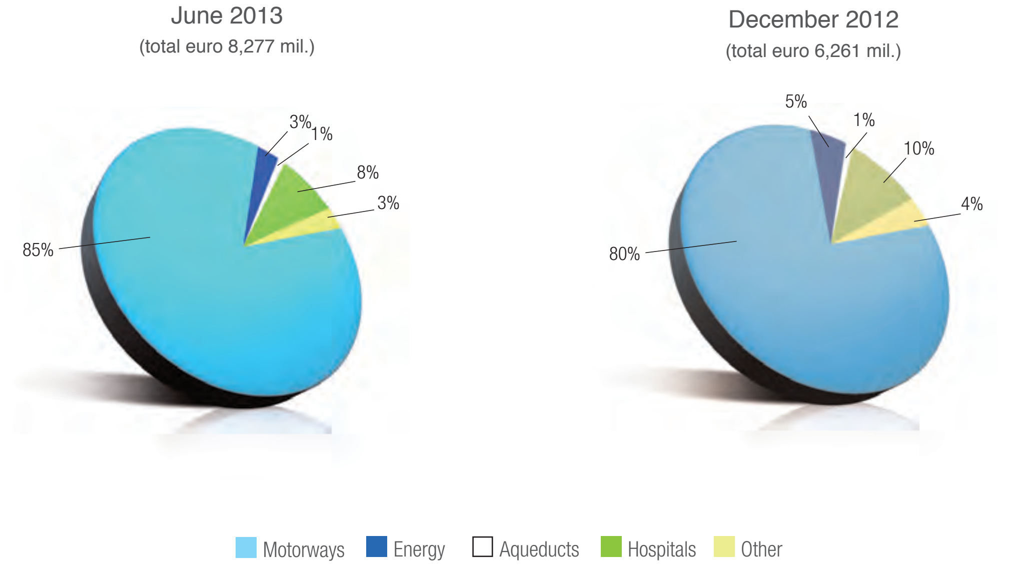
(in millions of Euros)	30 June 2013	31 December 2012
Non-current assets	*420.8*	*408.2*
Goodwill	*30.4*	*30.4*
Non-current assets held for sale, net	*248.1*	*307.6*
Provisions for risks, post-employment benefits and employee benefits	*(113.6)*	*(118.5)*
Other non-current assets, net	*45.8*	*51.0*
Net tax assets	*98.4*	*137.6*
Working capital	*562.2*	*422.8*
Net invested capital	**1,292.1**	**1,239.1**
Equity	**1,352.2**	**1,805.8**
Net financial position	**60.1**	**566.7**
Net debt/equity ratio	***-0.04***	***-0.31***

ORDER BACKLOG

Construction, Engineering & Plant Construction



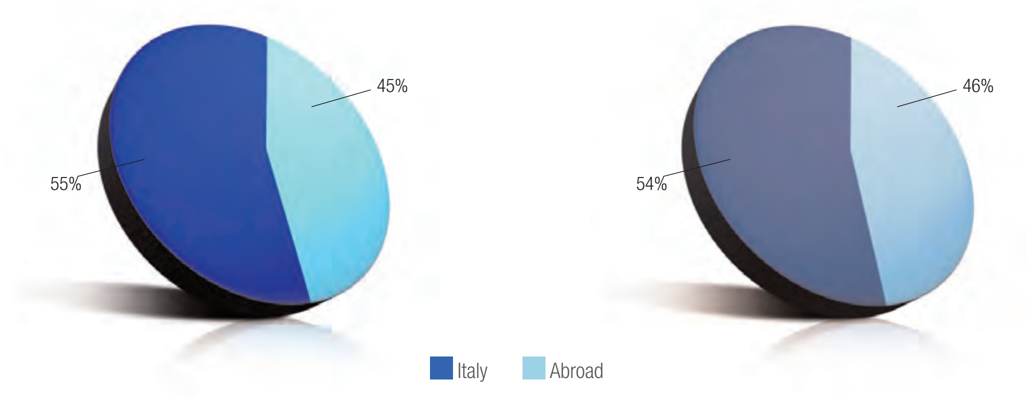
Concessions



ORDER BACKLOG BY GEOGRAPHICAL SEGMENT

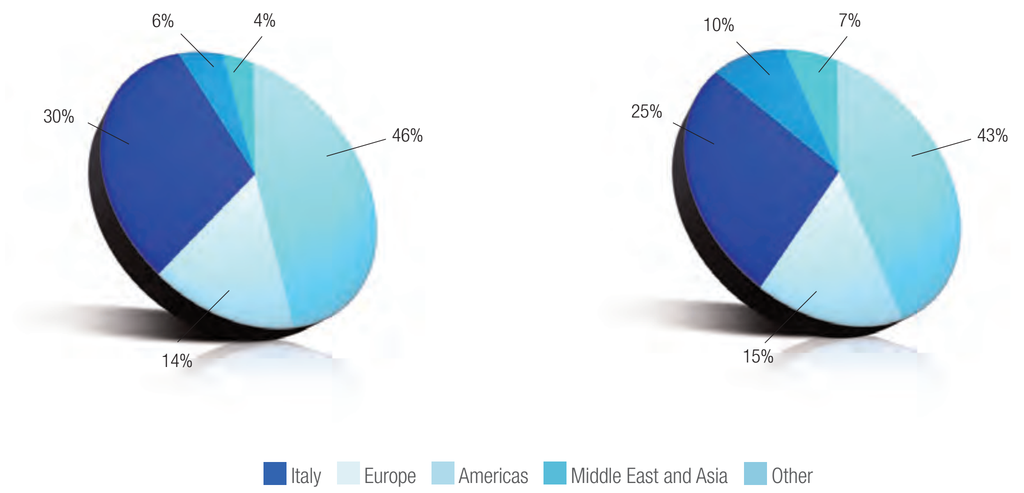
Construction, Engineering & Plant Construction and Concessions

June 2013 (total euro 20,128 mil.) — December 2012 (total euro 16,848 mil.)



REVENUE BY GEOGRAPHICAL SEGMENT

1st half 2013 (Italy euro 348.6 mil. - Abroad euro 815.5 mil.) — 1st half 2012 (Italy euro 278.0 mil. - Abroad euro 834.3 mil.)



Cultural Centre of The Stavros Niarchos Foundation, Athens – Greece

DIRECTORS' REPORT - PART I

ANALYSIS OF IMPREGILO GROUP'S FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS

This section includes the group's reclassified income statement and statement of financial position, as well as a breakdown of its financial position at 30 June 2013. It also includes a summary of the main changes in the consolidated income statement, compared to that for the six months ended 30 June 2012, and in the consolidated statement of financial position, in comparison with the related figures at 31 December 2012.

Unless indicated otherwise, figures are provided in millions of Euros and those shown in brackets relate to the corresponding period of the previous year, for the income statement, and at 31 December 2012, for the statement of financial position.

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

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 Infraestrutura e Logistica S.A. ("EcoRodovias"), the 2012 first half results of the group of companies headed by EcoRodovias (previously recognised using the proportionate consolidation method) have been re-presented separately (but combined) from the results of Impregilo group's continuing operations.

With respect to the USW Campania projects, the Supreme Court irreversibly rejected the municipalities' appeal against the Council of State's ruling about the former RDF plants in April 2013. Accordingly, the Lazio Regional Administrative Court's first level ruling became enforceable (it had already been confirmed by the Council of State on 20 February 2012), ordering the municipalities to pay FIBE roughly euro 204 million, plus legal and default interest accrued since 15 December 2005, equal to the costs incurred by FIBE to build the plants and not yet depreciated at that date. As a result, the group recognised income of euro 84.0 million, net of the related tax effect, classified under "Profit from discontinued operations". Subsequent sections of this Report provide more information about this complex litigation and the related ruling.

GROUP PERFORMANCE

Reclassified consolidated income statement

(Euro/000)	Note (**)	1st half 2013	1st half 2012 (***)	Variation
Operating revenue		1,138,364	1,087,182	51,182
Other revenue		25,758	25,124	634
Total revenue	**31**	**1,164,122**	**1,112,306**	**51,816**
Costs	32	(1,019,573)	(1,094,401)	74,828
Gross operating profit (*)		**144,549**	**17,905**	**126,644**
Gross operating profit % (*)		*12.4%*	*1.6%*	
Amortisation and depreciation	32	(45,766)	(51,865)	6,099
Operating profit (loss) (*)		**98,783**	**(33,960)**	**132,743**
Return on Sales (*)		*8.5%*	*-3.1%*	
Financing income (costs) and gains (losses) on investments				
Net financing costs	33	(22,388)	(3,296)	(19,092)
Net gains on investments	34	1,014	608	406
Net financing costs and net gains on investments		**(21,374)**	**(2,688)**	**(18,686)**
Profit (loss) before tax		**77,409**	**(36,648)**	**114,057**
Income tax expense	35	(27,803)	(10,577)	(17,226)
Profit (loss) from continuing operations		**49,606**	**(47,225)**	**96,831**
Profit from discontinued operations	17	83,213	19,894	63,319
Profit (loss) for the period		**132,819**	**(27,331)**	**160,150**
Non-controlling interests		73	(422)	495
Profit (loss) for the period attributable to the owners of the parent		**132,892**	**(27,753)**	**160,645**

(*) The section “Other information” gives a definition of these indicators.
(**) The note numbers refer to the notes to the condensed interim consolidated financial statements where the items are analysed in detail.
(***) 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 2012 corresponding figures have been restated accordingly. In addition, the income statement for the six months ended 30 June 2012 was restated to reflect the effects of IAS 19 revised in 2011 and applicable retrospectively by Impregilo group from 2013.

Revenue

Total revenue for the period is euro 1,164.1 million (euro 1,112.3 million), including euro 815.5 million earned abroad (euro 834.3 million). The improvement is mainly due to the Construction segment (+7.7%).

(Euro/000)	1st half 2013	1st half 2012	Variation
Construction	1,085,075	1,007,835	77,240
Concessions	10,139	9,969	170
Engineering & Plant Construction	69,829	96,165	(26,336)
Other segments and eliminations	(921)	(1,663)	742
Total revenue	**1,164,122**	**1,112,306**	**51,816**

Operating profit

The operating profit amounts to euro 98.8 million (loss of euro 34.0 million) and mainly reflects the Construction segment's positive contribution (operating profit of euro 123.6 million, R.o.S. of 11.4%). This segment's operating loss for the corresponding period of 2012 had been heavily affected by critical issues impacting certain large foreign infrastructure contracts (Panama, Colombia and Chile), which were fully recognised in profit or loss for the period, as they led to recognition of the loss to complete the related contracts. As no new significant critical issues arose in conjunction with these contracts and progress has been made with certain disputes with the public administration customers commenced in previous years, based on the improved parameters compared to the previously-made valuations, the group recorded positive results in line with the forecasts made at the end of 2012.

The group's other segments made an operating loss of euro 1.4 million (operating loss of euro 4.9 million for the corresponding period of 2012), while the corporate structure's net costs come to euro 23.5 million. They reflect the radical changes in the group's ownership structure during the period which required the greater involvement of the parent's staff compared to previous years.

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

The group recorded net financing costs of euro 22.4 million (euro 3.3 million) while net gains on investments amounted to euro 1.0 million (euro 0.6 million).

The increase in net financing costs mainly reflects the following:

- net financial expense increased by euro 25.4 million compared to the corresponding period of 2012, reflecting the change in the group's net financial position and the higher default interest recognised as a result of the settlement of certain disputes with public administration customers towards the end of the period. Moreover, the group had benefitted from payment of default interest by certain foreign customers in the first half of 2012 in relation to delays in collecting regularly-approved progress billings in previous years;
- the balance of exchange rate gains and losses for the period was a positive euro 7.8 million while it was substantially equal for the corresponding period of 2012. Once again, the group benefitted from currency mismatches of money markets in relation to certain currencies, whose official exchange rates are fixed artificially during the period.

Profit from discontinued operations

This item shows a profit of euro 83.2 million (euro 19.9 million). The increase, net of the related tax effects, is mainly the result of the Supreme Court's ruling, and the enforcement actions enacted by the group, about the litigation for the claims for compensation made by the group via FIBE for the former RDF plants. As a result of these events, the impairment losses on the disputed assets, recognised in previous years, have been fully reversed and the legal and default interest accrued to 30 June 2013 added. Complete information about the litigation and the entire situation is available in the "Non-current assets held for sale" section later in this report.

Non-controlling interests

Non-controlling interests in the subsidiaries contributed positively to the profit for the period attributable to the owners of the parent and amount to euro 0.1 million. The contribution for the corresponding period of 2012 was a negative euro 0.4 million.

THE GROUP'S FINANCIAL POSITION

Reclassified consolidated statement of financial position

(Euro/000)	Note (*)	30 June 2013	31 December 2012	Variation
Non-current assets	1-2-3-5	420,849	408,275	12,574
Goodwill	4	30,390	30,390	-
Non-current assets held for sale, net	17	248,060	307,588	(59,528)
Provisions for risks	24	(94,277)	(98,285)	4,008
Post-employment benefits and employee benefits	23	(19,313)	(20,234)	921
Other non-current assets, net	7-8-25	45,810	50,991	(5,181)
Net tax assets	9-14-28	98,376	137,576	(39,200)
Inventories	*10*	*85,341*	*95,376*	*(10,035)*
Contract work in progress	*11*	*964,904*	*864,368*	*100,536*
Progress payments and advances on contract work in progress	*26*	*(883,961)*	*(844,440)*	*(39,521)*
Loans and receivables	*12*	*1,161,284*	*1,062,865*	*98,419*
Payables	*27*	*(814,362)*	*(818,599)*	*4,237*
Other current assets	*15*	*284,749*	*296,268*	*(11,519)*
Other current liabilities	*29*	*(235,769)*	*(233,069)*	*(2,700)*
Working capital		562,186	422,769	139,417
Net invested capital		**1,292,081**	**1,239,070**	**53,011**
Equity attributable to the owners of the parent		**1,338,008**	**1,800,954**	**(462,946)**
Non-controlling interests		14,212	4,851	9,361
Equity	**18**	**1,352,220**	**1,805,805**	**(453,585)**
Net financial position		**60,139**	**566,735**	**(506,596)**
Total financial resources		**1,292,081**	**1,239,070**	**53,011**

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

Net invested capital

This item increased by euro 53 million on the previous year end to euro 1,292.1 million at 30 June 2013. The main changes in the group's net invested capital compared to that at 31 December 2012 are due to the factors listed below.

- Net non-current assets increased by euro 12.6 million. Investments in property, plant and equipment and intangible assets of euro 16.3 million mainly related to the Construction segment (Panama, Colombia and the US), disposals came to euro 7.3 million and amortisation and depreciation to euro 45.8 million. The effects of exchange rate fluctuations decreased net non-current assets by euro 5.9 million while other changes led to an increase of euro 39.7 million. The latter include the rise in rights to infrastructure under concession for the Broni - Mortara contract following acquisition of control of Sa.Bro.M. S.p.A., which holds the concession for the Broni - Mortara motorway, during the period. The purchase price allocation procedures required by the IFRS had not been completed at 30 June 2013. Financial assets increased by euro 15.6 million, mainly as a result of the subscription of capital for new concession projects.
- Non-current assets held for sale, net decreased by euro 59.5 million due to the sum of the sale of the residual 6.5% investment in EcoRodovias group (decrease of euro 186.4 million) and the assessments of the former RDF plants following the recent events described in the previous section "Profit from discontinued operations" (increase of euro 126.9 million). More information is available in the "Non-current assets held for sale" section. In addition, the reversals of impairment losses related to the claims are shown in the "Non-current assets held for sale, net" item in the above reclassified consolidated statement of financial position, while the related tax effects are directly deducted from the gain on the reversals and recognised under "Net tax assets".
- The euro 4.0 million reduction in the provisions for risks is mainly a result of the occurrence of certain events in the period for which the provisions had been set up previously and which were individually immaterial. These events gave rise to significant additional costs compared to the estimates made when the group set up the provisions.
- The net change in post-employment benefits and employee benefits is attributable to the group's normal operations.
- Net tax assets decreased by euro 39.2 million and reflect the effects of the claims made for the former RDF plants (see above) and the group's normal operations.

Tocoma dam – Venezuela

- Working capital increased by euro 139.4 million; the main changes were due to developments in the group's operating activities and progress on its contracts during the period in line with normal trends of its sectors and of a recurring nature for the ordinary life cycle of the Construction's segment infrastructural projects. Specifically, most of these changes were due to the recognition of the positive effects of progress with certain disputes with domestic public administration customers at the reporting date, which had not been settled at that date.

Net financial position

At 30 June 2013, the group has a net financial position of euro 60.1 million compared to euro 566.7 million at 31 December 2012, a net reduction of euro 506.6 million. At group level, the net debt/equity ratio is -0.04 at period end, due to the fact that its financial position is positive.

The variation is due to normal trends in the group's ordinary operations and the effects of the following situations:

- collection of euro 187.0 million as payment for the residual investment (6.50%) in the Brazilian group EcoRodovias Infraestrutura e Logistica in January 2013;
- payment of dividends of euro 602.2 million as approved by the shareholders on 30 April 2013;
- early redemption of bonds, which matured in November 2013, for euro 112.5 million by the subsidiary Impregilo International Infrastructures N.V..

Impregilo has given guarantees of euro 90.1 million in favour of unconsolidated group companies securing bank loans. The reduction is mainly due to the consolidation of the guarantees given by the subsidiary SABROM.

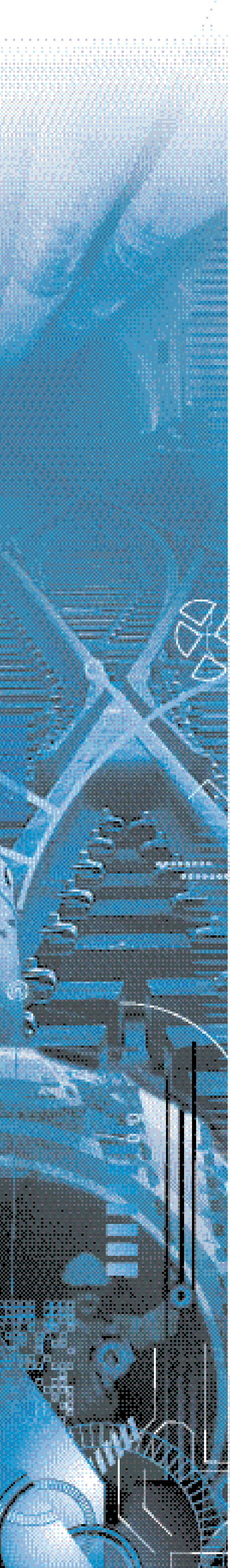
The group's net financial position at 30 June 2013 is summarised in the following table.

Net financial position of Impregilo group

(Euro/000)	Note (*)	30 June 2013	31 December 2012	Variation
Non-current financial assets	6	10,840	4,960	5,880
Other current financial assets	13	7,298	10,590	(3,292)
Cash and cash equivalents	16	608,935	1,243,086	(634,151)
Total cash and cash equivalents and other financial assets		**627,073**	**1,258,636**	**(631,563)**
Non-current bank loans	19	(21,256)	(104,634)	83,378
Bonds	20	(149,026)	(148,840)	(186)
Finance lease payables	21	(26,984)	(40,028)	13,044
Total non-current indebtedness		**(197,266)**	**(293,502)**	**96,236**
Current portion of bank loans and current account facilities	19	(306,895)	(225,043)	(81,852)
Current portion of bonds	20	(5,982)	(113,689)	107,707
Current portion of finance lease payables	21	(21,843)	(22,785)	942
Total current indebtedness		**(334,720)**	**(361,517)**	**26,797**
Derivative assets	13	216	1,091	(875)
Derivative liabilities	22	(4,698)	(5,265)	567
Non-current financial assets (self-liquidating)	6	-	11,375	(11,375)
Current portion of factoring payables	19	(10,136)	(10,168)	32
Non-current portion of factoring payables	19	(20,330)	(33,915)	13,585
Total other items in net financial position		**(34,948)**	**(36,882)**	**1,934**
Net financial position - continuing operations		**60,139**	**566,735**	**(506,596)**
Net financial position including discontinued operations		**60,139**	**566,735**	**(506,596)**

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

Sogamoso hydroelectric plant – Colombia



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 period, broken down by business segment.

Corporate, coordination and supervision of the group's main investments; this is carried out by central units forming part of the parent;

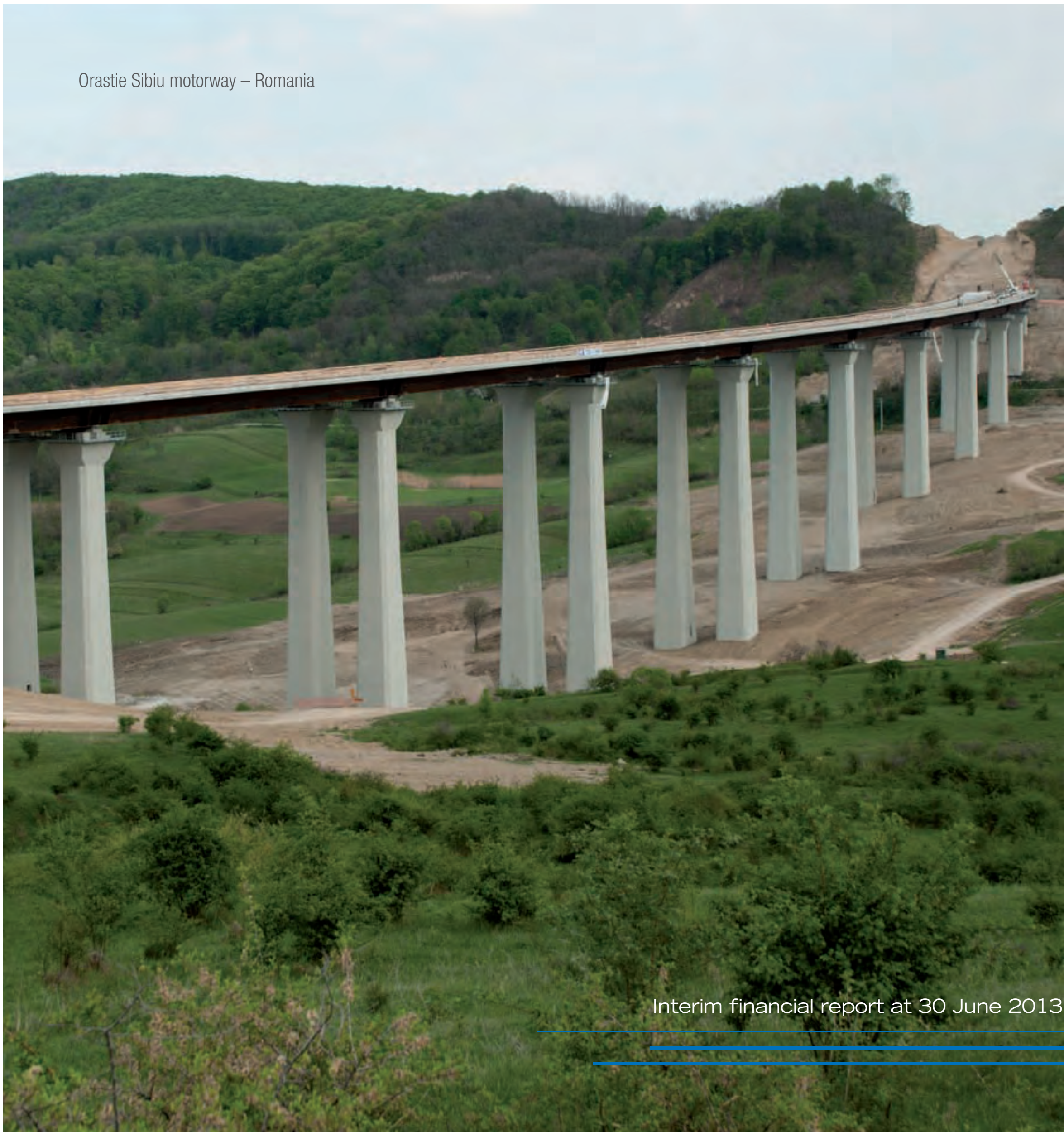
Construction, business headed by Impregilo S.p.A. and also carried out through subsidiaries, jointly controlled entities and associates;

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 Italimpianti 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.



Orastie Sibiu motorway – Romania

Performance in the period by business segment

(Euro/000)	Construction	Concessions
Operating revenue	1,065,063	9,422
Other revenue	20,012	717
Total revenue	**1,085,075**	**10,139**
Costs		
Purchases, sub-contracts and other operating expenses	(755,173)	(7,964)
Personnel expenses	(159,311)	(3,027)
Provisions and impairment losses	(3,106)	-
Total costs	**(917,590)**	**(10,991)**
Gross operating profit (loss)	**167,485**	**(852)**
Gross operating profit (loss) %	*15.4%*	*n.a.*
Amortisation and depreciation	(43,856)	(426)
Operating profit (loss) before non-recurring items	**123,629**	**(1,278)**
Return on Sales	*11.4%*	*n.a.*
Operating profit (loss)	**123,629**	**(1,278)**
Profit (loss) from discontinued operations		**(766)**

Consolidated statement of financial position as at 30 June 2013 by business segment

(Euro/000)	Construction
Total non-current assets	557,705
Assets held for sale, net	
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	(48,862)
Net tax assets	
Working capital	437,861
Net invested capital	**946,704**
Equity	
Net financial position	
Total financial resources	

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
64,571	-	(692)	-	1,138,364
5,258	590	(819)	-	25,758
69,829	**590**	**(1,511)**	**-**	**1,164,122**
(46,640)	(442)	1,192	(14,825)	(823,852)
(22,715)	(135)	319	(8,777)	(193,646)
865	-	-	166	(2,075)
(68,490)	**(577)**	**1,511**	**(23,436)**	**(1,019,573)**
1,339	**13**	**-**	**(23,436)**	**144,549**
1.9%	*2.2%*			*12.4%*
(1,459)	(2)	-	(23)	(45,766)
(120)	**11**	**-**	**(23,459)**	**98,783**
n.a.	*1.9%*			*8.5%*
(120)	**11**	**-**	**(23,459)**	**98,783**
	83,979			**83,213**

Concessions	Engineering & Plant Construction	USW Campania projects	Eliminations and unallocated items	Total
173,148	48,986	791	(329,391)	451,239
		248,060		248,060
33,971	(6,733)	(30,432)	(15,724)	(67,780)
			98,376	98,376
28,477	84,871	10,678	299	562,186
235,596	**127,124**	**229,097**	**(246,440)**	**1,292,081**
			1,352,220	1,352,220
			(60,139)	(60,139)
				1,292,081

CORPORATE

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

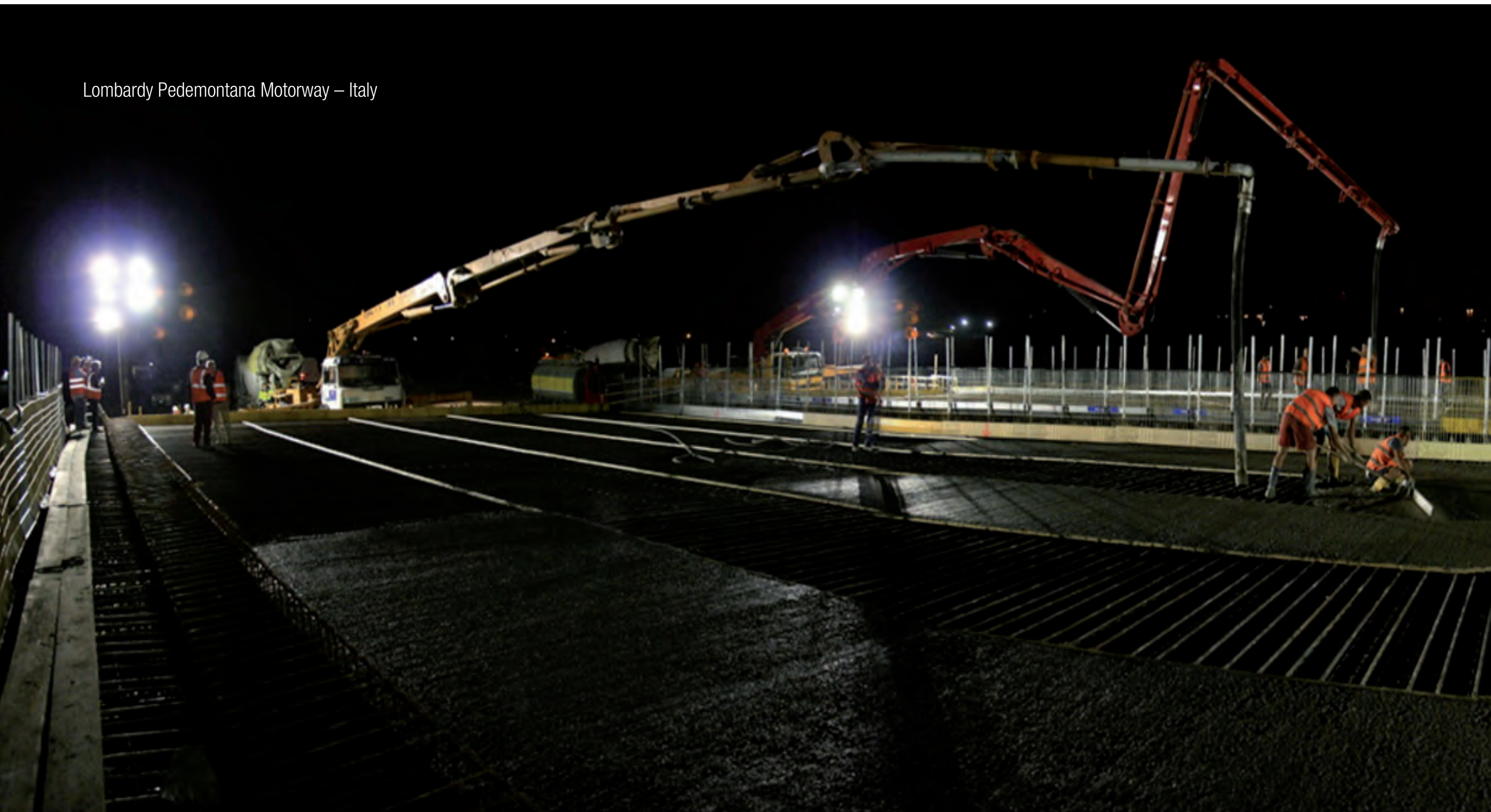
- coordination, control and strategic planning of the group's activities;
- centralised planning and management of human and financial resources;
- management of administrative, tax, legal/corporate and institutional communications requirements;
- administrative, tax and management support to group companies.

The net cost of corporate activities amounts to euro 23.5 million (euro 17.7 million). The increase is mainly due to the greater volume of activities carried out by the head office, both directly and assisted by external consultants, for issues affecting the group's corporate governance, especially the legally-required obligations (i.e., in conjunction with the takeover bid launched by Salini S.p.A. for all Impregilo's ordinary shares) and subsequent completion of the merger of Salini S.p.A. into Impregilo S.p.A., approved on 24 June 2013.

Risk areas

Tax litigation

The parent's dispute with the tax authorities concerning the tax treatment of impairment losses and losses on certain investments held by it in 2003 is currently before the Supreme Court following the tax authorities' appeal. The most significant issue related to the parent's sale of its investment in the Chilean operator Costanera Norte S.A. to Impregilo International N.V. was cancelled by the Milan Regional Tax Commission.



Lombardy Pedemontana Motorway – Italy

The group is involved in another two disputes at first level related to 2005 mainly about (i) the costs of a joint venture set up in Venezuela and (ii) the technique used to “realign” the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86. A dispute concerning 2006 covers (a) the costs of a joint venture set up in Venezuela, (b) a loss on equity investments, and (c) costs for services not provided in that year. The Milan Provincial Tax Commission has decreased the initially claimed amount by roughly 20%. After consulting its legal advisors, the group has not made any accrual therefor as it currently believes that the risk of an adverse ruling is not probable although not remote.

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 parent became involved in a dispute with the lessor of its previously leased registered office in 2009. The dispute was settled with the arbitration award of December 2012 which allowed the claim made by the lessor and ordered the parent to pay the outstanding lease payments for the remaining term of the lease which expired in July 2012. The parent promptly challenged the award before the relevant Milan Appeal Court which has yet to hand down its ruling. Moreover, the parent had already provided for the outcome of the arbitration in its 2012 financial statements pending the terms for challenging it. While awaiting the Appeal Court ruling, the parent has been obliged to pay the amount awarded to the lessor, although it reserves the right to recover it.

Pursuant to the contract signed with Immobiliare Lombarda S.p.A., as the 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 exercised this right by requesting a court order which was issued by the Milan Court and challenged by Immobiliare Lombarda. The related ruling has yet to be handed down. The parent had already considered the hold harmless clause in previous years when assessing the potential risk of the dispute.

CONSTRUCTION

Impregilo S.p.A. heads the Construction business segment, which encompasses 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 1,085.1 million (euro 1,007.8 million) with an operating profit of euro 123.6 million (operating loss of euro 11.4 million) for the period.

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

In particular, the most significant events that affected the period 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%.

After resolving the important disputes with the customer regarding Lot 5, new serious issues came to light in the second half of 2012. They are due to the difficulty in achieving 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 it fully recognised in profit or loss in 2012. No additional critical aspects came to light in the first half of 2013 that would have required Impregilo to change its assessments of the situation.

Work was 92.0% complete on Lot 5 at 30 June 2013 and 68.0% 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 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.

The customer has mostly overcome its financial difficulties during the period and construction work is continuing as scheduled.

At 30 June 2013, 54.1% 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 30 June 2013, 46.1% 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 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.

The arbitration proceedings commenced in previous years for the legal recognition of the fees due to the consortium for activities performed prior to enactment of Law decree no. 112/2008, for which the consortium had only recognised the effectively incurred costs was concluded in the consortium's favour in the second quarter of 2013. As a result, the consortium was required to return the contractual advance received together with the default interest due thereon. It duly complied with this obligation after 30 June 2013 by offsetting it against the amounts due to it as a result of the above arbitration award, as provided for by the Rider to the Agreement of November 2011.

At 30 June 2013, 5.2% 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 30 June 2013, 8.6% of the work was complete.

Milan metro Line 4

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 jointly carry out the civil works.

At 30 June 2013, 1.6% 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 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 km of tunnels, roughly 5 km of viaducts and 20 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 30 June 2013, 1.4% 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 30 June 2013, 63.6% 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 28.2% complete for the "San Juan de los Morros - San Fernando de Apure" line at 30 June 2013.

It was 36.1% 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 metro system with the excavation of two 9.5-km tunnels and 13 new underground stations.

At 30 June 2013, 31.5% 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 30 June 2013, 84.6% 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 USD 447 million.

At 30 June 2013, 65.4% 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 USD 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 30 June 2013, 37.6% 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 the 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 30 June 2013, 88.4% 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 USD 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 30 June 2013, 58% 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 USD 445 million.

At 30 June 2013, 97.3% of the work was complete on Lot 2 and 72.8% on Lot 3.

Colombia - Hydroelectric project on the Sogamoso 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 roughly 870 metres long with 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 significantly different to those contractually provided for 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 and a new contract variation was agreed during the first half of 2013 for new additional works around the area where the dam is being built. The additional claims are still under negotiation. While the group deems it reasonable to expect further positive developments in the above disputes, the estimated costs to complete the contract at 30 June 2013 give rise to a loss. Considering the effect of the above variation and the related revenue currently determinable, the loss to complete the contract has decreased in the period.

At 30 June 2013, 82.5% 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 USD 1.3 billion. The concession contract provides for total revenue of roughly USD 3.7 billion (of which 40% for Impregilo), including revenue from tolls and a government grant of USD 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 30 June 2013, 5.8% 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 station 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 30 June 2013, 97.3% of the work was complete.

Angostura hydroelectric plant – Chile

Order backlog

The Construction segment's order backlog at 30 June 2013 is as follows:

(Impregilo's share in millions of Euros)

Area/Country	Project	Residual backlog at 30 June 2013	Percentage of total	Percentage of completion
High speed		**2,471.1**	**21.4%**	
Italy	Mestre motorway connector	27.3	0.2%	93.0%
Italy	Salerno-Reggio di Calabria motorway Lot 5	50.5	0.4%	92.0%
Italy	Salerno-Reggio di Calabria motorway Lot 6	87.8	0.8%	68.0%
General Contracting		**165.6**	**1.4%**	
Italy	Genoa metro	2.1	0.0%	95.9%
Italy	Highway 36/Milan motorway connector	23.3	0.2%	92.0%
Italy	Spriana landslide	1.4	0.0%	96.6%
Italy	New offices of the Lombardy Regional Authorities	0.1	0.0%	99.9%
Italy	Pedemontana Lombarda - Lot 1	194.4	1.7%	54.1%
Italy	Riviera Scarl	2.9	0.0%	74.3%
Italy	Milan outer east by-pass	336.3	2.9%	8.6%
Italy	A4 building of third lane	42.3	0.4%	46.1%
Italy	Milan metro Line 4	474.1	4.1%	1.6%
Italy	Jonica highway	312.0	2.7%	1.4%
Italy	Broni - Mortara	392.6	3.4%	0.0%
Italy	SGF	19.5	0.2%	
Other work in Italy		**1,801.0**	**15.6%**	
Total work in Italy		**4,437.7**	**38.4%**	
Greece	Support Tunnel Achelos	5.3	0.0%	40.4%
Greece	Thessalonica metro	192.8	1.7%	31.5%
Greece	Stavros Niarchos Cultural Center	151.2	1.3%	8.8%
Romania	Orastie - Sibiu motorway	21.2	0.2%	84.6%
Poland	Motorway A1 Torun - Strykow	83.4	0.7%	0.0%
Switzerland	Transalp Tunnel	13.7	0.1%	96.1%
Switzerland	CSC	81.4	0.7%	
Europe		**549.0**	**4.7%**	
Dom. Republic	Consorcio Acqueducto Oriental	0.9	0.0%	99.4%
Dom. Republic	Guaigui hydraulic plant	72.1	0.6%	14.1%
Venezuela	Puerto Cabello - Contuy Ferrocarriles	547.6	4.7%	63.6%
Venezuela	Puerto Cabello - Contuy Ferrocarriles stations	454.5	3.9%	9.6%
Venezuela	Chaguaramas railway	224.8	1.9%	36.1%
Venezuela	San Juan de Los Morros railway	546.5	4.7%	28.2%
Venezuela	OIV Tocoma	68.9	0.6%	93.9%
Panama	Widening of the Panama Canal	458.1	4.0%	58.0%
Chile	Angostura	4.2	0.0%	97.3%
Chile	Santiago metro	56.1	0.5%	0.0%
Colombia	Sogamoso	94.2	0.8%	82.5%
Colombia	Ruta del Sol motorway	391.8	3.4%	5.8%
Colombia	Quimbo	111.9	1.0%	53.6%
Brazil	Serra Do Mar	40.6	0.4%	57.2%
USA	Vegas Tunnel - Lake Mead	128.3	1.1%	65.4%
USA	San Francisco Central Subway	49.8	0.4%	37.6%
USA	Gerald Desmond Bridge	135.6	1.2%	9.0%
USA	Anacostia	194.1	1.7%	0.0%
America	SGF	2.2		
Americas		**3,582.2**	**29.3%**	
United Arab Emirates	Step Deep Tunnel Sewer Contract T-02	4.8	0.0%	97.3%
United Arab Emirates	Step Deep Tunnel Sewer Contract T-03	40.5	0.4%	72.8%
Qatar	Abu Hamour	91.4	0.8%	3.1%
Qatar	Red line north	1,776.7	15.4%	0.0%
Iraq	IECAF - Engineering Services for the Al-Faw Port	5.0	0.0%	71.1%
Asia		**1,918.4**	**16.6%**	
Africa	Rivigo	34.8	0.3%	81.3%
Africa	Lidco	994.3	8.6%	12.6%
Africa	Ingula	41.5	0.4%	88.4%
Africa	SGF - Il nuovo Castoro	9.8	0.1%	
Africa		**1,080.4**	**9.3%**	
Total Abroad		**7,130.0**	**61.6%**	
Total Construction		**11,567.7**	**100.0%**	

The section on the segment's Risk areas comments on the Libyan contracts which are worth euro 994.3 million.

Acquisition of new contracts

USA - Anacostia River Tunnel

On 8 May 2013, Impregilo and Parsons Corporation, one of the leading construction companies in the US, won the tender to design and build a waste water collection and treatment system in Washington D.C.. This highly technological project is worth roughly USD 254 million (Impregilo's share is 65%). Impregilo will act as project leader for this contract which is expected to take four and a half years to complete.

The Anacostia River Tunnel scheme is part of DC Water's Clean Rivers project. It involves construction of a tunnel that will run for most part under the Anacostia River, a tributary of the Potomac. The tunnel will have a length of 3.8 km, an inner diameter of 7 metres and six water collection wells each with a depth of approximately 30 metres. The tunnel will collect and convey separately wastewater and rainfall, thereby avoiding river pollution caused by combined sewer overflows that occur during intense rains.

Qatar - Red Line North metro

On 17 May 2013, Impregilo was awarded the tender called by Qatar Railways Company to design and construct the Red Line North metro in Doha as leader of a consortium in which it has a 41.25% interest. The metro line will run roughly 13 km northwards from the Mushaireb station with seven new underground stations. The contact includes boring twin running tunnels roughly 11.6 km long with a 6.17 metre internal diameter. Together with the three other metro lines, this line is part of the project to build a new infrastructural transport system by Qatar included in the country's national development plan for 2030 ("Qatar National Vision 2030"). The plan includes large investments to promote sustainable economic growth inside and outside the country in the period covered by the plan. The Emir Khalifa Al-Thani recently met with the Italian government as part of a move to develop the relationship between the two countries.

The contract is worth approximately QAR 8.4 billion (equivalent to roughly euro 1.7 billion), of which approximately euro 630 million for the design and civil works and approximately euro 1.1 billion of provisional sums for preparatory work, electromechanical systems and architectural works at the stations.

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 the end of February 2011 to the date of this Report, the subsidiary has always acted in accordance with the contractual terms. 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 at present.

The group commenced the procedures necessary to restart industrial activities in 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 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 amounts of the Libyan subsidiary's assets, liabilities, revenue and expense in its 2012 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 steadily impaired by approximately euro 36.1 million to reflect the above events. These losses have been 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 11.8 million due to costs incurred locally in the period from 31 March 2011 to 30 June 2013.

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 Report that would 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 the same 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 withholdings. After the last ruling, the company took legal action at international level (appeal filed with the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim filed with 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. In April 2013, the EFTA Surveillance Authority issued its documented opinion finding the Icelandic legislation to be inconsistent with the regulations covering trade relations between the member countries with respect to the regulations for the above dispute. It asked that Iceland amend its position within 60 days. Based on the above considerations and especially the recent developments which will make it necessary to revise the previously-made valuations, Impregilo does not believe objective reasons currently 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 period, 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 2012 consolidated financial statements, 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 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 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, which hold concessions mainly for the management of motorway networks, plants that generate energy from renewable sources, electric power 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 in 2012. Accordingly, at the start of 2013, the group finalised the sale of its investment in the jointly controlled Brazilian group EcoRodovias (originally 29.74% of the holding company) held by Impregilo International Infrastructures. The transaction did not give rise to significant differences compared to the carrying amount of this remaining investment at 31 December 2012. Given that, pursuant to IFRS 5 - Non-current assets held for sale and discontinued operations, EcoRodovias group's contribution to the group's results have been classified as "Profit from discontinued operations" starting from the fourth quarter of 2012, the corresponding figures for the first half of 2012 have been restated accordingly in this Report.

Moreover, Impregilo provided full disclosure about the transactions involving the investment in EcoRodovias on 31 October 2012 and 26 January 2013, pursuant to article 71 and in accordance with 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.

The Concessions segment was not very active in the period (total revenue of euro 10.1 million compared to euro 10.0 million for the corresponding period of 2012), given that its order backlog mainly consists of non-controlling interests and the more significant recently acquired orders (i.e., the Ruta del Sol motorway in Colombia, the Milan outer east by-pass in Italy, the Milan metro Line 4, etc.) are all still under construction.

The following tables summarise the key figures of the Concessions order backlog at period 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	59.8	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

ENGINEERING & PLANT CONSTRUCTION

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.

The Engineering & Plant Construction segment includes the Chinese company Shanghai Pucheng Thermal Power Energy Co. Ltd, in which the group has a 50% stake and which is 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 strategies of the 2013-2015 business plan, activities undertaken during the period included recovery of the assets of FISIA Italimpianti, still being contested, in relation to the USW Campania 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 the business of the German FISIA Babcock Environment and Shanghai Pucheng Thermal Power Energy to avail of the best opportunities to enhance the segment's value as a whole while concurrently maintaining its leadership position in the market sectors that are currently of strategic interest to the German group company.

The business segment's revenue amounted to euro 69.8 million for the period (euro 96.2 million) and the operating loss totalled euro 0.1 million (operating loss of euro 3.4 million).

The contraction in business volumes is mainly due to FISIA Babcock's position and the timing factors involved in managing its order backlog.

Ruhleben Waste to Energy plan – Germany

Order backlog

The Engineering and Plant Construction segment's order backlog at 30 June 2013 is as follows:

(in millions of Euros)

Area/Country	Project	Residual backlog at 30 June 2013	Percentage of total	Percentage of completion
FISIA Italimpianti				
Middle East	Jebel Ali L2	2.8	1%	98.6%
Middle East	Ras Abu Fontas B2	5.3	2%	97.4%
Middle East	Jebel Ali M	13.8	5%	98.2%
Middle East	Jebel Ali M - spare parts	9.0	3%	1.8%
Middle East	Ras Abu Fontas A1	7.0	2%	97.9%
Middle East	Shuaiba North	3.3	1%	99.0%
Middle East	Shuaiba North - spare parts	11.0	4%	42.4%
Middle East	Takreer Cbdc	16.0	6%	21.5%
Middle East	Other	0.1	0%	n.a.
Desalination		**68.3**	**24%**	
Total FISIA Italimpianti		**68.3**	**24%**	
FISIA Babcock				
Germany	Datteln REA	2.1	1%	94.0%
Germany	Moorburg - ESP	2.0	1%	95.6%
Germany	Manheim Block 9 RRA	24.1	9%	71.0%
Netherlands	Maasvlakte Block 3 REA	2.4	1%	94.0%
Turkey	Yildizlar Orta FGD	1.1	0%	16.6%
Panama	Paco - FGD	11.4	4%	21.0%
Poland	Plock FGD	38.6	14%	1.0%
United Arab Emirates	Takreer Cbdc	6.0	2%	4.0%
	Other Abroad	1.6	1%	n.a.
Fume treatment		**89.3**	**32%**	
Germany	Moskau WtE	93.5	33%	18.0%
Germany	Krefeld WtE	0.7	0%	99.0%
Germany	Ruhleben Wte	3.2	1%	97.0%
Germany	Wuppertal K 13 EfW	4.8	2%	80.0%
Lithuania	Klaipeda Wte	0.6	0%	99.0%
China	Haidian EfW	13.2	5%	6.0%
Italy	Other Italy	0.2	0%	n.a.
	Other Abroad	1.0	0%	n.a.
Waste-to-energy		**117.2**	**41%**	
	Italy	0.2	0%	n.a.
	Abroad	8.3	3%	n.a.
Other		**8.5**	**3%**	
Total FISIA Babcock		**215.0**	**76%**	
TOTAL ENGINEERING & PLANT CONSTRUCTION		**283.3**	**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 Italimpianti, the company which heads the segment, operates. The Arabian Gulf countries, which are FISIA Italimpianti'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 USD 28 million towards the end of 2012.

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.

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 Italimpianti (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 Italimpianti) 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 FISIA, Impregilo Edilizia e Servizi, FISIA Babcock and FISIA Italimpianti were engaged to build the RDF plants and the waste-to energy plants and FISIA Italimpianti 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 the companies;
- 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 the companies 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:

a) 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);
b) required the commissioner to:
   (i) 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);

(ii) 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", the companies 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 the two companies for the right to use the RDF plants (which are owned by the government commissioner) the "*non-depreciated 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:

a) 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, <u>considering their use, age and maintenance</u>*" (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);

b) 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 the companies. 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 electrical energy 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*, included 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 gradually remobilised in the period from July 2008 to 11 September 2009;

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, had 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 and a date for the relevant hearing has yet to be set.

Moreover, given the legal provisions described above under which 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.

I.2 USW CAMPANIA PROJECTS: DEVELOPMENTS FROM 1 JANUARY 2010 TO DATE

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, were to be replaced by two units, an Operating Unit and an Emergency Unit which would be included in "*the Civil Protection Department under the Prime Minister*";

b) the Emergency Unit was 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) was 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 would be paid a monthly lease payment of euro 2.5 million for 15 years. The payments for the 12 months before transfer of title would 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 deadline for inspection of the Acerra plant was set as 28 February 2010; moreover, it 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 was required to pay additional amounts for guarantees which are considerably higher than the current best practices for the engineering & plant construction sector. The plant was to be managed by a new operator starting from 2010, despite the guarantees given and that it still belongs to FIBE.

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 <u>payable before 31 December 2011</u> and, <u>moreover, provided for a monthly lease payment for use of the plant of euro 2,500,000</u>*". 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) **<u>with order no. 1992/2010</u>**, 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 as:

   1.) the plant's value is tied to the law's conversion date, 28 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;

   2.) 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;

   3.) the time when the former owner's right to the receivable arises is not specified;

   4.) the party to which the asset is to be transferred is not identified;

   5.) the transfer date is not identified;

   6.) 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) **<u>with interim ruling no. 39180/2010</u>**, 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 signing 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 referral order was published in the Italian Official Journal of 29 June 2011 and FIBE regularly lodged its appearance, intervention and conclusions brief.

Both Constitutional Court hearings were set for 18 April 2012 when they were postponed to 3 July 2012 and then to 18 September 2012 when they were deferred again to 19 November 2013.

With respect to the appeal made to the European Court of Human Rights on 22 June 2010 (no. 36485/10), the Court has yet to set the hearing date.

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 company, assisted by the parent and its legal advisors, with the result that an out-of-court agreement was reached for 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. 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.

The Prime Minister's decree of 16 February 2012 transferred 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).

Moreover, FIBE and the group companies that had signed the tender contract for the plant's construction as a joint venture (FISIA Italimpianti - FISIA Babcock Environment) had entered into agreements in previous years covering FIBE's commitment to accept the additional claims made by the joint venture for the large costs it incurred due to the complexity surrounding the plant's construction from the start within the same deadlines and limits as those which the municipal authorities would have accepted to pay FIBE for transfer of title to the plant and return of its legitimate rights.

Therefore, based on the issues defined in the agreement proposed by the municipal authorities, FIBE recognised the contractual adjustments agreed with the joint venture in the 2011 financial statements, thus adjusting the relevant items.

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 such 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..

FIBE initially challenged these measures (especially the Prime Minister's decree of 16 February 2012) stating that this measure did not provide for the direct payment of the legally provided-for compensation to FIBE. The Campania regional authorities also challenged the measures both before the Regional Administrative Court and the Constitutional Court arguing that transfer of the plant to FIBE was illegal. The dispute is still pending.

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 FIBE continued to act as described above.

* * *

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.1, 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 related receivables and payables and determined that the company 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 - "*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 parties engaged to manage the sites in the Provinces of Naples and Benevento have taken new action to see FIBE S.p.A. assigned with custody and 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. 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 reimbursed and held harmless by FIBE S.p.A. and/or the government commissioner from the *medio tempore* operating costs incurred and to be incurred, including for the possible site reclamation.

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 satisfaction 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 court 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 and an extension was requested 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 the Prime Minister's Order no. 3748/09 before the Lazio Regional Administrative Court whereby only waste 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 non-depreciated costs at 15 December 2005 for the Campania RDF plants. It accepted FIBE's appeal and ordered the municipalities pay FIBE euro 204,742,665.00 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 non-depreciated 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 appealed against the ruling with a petition (RG no. 6313/11) notified on 11 July 2011 which was heard on 13 December 2011 after which the Council of State rejected it 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 presented an appeal 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 appealing 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 Supreme Court rejected the public prosecutor’s motion in the hearing of 6 March 2013. FIBE thus commenced the enforcement action aimed at the compulsory recovery of the entire amount ordered. The public prosecutor appealed against this enforcement with a suspension request, which was discussed in the hearing of 9 July 2013. The enforcement judge of the Rome Court ordered FIBE be paid euro 240,547,560.96 with its measure of 24 July 2013 to cover the receivable for principal and legal interest. The judge also suspended the enforcement procedure for the additional interest requested and set a deadline of 30 November 2013 for the merits ruling about the opposition.

G) The Campania Regional Administrative Court handed down order no. 292 of 23 February 2012 rejecting the appeal RG no. 301/2012 made by S.A.P.NA. S.p.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.NA.’s obligation to pay the precautionary court costs. The date for the merits hearing has not yet been set. S.A.P.NA. challenged (appeal no. RG no. 3247/2012) the Campania Regional Administrative Court’s order no. 292/2012 before the Council of State which confirmed the first level ruling no. 1968 of 23 May 2012. Each party bore its own legal costs.

H) The Lazio Regional Administrative Court ruling of 5831 of 26 June 2012 stated the lack of its jurisdiction in favour of the Court of Public Waters. FIBE has appealed against this ruling with appeal RG no. 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 lack of jurisdication of the Regional Administrative Court was stated in favour of the Court of Public Waters as the measures are administrative in nature and cover public waters. The ruling has been summarised before the Court of Public Waters which deferred the hearing to 9 October 2013.

I) 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 nos. 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 stocking site and the Cava Giuliani site and stocking site

The company appealed against this ruling to the Council of State (RG no. 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 Naples public prosecutor, prepared for the criminal proceedings RGNR no. 15968/2008), appealed against with appeal RG no. 7434/2008 (see letter I) 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 of ruling no. 6033/2012, FIBE decided to inform the Ministry for the Environment and the other relevant authorities of its willingness to voluntarily execute this ruling in its communication of 13 December 2012, requesting a meeting be set to draw up an agreement to stipulate the relevant terms. It took this decision partly to prevent the possible commission of the crime of non-reclamation and the company's liability pursuant to Legislative decree no. 231/2001 and based on the government commissioner's communication as per order no. 3849/2010 and following orders for the itinere agreement of the contract for the characterisation of the areas in Loc. Pontericcio and Cava Giuliani with Sogesid S.p.A., covered by ruling no. 6033/2012 and appeal no. 36/2013 to the Court of Public Waters. However, it does not admit any liability as the merits hearing has yet to be held and it has also reserved the right to recover the costs of executing the ruling. At present, this agreement for the characterisation of the Pontericcio and Cava Giuliani areas has not yet been finalised. Finally, with respect to the former RDF plant in Pontericcio, covered by ruling no. 6033/2012, although this plant is not included in the agreement, FIBE has commenced the administrative and technical procedure for access to the plant to carry out the characterisation.

* * *

II.2 THE CIVIL LITIGATION

The government commissioner presented a claim form in May 2005 requesting compensation from FIBE, FIBE Campania and FISIA Italimpianti 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 no. 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.

Finally, FS Logistica (former Ecolog) has a debt collection proceeding with the Prime Minister for the payment of the fees for the engagement assigned by the then government commissioner from 2001 to 2008 to transport waste abroad. FS Logistica cited the Prime Minister who, in turn, started an action in warranty against FIBE. The latter, inter alia, firstly objected the correspondence of the action in warranty with that already part of the case commenced by the Prime Minister/government commissioner before the Naples Court and settled with ruling no. 4253/11 finding lack of jurisdiction (see above) and, as a counterclaim, with respect to the additional claims made by the Prime Minister, noted both their inadmissibility due to their complete inconsistency with the claims originally made by FS Lotistica and the fact that these claims had already been filed by the Prime Minister in many other pending disputes.

Following the hearing of 11 July 2013, the judge deferred the preliminary hearing to 24 January 2014.

* * *

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. Following the trial stage hearing the defence council's witnesses and technical experts as well as certain voluntary statements by the defendants, the defence briefs are being discussed after the public prosecutor wound up its case requesting that all the defendants be cleared, except for four as their case has become time barred and that the remaining parties be punished as follows: FIBE S.p.A. - ban on working with the public administration in the environmental sector for one year and six months and a fine of four hundred quotas of euro 1,500 each (total euro 600,000); FIBE Campania S.p.A. - ban on working with the public administration in the environmental sector for one year and six months and a fine of four hundred quotas of euro 1,500 each (total euro 600,000); FISIA Italimpianti S.p.A. - ban on working with the public administration in the environmental sector for two years and a fine of five hundred quotas of euro 1,500 each (total euro 750,000); Impregilo S.p.A. - ban on working with the public administration in the environmental sector for two years and a fine of five hundred quotas of euro 1,500 each (total euro 750,000); Gestioni Napoli in liquidazione - ban on working with the public administration in the environmental sector for one year and six months and a fine of four hundred quotas of euro 1,500 each (total euro 600,000). The defence council's motions will be heard on 16, 23 and 30 September 2013. The first level hearing is expected to be handed down in the autumn (a hearing has been set for 14 October).

After presentation of its case, the public prosecutor requested that the "stocking areas" under criminal seizure since 8 August 2007 be "returned" to FIBE S.p.A..

The Court has accepted the exception proposed by the companies' defence counsel 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.

The precautionary proceedings, commenced with the above orders, lasted nearly five years and have finally been settled with no consequences for the group in May 2012 when the final ruling taken by the Supreme Court (Sixth Criminal Chamber) denied the existence of new evidence that would overturn the final judgement passed down by the same Supreme Court (Second Chamber) on 16 April 2009 about the public prosecutor's precautionary requests. Reference should be made to the previous reports for more complete information about the complicated issue which is now settled.

* * *

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 Italimpianti and managers of the commissioner's office.

As part of this inquiry, the former service providers and FISIA Italimpianti 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.

Following these hearings, during which certain defendants made voluntary statements, the Judge for the Preliminary Hearing stated the inadmissibility of the sole party that had brought a civil action in 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 hearings of 14 and 21 March 2013 were held to hear the defence counsel's statement and to hand down a ruling, respectively.

Following this hearing, the Judge for the Preliminary Hearing ordered that all the defendants and legal entities involved pursuant to Legislative decree no. 231/2001 be committed for trial for all charges before the Rome Court on 16 July 2013.

During this hearing, the Rome Court noted that many defendants had not served the order for committal for trial and accordingly deferred the hearing to 4 November 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 an 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 Italimpianti, 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. 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.

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III. THE DIRECTORS' CONSIDERATIONS ABOUT THE SITUATION AT 30 JUNE 2013

The group's situation with respect to the USW Campania projects at 30 June 2013 continues to be extremely complex and uncertain (as can be seen from the wealth of the above information).

The rulings of the administrative courts on the claims about the costs of the RDF plants not yet depreciated at the service contract termination date (15 December 2005), which have become final following the Supreme Court's recent ruling (see earlier), are positive and important as they support the group's affirmation that it has behaved correctly and its related assessments made to date. Based on the Supreme Court's ruling and the subsequent result of the enforcement proceedings put in place by the group, it has accordingly reversed the impairment losses of euro 91.1 million recognised in previous years on the RDF plants' claims for compensation, and recognised additional accrued interest of euro 35.8 million. This led to the recognition of income as "Profit from discontinued operations" for the first six months of 2013, net of the related tax effects.

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 proceedings will show the correctness of the group's activities and although the assessments developed over the years are reasonable and prudent, based on the legal and regulatory framework (assessments again supported by the opinon of the group's legal advisors for the various disputes), 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

HUMAN RESOURCES AND ORGANISATION

At 30 June 2013, the group's workforce was as follows (including changes during the period):

	31 December 2012	Increase	Decrease	30 June 2013
Managers	173	21	(19)	175
White collars	2,987	566	(557)	2,996
Blue collars	8,239	3,098	(2,292)	9,045
Total	**11,399**	**3,685**	**(2,868)**	**12,216**
Italy	985	223	(75)	1,133
Abroad	10,414	3,462	(2,793)	11,083
Total	**11,399**	**3,685**	**(2,868)**	**12,216**

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

	Corporate	Construction	Concessions	Engineering & Plant Construction	Total
Managers	26	120	26	4	176
White collars	131	2,345	424	92	2,992
Blue collars		7,914	504	222	8,640
Total	**157**	**10,379**	**954**	**318**	**11,808**
Italy					1,059
Abroad					10,749
Total					**11,808**

Training

As well as investing in specialised training courses, Impregilo also provided courses about Legislative decree no. 81/2008. As part of its ongoing commitment to ensuring health and safety in the workplace and its long-term training programme, it held nine sessions about health and safety attended by all headquarters personnel. In order to make its employees more aware of and sensitive to the whole issue, the course covered:

- a brief description of the current legislative framework;
- details of the key positions in charge of safety issues;
- guidance about how to manage the various types of risk.

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.

On 15 July 2013, Impregilo and its US subsidiary S.A. Healy were awarded the contract for the construction of a new waste water collector for Buenos Aires as part of an environmental remediation project for the metropolitan area in the Buenos Aires province. The tender called by AySA (Agua y Sanamientos Argentinos S.A.), one of the major water utility operators in Argentina, is worth roughly 360 million.

The project includes the collection of wastewater from the Riachuelo plant via a 40-metre deep shaft. The wastewater will be carried to a diffuser to be constructed on the bottom of the Rio de la Plata River through a 11-km long tunnel with a 3.8 metre diameter.

The project has a strong social and environmental value and constitutes the early stage of a wider program of sustainable development of the Matanza-Riachuelo basin, financed by the World Bank. The objective is the environmental recovery of the Riachuelo River and of the land crossed by it, considered one of most polluted areas in the world.

On the same date, Impregilo and Todini, in a joint venture with the local company Kazakhdorstroy, were awarded the contract for the construction of four stretches of the Almaty - Khorgos motorway in Kazakhstan.

The contract, promoted by the Minister of Transport and Communications of the Republic of Kazakhstan, is worth about 295 million (Impregilo's share is 33%).

It is financed by the World Bank and consists of the upgrading and doubling of the existing motorway over a total of about 193 km and includes the construction of five viaducts involving a workforce of around 900 people.

The four stretches are part of the larger project called "Western Europe – Western China International Transit Corridor". It represents a major road corridor from Western Europe to Western China, the modern "Silk Road" that will facilitate connections between Europe and China, improving the infrastructure network of the area, developing commercial trade from and to Europe and providing a significant contribution to road safety in the region.

On 29 July 2013, the Salini-Impregilo group was awarded the maxi contract called by Riyadh Development Authority to design and build the new Line 3 (40.7 km) of the Riyad metro as the leader of an international consortium which includes the Italian company Ansaldo STS, the Canadian Bombardier, the Indian Larsen & Toubro and the Saudi Nesma. This new line will be the longest of the huge project for the new metro network of the Saudia Arabian capital.

The stretch awarded to the consortium is an important part of the bigger construction project for Riyad's new metro network (six lines for a total length of roughly 180 km) worth approximately USD 23.5 billion. Another two mega sections have been concurrently awarded to two other global groups including some of the major international construction players: one led by the American Bechtel comprising Almabani, CCC and Siemens and the other led by the Spanish company FCC and including Samsung, Freyssinet Arabia, Strukton and Alstom.

The total value of the contract to be performed by Salini Impregilo as leader for the design and construction of the entire Line 3 is approximately USD 6.0 billion, including roughly USD 4.9 billion for the civil works.

Reference should be made to the "Non-current assets held for sale" section for information about the main events that have taken place since 30 June 2013 related to the USW Campania projects.

No other significant events took place after the reporting date.

OUTLOOK

The important events that have characterised the group's corporate governance structure during the period will strengthen the group's strategic position and competitive edge in its reference markets over the medium term, as provided for in the 2013-2016 business plan which Impregilo and its parent Salini jointly approved in June (also for the purposes of the proposed merger of the two companies, approved on 24 June 2013 and to be approved by the relevant company bodies over the next few months).

As described in the business plan, the outlook for the current year and the short term described below refers to Impregilo group as it currently exists.

At the end of the first half of 2013, the group's strong order portfolio, in volume and quality terms, and its balanced financial structure continue to be two key factors for stability, backing up its expectation that its results for the rest of 2013 will develop in line with the objectives communicated to the market.

The group is still enmeshed in the complex operating and legal situation caused by the criminal and civil proceedings for the USW Campania projects. 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.


Salerno Reggio Calabria motorway – Italy

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 chairperson of the board of directors and the 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 parent of the allegations against its former chairperson and former CEO on 13 October 2005.

The allegation is that the parent "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 which set a date for the hearing of 15 September 2013.

Judicial investigations - Naples Court

Reference should be made to the section "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 board of directors of Impregilo S.p.A. approved the procedure for related party transactions required by Consob regulation no. 17221 of 12 March 2010 on 30 November 2010 and amended it on 20 April 2012, 9 July 2012 and 13 May 2013.

Details of related party transactions, as defined by IAS 24, are given in the notes to the condensed interim consolidated financial statements at 30 June 2013.

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:

Net 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.

On behalf of the board of directors

Chairperson

Claudio Costamagna

(signed on the original)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/000)

ASSETS	Note	30 June 2013	31 December 2012
Non-current assets			
Property, plant and equipment	1	257,416	298,777
Intangible assets - Rights to infrastructure under concession	2	52,004	12,818
Other intangible assets	3	33,182	34,043
Goodwill	4	30,390	30,390
Equity investments	5	78,247	62,637
Non-current financial assets (*)	6	10,840	16,335
Non-current intragroup loans and receivables	7	10,413	10,892
Other non-current assets	8	38,348	42,700
Deferred tax assets	9	106,262	105,484
Total non-current assets		**617,102**	**614,076**
Current assets			
Inventories	10	85,341	95,376
Contract work in progress	11	964,904	864,368
Trade receivables	12	899,026	809,180
Current intragroup loans and receivables	12	262,258	253,685
Derivatives and other current financial assets (*)	13	7,514	11,681
Current tax assets	14	58,033	67,253
Other current tax assets	14	87,479	80,579
Other current assets	15	284,749	296,268
of which: related parties	*36*	*5,000*	
Cash and cash equivalents (*)	16	608,935	1,243,086
Total current assets		**3,258,239**	**3,721,476**
Non-current assets held for sale	17	248,060	307,588
Total assets		**4,123,401**	**4,643,140**

(*) Items included in net financial position.

(Euro/000)

EQUITY AND LIABILITIES	Note	30 June 2013	31 December 2012
Equity			
Share capital		718,364	718,364
Share premium reserve		1,222	1,222
Other reserves and retained earnings		485,530	478,709
Profit for the period/year		132,892	602,659
Equity attributable to the owners of the parent		**1,338,008**	**1,800,954**
Non-controlling interests		14,212	4,851
Total equity	**18**	**1,352,220**	**1,805,805**
Non-current liabilities			
Bank and other loans (*)	19	41,585	138,549
Bonds (*)	20	149,026	148,840
Finance lease payables (*)	21	26,984	40,028
Non-current derivatives (*)	22	4,657	5,200
Post-employment benefits and employee benefits	23	19,313	20,234
Deferred tax liabilities	9	47,373	46,507
Provisions for risks	24	94,277	98,285
Other non-current liabilities	25	2,951	2,601
Total non-current liabilities		**386,166**	**500,244**
Current liabilities			
Current portion of bank loans and current account facilities (*)	19	317,031	235,211
Current portion of bonds (*)	20	5,982	113,689
Current portion of finance lease payables (*)	21	21,843	22,785
Derivatives and other current financial liabilities (*)	22	41	65
Progress payments and advances on contract work in progress	26	883,961	844,440
Trade payables	27	697,484	731,484
of which: related parties	*36*		*22,090*
Current intragroup payables	27	116,878	87,115
Current tax liabilities	28	96,803	52,630
Other current tax liabilities	28	9,222	16,603
Other current liabilities	29	235,770	233,069
of which: related parties	*36*		*18,343*
Total current liabilities		**2,385,015**	**2,337,091**
Liabilities directly associated with non-current assets held for sale	17		
Total equity and liabilities		**4,123,401**	**4,643,140**

(*) Items included in net financial position.

CONSOLIDATED INCOME STATEMENT

(Euro/000)

	Note	1st half 2013	1st half 2012 (§)
Revenue			
Operating revenue	31	1,138,364	1,087,182
Other revenue	31	25,758	25,124
of which: related parties		-	*4,626*
Total revenue		**1,164,122**	**1,112,306**
Costs			
Raw materials and consumables	32	(181,353)	(164,207)
Subcontracts	32	(282,096)	(235,503)
Other operating expenses	32	(360,403)	(497,092)
Personnel expenses	32	(193,646)	(192,570)
Amortisation, depreciation, provisions and impairment losses	32	(47,841)	(56,894)
of which: related parties	*36*	-	*(9,289)*
Total costs		**(1,065,339)**	**(1,146,266)**
Operating profit (loss)		**98,783**	**(33,960)**
Financing income (costs) and gains (losses) on investments			
Financial income	*33*	*12,239*	*34,744*
Financial expense	*33*	*(42,440)*	*(39,531)*
Net exchange rate gains	*33*	*7,813*	*1,491*
Net financing costs		(22,388)	(3,296)
of which: related parties	*36*	-	*(267)*
Net gains on investments	34	1,014	608
Net financing costs and net gains on investments		**(21,374)**	**(2,688)**
Profit (loss) before tax		**77,409**	**(36,648)**
Income tax expense	35	(27,803)	(10,577)
Profit (loss) from continuing operations		**49,606**	**(47,225)**
Profit from discontinued operations	17	83,213	19,894
Profit (loss) for the period		**132,819**	**(27,331)**
Profit (loss) for the period attributable to:			
Owners of the parent		132,892	(27,753)
Non-controlling interests		(73)	422
Earnings (loss) per share			
From continuing and discontinued operations			
Basic	*39*	*0.33*	*(0.07)*
Diluted	*39*	*0.33*	*(0.07)*
From continuing operations			
Basic	*39*	*0.12*	*(0.12)*
Diluted	*39*	*0.12*	*(0.12)*

(§) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17 - and the retrospective application of IAS 19 revised in 2011.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)

	Note	1st half 2013	1st half 2012 (§)
Profit (loss) for the period (a)		**132,819**	**(27,331)**
- items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Change in the translation reserve	18	6,687	(19,621)
Net gains on cash flow hedges, net of the tax effect	18	543	374
Other comprehensive income (expense) related to equity-accounted investees	18	(1,053)	1,172
- items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial losses on defined benefit plans	18	(94)	(1,455)
Other comprehensive income (expense) (b)		**6,083**	**(19,530)**
Total comprehensive income (expense) (a) + (b)		**138,902**	**(46,861)**
Total comprehensive income (expense) attributable to:			
Owners of the parent		139,292	(47,063)
Non-controlling interests		(390)	202

(§) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17 - and the retrospective application of IAS 19 revised in 2011.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/000)

	Note	1st half 2013	1st half 2012 (§)
Cash and cash equivalents	16	1,243,086	678,389
Current account facilities	19	(83,935)	(102,448)
Total opening cash and cash equivalents		**1,159,151**	**575,941**
Operating activities			
Profit (loss) from continuing operations		49,606	(47,225)
Amortisation of intangible assets	32	945	723
Amortisation of rights to infrastructure under concession	32	374	348
Depreciation of property, plant and equipment	32	44,447	50,794
Net impairment losses and provisions	32	2,075	5,028
Accrual for post-employment benefits and employee benefits	32	7,922	6,655
Net losses on the sale of assets		2,924	3,100
Deferred taxes	35	4,342	(3,834)
Share of profit of equity-accounted investees	34	(1,006)	(505)
Impairment losses on available-for-sale financial assets	34	-	-
Other non-monetary items		4,553	2,486
Total income statement		**116,182**	**17,570**
Decrease (increase) in inventories		(89,874)	(119,088)
Decrease (increase) in trade receivables		(96,324)	(57,341)
Decrease (increase) in intragroup loans and receivables		(7,831)	(8,535)
(Decrease) increase in progress payments and advances from customers		39,521	20,995
(Decrease) increase in trade payables		(42,637)	74,080
(Decrease) increase in intragroup payables		29,763	8,404
Decrease (increase) in other assets/liabilities		12,380	(32,378)
of which: cash flows from related party transactions	*37*	*(5,000)*	
Total operating cash flows		**(155,002)**	**(113,863)**
Cash flows used in operating activities		**(38,820)**	**(96,293)**
Investing activities			
Net investments in intangible assets	2 - 3	(676)	(408)
Acquisitions, net of cash acquired		(4,834)	-
Investments in property, plant and equipment	1 - 17	(15,598)	(44,984)
Proceeds from the sale or reimbursement value of property, plant and equipment and intangible assets		4,371	6,557
Investments in non-current financial assets	5	(25,616)	(14,768)
Dividends and capital repayments from equity-accounted investees	5	441	636
Proceeds from the sale or reimbursement value of non-current financial assets		75	55
Cash flows used in investing activities		**(41,837)**	**(52,912)**

(Euro/000)

	Note	1st half 2013	1st half 2012 (§)
Financing activities			
Share capital increase	18	-	-
Dividend distribution to Impregilo shareholders		(602,238)	(36,641)
Dividend distribution to other shareholders		-	(210)
Increase in bank and other loans		118,283	221,314
Decrease in bank and other loans		(255,697)	(297,276)
Change in other financial assets/liabilities		9,224	(7,941)
Cash flows used in financing activities		**(730,428)**	**(120,754)**
Net cash flows from discontinued operations	**17**	**187,001**	**338,486**
Net exchange rate losses on cash and cash equivalents		**(32)**	**(1,669)**
Increase (decrease) in cash and cash equivalents		**(624,116)**	**66,858**
Cash and cash equivalents	16	608,935	731,889
Current account facilities	19	(73,900)	(89,090)
Total closing cash and cash equivalents		**535,035**	**642,799**
Other information:			
Income taxes paid during the period		(4,471)	(18,099)
Net interest paid during the period		(15,836)	(33,872)

(§) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17 - and the retrospective application of IAS 19 revised in 2011.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(Euro/000)	Note	Share capital	Share premium reserve	Other reserves		
				Legal reserve	Translation reserve	Stock option reserve
As at 1 January 2012	**18**	**718,364**	**1,222**	**18,714**	**18,476**	**260**
Allocation of loss and reserves	18			2,803		
Dividend distribution	18					
Other changes	18					
Allocation of stock options	18					162
Dividend distribution to non-controlling interests						
Loss for the period	*18*					
Net actuarial losses	*18*					
Other comprehensive expense	*18*				*(18,277)*	
Total comprehensive expense	*18*	-	-	-	*(18,277)*	-
As at 30 June 2012	**18**	**718,364**	**1,222**	**21,517**	**199**	**422**
As at 1 January 2013	**18**	**718,364**	**1,222**	**21,517**	**(2,282)**	**-**
Allocation of profit and reserves	18			36,930		
Dividend distribution	18					
Other changes	18					
Profit for the period	*18*					
Net actuarial losses	*18*					
Other comprehensive income	*18*				*5,743*	
Total comprehensive income	*18*	-	-	-	*5,743*	-
As at 30 June 2013	**18**	**718,364**	**1,222**	**58,447**	**3,461**	**-**

Other reserves						
Hedging reserve	Other reserves and retained earnings	Total other reserves	Profit (loss) for the period	Equity attributable to the owners of the parent	Non-controlling interests	TOTAL EQUITY
(7,022)	**328,151**	**358,579**	**177,394**	**1,255,559**	**6,928**	**1,262,487**
	174,591	177,394	(177,394)	-		-
	(36,641)	(36,641)		(36,641)		(36,641)
		-		-	1,806	1,806
		162		162		162
		-		-	(469)	(469)
		-	*(27,753)*	*(27,753)*	*422*	*(27,331)*
	(1,455)	*(1,455)*		*(1,455)*		*(1,455)*
422		*(17,855)*		*(17,855)*	*(220)*	*(18,075)*
422	*(1,455)*	*(19,310)*	*(27,753)*	*(45,608)*	*202*	*(46,861)*
(6,600)	**464,646**	**480,184**	**(27,753)**	**1,173,472**	**8,467**	**1,180,484**
(6,753)	**466,227**	**478,709**	**602,659**	**1,800,954**	**4,851**	**1,805,805**
	565,729	602,659	(602,659)	-		-
	(602,238)	(602,238)		(602,238)		(602,238)
		-		-	9,751	9,751
		-	*132,892*	*132,892*	*(73)*	*132,819*
	(94)	*(94)*		*(94)*		*(94)*
751		*6,494*		*6,494*	*(317)*	*6,177*
751	*(94)*	*6,400*	*132,892*	*139,292*	*(390)*	*138,902*
(6,002)	**429,624**	**485,530**	**132,892**	**1,338,008**	**14,212**	**1,352,220**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Impregilo group has prepared its condensed interim consolidated financial statements at 30 June 2013 on a going concern basis and in line with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and endorsed by the European Union as required by Regulation 1606/2002 issued by the European Parliament and Council and enacted in Italy by Legislative decree no. 38/2005 and, specifically, IAS 34 - Interim financial reporting.

The format and content of these condensed interim consolidated financial statements comply with the disclosure requirements of article 154-*ter* of the Consolidated Finance Act.

The accounting policies adopted to draw up these condensed interim consolidated financial statements at 30 June 2013 are consistent with those used to prepare the 2012 annual consolidated financial statements, to which reference should be made, except for the changes summarised in the next section.

CHANGES IN STANDARDS

The following standards, amendments and interpretations have been applied since 1 January 2013.

On 12 May 2011, 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 other 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). 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. Application of this revised standard requires recognition of an equity reserve in the reporting period and the comparative period, included in the item "Other reserves and retained earnings" in the statement of financial position.

On 16 December 2011, 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.

Adoption of the above standards and amendments did not have significant effects on the group's condensed interim consolidated financial statements.

The following standards, amendments and interpretations will be applicable after 30 June 2013 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.

IFRIC 20 - Stripping costs in the production phase of a surface mine (EU regulation 1255/2012 of 11 December 2012) provides guidance about when and how to account for stripping costs in the production phase as an asset and the initial recognition and subsequent measurement of the asset. It is applicable to annual periods beginning on or after 1 January 2013.

Amendment to IFRS 1 - First-time adoption of International Financial Reporting Standards - government loans (EU regulation 185/2013 of 4 March 2013) covers government loans with a below-market rate of interest. It is applicable to annual periods beginning on or after 1 January 2013.

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 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.

Except for IFRS 10 and 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 10 and IFRS 11, considering the potential effects that the new standards may have on the consolidated financial statements of entities like Impregilo S.p.A. which directly and indirectly hold significant investments. The group is currently assessing this issue with utmost attention, together 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 upheavel in Libya from end of February 2011 to the date of this Report, the subsidiary has always acted in accordance with the contractual terms. 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 at present.

The group commenced the procedures necessary to restart industrial activities in 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 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 2012 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 steadily impaired by approximately euro 36.1 million to reflect the above events. These losses have been 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 11.8 million to costs incurred locally in the period from 31 March 2011 to 30 June 2013.

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 Report that would require changes to the assessments made to date.

NON-CURRENT ASSETS HELD FOR SALE

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 previous 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.

Following the Supreme Court's ruling and the results of the enforcement procedures carried out by the group in respect of the dispute about the claims made, the group reversed the impairment losses on the disputed assets recognised in previous years during the period and recognised the legal interest accrued up to the reporting date. More information about this dispute and the entire situation is available in the section "Non-current assets held for sale" in the Directors' report.

BUSINESS COMBINATIONS

Acquisition of control of Società Autostrada Broni-Mortara S.p.A.

During the period, Impregilo group acquired control of Sa.Bro.M. S.p.A., which holds the concession for the regional Broni - Mortara motorway. The purchase price allocation procedures required by the IFRS had not been completed at the reporting date. The effect of the acquisition is not significant as the group acquired control towards the end of the period and the acquiree's income statement for the six months does not show revenue and includes a loss for the period of euro 0.2 million as the concession is still in a start-up stage. Note 2 Intangible assets - Rights to infrastructure under concession and note 19 - Bank and other loans shows the effects of the acquisition on the group's consolidated statement of financial position. The group used cash of euro 4.8 million for the acquisition, net of cash acquired.

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, electric power transmissssion, 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 (loss), 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 condensed interim consolidated financial statements figures are summarised below by business segment.

Performance in the first half of 2013 by business segment

(Euro/000)	Construction	Concessions
Operating revenue	1,065,063	9,422
Other revenue	20,012	717
Total revenue	**1,085,075**	**10,139**
- of which: intrasegment revenue	***1,107***	***148***
Costs		
Purchases, sub-contracts and other operating expenses	(755,173)	(7,964)
Personnel expenses	(159,311)	(3,027)
Provisions and impairment losses	(3,106)	-
Total costs	**(917,590)**	**(10,991)**
Gross operating profit (loss)	**167,485**	**(852)**
Gross operating profit (loss) %	*15.4%*	*n.a.*
Amortisation and depreciation	(43,856)	(426)
Operating profit (loss) before non-recurring items	**123,629**	**(1,278)**
Return on Sales	*11.4%*	*n.a.*
Non-recurring items		
Operating profit (loss)	**123,629**	**(1,278)**
Financing income (costs) and gains (losses) on investments		
Financial income		
Financial expense		
Net exchange rate gains		
Share of profit of equity-accounted investees	40	966
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 (loss) from discontinued operations		(766)
Profit for the period		

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
64,571	-	(692)	-	1,138,364
5,258	590	(819)	-	25,758
69,829	**590**	**(1,511)**	**-**	**1,164,122**
256		***(1,511)***		***-***
(46,640)	(442)	1,192	(14,825)	(823,852)
(22,715)	(135)	319	(8,777)	(193,646)
865	-	-	166	(2,075)
(68,490)	**(577)**	**1,511**	**(23,436)**	**(1,019,573)**
1,339	**13**	**-**	**(23,436)**	**144,549**
1.9%	*2.2%*			*12.4%*
(1,459)	(2)	-	(23)	(45,766)
(120)	**11**	**-**	**(23,459)**	**98,783**
n.a.	*1.9%*			*8.5%*
(120)	**11**	**-**	**(23,459)**	**98,783**
			12,239	12,239
			(42,440)	(42,440)
			7,813	7,813
-	-	-	-	1,006
			8	8
			(22,380)	**(21,374)**
				77,409
			(27,803)	(27,803)
				49,606
	83,979			83,213
				132,819

Performance in the first half of 2012 by business segment

(Euro/000)	Construction	Concessions (§)
Operating revenue	986,870	9,221
Other revenue	20,965	748
Total revenue	**1,007,835**	**9,969**
- of which: intrasegment revenue	***1,201***	***160***
Costs		
Purchases, sub-contracts and other operating expenses	(809,951)	(7,092)
Personnel expenses	(154,156)	(3,093)
Provisions and impairment losses	(5,249)	(1)
Total costs	**(969,356)**	**(10,186)**
Gross operating profit (loss)	**38,479**	**(217)**
Gross operating profit (loss) %	*3.8%*	*n.a.*
Amortisation and depreciation	(49,901)	(398)
Operating loss before non-recurring items	**(11,422)**	**(615)**
Return on Sales	*n.a.*	*n.a.*
Non-recurring items		
Operating loss	**(11,422)**	**(615)**
Financing income (costs) and gains (losses) on investments		
Financial income		
Financial expense		
Net exchange rate gains		
Share of profit (loss) of equity-accounted investees	(257)	763
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		22,797
Loss for the period		

(§) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17 - and the retrospective application of IAS 19 revised in 2011.

Engineering & Plant Construction	USW Campania projects	Eliminations	Corporate costs (unallocated items)	Total
91,949	-	(858)	-	1,087,182
4,216	208	(1,013)	-	25,124
96,165	**208**	**(1,871)**	**-**	**1,112,306**
160	**-**	***(1,871)***	**-**	**-**
(75,224)	(663)	1,345	(5,217)	(896,802)
(23,075)	(378)	525	(12,393)	(192,570)
253		1	(33)	(5,029)
(98,046)	**(1,041)**	**1,871**	**(17,643)**	**(1,094,401)**
(1,881)	**(833)**	**-**	**(17,643)**	**17,905**
n.a.	*n.a.*			*1.6%*
(1,540)	(2)	-	(24)	(51,865)
(3,421)	**(835)**	**-**	**(17,667)**	**(33,960)**
n.a.	*n.a.*			*n.a.*
(3,421)	**(835)**	**-**	**(17,667)**	**(33,960)**
			34,744	34,744
			(39,531)	(39,531)
			1,491	1,491
	(1)	-	-	505
			103	103
			(3,193)	**(2,688)**
				(36,648)
			(10,577)	(10,577)
				(47,225)
	(2,903)			19,894
				(27,331)

Consolidated statement of financial position as at 30 June 2013 by business segment

(Euro/000)	Construction
Total non-current assets	557,705
Assets held for sale, net	
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	(48,862)
Net tax assets	
Working capital	437,861
Net invested capital	**946,704**
Other information	
Total increase in non-current assets	15,245
Amortisation and depreciation	(43,856)
Impairment losses recognised in profit or loss	(3,106)

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
Variation in non-current assets held for sale	
Amortisation and depreciation	(105,801)
Impairment losses recognised in profit or loss	(3,719)

Concessions	Engineering & Plant Construction	USW Campania projects	Eliminations and unallocated items	Total
173,148	48,986	791	(329,391)	451,239
		248,060		248,060
33,971	(6,733)	(30,432)	(15,724)	(67,780)
			98,376	98,376
28,477	84,871	10,678	299	562,186
235,596	**127,124**	**229,097**	**(246,440)**	**1,292,081**
497	531	-		16,273
(426)	(1,459)	(2)	(23)	(45,766)
-	865	-	166	(2,075)

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

STATEMENT OF FINANCIAL POSITION

1 Property, plant and equipment

Property, plant and equipment amount to euro 257.4 million, down from the 31 December 2012 figure by euro 41.4 million. The historical cost and carrying amount are given in the following table:

	30 June 2013			31 December 2012		
(Euro/000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Land	1,594	-	1,594	1,621	-	1,621
Buildings	15,774	(5,890)	9,884	15,899	(5,314)	10,585
Plant and machinery	360,324	(195,651)	164,673	369,539	(176,319)	193,220
Industrial and commercial equipment	59,565	(31,450)	28,115	58,183	(26,460)	31,723
Other assets	127,085	(80,415)	46,670	130,508	(73,822)	56,686
Assets under const. and payments on account	6,480	-	6,480	4,942	-	4,942
Total	**570,822**	**(313,406)**	**257,416**	**580,692**	**(281,915)**	**298,777**

Changes during the period are summarised below:

(Euro/000)	31 December 2012	Increases	Deprec-iation	(Imp. losses)/ reversals of imp. losses	Reclassific-ations	Disposals	Exchange rate gains (losses)	Change in consolidation scope	30 June 2013
Land	1,621	-	-	-	1	-	(28)	-	1,594
Buildings	10,585	40	(611)	-	(127)	(1)	(2)	-	9,884
Plant and machinery	193,220	9,212	(30,089)	(85)	1,745	(5,294)	(4,036)	-	164,673
Industrial and commercial equipment	31,723	1,864	(5,507)	-	222	(247)	60	-	28,115
Other assets	56,686	1,106	(8,240)	(33)	16	(1,620)	(1,245)	-	46,670
Assets under const. and payments on account	4,942	3,376	-	-	(1,857)	-	19	-	6,480
Total	**298,777**	**15,598**	**(44,447)**	**(118)**	**-**	**(7,162)**	**(5,232)**	**-**	**257,416**

The most significant changes include:

- increases of euro 15.6 million, mostly related to capital expenditure for the Construction segment's foreign contracts, especially the hydroelectric plants in Colombia, the widening of the Panama Canal and infrastructure works in the USA to build the Gerald Desmond Bridge;
- depreciation for the period of euro 44.4 million;
- disposals of euro 7.2 million, including the disposal of assets related to Construction segment contracts being wound up;
- the effects of exchange rate fluctuations which decreased the carrying amount of property, plant and equipment by euro 5.2 million.

The jointly controlled company Grupo Unidos por El Canal S.A. has pledged euro 5.8 million of machinery and plant as a guarantee for a loan.

2 Intangible assets - Rights to infrastructure under concession

This item increased by euro 39.2 million to euro 52.0 million compared to 31 December 2012. The historical cost and carrying amount are given in the following table:

	30 June 2013			31 December 2012		
(Euro/000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Rights to infrastructure under concession	**63,095**	**(11,091)**	**52,004**	**23,837**	**(11,019)**	**12,818**

Changes of the period are detailed in the following table:

(Euro/000)	31 December 2012	Increases	Amortisation	Exchange rate gains (losses)	Change in consolidation scope	30 June 2013
Parking Glasgow	9,403	-	(199)	(451)	-	8,753
Mercovia - Argentina	3,415	446	(175)	(262)	-	3,424
Broni Mortara motorway - Italy	-	-	-	-	39,827	39,827
Total	**12,818**	**446**	**(374)**	**(713)**	**39,827**	**52,004**

The change in consolidation scope includes the increase related to the Broni - Mortara motorway following acquisition of control of Sa.Bro.M S.p.A., which holds the concession for the Broni - Mortara toll motorway, during the period. This acquisition is described in the "Business combinations" section and the related purchase price allocation procedure has not yet been completed.

3 Other intangible assets

Other intangible assets amount to euro 33.2 million, down euro 0.9 million from the 31 December 2012 figure. The historical cost and carrying amount are given in the following table:

	30 June 2013			31 December 2012		
(Euro/000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Industrial patents	1,383	(1,372)	11	1,383	(1,369)	14
Software	3,026	(2,179)	847	3,056	(2,098)	958
Contract acquisition costs	46,730	(14,566)	32,164	46,730	(13,789)	32,941
Other	2,869	(2,709)	160	2,789	(2,659)	130
Total	**54,008**	**(20,826)**	**33,182**	**53,958**	**(19,915)**	**34,043**

Changes during the period are set out below:

(Euro/000)	31 December 2012	Increases	Amortisation	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	30 June 2013
Industrial patents	14	-	(3)	-	-	-	-	11
Software	958	180	(145)	-	(131)	(15)	-	847
Contract acquisition costs	32,941	-	(777)	-	-	-	-	32,164
Other	130	50	(20)	-	-	-	-	160
Total	**34,043**	**230**	**(945)**	**-**	**(131)**	**(15)**	**-**	**33,182**

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 32.2 million (solely for the Milan - Genoa railway line). 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 2012	Amortisation	Change in consolidation scope	Disposals	Exchange rate gains (losses)	30 June 2013
Cociv (Milan - Genoa railway line)	32,941	(777)	-	-	-	32,164
Total	**32,941**	**(777)**	**-**	**-**	**-**	**32,164**

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 is unchanged from 31 December 2012. The following table provides a breakdown of this item at 30 June 2013 and 31 December 2012:

(Euro/000)	Segment	30 June 2013	31 December 2012	Variation
FISIA Babcock	Engineering & Plant Construction	11,875	11,875	-
Shanghai Pucheng	Concessions	18,515	18,515	-
Total		**30,390**	**30,390**	**-**

The FISIA Babcock and Shangai Pucheng balances arise from the acquisitions from third parties of the related investments and business units in previous years.

No elements arose during the period that would suggest that the goodwill had been impaired. Therefore, no impairment tests were performed. The group tests for impairment at least once a year.

5 Equity investments

Investments in associates and other companies increased by euro 15.6 million to euro 78.2 million.

(Euro/000)	30 June 2013	31 December 2012	Variation
Investments in associates and other companies	78,247	62,637	15,610
Total	**78,247**	**62,637**	**15,610**

The main changes that led to differences in the carrying amounts of the equity investments are summarised below:

(Euro/000)	30 June 2013	30 June 2012
Change in consolidation method	(9,543)	(209)
Acquisitions, capital injections and disinvestments	25,538	14,713
Share of profit of equity-accounted investees	984	474
Dividends from equity-accounted investees and other investees	(424)	(636)
Other changes including change in the translation reserve	(945)	828
Total	**15,610**	**15,170**

The group's share of profit of equity-accounted investees totals euro 1.0 million, considering also the figures shown in note 24, detailing the changes in the provision for risks on equity investments. The effect on profit or loss is analysed in note 34.

The increase in "Acquisitions, capital injections and disinvestments" entirely relates to the capital injection for the concession to operate the new Milan outer east by-pass.

The change in the consolidation scope relates to the operator that will design, construct and operate the Broni - Mortara regional motorway. Impregilo group acquired control of this operator at the end of May after acquiring an additional stake of 19.8%, thus bringing its investment therein to 59.8%.

The key figures of the equity-accounted investees are set out below:

(Euro/000)							IFRS				
Investee	Segment	Country	Business	%	Carrying amount	Equity under local GAAP	Total assets	Net financial position (indebtedness)	Equity	Revenue	Profit (loss) for the period
Agua del Gran Buenos Aires	Concessions	Argentina	Integrated water cycle	42.58%	-	(182,764)	32,813	3,123	(182,764)	26,849	9,419
Cons. Agua Azul S.A.	Concessions	Peru	Integrated water cycle	25.50%	6,145,186	6,140,600	9,754,642	(1,756,835)	6,145,186	1,384,304	203,034
Enecor S.A.	Concessions	Argentina	Energy	30.00%	-	42,111	408,314	233,607	42,111	68,313	(9,360)
Impregilo Wolverhampton Ltd.	Concessions	GB	Hospitals	20.00%	(1,047,575)	297,267	4,368,755	(2,930,469)	(1,047,574)	604,479	33,612
Ochre Solutions Ltd.	Concessions	GB	Hospitals	40.00%	-	(1,241,602)	70,157,250	(57,655,213)	(1,241,602)	1,638,515	(104,114)
Puentes del Litoral	Concessions	Argentina	Motorways	26.00%	-	(2,133,183)	8,000,919	298,328	(2,133,183)	555,785	(1,140,825)
Yacylec S.A.	Concessions	Argentina	Energy	18.67%	440,542	818,393	598,354	85,279	440,542	270,577	28,651
Yuma	Concessions	Colombia	Motorways	40.00%	5,843,164	3,900,243	70,486,071	(26,879,004)	5,843,164	4,818,400	766,724
Coincar	Concessions	Argentina	Carcere	35.00%	-	3,201,747	4,899,927	(1,590,435)	2,499,385	307,378	-
Impregilo Arabia Ltd.	Construction	Saudi Arabia	Sundry Construction	50.00%	3,426,105	3,426,105	13,054,356	2,243,828	3,426,105	7,486,981	25,621

At the reporting date, the group has no obligation to cover the losses of investees with nil carrying amounts and a deficit.

6 Non-current financial assets

Non-current financial assets of euro 10.8 million include investments in guaranteed-return securities which mature after one year.

7 Non-current intragroup loans and receivables

This item of euro 10.4 million decreased by euro 0.5 million on 31 December 2012 mainly due to the reclassification of amounts that became current during the period.

8 Other non-current assets

Other non-current assets of euro 38.3 million decreased by euro 4.4 millon on 31 December 2012. The following table provides a breakdown of this item by the operating company to which the asset belongs:

(Euro/000)	30 June 2013	31 December 2012	Variation
Imprepar and subsidiaries	3,737	3,917	(180)
Vegas Tunnel	2,860	2,923	(63)
Impregilo Emirates branch	-	293	(293)
Shimmick - FCC-Igl JV	2,320	3,082	(762)
Impregilo Int. Infr. (Caminos de Las Sierras)	20,916	23,252	(2,336)
Impregilo Int. Infr. (Cordoba provincial authorities)	7,630	8,666	(1,036)
Other Construction	791	476	315
Other Engineering & Plant Construction, Concessions and FIBE	94	91	3
Total	**38,348**	**42,700**	**(4,352)**

The balances relating to Impregilo International Infrastructures refer to the sale of the investment in the Argentine operator Caminos de Las Sierras to the Cordoba provincial authorities (Argentina) in 2010. Specifically:

- The amount of euro 20.9 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 26.4 million at the reporting date includes euro 20.9 million due after one year and euro 5.5 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 9.8 million, including euro 7.6 million due after one year and euro 2.2 million due within one year (classified under "Other current assets").

The decrease on 31 December 2012 refers to the payments which became current at 30 June 2013.

9 Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to euro 106.3 million and euro 47.4 million at 30 June 2013, respectively, and are substantially unchanged from 31 December 2012.

(Euro/000)	30 June 2013	31 December 2012	Variation
Deferred tax assets	106,262	105,484	778
Deferred tax liabilities	(47,373)	(46,507)	(866)

10 Inventories

Inventories total euro 85.3 million at the reporting date, as shown in the following table:

	30 June 2013			31 December 2012			
(Euro/000)	Gross carrying amount	Allowance	Carrying amount	Gross carrying amount	Allowance	Carrying amount	Variation
Real estate projects	22,805	(8,222)	14,583	22,826	(8,222)	14,604	(21)
Finished products and goods	4,876	-	4,876	4,582	-	4,582	294
Raw materials, consumables and supplies	66,631	(749)	65,882	77,566	(1,376)	76,190	(10,308)
Total	**94,312**	**(8,971)**	**85,341**	**104,974**	**(9,598)**	**95,376**	**(10,035)**

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 4.9 million and euro 65.9 million, respectively, and mainly relates to materials and goods to be used for foreign contracts, including those of the Construction segment in Venezuela, Colombia, Panama and the US.

The carrying amount of raw materials, consumables and supplies is net of an allowance of euro 0.7 million, analysed below:

(Euro/000)	31 December 2012	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	30 June 2013
Allowance - raw materials	(1,376)	-	607	-	20	(749)
Total	**(1,376)**	**-**	**607**	**-**	**20**	**(749)**

11 Contract work in progress

Contract work in progress totals euro 964.9 million at the reporting date, up euro 100.5 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)	30 June 2013	31 December 2012	Variation
Contract work in progress	12,238,910	11,935,027	303,883
Progress payments and advances received (on approved work)	(11,274,006)	(11,070,659)	(203,347)
Total	**964,904**	**864,368**	**100,536**

A breakdown of contract work in progress by business segment is as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Construction	916,760	770,127	146,633
Engineering & Plant Construction	48,144	94,241	(46,097)
Total	**964,904**	**864,368**	**100,536**

Contract work in progress of the Construction segment mainly relates to railway work in Venezuela (euro 187.5 million, with production of euro 65.1 million during the period), work to widen the Panama Canal (euro 134.0 million, with production of euro 170.4 million during the period), work on Lots 5 and 6 of the A3 Salerno-Reggio Calabria motorway (euro 89.1 million, with production of euro 58.9 million during the period), work on the hydroelectric plants in Colombia (euro 59.4 million, with production of euro 125.0 million during the period) and work on the Orastie-Sibiu motorway in Romania (euro 28.0 million, with production of euro 20.2 million during the period).

The Construction segment's contract work in progress includes euro 62.0 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 in Part II) 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 20.3 million.

After the revisions described earlier in part II of the Directors' report (the section on risk areas for the Construction segment) for the group's operations in Libya, contract work in progress in this country amounts to euro 96.5 million.

Contract work in progress of the Engineering & Plant Construction segment mainly relates to the Kuwait and United Arab Emirates desalination plants, which were already nearly completed in 2012.

12 Trade receivables and current intragroup loans and receivables

At 30 June 2013, trade receivables amount to euro 899.0 million, up by a net euro 89.8 million over 31 December 2012. They are analysed in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Trade receivables	993,553	903,676	89,877
Allowance for impairment	(94,527)	(94,496)	(31)
Net trade receivables	**899,026**	**809,180**	**89,846**

(Euro/000)	30 June 2013	31 December 2012	Variation
Construction	660,742	492,833	167,909
Engineering & Plant Construction	21,633	98,925	(77,292)
Concessions	9,949	10,574	(625)
FIBE	206,702	206,848	(146)
Total	**899,026**	**809,180**	**89,846**

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 167.9 million rise in the Construction segment's balance, mainly as a result of progress on its main contracts, while the Engineering & Plant Construction segment saw a decrease of euro 77.3 million following collection of trade receivables for desalination plants. The Concession segment's trade receivables balance is substantially unchanged.

The item also includes euro 206.7 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 "Non-current assets held for sale" section in the Directors' report - Part II for more information about this complicated situation and the directors' related assessments).

Retentions amount to euro 81.9 million at the reporting date compared to euro 74.8 million at 31 December 2012.

The allowance for impairment amounts to euro 94.5 million, substantially the same as at 31 December 2012, as shown in the following table:

(Euro/000)	31 December 2012	Accruals	Utilisations	Reversals	Other changes	Exchange rate gains (losses)	30 June 2013
Trade receivables	32,963	5,232	(598)	(4,620)	19	(2)	32,994
Default interest	61,533	-	-	-	-	-	61,533
Total	**94,496**	**5,232**	**(598)**	**(4,620)**	**19**	**(2)**	**94,527**

Current intragroup loans and receivables amount to euro 262.3 million, up euro 8.6 million on 31 December 2012, as shown in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Gross carrying amount	294,178	285,007	9,171
Allowance for impairment	(31,920)	(31,322)	(598)
Current intragroup loans and receivables	**262,258**	**253,685**	**8,573**

The increase in this item is mainly due to the amounts due from the Venezuelan consortium OIV Tocoma (increase of euro 5.1 million) and the Swiss consortium TAT (increase of euro 3.5 million).

The increase in the allowance for impairment for intragroup loans and receivables is analysed below:

(Euro/000)	31 December 2012	Accruals	Utilisations	Reversals	Exchange rate gains (losses)	Other changes	30 June 2013
Total	**31,322**	**23**	**(1)**	**(172)**	**748**	**-**	**31,920**

13 Derivatives and other current financial assets

At 30 June 2013, this item of euro 7.5 million (31 December 2012: euro 11.7 million) includes other current financial assets and derivative assets as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Other current financial assets	7,298	10,590	(3,292)
Derivative assets	216	1,091	(875)
Total	**7,514**	**11,681**	**(4,167)**

Other current financial assets comprise investments in guaranteed-return securities which mature within one year.

Derivative assets include the reporting-date fair value of currency hedges.

This item is analysed below:

(Euro/000)	30 June 2013	31 December 2012
Currency swaps - FVTPL	216	1,091
Total derivatives presented in net financial position	**216**	**1,091**

The following table sets out the characteristics of the derivative assets existing at 30 June 2013, 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 S.p.A.	22/04/2013	22/07/2013	USD	2,810,000	3,280
Impregilo S.p.A.	28/06/2013	30/09/2013	USD	15,678,000	44,543
Impregilo S.p.A.	20/05/2013	20/11/2013	USD	8,772,000	98,410
Impregilo S.p.A.	28/05/2013	29/11/2013	USD	6,320,000	69,513
Total					**215,746**

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 58.0 million as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Direct taxes	32,497	32,621	(124)
IRAP	1,576	1,863	(287)
Foreign direct taxes	23,960	32,769	(8,809)
Total	**58,033**	**67,253**	**(9,220)**

The 30 June 2013 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;
- 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 6.9 million to euro 87.5 million at the reporting date as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
VAT	64,579	64,252	327
Other indirect taxes	22,900	16,327	6,573
Total	**87,479**	**80,579**	**6,900**

VAT receivables amount to euro 64.6 million and include euro 22.0 million factored to a major bank, as described in note 19 Factoring payables.

Other indirect taxes include withholdings of euro 7.6 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 reimbursement of these withholdings. 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 the same 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 withholdings. After the last ruling, the company took legal action at international level (appeal filed with the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim filed with 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. Following this, in April 2013, the EFTA Surveillance Authority issued its documented opinion finding the Icelandic legislation to be inconsistent with the regulations covering trade relations between the member countries with respect to the regulations for the above dispute. It asked that Iceland amend its position within 60 days. Based on the above considerations and especially the recent developments which will make it necessary to revise the previously-made valuations, Impregilo does not believe objective reasons currently exist to change the valuations made about this dispute.

15 Other current assets

Other current assets of euro 284.7 million show a decrease of euro 11.5 million on the previous year end and may be analysed as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Other receivables	117,567	113,553	4,014
Advances to suppliers	119,355	135,369	(16,014)
Prepayments and accrued income	47,827	47,346	481
Total	**284,749**	**296,268**	**(11,519)**

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 "Non-current assets held for sale" section 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 of euro 6.9 million 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 dispute was settled with the arbitration award of December 2012 which accepted the claim made by the lessor and ordered the parent to pay the outstanding lease payments for the remaining term of the lease which expired in July 2012. The parent promptly challenged the award with the relevent Milan Appeal Court which has yet to hand down its ruling. Moreover, the parent had already provided for the outcome of the arbitration (euro 14.9 million) in its 2012 financial statements pending the terms for challenging it. Pursuant to the contract signed with Immobiliare Lombarda S.p.A., as the 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 exercised this right by requesting a court order which was issued by the Milan Court and challenged by Immobiliare Lombarda. The related ruling has yet to be handed down. The parent had already considered the hold harmless clause in previous years when assessing the potential risk of the dispute.

Advances to suppliers decreased by euro 16.0 million on 31 December 2012, including for the Construction segment (euro 15.4 million) due to advances to suppliers for the Panama, Libya, Colombia and Venezuela contracts. The Engineering & Plant Construction segment saw a reduction of euro 0.6 million. A breakdown by segment is set out in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Construction	113,469	128,831	(15,362)
Engineering & Plant Construction	5,886	6,538	(652)
Total	**119,355**	**135,369**	**(16,014)**

Prepayments and accrued income of euro 47.8 million show an increase of euro 0.5 million on 31 December 2012. 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 variation principally refers to these items with an increase for the Milan - Genoa high speed/capacity railway line, offset by the decrease for the Panama Canal contract, the Lake Mead contract and the Sogamoso River hydroelectric contract.

They are broken down in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Accrued income:			
- Other	725	46	679
Total accrued income	**725**	**46**	**679**
Prepayments:			
- Insurance	18,777	17,215	1,562
- Commissions on sureties	22,623	22,912	(289)
- Leases	704	1,024	(320)
- Costs recognised in line with stage of completion of contracts	1,972	2,324	(352)
- Other	3,026	3,825	(799)
Total prepayments	**47,102**	**47,300**	**(198)**
Total	**47,827**	**47,346**	**481**

16 Cash and cash equivalents

At 30 June 2013, cash and cash equivalents amount to euro 608.9 million, down by euro 634.2 million, as shown below:

(Euro/000)	30 June 2013	31 December 2012	Variation
Cash and cash equivalents	**608,935**	**1,243,086**	**(634,151)**

The statement of cash flows shows the reason for this decrease and changes in current account facilities (note 19).

Part of the cash and cash equivalents (euro 0.5 million), lodged with a major bank, is pledged as guarantee for a USD 0.6 million credit facility granted by the same bank to an unconsolidated group operating company.

Imprepar's deposits include euro 17.7 million collected by it on behalf of third parties.

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 are shown in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Non-current assets held for sale	**248,060**	**307,588**	**(59,528)**

A breakdown of this item is as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Other claims for compensation - USW Campania	248,060	121,202	126,858
Total net USW Campania	**248,060**	**121,202**	**126,858**
Residual investment in EcoRodovias	-	186,386	(186,386)
Net non-current assets held for sale	**248,060**	**307,588**	**(59,528)**

The variation in this item is due to the decrease following the sale of the residual investment in the Brazilian group EcoRodovias in January 2013 and the increase following the recognition of the claims for compensation made by FIBE in relation to the former RDF plants following the Supreme Court's ruling described in the Directors' report. The related tax effects were directly offset against the gain arising from reversal of impairment losses and recognised under tax liabilities.

Reference should be made to the "Non-current assets held for sale" section in the Directors' report (Part II) for more information about the complicated situation surrounding the USW Campania projects.

The profit from discontinued operations in the first half of 2013 and 2012 is analysed in the following tables. The figures for the first half of 2012 have been restated following the sale of the EcoRodovias group in the second six months of 2012.

		1st half 2013	
(Euro/000)	EcoRodovias	USW Campania	Total
Total revenue	**-**	**91,054**	**91,054**
Costs			
Other operating expenses	-	(5,550)	(5,550)
Total costs	**-**	**(5,550)**	**(5,550)**
Operating profit	**-**	**85,504**	**85,504**
Net financing costs and net gains on investments	**(767)**	**35,805**	**35,038**
Profit (loss) before tax	**(767)**	**121,309**	**120,542**
Income tax expense		(37,329)	(37,329)
Profit (loss) from discontinued operations	**(767)**	**83,980**	**83,213**
Profit (loss) from continuing operations attributable to:			
Owners of the parent	(767)	83,980	83,213

(Euro/000)	EcoRodovias	1st half 2012 USW Campania	Total
Total revenue	**120,095**	**-**	**120,095**
Costs			
Raw materials and consumables	(1,400)	-	(1,400)
Subcontracts	(20,153)	-	(20,153)
Other operating expenses	(18,868)	(2,903)	(21,771)
Personnel expenses	(14,771)	-	(14,771)
Amortisation, depreciation, provisions and impairment losses	(16,279)	-	(16,279)
Total costs	**(71,471)**	**(2,903)**	**(74,374)**
Operating profit (loss)	**48,624**	**(2,903)**	**45,721**
Net financing costs and net gains on investments	**(11,858)**	**-**	**(11,858)**
Profit (loss) before tax	**36,766**	**(2,903)**	**33,863**
Income tax expense	(13,969)	-	(13,969)
Profit (loss) from discontinued operations	**22,797**	**(2,903)**	**19,894**
Profit (loss) from continuing operations attributable to:			
Owners of the parent	22,500	(2,903)	19,597
Non-controlling interests	297	-	297

The following table shows the effects of applying IFRS 5 to the income statement for the six months ended 30 June 2012:

(Euro/000)	**Published**	**Restated**	**1st half 2012 IFRS 5**
Total revenue	**1,232,401**	**(120,095)**	**1,112,306**
Total costs	**(1,219,744)**	**71,471**	**(1,148,273)**
Operating profit (loss)	**12,657**	**(48,624)**	**(35,967)**
Net financing costs and net gains on investments	**(14,546)**	**11,858**	**(2,688)**
Loss before tax	**(1,889)**	**(36,766)**	**(38,655)**
Income tax expense	(23,994)	13,969	(10,025)
Loss from continuing operations	**(25,883)**	**(22,797)**	**(48,680)**
Profit (loss) from discontinued operations	(2,903)	22,797	19,894
Loss for the period	**(28,786)**	**-**	**(28,786)**

The following tables show the composition of the item “Net cash flows from discontinued operations” in the first half of 2013 and 2012 in the statement of cash flows:

1st half 2013 (Euro/000)	
Net collected amount on the sale of EcoRodovias	187,001
Cash and cash equivalents of EcoRodovias	
Total EcoRodovias	**187,001**
Total cash flows from discontinued operations	**187,001**

1st half 2012 (Euro/000)	EcoRodovias	FIBE	Total
Cash flows from operating activities	32,194	355,551	387,745
Cash flows used in investing activities	(101,514)	-	(101,514)
Cash flows from financing activities	52,255	-	52,255
Net cash flows from (used in) discontinued operations	**(17,065)**	**355,551**	**338,486**

The statement of cash flows for the first half of 2012 was restated applying IFRS 5 to EcoRodovias group as shown below:

Restated statement of cash flows for the 1st half 2012 (Euro/000)	Published	Restated	1st half 2012 IFRS 5
Total opening cash and cash equivalents	**575,941**	**-**	**575,941**
Income statement	56,369	38,799	17,570
Operating cash flows	235,083	348,946	(113,863)
Cash flows from (used in) operating activities	**291,452**	**387,745**	**(96,293)**
Cash flows used in investing activities	**(154,426)**	**(101,514)**	**(52,912)**
Cash flows from (used in) financing activities	**(68,499)**	**52,255**	**(120,754)**
Net cash flows from (used in) discontinued operations		**(338,486)**	**338,486**
Net exchange rate losses on cash and cash equivalents and current account facilities	**(1,669)**		**(1,669)**
Increase in cash and cash equivalents	**66,858**	**-**	**66,858**
Total closing cash and cash equivalents	**642,799**	**-**	**642,799**

18. Equity

Equity decreased to euro 1,352.2 million at 30 June 2013 from euro 1,805.8 million at the end of 2012 as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Equity attributable to the owners of the parent			
Share capital	718,364	718,364	-
Share premium reserve	1,222	1,222	-
- Legal reserve	58,447	21,517	36,930
- Translation reserve	3,461	(2,282)	5,743
- Hedging reserve	(6,002)	(6,753)	751
- Other reserves and retained earnings	429,624	466,227	(36,603)
Total other reserves	485,530	478,709	6,821
Profit for the period/year	132,892	602,659	(469,767)
Equity attributable to the owners of the parent	**1,338,008**	**1,800,954**	**(462,946)**
Share capital and reserves attributable to non-controlling interests	14,285	4,511	9,774
Profit (loss) for the period/year attributable to non-controlling interests	(73)	340	(413)
Share capital and reserves attributable to non-controlling interests	*14,212*	*4,851*	*9,361*
TOTAL EQUITY	**1,352,220**	**1,805,805**	**(453,585)**

Changes of the period in the different equity items are summarised in the schedule attached to the condensed interim consolidated financial statements.

In their meeting held on 30 April 2013, the parent's shareholders resolved to allocate the profit for 2012 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;

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 2012 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 period.

Other reserves

This item is broken down in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Legal reserve	58,447	21,517	36,930
Translation reserve	3,461	(2,282)	5,743
Hedging reserve	(6,002)	(6,753)	751
Other reserves and retained earnings	429,624	466,227	(36,603)
Total other reserves	**485,530**	**478,709**	**6,821**

The change in other reserves is due to allocation of the legally-required amount of the parent's profit to the legal reserve, as described above, and exchange rate differences.

The following table shows changes in the translation reserve:

(Euro/000)	1st half 2013	1st half 2012
Opening balance	(2,282)	18,476
Reclassification from the statement of comprehensive income to the income statement	*1,395*	-
Equity-accounted investees	*(1,261)*	*1,124*
Increase (decrease)	*5,609*	*(19,401)*
Total changes	5,743	(18,277)
Closing balance	**3,461**	**199**

The effect of changes in the hedging reserve due to fair value gains (losses) on financial instruments is detailed below:

(Euro/000)	1st half 2013	1st half 2012
Opening balance	(6,753)	(7,022)
Reclassification of fair value gains/losses on settled transactions to profit or loss	*166*	*240*
Net fair value gains	*129*	*316*
Deferred tax effect		*(182)*
Net exchange rate gains	*248*	*-*
Net gains for equity-accounted investees	208	48
Total changes	751	422
Closing balance	**(6,002)**	**(6,600)**

The change in other reserves and retained earnings is shown below:

(Euro/000)	1st half 2013	1st half 2012
Opening balance	466,227	328,151
Allocation of profit and reserves	*565,729*	*174,591*
Dividend distribution	*(602,238)*	*(36,641)*
Net actuarial losses	*(94)*	*(1,455)*
Total changes	(36,603)	136,495
Closing balance	**429,624**	**464,646**

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(Euro/000)	1st half 2013	1st half 2012
Opening balance	4,851	6,928
Profit (loss) attributable to non-controlling interests	*(73)*	*422*
Capital injection by non-controlling interests	*-*	*1,806*
Dividend distribution to non-controlling interests	*-*	*(469)*
Change in consolidation scope	*9,751*	
Change in translation reserve	*(317)*	*(220)*
Total changes	9,361	1,539
Closing balance	**14,212**	**8,467**

19 Bank and other loans

Bank and other loans amount to euro 358.6 million (euro 373.8 million) and the current and non-current portions amount to euro 317.0 million and euro 41.6 million respectively (euro 235.2 million and euro 138.5 million, respectively). The item decreased by euro 15.1 million compared to 31 December 2012.

(Euro/000)	30 June 2013	31 December 2012	Variation
Non-current portion	41,586	138,549	(96,963)
Current portion	317,031	235,211	81,820

The group's financial indebtedness is broken down by loan type in the following table:

	30 June 2013			31 December 2012		
(Euro/000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	-	84,148	84,148	75,000	21,158	96,158
Bank project financing	9,225	116,406	125,631	14,734	111,678	126,412
Bank concession financing	9,159	20,209	29,368	9,728	177	9,905
Financing and loans of companies in liquidation	1,706	-	1,706	1,706	149	1,855
Other financing	1,165	12,231	13,396	3,466	7,946	11,412
Total bank and other loans	**21,255**	**232,994**	**254,249**	**104,634**	**141,108**	**245,742**
Current account facilities	-	73,900	73,900	-	83,935	83,935
Factoring payables for receivables factored with recourse	20,330	10,137	30,467	33,915	10,168	44,083
Total	**41,585**	**317,031**	**358,616**	**138,549**	**235,211**	**373,760**

Bank corporate loans

At the reporting date, bank corporate loans relate to the loans granted to the parent, Impregilo, of euro 84.1 million (euro 91.6 million).

They have been granted by major banks and have repayment plans which provide for payment of the last instalments in 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.

Bank project financing

Project financing of euro 125.6 million at 30 June 2013 relates to the Colombian contracts (euro 89.4 million), the Chilean Angostura contract (euro 1.0 million), the Panama Canal contract (euro 24.9 million), the United Arab Emirates contracts (euro 5.9 million) and the Venezuelan branch's contracts (euro 3.7 million). The variation is mainly due to the increase on the Colombian contracts, partly countered by repayment of the financing for the Salerno - Reggio Calabria contract during the period.

Bank concession financing

				30 June 2013			31 December 2012		
(Euro/000)	Company	Currency	Country	Total concession financing	Current	Non-current	Total concession financing	Current	Non-current
Unicredit	S.A.B.R.O.M.	Euro	Italy	20,000	20,000		-	-	-
Royal Bank of Scotland	Impregilo Parking Glasgow	Sterling	UK	9,368	209	9,159	9,905	177	9,728
Total				**29,368**	**20,209**	**9,159**	**9,905**	**177**	**9,728**

At 30 June 2013, concession financing of euro 29.4 million mostly related to the Broni - Mortara motorway operation concession (euro 20.0 million). Impregilo acquired control of the operator at the end of May 2013, as described in the “Business combinations” section.

The 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.

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

			30 June 2013			31 December 2012		
(Euro/000)	Company	Country	Total concession financing	Current	Non-current	Total concession financing	Current	Non-current
Meliorfactor	FISIA Italimpianti	Italy	-	-	-	517	517	-
Meliorfactor	Consorzio Torre	Italy	-	-	-	2,794	2,794	-
Mediofactoring	Salerno - Reggio Calabria	Italy	7,560	7,560	-	-	-	-
CAT Finance	GUPC	Panama	5,836	4,671	1,165	8,101	4,635	3,466
Total			**13,396**	**12,231**	**1,165**	**11,412**	**7,946**	**3,466**

Current account facilities

Current account facilities decreased by euro 10.0 million to euro 73.9 million. This item includes euro 71.1 million used by the Venezuelan branch.

Factoring payables

(Euro/000)	30 June 2013	31 December 2012	Variation
Impregilo S.p.A.	(30,467)	(32,708)	2,241
Salerno - Reggio Calabria	-	(11,375)	11,375
Total	**(30,467)**	**(44,083)**	**13,616**

Factoring payables include tax assets factored by Impregilo S.p.A. (VAT assets of euro 22.0 million and other withholdings of euro 8.4 million).

The group's net financial position is shown in the following table:

Net financial position of Impregilo group

(Euro/000)	Note (*)	30 June 2013	31 December 2012	Variation
Non-current financial assets	6	10,840	4,960	5,880
Other current financial assets	13	7,298	10,590	(3,292)
Cash and cash equivalents	16	608,935	1,243,086	(634,151)
Total cash and cash equivalents and other financial assets		**627,073**	**1,258,636**	**(631,563)**
Non-current bank loans	19	(21,256)	(104,634)	83,378
Bonds	20	(149,026)	(148,840)	(186)
Finance lease payables	21	(26,984)	(40,028)	13,044
Total non-current indebtedness		**(197,266)**	**(293,502)**	**96,236**
Current portion of bank loans and current account facilities	19	(306,895)	(225,043)	(81,852)
Current portion of bonds	20	(5,982)	(113,689)	107,707
Current portion of finance lease payables	21	(21,843)	(22,785)	942
Total current indebtedness		**(334,720)**	**(361,517)**	**26,797**
Derivative assets	13	216	1,091	(875)
Derivative liabilities	22	(4,698)	(5,265)	567
Non-current financial assets (self-liquidating)	6	-	11,375	(11,375)
Current portion of factoring payables	19	(10,136)	(10,168)	32
Non-current portion of factoring payables	19	(20,330)	(33,915)	13,585
Total other items in net financial position		**(34,948)**	**(36,882)**	**1,934**
Net financial position - continuing operations		**60,139**	**566,735**	**(506,596)**
Net financial position including discontinued operations		**60,139**	**566,735**	**(506,596)**

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

20 Bonds

The outstanding bonds at 30 June 2013 relate solely to the Dutch subsidiary, Impregilo International Infrastructures N.V. (euro 155.0 million). They are analysed in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Non-current portion	149,026	148,840	186
Current portion	5,982	113,689	(107,707)

A breakdown of this item is set out in the following table:

(Euro/000)	Company	Country	30 June 2013 Total bonds	Current	Non-current	31 December 2012 Total bonds	Current	Non-current
Impregilo International Infrastructures N.V. - 1st issue	Impregilo International Infr.	Netherlands	-	-	-	112,628	112,628	-
Impregilo International Infrastructures N.V. - 2nd issue	Impregilo International Infr.	Netherlands	155,008	5,982	149,026	149,901	1,061	148,840
Total			**155,008**	**5,982**	**149,026**	**262,529**	**113,689**	**148,840**

In November 2010, the Dutch Impregilo International Infrastructures N.V., 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 outstanding bonds at the reporting date with a nominal amount of euro 150 million are redeemable 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 107.5 million decrease over 31 December 2012 is due to the Dutch group company's early redemption on 27 May 2013 of the bonds maturing on 26 November 2013 (euro 114.7 million). This transaction was connected to the sale of the investment in EcoRodovias and Impregilo International Infrastructures N.V.'s distribution of an interim dividend as provided for by the relevant contract.

The bondholders have formally agreed to waive their right to early redemption for the bonds maturing on 26 November 2015.

21 Finance lease payables

Finance lease payables may be broken down as follows at 30 June 2013:

(Euro/000)	30 June 2013	31 December 2012	Variation
Non-current portion	26,984	40,028	(13,044)
Current portion	21,843	22,785	(942)

This item includes the principal of future payments of leases existing at the reporting date for machinery and equipment.

Finance leases relate to plant and machinery with an average life 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 signed by Banco de Bogotà (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 48.8 million (euro 62.8 million) as follows:

(Euro/000)	30 June 2013	31 December 2012
Minimum lease payments:		
Due within one year	23,320	24,284
Due between one and five years	29,476	41,425
Total	**52,796**	**65,709**
Future financial expense on finance leases	(3,969)	(2,896)
Net present value	**48,827**	**62,813**
The net present value of finance leases is as follows:		
Due within one year	21,843	22,785
Due between one and five years	26,984	40,028
Due after five years		
Total	**48,827**	**62,813**

22 Derivative liabilities

These items show the reporting-date fair value of the currency and interest rate hedges. They may be broken down as follows:

(Euro/000)	30 June 2013	31 December 2012
Interest rate swaps - Cash flow hedges	(4,657)	(5,200)
Currency swaps - FVTPL	(41)	(65)
Total derivatives presented in net financial position	**(4,698)**	**(5,265)**

The following tables set out the characteristics of the derivatives existing at 30 June 2013, 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	8,060,662	(2,618,022)
Impregilo Parking Glasgow	01/06/2003	30/06/2029	GBP	642,767	(2,038,985)
Total					**(4,657,007)**

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).

CURRENCY DERIVATIVES – FVTPL

Liabilities

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (euro)
Impregilo S.p.A.	20/06/2013	20/09/2013	USD	1,552,000	(26,802)
Impregilo S.p.A.	06/06/2013	06/12/2013	USD	2,520,000	(400)
Impregilo S.p.A.	11/06/2013	11/12/2013	USD	1,579,895	(14,268)
Total					**(41,470)**

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 30 June 2013, the group's liability due to all its employees determined using the criteria set out in IAS 19 is euro 19.3 million.

The balance mainly consists of the Italian post-employment benefits (TFR) related to Impregilo S.p.A. and its Italian subsidiaries. At 30 June 2013 and 31 December 2012, 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: 3.00%;
- advance payment rate: 3%;
- inflation rate: 2%.

Changes in the provision are as follows:

(Euro/000)	31 December 2012	Accruals	Payments	Other changes	Contributions transferred to INPS treasury and other funds	30 June 2013
Post-employment benefits and employee benefits	**20,234**	**7,922**	**(6,395)**	**(704)**	**(1,744)**	**19,313**

The other changes include exchange rate gains and losses and the actuarial gains and losses of euro 94 thousand, recognised under other comprehensive income.

24 Provisions for risks

These provisions amount to euro 94.3 million at the reporting date, as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Provisions for risks on equity investments	10,486	10,711	(225)
Other provisions	83,791	87,574	(3,783)
Total	**94,277**	**98,285**	**(4,008)**

The provision for risks on equity investments relates to expected impairment losses on the group's investments in associates for the part that exceeds their carrying amounts. It mainly relates to construction companies in liquidation.

Changes in this provision are detailed below:

(Euro/000)	1st half 2013	1st half 2012
Share of profit of equity-accounted investees	(74)	(31)
Dividends from equity-accounted investees and other investees	17	-
Other changes including change in the translation reserve	(168)	(55)
Total	**(225)**	**(86)**

Other provisions comprise:

(Euro/000)	30 June 2013	31 December 2012	Variation
USW Campania projects	29,619	29,619	-
Provisions set up by Imprepar and its subsidiaries	32,463	33,659	(1,196)
Provision for maintenance of infrastructure under concession	222	222	-
Ongoing litigation	7,242	8,169	(927)
Building segment litigation	3,466	3,506	(40)
Environmental risks	2,510	2,783	(273)
Other	8,269	9,616	(1,347)
Total	**83,791**	**87,574**	**(3,783)**

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.

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 Engineering & Plant Construction 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 the previous year 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 the period are summarised below:

(Euro/000)	31 December 2012	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	30 June 2013
Total	87,574	1,065	(4,691)	-	(157)	-	-	83,791

Changes of the period comprise:

(i) accruals of euro 1.1 million, including euro 0.2 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 0.7 million) relates to the Construction segment;

(ii) utilisations of euro 4.7 million, including euro 0.2 million used by the Corporate segment, euro 1.9 million by the Construction segment, euro 1.6 million by the Engineering & Plant Construction segment and euro 1.0 million by Imprepar. Utilisations relate to the occurrence of expenses and losses for which they had been accrued;

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 on the sale of 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..

The group is involved in another two disputes at first level related to 2005 about mainly (i) the costs of a joint venture set up in Venezuela and (ii) the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86. A dispute concerning 2006 covers (a) the costs of a joint venture set up in Venezuela, (b) a loss on equity investments, and (c) costs for services not provided in that year. The Milan Provincial Tax Commission has decreased the initially claimed amount by roughly 20%. After consulting its legal advisors, the group has not made any accrual therefor as it currently believes that the risk of an adverse ruling is not probable although not remote.

With respect to the criminal procedings 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 3.0 million, up euro 0.4 million on the 31 December 2012 balance, as shown in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Other - third parties	1,937	1,626	311
Employees	1,014	975	39
Total	**2,951**	**2,601**	**350**

26 Progress payments and advances on contract work in progress

This item, included in "Current liabilities", amounts to euro 884.0 million, up euro 39.5 million on the figure at 31 December 2012. It comprises:

(Euro/000)	30 June 2013	31 December 2012	Variation
Contract work in progress	(5,472,416)	(5,272,294)	(200,122)
Progress payments and advances received (on approved work)	5,688,860	5,486,422	202,438
Contractual advances	667,517	630,312	37,205
Total	**883,961**	**844,440**	**39,521**

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:

	30 June 2013			31 December 2012			
(Euro/000)	Negative WIP	Advances	Total	Negative WIP	Advances	Total	Variation
Construction	146,679	666,999	813,678	146,112	629,521	775,633	38,045
Engineering & Plant Construction	69,765	518	70,283	68,016	791	68,807	1,476
Total	**216,444**	**667,517**	**883,961**	**214,128**	**630,312**	**844,440**	**39,521**

The Construction segment balance relates mainly to the Lake Mead (US) contract (euro 52.9 million, with production of euro 18.5 million during the period), the San Francisco central subway (US) (euro 13.2 million, with production of euro 13.0 million during the period), the Gerald Desmond Bridge in California (US) (euro 20.0 million, with production of euro 8.5 million during the period), Lots 2 and 3 of the Abu Dhabi hydraulic tunnel (euro 31.2 million, with production of euro 37.6 million during the period) and the Pedelombarda motorway (euro 1.7 million, with production of euro 68.2 million during the period).

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 Italimpianti's contract in Qatar.

The contractual advances mainly relate to the Construction sector's activities in the following countries: Panama (euro 225.1 million), Colombia (euro 95.9 million), Venezuela (euro 10.6 million), Romania (euro 2.8 million) and the United Arab Emirates (euro 2.6 million). The item also includes advances of euro 165.4 million received for the operations in Libya (reference should be made to Part II - Risk areas of the Directors' report for more information about the situation in Libya).

27 Trade payables and current intragroup payables

Trade payables amount to euro 697.5 million at the reporting date, a decrease of euro 34.0 million on 31 December 2012. They are made up as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Trade payables	**697,484**	**731,484**	**(34,000)**

The main component of this item is euro 555 million due to the Construction segment's suppliers. The Engineering & Plant Construction segment and FIBE have trade payables of euro 56.8 million (down euro 75.6 million) and euro 83.0 million (substantially unchanged), respectively.

Reference should be made to the "Non-current assets held for sale" section in the Directors' report (Part II) for more information about the complicated situation surrounding the USW Campania projects.

Current intragroup payables amount to euro 116.9 million, up euro 29.8 million on 31 December 2012, as shown in the following table:

(Euro/000)	30 June 2013	31 December 2012	Variation
Payables	116,878	87,115	29,763
Total	**116,878**	**87,115**	**29,763**

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 Costruttori TEEM consortium (increase of euro 16.1 million), Tangenziale Esterna di Milano S.p.A. (increase of euro 8.9 million) and the Italian Engineering & Contractors for Al Faw - IECAF consortium (increase of euro 5.4 million) by Impregilo S.p.A..

28 Current tax liabilities and other current tax liabilities

Current tax liabilities amount to euro 96.8 million as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
IRES	80,137	27,231	52,906
IRAP	4,499	834	3,665
Foreign taxes	12,167	24,566	(12,399)
Total	**96,803**	**52,631**	**44,172**

The increase over 31 December 2012 is due to the group's estimate of the tax expense pursuant to IAS 34.

Other current tax liabilities of euro 9.2 million decreased by euro 7.4 million over 31 December 2012. They may be analysed as follows:

(Euro/000)	30 June 2013	31 December 2012	Variation
Witholdings	5	19	(14)
VAT	2,105	7,927	(5,822)
Other indirect taxes	7,113	8,657	(1,544)
Total	**9,223**	**16,603**	**(7,380)**

29 Other current liabilities

Other current liabilities of euro 235.8 million (euro 233.1 million) comprise:

(Euro/000)	30 June 2013	31 December 2012	Variation
Social security institutions	9,168	10,560	(1,392)
Employees	29,433	30,686	(1,253)
Compensation and compulsory purchases	6,726	8,600	(1,874)
State bodies	116,235	116,235	-
Other payables	58,485	53,685	4,800
Provisions for risks and charges	2,925	3,197	(272)
Accrued expenses and deferred income	12,798	10,106	2,692
Total	**235,770**	**233,069**	**2,701**

- Payables due to employees relate to accrued unpaid remuneration.
- Payables for compensation and compulsory purchases relate to the high speed/capacity railway contracts and decreased by euro 1.9 million due to the settlement of negotiations about certain compulsory purchases for the the Milan - Genoa 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 “Non-current assets held for sale” section in the Directors’ report (Part II) for more information about the complicated situation surrounding the USW Campania projects.
- Other payables of euro 58.5 million (euro 53.7 million) increased by euro 4.8 million. This variation is attributable to the Construction segment and principally the parent’s partial collection of euro 4.1 million on behalf of a co-venturer for the contract agreed with the Bari municipal authorities. 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 12.8 million comprise:

(Euro/000)	30 June 2013	31 December 2012	Variation
Accrued expenses:			
- Commissions on sureties	2,366	1,987	379
- Ten-year liability insurance	5,865	2,743	3,122
- Other	4,259	5,033	(774)
Total accrued expenses	**12,490**	**9,763**	**2,727**
Deferred income:			
- Other	308	343	(35)
Total deferred income	**308**	**343**	**(35)**
Total	**12,798**	**10,106**	**2,692**

30 Guarantees and commitments

The main guarantees given by the group are set out below:

- Contractual sureties: these total euro 3,993.5 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 90.1 million and relate to the non-consolidated companies.
- Sureties granted for export credit: they amount to euro 207.4 million.
- Other guarantees: they amount to euro 346.0 million and comprise guarantees related to customs and tax obligations (euro 42.5 million) and for other commitments (such as environmental clean-ups) (euro 303.5 million).
- Collateral related to:

  - liens on shares of the consortium company Reggio Calabria-Scilla S.c.p.a. given to guarantee a loan (euro 17.8 million);

  - liens on shares of Tangenziale Esterna S.p.A. given to guarantee a loan (euro 39.1 million);

  - shares of Impregilo Wolverhampton Ltd. and Impregilo Parking Glasgow Ltd. deposited as guarantee (euro 2 thousand).

Income statement

31 Revenue

Revenue for the first half of 2013 amounts to euro 1,164.1 million, up 4.7% on the corresponding period of 2012:

(Euro/000)	1st half 2013	1st half 2012	Variation	Var. %
Operating revenue	1,138,364	1,087,182	51,182	4.7%
Other revenue and income	25,758	25,124	634	2.5%
Total	**1,164,122**	**1,112,306**	**51,816**	**4.7%**

A breakdown of operating revenue by business segment is given in the following table:

(Euro/000)	1st half 2013	1st half 2012	Variation	Var. %
Construction	1,085,075	1,007,835	77,240	7.7%
Concessions	10,139	9,969	170	1.7%
Engineering & Plant Construction	69,829	96,165	(26,336)	-27.4%
Eliminations	(921)	(1,663)	742	-44.6%
Total	**1,164,122**	**1,112,306**	**51,816**	**4.7%**

The 7.7% increase in the Construction segment's revenue is mainly due to continuation of production on the Italian motorway contracts, especially the Pedelombarda motorway and the Milan outer east by-pass. Progress on foreign contracts included the greater production volumes in South America, which allowed the group to contain the contraction in turnover on the South African and United Arab Emirates contracts during the period.

The Concession segment's revenue increased by 1.7%, 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 27.4% 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)	1st half 2013	1st half 2012	Variation	Var. %
Works invoiced to customers	1,102,951	1,048,236	54,715	5.2%
Services	30,234	32,539	(2,305)	(7.1%)
Sales to third parties	5,115	6,407	(1,292)	(20.2%)
Other	64	-	64	n.a
Total	**1,138,364**	**1,087,182**	**51,182**	**4.7%**

A breakdown of other revenue and income is given in the following table:

(Euro/000)	1st half 2013	1st half 2012	Variation	Var. %
Cost recoveries	9,885	7,181	2,704	37.7
Rent and leases	401	355	46	13.0
Gains on the disposal of assets	1,251	2,459	(1,208)	(49.1)
Prior year income	8,104	4,103	4,001	97.5
Other	6,117	11,026	(4,909)	(44.5)
Total	**25,758**	**25,124**	**634**	**2.5**

32.1 Raw materials and consumables

The cost of raw materials and consumables incurred in the first six months of 2013 increased by euro 17.1 million to euro 181.4 million compared to the corresponding period of 2012:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Purchases of raw materials and consumables	172,029	14.8%	169,995	15.3%	2,034
Change in raw materials and consumables	9,324	0.8%	(5,787)	(0.5%)	15,111
Total	**181,353**	**15.6%**	**164,208**	**14.8%**	**17,145**

The rise in the cost of purchasing raw materials is mainly attributable to the Construction segment (euro 25.3 million) while the Engineering & Plant Construction segment saw a euro 8.7 million decrease. Both variations reflect the changes in the segments' business volumes for the period.

32.2 Subcontracts

Costs of subcontracts increased to euro 282.1 million, up euro 46.6 million on the corresponding figure of the previous year, as shown in the following table:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Subcontracts	**282,096**	**24.2%**	**235,503**	**21.2%**	**46,593**

The increase is mainly due to the greater volume of activities carried out by the Construction segment (euro 49.6 million), net of the contraction seen by the Engineering & Plant Construction segment (euro 2.8 million).

32.3 Other operating expenses

Other operating expenses amount to euro 360.4 million, down euro 136.7 million on the corresponding period of 2012 as follows:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Consultancy and technical services	78,470	6.7%	89,039	8.0%	(10,569)
Fees to directors, statutory auditors and independent auditors	5,463	0.5%	3,034	0.3%	2,429
Maintenance	6,371	0.5%	5,887	0.5%	484
Transportation and freight	17,269	1.5%	16,101	1.4%	1,168
Insurance	13,342	1.1%	13,719	1.2%	(377)
Recharges and allocation of costs from consortia and joint ventures	150,254	12.9%	271,302	24.4%	(121,048)
Rent and leases	27,444	2.4%	30,326	2.7%	(2,882)
Other operating expenses	52,492	4.5%	58,921	5.3%	(6,429)
Prior year expense	5,125	0.4%	3,223	0.3%	1,902
Losses on the disposal of assets	4,173	0.4%	5,540	0.5%	(1,367)
Total	**360,403**	**31.0%**	**497,092**	**44.7%**	**(136,689)**

"Consultancy and technical services", down euro 10.6 million on the corresponding period of 2012, mainly consist of costs for the design and construction work carried out by the SPEs. The reduction principally refers to the Construction segment to which the costs refer. These costs are broken down in the following table:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Design and engineering services	55,328	4.8%	71,773	6.5%	(16,445)
Testing	614	0.1%	692	0.1%	(78)
Construction	10,955	0.9%	10,115	0.9%	840
Legal, administrative and other services	11,573	1.0%	6,459	0.6%	5,114
Total	**78,470**	**6.7%**	**89,039**	**8.0%**	**(10,569)**

32.4 Personnel expenses

Personnel expenses for the period amount to euro 193.6 million, up by euro 1.1 million on the corresponding period of 2012. The item is made up as follows:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Wages and salaries	134,751	11.6%	133,702	12.0%	1,049
Social security and pension contributions	26,282	2.3%	27,002	2.4%	(720)
Post-employment benefits and employee benefits	7,922	0.7%	6,656	0.6%	1,266
Other personnel expenses	24,691	2.1%	25,210	2.3%	(519)
Total	**193,646**	**16.6%**	**192,570**	**17.3%**	**1,076**

Other personnel expenses mainly relate to termination benefits and reimbursements of travel expenses.

32.5 Amortisation, depreciation, provisions and impairment losses

This item of euro 47.8 million shows a decrease of euro 9.1 million on the figure for the corresponding period of 2012. It may be analysed as follows:

(Euro/000)	1st half 2013	% of revenue	1st half 2012	% of revenue	Variation
Impairment losses on non-current assets, net of reversals	118	0.0%	2,061	0.2%	(1,943)
Accrual to the allowance for impairment, net of utilisations	4,470	0.4%	4,830	0.4%	(360)
Accrual to the provisions for risks, net of utilisations	(2,513)	(0.2%)	(1,862)	(0.2%)	(651)
Total provisions and impairment losses	**2,075**	**0.2%**	**5,029**	**0.5%**	**(2,954)**
Amortisation of intangible assets	945	0.1%	723	0.1%	222
Depreciation of property, plant and equipment	44,447	3.8%	50,794	4.6%	(6,347)
Amortisation of rights to infrastructure under concession	374	0.0%	348	0.0%	26
Total amortisation and depreciation	**45,766**	**3.9%**	**51,865**	**4.7%**	**(6,099)**
Total	**47,841**	**4.1%**	**56,894**	**5.1%**	**(9,053)**

The decrease refers to the following business segments:

(Euro/000)	1st half 2013	1st half 2012	Variation	Var. %
Construction	3,106	5,249	(2,143)	(40.8%)
Corporate	(166)	33	(199)	(603.0%)
Engineering & Plant Construction	(865)	(253)	(612)	241.9%
Total provisions and impairment losses	**2,075**	**5,029**	**(2,954)**	**(58.7%)**
Construction	43,856	49,901	(6,045)	(12.1%)
Corporate	23	24	(1)	0.0%
Engineering & Plant Construction	1,459	1,540	(81)	(5.3%)
Concessions	426	398	28	7.0%
FIBE	2	2	-	0.0%
Total amortisation and depreciation	**45,766**	**51,865**	**(6,099)**	**(11.8%)**

33.1 Financial income

Financial income totalled euro 12.2 million (euro 34.7 million) and is made up as follows:

(Euro/000)	1st half 2013	1st half 2012	Variation
Bank interest income	7,486	3,878	3,608
Interest income on securities	2	-	2
Interest income on intragroup transactions	602	606	(4)
Interest income on other items of net invested capital:			
- Interest income on tax assets	*335*	*264*	*71*
- Default interest income	*976*	*27,613*	*(26,637)*
- Other interest income	*2,638*	*2,254*	*384*
Total interest income on other items of net invested capital	3,949	30,131	(26,182)
Financial discounts and allowances	200	129	71
Total	**12,239**	**34,744**	**(22,505)**

The group recognised default interest of euro 26.6 million in the first half of 2012 following the contractually provided-for payment of default interest by certain South American construction customers arising from delays in settling regularly-approved progress billings.

33.2 Financial expense

Financial expense totalled euro 42.4 million (euro 39.5 million) and is made up as follows:

(Euro/000)	1st half 2013	1st half 2012	Variation
Bank interest expense	(14,543)	(23,017)	8,474
Interest expense on bonds	(6,691)	(8,792)	2,101
Interest expense on other loans	(1,497)	(704)	(793)
Lease interest expense	(2,323)	(2,859)	536
Interest expense on intragroup transactions	(21)	(38)	17
Interest expense on other items of net invested capital			
- Interest expense on tax liabilities	*(604)*	*(414)*	*(190)*
- Default interest expense	*(12,839)*	*(79)*	*(12,760)*
- Other interest expense	*(1,229)*	*(2,086)*	*857*
Total interest expense on other items of net invested capital	(14,672)	(2,579)	(12,093)
Impairment losses on loans, net of utilisation of allowance	58	210	(152)
Bank charges and commissions	(1,200)	(1,227)	27
Commissions on sureties	(1,496)	(235)	(1,261)
Financial discounts and allowances	(55)	(290)	235
Total	**(42,440)**	**(39,531)**	**(2,909)**

Financial expense increased by euro 2.9 million over the corresponding period of 2012 as a result of changes in the group's net financial position and the higher default interest recognised after settlement of certain disputes with customers about amounts due to them at the end of the period.

The balance for the first half of 2012 included the contractually provided-for payment of default interest by certain foreign customers to the group arising from delays in settling regularly-approved progress billings.

33.3 Net exchange rate gains

Net exchange rate gains amount to euro 7.8 million (euro 1.5 million).

(Euro/000)	1st half 2013	1st half 2012	Variation
Net exchange rate gains	8,820	3,983	4,837
Net exchange rate hedging losses	(1,007)	(2,492)	1,485
Total	**7,813**	**1,491**	**6,322**

The balance of exchange rate gains and losses for the period was a positive euro 7.8 million while it was substantially equal for the corresponding period of 2012. Once again, the group benefitted from currency mismatches of money markets in relation to certain currencies, whose official exchange rates with some strong currencies are fixed artificially during the period.

34 Net gains on investments

Net gains on investments came to euro 1.0 million compared to net gains of euro 0.6 million for the corresponding period of the previous year.

The item may be broken down as follows:

(Euro/000)	1st half 2013	1st half 2012	Variation
Share of profit of equity-accounted investees	1,006	505	501
Dividends	22	27	(5)
Gains (losses) on the disposal of equity investments	(2)	1	(3)
Other gains	(12)	75	(87)
Total	**1,014**	**608**	**406**

The share of profit of equity-accounted investees is broken down in the following table:

(Euro/000)	1st half 2013	1st half 2012	Variation
Construction	39	(256)	295
Concessions	967	762	205
Engineering & Plant Construction	-	(1)	1
Total	**1,006**	**505**	**501**

The Concessions segment balance mainly relates to the Columbian operator that operates the Ruta del Sol motorway concession.

The group's investment in the associate Società Autostrada Broni-Mortara S.p.A. increased from 40% to 59.8% during the period as it acquired two other shareholders' stakes. As a result, the investee was consolidated on a line-by-line basis rather than being measured using the equity method like in previous years.

35 Income tax expense

The group's income tax expense for the period is euro 27.8 million as follows:

(Euro/000)	1st half 2013	1st half 2012	Variation
Current taxes (income taxes)	19,426	9,992	9,434
Net deferred tax (income) expense	4,343	(3,833)	8,176
Prior year taxes	297	1,281	(984)
Total income taxes	**24,066**	**7,440**	**16,626**
IRAP	3,737	3,137	600
Total	**27,803**	**10,577**	**17,226**

Taxes are calculated using the tax rate expected to be applied to the annual profit using estimates updated at 30 June 2013.

36 Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature. Impregilo S.p.A. is managed and coordinated by Salini S.p.A.. Therefore, transactions with Salini S.p.A. and companies managed and coordinated by it qualify as related party transactions. During the period, these transactions were carried out with the following counterparties:

- directors, statutory auditors and key management personnel, solely related to 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 sub-contracting;
  - 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, including companies managed and coordinated by Salini S.p.A., are summarised below:

(Euro/000)				30 June 2013				
Related party	Loans and receivables	Other current assets	Payables	Other current liabilities	Operating revenue	Costs	Financial income (expense)	Cash flows for the period
SALINI POLSKA	-	5,000	-	-	-	-	-	(5,000)
Total	-	5,000	-	-	-	-	-	(5,000)

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 contracts on behalf of its partners.

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 the income statement are shown together with the related contract. Their impact on the group's financial position at 30 June 2013 and results of operations for the six months then ended has not been material.

The information document about more relevant transactions with related parties, prepared pursuant to article 5 of Consob regulation no. 17221 of 12 March 2010 (as subsequently amended and integrated) was published on 1 July 2013 as required by the current regulations and laws. This document describes the merger of Salini S.p.A. into Impregilo S.p.A., which was approved by the relevant company bodies on 24 June 2013.

37 Significant non-recurring events and transactions

The group's financial position at 30 June 2013 and results of operations for the six months then ended were not affected by significant non-recurring events and transactions, as defined in Consob communication no. DEM/6064293[1].

38 Balances or transactions arising from atypical and/or unusual transactions

During the six months, Impregilo group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[2].

39 Earnings per share

Earnings per share are disclosed at the foot of the income statement.

They have been calculated by dividing the profit (loss) for the period attributable to the owners of the parent by the weighted average of the shares outstanding during the period. Diluted earnings (loss) 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 the first six months of 2013 and 2012 as all the previously issued options had been exercised.

Euro/000, thousands of shares	**1st half 2013**	**1st half 2012 (*)**
Profit (loss) from continuing operations	49,606	(47,225)
Non-controlling interests	73	(422)
Profit earmarked for holders of savings shares	(588)	(588)
Profit (loss) from continuing operations attributable to the owners of the parent	**49,091**	**(48,235)**
Profit (loss) from continuing and discontinued operations	132,819	(27,331)
Non-controlling interests	73	(422)
Profit earmarked for holders of savings shares	(588)	(588)
Profit (loss) from continuing and discontinued operations attributable to the owners of the parent	**132,304**	**(28,341)**
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)	**0.12**	**(0.12)**
Basic earnings (loss) per share (from continuing and discontinued operations)	**0.33**	**(0.07)**
Diluted earnings (loss) per share (from continuing operations)	**0.12**	**(0.12)**
Diluted earnings (loss) per share (from continuing and discontinued operations)	**0.33**	**(0.07)**

(*) Restated figures due to application of IFRS 5 to EcoRodovias group - see note 17 - and the retrospective application of IAS 19 revised in 2011.

1) Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.

2) 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.

40 Events after the reporting period

On 15 July 2013, Impregilo and its US subsidiary S.A. Healy were awarded the contract for the construction of a new waste water collector for Buenos Aires as part of an environmental remediation project for the metropolitan area in the Buenos Aires province. The tender called by AySA (Agua y Sanamientos Argentinos S.A.), one of the major water utility operators in Argentina, is worth roughly euro 360 million.

The project includes the collection of wastewater from the Riachuelo plant via a 40-metre deep shaft. The wastewater will be carried to a diffuser to be constructed on the bottom of the Rio de la Plata River through a 11-km long tunnel with a 3.8 metre diameter.

The project has a strong social and environmental value and constitutes the early stage of a wider program of sustainable development of the Matanza-Riachuelo basin, financed by the World Bank. The objective is the environmental recovery of the Riachuelo River and of the land crossed by it, considered one of most polluted areas in the world.

On the same date, Impregilo and Todini, in a joint venture with the local company Kazakhdorstroy, were awarded the contract for the construction of four stretches of the Almaty – Khorgos motorway in Kazakhstan.

The project, promoted by the Minister of Transport and Communications of the Republic of Kazakhstan, is worth about euro 295 million (Impregilo's share is 33%).

It is financed by the World Bank and consists of the upgrading and doubling of the existing motorway over a total of about 193 km and includes the construction of five viaducts involving a workforce of around 900 people.

The four stretches are part of the larger project called "Western Europe – Western China International Transit Corridor". It represents a major road corridor from Western Europe to Western China, the modern "Silk Road" that will facilitate connections between Europe and China, improving the infrastructure network of the area, developing commercial trade from and to Europe and providing a significant contribution to road safety in the region.

On 29 July 2013, the Salini-Impregilo group was awarded the maxi contract called by Riyadh Development Authority to design and build the new Line 3 (40.7 km) of the Riyad metro as the leader of an international consortium which includes the Italian company Ansaldo STS, the Canadian Bombardier, the Indian Larsen & Toubro and the Saudi Nesma. This new line will be the longest of the huge project for the new metro network of the capital of Saudia Arabia.

The stretch awarded to the consortium is an important part of the bigger construction project for Riyad's new metro network (six lines for a total length of roughly 180 km) worth approximately USD 23.5 billion. Another two mega sections have been concurrently awarded to two other global groups including some of the major international construction players: one led by the American Bechtel comprising Almabani, CCC and Siemens and the other led by the Spanish company FCC and including Samsung, Freyssinet Arabia, Strukton and Alstom.

The total value of the contract to be performed by Salini Impregilo as leader for the design and construction of the entire Line 3 is approximately USD 6.0 billion, including roughly USD 4.9 billion for the civil works.

Reference should be made to the "Non-current assets held for sale" section in the Directors' report for details on the events that have taken place since 30 June 2013 with respect to the USW Campania projects.

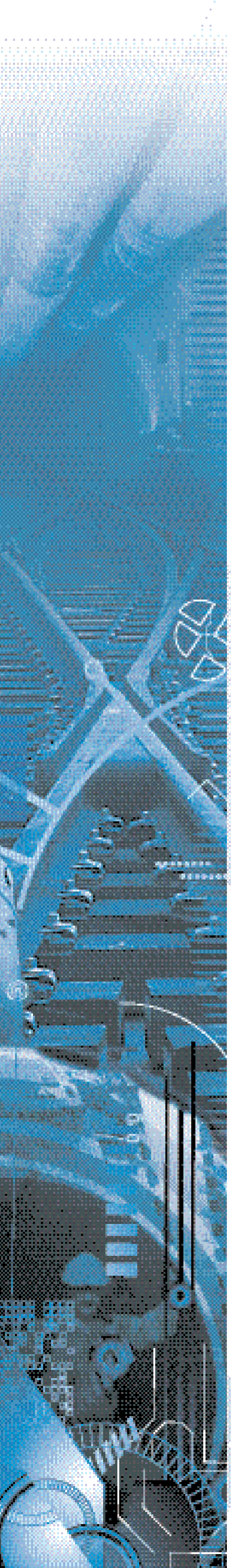
No other significant events took place after the reporting date further to that disclosed in these notes.

On behalf of the board of directors

Chairperson

Claudio Costamagna

(signed on the original)



CONSOLIDATION SCOPE

CONSOLIDATION SCOPE

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
CONSTRUCTION								
Impregilo S.p.A.	**Italy**	**Euro**	**718,364,457**	**100**		**100**	**Sundry**	**line-by-line**
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
Alia S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
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
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
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
Barnard Impregilo Healy J.V.	Montana			45	25	20	Healy S.A.	proportionate
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
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49		49	Sapin S.r.l.	equity
Campione S.c.r.l. (in liq.)	Italy	Euro	11,000	99.9	99.9			line-by-line
CE.S.I.F. S.c.p.a. (in liq.)	Italy	Euro	250,000	24.18	24.18			equity
CGR Consorzio Galliera Roveredo	Switzerland			37.5		37.5	CSC S.A.	equity
Churchill Construction Consortium	GB			30		30	Impregilo New Cross Ltd	equity
Churchill Hospital J.V.	GB			50		50	Impregilo New Cross Ltd	equity
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
CMC - Consorzio Monte Ceneri lot 851	Switzerland			40		40	CSC S.A.	equity
CMC - Mavundla - Impregilo J.V.	South Africa			39.2	39.2			equity
CO. MAR. S.c.r.l. (in liq.)	Italy	Euro	10,200	84.99		84.99	Imprepar S.p.A.	proportionate
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	10,000	60.4	60.4			equity
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.	
Consorcio Acueducto Oriental	Dom. Republic			67	67			proportionate
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 Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela			36.4	36.4			proportionate
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 Impregilo - OHL	Colombia			70		70	Impregilo Colombia SAS	proportionate
Consorcio Impregilo Yarull	Dom. Republic			70	70			proportionate
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	Suropca C.A.	equity
Consorcio V.S.T. Tocoma	Venezuela			30	30			equity
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			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 CCTE (in liq.)	Italy	Euro	41,315	100	60	40	ILIM S.r.l.	line-by-line

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
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 Cociv	Italy	Euro	516,457	54	54			proportionate
Consorzio Cogefar/Italstrade/Recchi/CMC - CIRC (in liq.)	Italy	Euro	51,000	25		25	Imprepar S.p.A.	equity
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 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	Switzerland			25		25	CSC S.A.	equity
Consorzio Felce lot 101	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 Italian 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 Mina de Cobre	Italy	Euro	10,000	50	50			equity
Consorzio MITECO	Italy	Euro	10,000	44.16	44.16			equity
Consorzio MM4	Italy	Euro	200,000	31.05	31.05			equity
Consorzio MPC	Switzerland			33		33	CSC S.A.	equity
Consorzio Pedelombarda 2	Italy	Euro	10,000	40	40			equity
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 Piottino	Switzerland	Euro		25		25	CSC S.A.	equity
Consorzio Portale Vezia (CVP Lot 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 Scilla (in liq.)	Italy	Euro	1,000	51	51			proportionate
Consorzio SI.VI.CI.CA.	Switzerland			25		25	CSC S.A.	equity
Consorzio SIVICICA 3	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 Torre	Italy	Euro	5,000,000	94.6	94.6			proportionate
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	Italy	Euro	51,129	96.97	96.97			line-by-line
Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45		45	SGF INC S.p.A.	equity
Consorzio Venice Link (in liq.)	Italy	Euro	1,000	61	61			proportionate
Consorzio/Vianini lavori/Impresit/Dal Canton/Icis/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
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	7,641,014	100	100			line-by-line
Constuctora 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
Construction 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
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

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
CONSTRUCTION (continued)								
Effepi - Finanza e Progetti S.r.l. (in liq.)	Italy	Euro	78,000	100		100	SGF INC S.p.A.	line-by-line
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
Empresa Constructora Lo Saldes L.t.d.a.	Chile	CLP	10,000,000	35	35			equity
Empresa Constructora Metro 6 L.t.d.a.	Chile	CLP	25,000,000	49	49			equity
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.	
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45	45			proportionate
Eurotechno S.r.l. (in liq.)	Italy	Euro	26,245	100		100	Imprepar S.p.A.	line-by-line
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
Ghazi-Barotha Contractors J.V.	Switzerland			57.8	57.8			proportionate
Grandi Uffizi 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 Italianas - GEI	Venezuela	VEB	10,000,000	33.33	33.33			equity
Grupo ICT II SAS	Colombia	COP	1,000,000,000	100	100			line-by-line
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			proportionate
Healy-Yonkers-Atlas-Gest J.V.	USA			45		45	Healy S.A.	equity
I.L.IM. - 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 - Rizzani de Eccher J.V.	Switzerland			67	67			equity
Impregilo Arabia Ltd	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.	equity
						1	INCAVE S.r.l.	
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
Impregilo Salini (Panama) S.A.	Panama	USD	10,000	50	50			equity
Impregilo-Healy-Parsons J.V.	USA	USD		65	45	20	Healy S.A.	equity
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			equity
Impregilo-Terna SNFCC J.V.	Athens	Euro	100,000	51	51			proportionate
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
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
Impresit del Pacifico S.A.	Peru	PEN	35,000	100		100	Imprepar S.p.A.	line-by-line
INC - Algerie 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
Interstate Healy Equipment J.V.	USA			45		45	Healy S.A.	proportionate
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 Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece			100	99	1	SGF INC S.p.A.	line-by-line
Joint Venture Terna - Impregilo	Greece			45	45			equity
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
Lavori Lingotto S.c.r.l. (in liq.)	Italy	Euro	25,000	100	100			line-by-line
Librino S.c.r.l. (in liq.)	Italy	Euro	45,900	66		66	Imprepar S.p.A.	proportionate
Line 3 Metro Stations	Greece			50	50			equity
Lodigiani-Pgel J.V. (in liq.)	Pakistan			100		100	Imprepar S.p.A.	equity

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
Matsoku Civil Contractor (MMC) J.V.	Lesotho			30		30	Imprepar S.p.A.	equity
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
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
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
Nuovo Dolonne S.c.r.l. (in liq.)	Italy	Euro	50,000	100	100			line-by-line
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5		24.5	Sapin S.r.l.	equity
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
Pedelombarda S.c.p.a.	Italy	Euro	80,000,000	47	47			proportionate
PGH Ltd	Nigeria	NGN	52,000,000	100	100			line-by-line
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
Reggio Calabria - Scilla S.c.p.a.	Italy	Euro	35,000,000	51	51			proportionate
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	25,000,000	70		70	PGH Ltd	line-by-line
S. Anna Palermo S.c.r.l. (in liq.)	Italy	Euro	40,800	71.6	71.6			equity
S. Leonardo Due S.c.r.l. (in liq.)	Italy	Euro	40,800	60		60	Imprepar S.p.A.	proportionate
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
Saces S.r.l. (in liq.)	Italy	Euro	26,000	37		37	Imprepar S.p.A.	equity
Salerno-Reggio Calabria S.c.p.a.	Italy	Euro	50,000,000	51	51			proportionate
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
San Martino Prefabbricati S.p.A. (in liq.)	Italy	Euro	10,000	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.	
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
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A. -J.V.	USA			30	30			proportionate
SI.VI.CI.CA. 2	Switzerland			25		25	CSC S.A.	equity
Sirjo S.c.p.A.	Italy	Euro	30,000,000	40	40			equity
Società di Progetto Consortile per Azioni M4	Italy	Euro	120,000	29	29			equity
Società Industriale Prefabbricazione Edilizia del Mediterraneo - S.I.P.E.M. S.p.A. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
Soingit S.c.r.l. (in liq.)	Italy	Lit	80,000,000	29.49		29.49	Imprepar S.p.A.	equity
Suramericana de Obras Publicas C.A.- Suropca 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
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
Trincerone Ferroviario S.c.r.l. (in liq.)	Italy	Euro	45,900	60		60	Imprepar S.p.A.	proportionate
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
Vegas Tunnel Constructors	USA			100	40	60	Healy S.A.	line-by-line
Vittoria S.c.r.l. (in liq.)	Italy	Euro	20,400	58		58	Imprepar S.p.A.	proportionate
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	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
ENGINEERING & PLANT CONSTRUCTION								
Fisia Italimpianti S.p.A.	**Italy**	**Euro**	**10,000,000**	**100**	**100**			**line-by-line**
Consorzio Agrital Ricerche (in liq.)	Italy	Euro	138,405	20		20	Fisia Italimpianti S.p.A.	equity
Fisia Babcock Environment Gmbh	Germany	Euro	15,000,000	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Fisia Babcock Engineering CO. Ltd	China	Euro	140,000	100		100	Fisia Babcock Gmbh	line-by-line
Gestione Napoli S.p.A. (in liq.)	Italy	Euro	10,000	99	24	54	Fisia Italimpianti S.p.A.	line-by-line
						21	Fisia Babcock Gmbh	
Nautilus S.c.p.a. (in liq.)	Italy	Euro	479,880	34.41		34.41	Fisia Italimpianti S.p.A.	equity
Shangai Pucheng Thermal Power Energy Co. L.t.d.	China	RMB	200,000,000	50		50	Impregilo Intern. Infrastruc. N.V.	proportionate
Steinmuller International Gmbh	Germany	Euro	25,000	100		100	Fisia Babcock Gmbh	line-by-line
Villagest S.c.r.l. (in liq.)	Italy	Euro	13,944	50		50	Fisia Italimpianti S.p.A.	equity
USW CAMPANIA PROJECT								
Fibe S.p.A.	**Italy**	**Euro**	**3,500,000**	**99.998**	**99.989**	**0.003**	**Impregilo Intern. Infrastruc. N.V.**	**line-by-line**
						0.003	**Fisia Babcock Gmbh**	
						0.003	**Fisia Italimpianti S.p.A.**	
CONCESSIONS								
Impregilo International Infrastructures N.V.	**Netherlands**	**Euro**	**50,000,000**	**100**	**100**			**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.	equity
						2.36	Iglys S.A.	
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
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infrastruc. N.V.	equity
IGLYS S.A.	Argentina	ARS	17,000,000	100		98	Impregilo Intern. Infrastruc. N.V.	line-by-line
						2	INCAVE S.r.l.	
Impregilo New Cross Ltd	GB	GBP	2	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Impregilo Parking Glasgow Ltd	GB	GBP	1	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Impregilo Wolverhampton Ltd	GB	GBP	1,000	20		20	Impregilo Intern. Infrastruc. N.V.	equity
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infrastruc. N.V.	line-by-line
Ochre Solutions Holdings Ltd	GB	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 Autostrade Broni - Mortara S.p.A.	Italy	Euro	25,000,000	59.8	59.8			line-by-line
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

The following companies have been excluded from the consolidation scope compared to 31 December 2012:

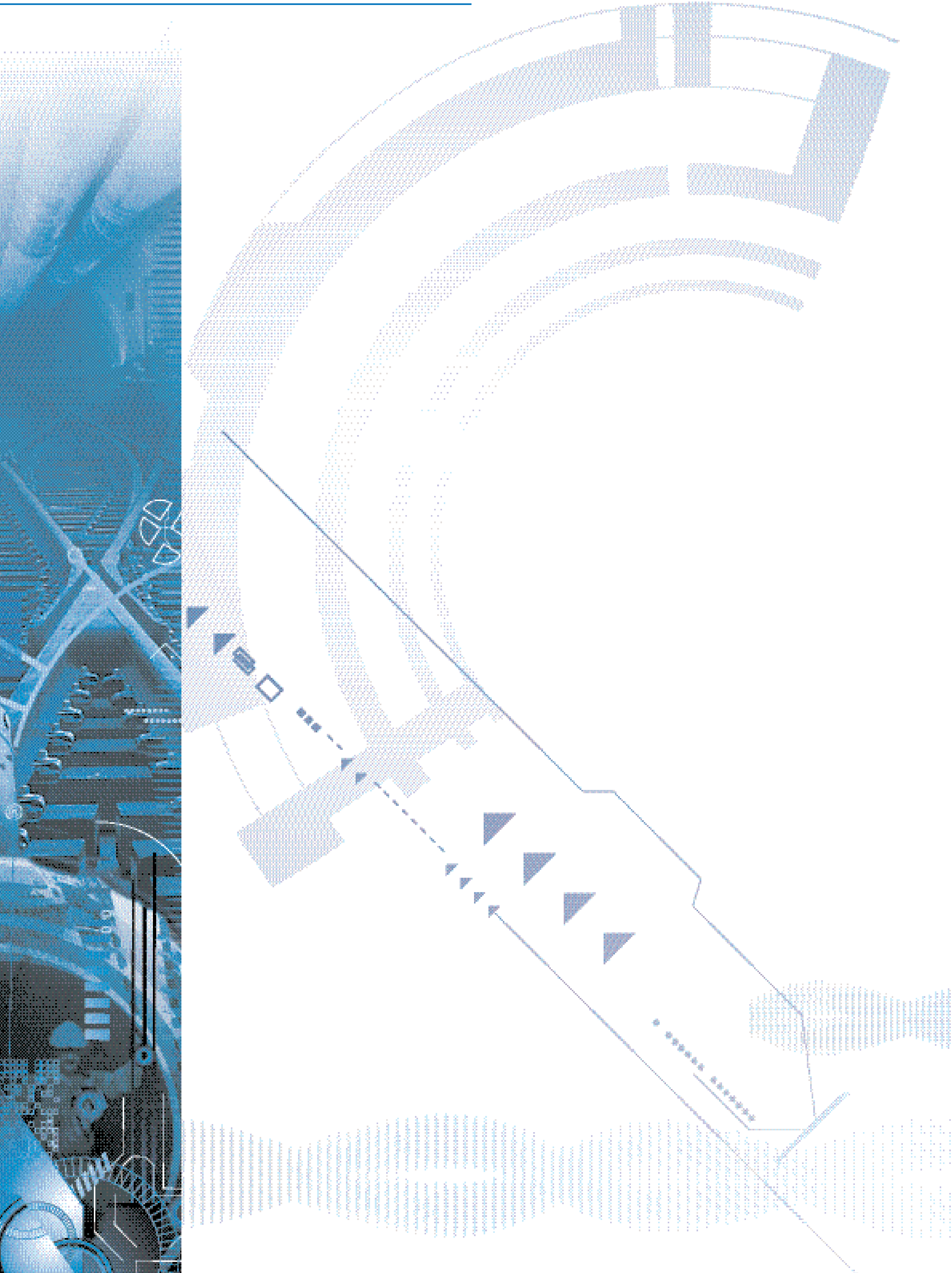
Name	Country	Currency	Share/quota capital sub./ paid-up	% invest-ment	% direct	% indirect	Indirectly held by	Method 31.12.2012
CONSTRUCTION								
CCB Consorzio Centro Balneare	Switzerland			40		40	CSC S.A.	equity
Consorcio Impregilo - Ingco	Dom. Republic			70	70			proportionate
Consorzio Autosilo Vico Morcote	Switzerland			70	-	70	CSC S.A.	proportionate
Consorzio Metropolitane	Italy	Lit	100,000,000	25	-	25	Imprepar S.p.A.	equity
CRA Consorzio Realizzazione Arca	Switzerland			40		40	CSC S.A.	equity
SO.CO.TAU. S.c.r.l. (in liq.)	Italy	Euro	10,200	20.27		20.27	Bocoge S.p.A.	equity
Val Viola S.c.r.l. (in liq.)	Italy	Euro	10,200	60	60			proportionate

The consolidation scope has been enlarged compared to 31 December 2012 by the following companies:

Name	Country	Currency	Share/quota capital sub./ paid-up	% invest-ment	% direct	% indirect	Indirectly held by	Method 30.06.2013
Consorzio Mina de Cobre	Italy	Euro	10,000	50	50			equity
Consorzio SIVICICA 3	Switzerland			25		25	CSC S.A.	equity
Empresa Constructora Metro 6 L.t.d.a.	Chile	CLP	25,000,000	49	49			equity
Impregilo Salini (Panama) S.A.	Panama	USD	10,000	50	50			equity
Impregilo-Healy-Parsons J.V.	USA	USD		65	45	20	Healy S.A.	equity
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			equity
Società di Progetto Consortile per Azioni M4	Italy	Euro	120,000	29	29			equity

Gotthard Base Tunnel – Switzerland

STATEMENT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



Statement on the condensed interim 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 chief executive officer, and Rosario Fiumara, as 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 the first half of 2013 to prepare the condensed interim consolidated financial statements.

2 No significant issues arose.

3 Moreover, they state that:

3.1 the condensed interim consolidated financial statements as at and for the period ended 30 June 2013:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union 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 at 30 June 2013 and the results of operations and cash flows for the six months then ended of the Issuer and its consolidated companies;

3.2 the Directors' report includes a reliable analysis of the key events that took place during the period and their impact on the condensed interim consolidated financial statements, together with information about the main risks and uncertainties to which the group is exposed for the second half of the year. It also sets out a reliable analysis of relevant related party transactions.

Milan, 5 August 2013

Chief Executive Officer

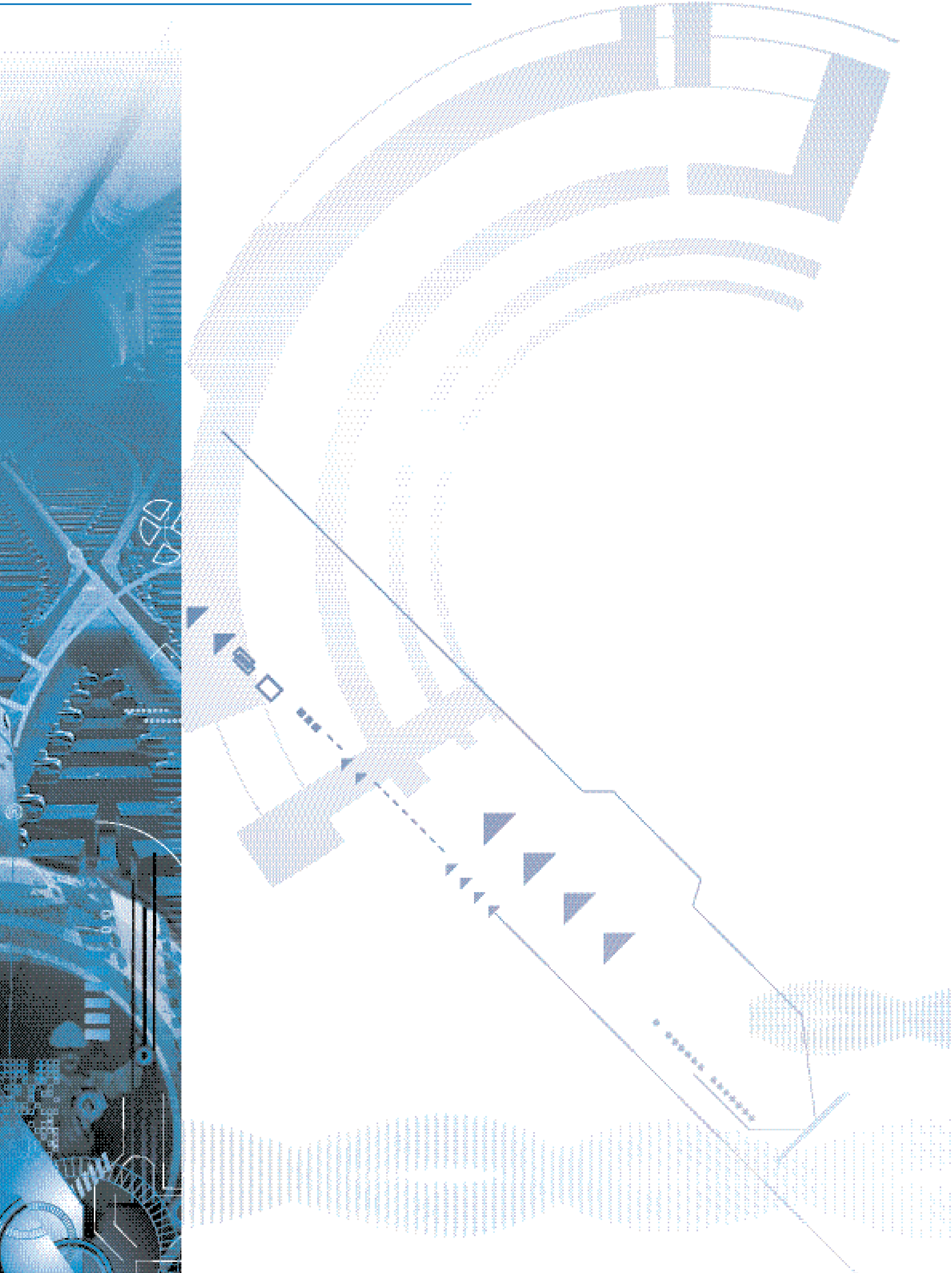
Pietro Salini

(signed on the original)

Manager in charge of financial reporting

Rosario Fiumara

(signed on the original)



AUDITORS' REPORT

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AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

To the shareholders of
Impregilo SpA

1 We have reviewed the consolidated condensed interim financial statements of Impregilo SpA and its subsidiaries ("Impregilo Group") as of 30 June 2013, 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 the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by Consob, the national stock exchange commission, with Resolution n° 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The limited review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

The consolidated condensed interim financial statements present, for comparative purposes, the prior year consolidated financial statements figures and the prior year consolidated condensed interim financial statements figures. As disclosed in the notes, directors restated some comparative figures related to the prior year consolidated financial statements, in respect to the figures previously presented and on which we issued our report on 5 April 2013. Likewise, directors restated some comparative figures related to six months ended 30 June 2012, in respect to the figures previously presented and on which we issued our report on 29 August 2012.
The methods used to restate the comparative figures and the disclosures presented in the notes have been examined by us for the purposes of issuing of the auditors' report on the review of consolidated condensed interim financial statements for the six months ended 30 June 2013.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Impregilo Group as of 30 June 2013 have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

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4 We draw your attention to the following circumstances described in more details in the Directors' report and in the notes to the consolidated condensed interim financial statements as of 30 June 2013:

(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 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 classified as held for sale" of the Directors' report – Part II.

(ii) "Libya"

Directors have disclosed the situation of the Group's activities in Libya.
Details are reported in paragraph "Libya" of the notes to the consolidated condensed interim financial statements and in paragraph "Construction – Risk Areas" of the chapter "Performance by business segment" of the Directors' report– Part II.

Milan, 8 August 2013

PricewaterhouseCoopers SpA

Signed by
Andrea Brivio
(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 condensed interim financial statements referred to in this report.

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