Annual Report 2015

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Annual Report 2015

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Letter of the CEO to the Shareholders

Dear shareholders,

2015 was a highly important year for Salini Impregilo. We achieved our growth and profitability objectives, strengthened our financial and asset-related structure and laid the foundations for a definitive improvement of the Group's risk profile. In particular, we acquired Lane Industries Inc., a leading US construction firm, and sold Todini Costruzioni Generali.

We operated within a complex economic and geopolitical context in 2015. Global growth registered an increase of just 2.4%, developed countries under-performed, and emerging economies slowed down. As a result, the cost of raw materials fell and the dollar grew stronger, as the world's major banks adopted expansionary monetary policies.

The price of oil continued to run its course, dropping below $35 a barrel for the first time since 2009. This presents another barrier to growth, in addition to the other risks connected to the commodity slump, such as the withdrawal of sovereign wealth funds from the Stock Exchange and the increasingly apparent existence of credit market tensions.

Economic tensions arose in parallel with geopolitical challenges, with the ever-present global terrorist threat, the break-up of diplomatic relations between Iran and Saudi Arabia, and instability in Africa, such as the Boko Haram attacks in Nigeria and the political hotbed in Libya.

Despite this, our business model stayed intact, due to our diversified backlog and our capacity to undertake strategically important projects for our clients.

From an operational perspective, we reasserted our leadership in the water segment, completing projects including the Sogamoso Dam in Colombia and the Tunnel under Lake Mead near Las Vegas, and winning new contracts such as the Nenskra Hydroelectric Project in Georgia. Meanwhile, Salini Impregilo and our partners are close to completing the new Panama Canal, one of the world's most complex feats of engineering, which is set to contribute substantially to global trade. In Ethiopia, we are delivering the Gilgel Gibe III Dam and building the Grand Ethiopian Renaissance Dam, two hydro-electric projects that will be fundamental to the country's development. Additionally, the Stavros Niarchos Foundation Cultural Centre in Athens is soon to be inaugurated, representing a symbol of engineering excellence and environmental sustainability.

We are delivering some of the largest contracts in the world in the urban mobility sector, helping to fight atmospheric pollution and improve the lives of millions of people. Each location has its own unique complexities, both from an architectural and environmental point of view, such as Riyadh, Doha, Lima and Copenhagen.

Our ability to execute substantial projects enabled us to close the year with double-digit revenue growth, generating an income of €4.7 billion, with an order backlog of €33.3 billion. Our EBIT (earnings before tax and interest) was €272.7 million, an increase of 11.3% year on year. Additionally, we brought our net debt value to €26.8 million, an achievement that has been recognised by the markets. In July, we earned a ratings upgrade to BB+ from Standard & Poor's, which was subsequently confirmed by Dagong. Our goal is still to achieve investment grade, the target level for a group of our size and track record.

We also seized an important opportunity to rebalance our business portfolio: the acquisition of Lane Industries Inc. in the US. This allowed us to expand our global operations, exceeding €6 billion in turnover, which is significant in terms of competing on an international stage. We will now strive to achieve a 25% share of the US market.

Lane Industries has a proven reputation, and will allow us to maximise upcoming opportunities in the US over the coming years, where $305 billion has been allocated to improve the country's infrastructure. In early 2016, Lane participated in the consortium that was selected to design and build a light rail line in Maryland, a project with a total value of $2 billion.

The acquisition of Lane is a strong indication of the business strategy we intend to pursue, reorienting our growth towards more stable profitable areas, such as the US, and developing new markets and organisational processes to manage risk more effectively.

Our commitment extends beyond technical and financial concerns to the communities living near our projects. In addition to improving people's lives through the infrastructure we design and create, we aim to contribute to economic empowerment and sustainable development in multiple ways. One example is the E4Impact Foundation, of which Salini Impregilo is a partner. Its mission is to enable budding social entrepreneurs in Africa to harness the power of business to make a positive difference in their communities.

We have supported our activities with a considered and active communication strategy, aimed at strengthening our reputation at a global level. For example, we have launched an online magazine, "We build Value", and we are taking steps to monitor reputational risks proactively.

All this has been possible thanks to our people. Together, we are building a new corporate culture, based on our four principal values: respect, excellence, solidity and transparency. These values underpin and inspire all our actions.

To further strengthen our growth, we began a new learning and development programme for our employees, in order to ensure that we continue to develop the skills and expertise vital to operating competitively in the evolving global context. We have also created a plan to attract and retain the most talented recent graduates, selected from Italy's top universities.

Salini Impregilo's unique legacy is propelling us further towards our ambitious new business plan, "De-risking the Future". We are striving towards a future characterised by an ever-decreasing risk profile, with a long-term strategic vision to strengthen our presence in our "core" countries, reinforcing our commitment to build value for all our stakeholders.

Pietro Salini

Company Officers

Board of directors (i)

Chairman	Alberto Giovannini
Chief Executive Officer	Pietro Salini
Directors	Marco Bolgiani
	Marina Brogi
	Giuseppina Capaldo
	Mario Giuseppe Cattaneo
	Roberto Cera
	Laura Cioli **
	Nicola Greco
	Pietro Guindani
	Geert Linnebank
	Giacomo Marazzi
	Franco Passacantando
	Laudomia Pucci
	Grazia Volo **

Executive Committee

Chairman	Pietro Salini
	Alberto Giovannini
	Nicola Greco
	Giacomo Marazzi

Control and Risk Committee

Chairman	Mario Giuseppe Cattaneo
	Marco Bolgiani
	Giuseppina Capaldo
	Pietro Guindani
	Franco Passacantando

Remuneration and appointment committee

Chairman	Marina Brogi
	Nicola Greco
	Geert Linnebank
	Laudomia Pucci

Related party transactions committee

Chairman	Marco Bolgiani
	Marina Brogi
	Giuseppina Capaldo
	Geert Linnebank

Board of statutory auditors (ii)

Chairman	Alessandro Trotter
Statutory Auditors	Teresa Cristiana Naddeo
	Gabriele Villa
Alternate Auditors	Roberta Battistin
	Marco Tabellini

Independent Auditors (iii) KPMG S.p.A.

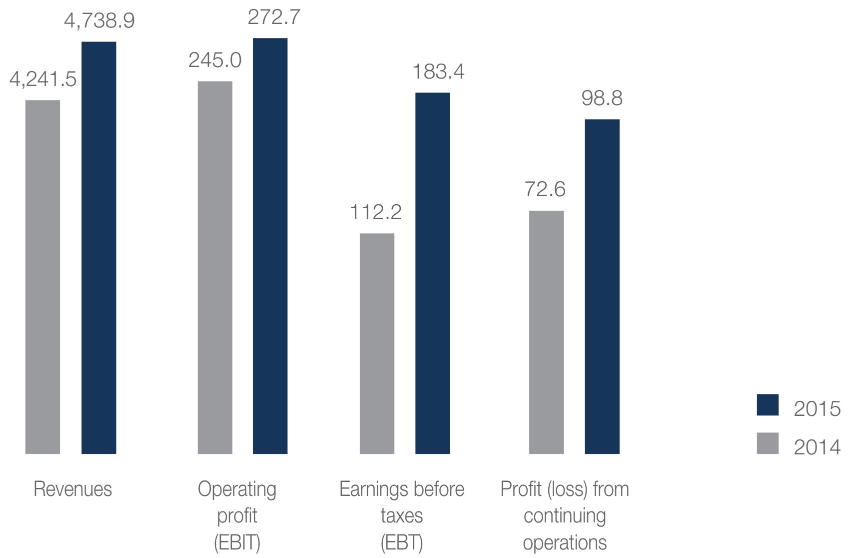
(i) Appointed during the ordinary Shareholder's Meeting held on April 30, 2015, and will hold office until the Board Meeting for the approval of the financial statement of December 31, 2017.
(ii) Appointed by the Board Meeting of April 30, 2014, and will hold office until December 31, 2016.
(iii) Appointed during the ordinary Shareholder's Meeting held on April 30, 2015, and will hold office for the period 2015 - 2023.
** Laura Cioli resigned on the 24 February 2016, and Claudio Costamagna resigned on the 14 July 2015 as Chairmen and Board Director; on 16 March 2016 the Board of Directors appointed Grazia Volo as Board Director who will hold this position until the next Meeting of 28 April 2016.

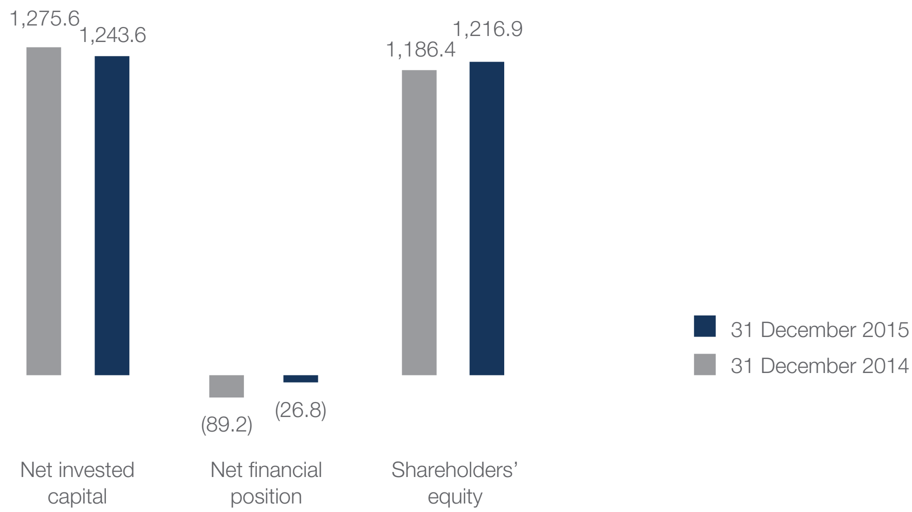
Financial Highlights of the Salini Impregilo Group

(in millions of euro)

Salini Impregilo Group

The "Alternative performance indicators" paragraph in the "Other information" section provides a definition of the indicators used to analyse the Group's financial highlights. The income statement data for the period 2014 were reclassified in accordance with IFRS 5.





Consolidated income statement

(in millions of euro)	2015	2014 (§)
Revenue	4,738.9	4,241.5
Operating costs (*)	(4,252.4)	(3,813.6)
Gross operating profit (EBITDA)	486.5	427.9
EBITDA %	10.3%	10.1%
Operating profit (EBIT)	272.7	245.0
R.o.S.	5.8%	5.8%
Financing income (costs)	(89.6)	(141.8)
Gains (losses) on investments	0.3	9.0
Earnings before taxes (EBT)	183.4	112.2
Income taxes	(84.6)	(39.6)
Profit (loss) from continuing operations	98.8	72.6
Profit (loss) from discontinued operations	(16.6)	30.6
Profit (loss) for the period attributable to the owners of the parent	60.6	93.8

(§) The income statement data for 2014 were reclassified in accordance with IFRS 5 according to the new transfer scheme of the Todini Costruzioni Generali Group.

(*) They include provisions and impairment losses for € 22.8 million.

Consolidated statement of financial position

(in millions of euro)	December 31, 2015	December 31, 2014
Non-current assets	919.4	832.4
Non-current assets (liabilities) held for sale	41.6	84.1
Provisions for risks, post-employment benefits and employee benefits	(131.8)	(120.8)
Net tax assets (liabilities)	136.1	148.7
Working capital	278.3	331.3
Net invested capital	**1,243.6**	**1,275.6**
Equity	**1,216.9**	**1,186.4**
Net financial position	**26.8**	**89.2**

Salini Impregilo S.p.A. Income Statement

(in millions of euro)	2015	2014
Revenue	3,027.2	2,341.9
Operating costs (*)	(2,708.4)	(2,116.0)
Gross operating profit (EBITDA)	318.8	225.9
EBITDA %	10.5%	9.6%
Operating profit (EBIT)	206.6	125.9
R.o.S.	6.8%	5.4%
Financing income (costs)	(53.6)	(113.3)
Gains (losses) on investments	(114.9)	28.8
Earnings before taxes (EBT)	38.0	41.4
Income taxes	(2.3)	(10.7)
Profit (loss) from continuing operations	35.7	30.7
Profit (loss) for the period attributable to the owners of the parent	35.7	30.7

(*) They include provisions and impairment losses for € 33.9 million.

Salini Impregilo S.p.A. Statement of Financial Position

(in millions of euro)	December 31, 2015	December 31, 2014
Non-current assets	1,086.6	1,055.5
Provisions for risks, post-employment benefits and employee benefits	(42.0)	(48.3)
Net tax assets (liabilities)	60.5	18.6
Working capital	358.6	459.7
Net invested capital	**1,463.7**	**1,485.6**
Equity	**937.4**	**943.0**
Net financial position	**526.4**	**542.6**

World Presence and Group Mission

Mission

Salini Impregilo is an industrial Group specializing in the construction of major, complex infrastructure projects throughout the world. Inspired by the principles of sustainable development, the Group uses technological and organisational innovation combined with its extraordinary human and professional resources, to develop construction solutions capable of enhancing the resources of communities and contributing to the economic and social improvement of nations.

Worldwide

Active in more than 50 countries, Salini Impregilo has a solid global footprint thanks to its ability to operate both in developed and developing economies. Given the vast range of technical and a managerial skills of the Group's Human Resources, Salini Impregilo boasts a deep experience in the planning and execution of complex infrastructures in countries where extreme environmental conditions prevail, from deserts to glaciers.

Worldwide presence available at the website:
www.salini-impregilo.com

Directors' Report
Part I

Performance of the Group and the Parent Company in 2015

Analysis of the financial position and results of operations of the Salini Impregilo Group and of the Parent Company

This section presents the Group's and the Parent Company's reclassified income statement, together with its reclassified statement of financial position and the structure of its financial position at December 31, 2015. It also provides an overview of the main changes, at consolidated level, in the income statement and in the statement of financial position compared with the data presented at the end of the previous year.

Unless otherwise stated, all amounts are in millions of euros and those shown in parentheses refer to the previous year.

The "Alternative performance indicators" paragraph in the "Other information" section provides a definition of the indicators used to analyse the Group's and Parent Company's operating performance and financial position.

Introductory remarks concerning the comparability of the income statement and statement of financial position data

Todini Costruzioni Generali corporate reorganisation

With regard to the operational activities in Italy and the preliminary activities for selling assets abroad of Todini Costruzioni Generali, and considering the company's desire to rationalise non-strategic activities, starting from 2014 the Todini Group has been divided into different divisions, each with its related receivables and payables and with its specific technical and organisational competence. With effect from 1 July 2015, Todini Costruzioni S.p.A. sold to Imprepar the business including the interest value, receivables and payables of some inoperative subsidiaries and associates.

Non-current assets held for sale as at December 31, 2015, mainly include divisions held for sale by the subsidiary Todini Costruzioni Generali S.p.A. and in particular:

Division A - Projects in Italy which third parties have expressed an interest in purchasing. It includes the Metrocampania contracts (Naples Alifana and Secondigliano), the Variante di Valico and Naples Sarno River contracts, the plants and machinery situated at the Lungavilla Depot.

Division B - Foreign division which on 14 January 2016 a Preliminary Share Purchase Agreement was signed between Salini Impregilo S.p.A. and Prime System KZ Ltd concerning the entire registered capital of Todini Costruzioni Generali S.p.A. including only assets and liabilities concerning projects and divisions operating in Georgia, Azerbaijan, Belarus and Kazakhstan, including the value of the investments in the subsidiaries that refer to the projects of interest, JV Todini Takenaka and Todini Central Asia, and some operational activities both belonging directly to the Group and leased. The transfer will be completed by the end of the first quarter of 2016.

Todini's assets that are not transferred to third-parties and that are not included in the current assets of the consolidated financial statements as at December 31, 2015, particularly concern:

Division C - Sale of business division to Salini Impregilo, is subsequently described. It includes the

Cagliari Capo Boi, Roma-Fiumicino, Milano-Lecco, Corso Del Popolo, Piscine dello Stadio projects and other minor projects that have nearly been finished, as well as the branches in Albania, Argentina, Romania, Tunisia, Algeria, Greece, Dubai, Ukraine and Poland.

With reference to the net assets concerning the A and C divisions, by the end of the first quarter of 2016, the divisions will be contributed to the newly created company, HCE Costruzioni S.p.A. that will be transfered to Salini Impregilo S.p.A. or to another company of the Group.

In the consolidated financial statements as at 31 December 2014, the divisions of the subgroup Todini Costruzioni Generali S.p.A. were defined with a different scheme, on the basis of the then existing interests in purchasing. It was necessary, pursuant to IFRS 5, to restate the comparative data of the previous year as currently defined for financial year 2015.

Hereunder, the effects consequent to the restatement of the income statement as indicated above:

(Amounts in €/000)	2014 Restated	2014 Published	Change
Total revenue	**4,241,480**	**4,194,111**	**47,369**
Operating costs (*)	**(3,813,628)**	**(3,758,207)**	**(55,421)**
Gross operating profit (EBITDA)	**427,852**	**435,904**	**(8,052)**
EBITDA %	*10.1%*	*10.4%*	
Amortization	(182,897)	(177,521)	(5,376)
Operating profit (EBIT)	**244,955**	**258,383**	**(13,428)**
Return on Sales	*5.8%*	*6.2%*	
Financing income (costs) and gains (losses)	(141,754)	(142,028)	274
Net Gains on investments	8,973	8,973	0
Net financing costs and net gains on investments	**(132,781)**	**(133,055)**	**274**
Earnings before taxes	**112,174**	**125,328**	**(13,154)**
Income taxes	(39,607)	(39,635)	28
Profit (loss) from continuing operations	**72,567**	**85,693**	**(13,126)**
Profit from discontinued operations	**30,553**	**17,427**	**13,126**
Net profit (loss) before allocation to non-controlling interests	103,120	103,120	0
Non-controlling interests	**(9,347)**	**(9,347)**	**0**
Profit (loss) attributable to the owners of the parent	**93,773**	**93,773**	**0**

(*) They include provisions and impairment losses.

Group performance

Tab. 1- Reclassified consolidated income statement of Salini Impregilo Group

(Amounts in €/000)	Note (*)	2015	2014 (§)	Change
Revenue		4,595,483	4,136,361	459,122
Other income		143,393	105,119	38,274
Total revenue	33	**4,738,876**	**4,241,480**	**497,396**
Operating costs (°)	34	(4,252,366)	(3,813,628)	(438,738)
Gross operating profit (EBITDA)		**486,510**	**427,852**	**58,658**
EBITDA %		*10.3%*	*10.1%*	
Amortization and depreciation	34	(213,854)	(182,897)	(30,957)
Operating profit (EBIT)		**272,656**	**244,955**	**27,701**
Return on Sales %		*5.8%*	*5.8%*	
Financing income (costs) and gains (losses) on investments				
Net Financing	35	(89,611)	(141,754)	52,143
Net gains on investments	36	336	8,973	(8,637)
Net financing costs and net gains on investments		**(89,275)**	**(132,781)**	**43,506**
Earnings before taxes (EBT)		**183,381**	**112,174**	**71,207**
Income taxes	37	(84,577)	(39,607)	(44,970)
Profit from continuing operations		**98,804**	**72,567**	**26,237**
Profit (loss) from discontinued operations	19	(16,573)	30,553	(47,126)
Profit (loss) before allocation to non-controlling interests		**82,231**	**103,120**	**(20,889)**
Non-controlling interests		(21,639)	(9,347)	(12,292)
Profit (loss) attributable to the owners of the parent		**60,592**	**93,773**	**(33,181)**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.
(°) They include provisions and impairment losses for € 22,784 thousand.
(§) The income statement data for 2014 were reclassified in accordance with IFRS 5 according the new transfer perimeter of the Todini Costruzioni Generali Group.

Revenue

The total revenue booked in 2015, totalled € 4,738.9 million (€ 4,241.5 million) and included € 4,028.0 million generated outside Italy (€ 3,506.0 million).

The total consolidated revenue shows an increase of about 11.7%, when compared to the same period of last year. This item's change is primarily due to the progress of some large-scale projects abroad, among which: the Red Line North project in Qatar, Line 3 of the Riyadh Metro in Saudi Arabia, and the Skytrain project in Australia. In Italy, an increase in terms of production for the High Speed/High Capacity Milan - Genoa railway line is noticeable.

The item "Other revenue" mainly includes positive components of income originated by the ongoing projects in progress and arising from ancillary industrial activities not directly attributable to the contract with the customer.

Operating profit

The operating profit achieved during 2015, substantially reflects, the evolution of the production activities described in the comments to the item "Revenue". The period's margin is 5.8% (5.8%). The effects of the purchase price allocation that regard the acquisition of the Impregilo Group, which occurred during 2013, amount to € 9.9 million and are mainly represented by the amortizations of intangible assets.

The overhead costs for the central corporate units and the other general expenses of the HQ, for this reporting period totalled approximately € 143.3 million (€ 142.9 million).

The operating profit realised abroad was € 399.3 million, while in Italy, before corporate costs, it amounted to € 16.6 million.

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

Net financing costs amounted to € 89.6 million (€ 141.8 million), while net gains on investments totalled € 0.3 million (€ 9.0 million).

With reference to the reduction of the net financial expenses, totalling € 24.5 million, please note that during 2015 a renegotiation of the corporate financial debt was carried out, which allowed us to benefit from favourable interest rates.

The caption being examined includes financial expenses equal to € 17.7 million (€ 23.0 million) that derives from the calculation of the amortized cost that did not give rise to a monetary disbursement during the reporting year, having been fully paid during the previous years.

The net exchange loss for 2015 financial period amounted to € 16.7 million (€ 44,3 million). This improvement, is mainly due to the fact that the negative result of the previous year has been significantly influenced by the first application of the official SICAD II exchange rate, for the purpose of converting the Group's net assets in the Venezuelan currency (so called Bolivar Fuerte or VEF), which brought overall costs for € 97 million.

Income taxes

Income taxes amounted to € 84.6 million (€ 39.6 million). The effective tax rate for 2015 is 46.1% (35.3%). This item is mainly affected by:

(i) the Group's income dynamics; and

(ii) the reduction of the IRES tax rate, effective from 2017, which caused a reduction of the net deferred tax assets.

Profit (loss) from discontinued operations

This caption shows a net loss of € 16.6 million (net profit of € 30.6 million). This result includes:

- the net loss of € 11.5 million (€ 66.8 million) recorded by Todini as regards the divisions being sold to third-parties;
- the net loss of € 5.0 million (€ 0.9 million) reported by the remaining activities of the USW Campania Projects.

With reference to 2014, in addition to what has been mentioned above, a net profit equal to € 85.1 million recognized as a result of the completion of the sale of the investment, held by the Group in the German company Fisia Babcock Environment GmbH.

Non-controlling interests

Non-controlling interests amounted to € 21.6 million (€ 9.3 million). This result is mainly due to the subsidiaries that deal with the works of the Red Line North Underground in Qatar for € 8.1 million, to the Köseköy - Bebze high-speed railway line in Turkey for €4.6 million and works for the Stavros Niarchos Foundation Cultural Centre in Greece for € 3.8 million.

Financial position of the Group

Tab. 2 - Reclassified consolidated statement of financial position of Salini Impregilo Group

(Amounts in €/000)	Note (*)	December 31, 2015	December 31, 2014	Change
Property, plant and equipment, intangible assets and non-current financial assets	7-8-9	919,440	832,355	87,085
Net non-current assets held for sale	19	41,594	84,123	(42,529)
Provisions for risks	26	(106,361)	(97,527)	(8,834)
Post-employment benefits and employee benefits	25	(25,412)	(23,320)	(2,092)
Net tax assets	11-16-29	136,066	148,698	(12,632)
Inventories	12	268,073	262,740	5,333
Contract work in progress	13	1,775,791	1,252,769	523,022
Progress payments and advances on contract work in progress	27	(1,862,759)	(1,725,884)	(136,875)
Receivables (**)	14	1,543,172	1,614,350	(71,178)
Payables	28	(1,630,437)	(1,426,743)	(203,694)
Other current assets	17	518,642	689,997	(171,355)
Other current liabilities	30	(334,198)	(335,918)	1,720
Working capital		278,284	331,311	(53,027)
Net invested capital		**1,243,611**	**1,275,640**	**(32,029)**
Equity attributable to the owners of the parent		**1,116,000**	**1,109,903**	**6,097**
Non-controlling interests		100,860	76,513	24,347
Equity	20	**1,216,860**	**1,186,416**	**30,444**
Net financial position		**26,751**	**89,224**	**(62,473)**
Total financial resources		**1,243,611**	**1,275,640**	**(32,029)**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.
(**) The item is considered net of € 17.5 million (€ 65.9 million as at December 31, 2014) classified in the net financial position, referred to the Group's net receivables/payables position relating to Consortiums and Consortium companies ("SPVs") that function through cost transfers and that are not included within the Group's consolidation scope. The net receivables/payables position is included in the net financial position based on the actual liquidity o indebtness owned by the SPV and that belongs to the Group.

Net invested capital

The net invested capital amounted to € 1,243.6 million at December 31, 2015, for a decrease of € 32.0 million compared with the end of the previous year. The main changes are primarily attributable to the factors mentioned below.

Property, plant and equipment, intangible assets and non-current financial assets

Net property, plant and equipment, intangible assets and non-current financial assets were up € 87.1 million. This item is split as follows:

(Amounts in €/000)	December 31, 2015	December 31, 2014	Change
Property, plant and equipment	594,365	567,919	26,446
Intangible assets	193,821	160,014	33,807
Investments	131,254	104,422	26,832
Property, plant and equipment, intangible assets and non-current financial assets	**919,440**	**832,355**	**87,085**

Property, plant and equipment increased by € 26.4 million mainly due to:

- additional investments equal to € 215.4 million that concerned projects abroad, in particular Line 3 of Riyadh's Metro in Arabia, the Red Line in Qatar and projects in Ethiopia and, in Italy, the project concerning the Milan-Genoa High-Speed/High Capacity Railway;

- amortizations and depreciation of the year for an overall € 189.3 million.

Intangible fixed assets increased by € 33.8 million. This was mainly due to:

- additional investments equal to € 52.8 million, mainly related to contract acquisition costs of projects mainly concerning Line 3 of Riyadh's Metro in Arabia, the Verona-Padua High Speed - High Capacity Railway in Italy;

- amortizations of the period for an overall € 24.6 million.

This increase in investments is mainly due to capital injections made in investments in unconsolidated subsidiaries in Italy and abroad.

Net non-current assets held for sale

Net non-current assets held for sale amounted as at December 31, 2015 to € 41.6 million. They include the net assets of the following units of the Group:

- the divisions of Todini Costruzioni Generali S.p.A. (net assets held for sale), for a total amount of € 35.9 million (€ 73.8 million); and

- net assets regarding the USW Campania Projects for € 5.7 million, which have not changed compared to last year.

At December 31, 2014, the caption being examined included, in addition to what has been mentioned above, an asset belonging to Co.Ge.Ma. S.p.A., for € 4.7 million value, and whose transfer occurred during the first days of 2015.

The change for the entry, compared to last year, regards the change of the sale scheme of the Todini Costruzioni Generali divisions, which has been already commented upon, and the detection of losses in value with reference to divisions being sold for an overall € 17.2 million.

Provisions for risks

Provisions for risks amount to € 106.4 million and show an increase equal to € 8.8 million, mainly concerning:

- a reduction of provisions for risks by € 4.5 million, mainly concerning changes in the transfer scheme of Todini;

- the increase of other provisions due to accruals for € 21.6 million, partially offset by utilizations for € 12.8 million and other changes, concerning exchange rate differences and discounting equal to € 1.6 million.

Net tax assets (liabilities)

The caption may be broken down as follows:

(Amounts in €/000)	December 31, 2015	December 31, 2014	Change
Deferred tax assets	64,064	138,402	(74,338)
Deferred tax liabilities	(55,857)	(80,435)	24,578
Net deferred tax assets	**8,207**	**57,967**	**(49,760)**
Current income tax assets	114,577	95,477	19,100
Current income tax liabilities	(68,273)	(47,484)	(20,789)
Net Current tax assets	**46,304**	**47,993**	**(1,689)**
Other tax receivables	142,652	96,489	46,163
Other tax payables	(61,097)	(53,751)	(7,346)
Net other current tax assets	**81,555**	**42,738**	**38,817**
Total net tax assets (liabilities)	**136,066**	**148,698**	**(12,632)**

Working capital

Working capital increased by € 53.0 million, from € 331.3 million to € 278.3 million.

The main changes are summarised below:

- Inventories totalled € 268.1 million, up € 5.3 million over the previous year due to the combined effect of increased procurement activity due to the progress concerning foreign contracts, and in particular Line 3 of the Riyadh Metro in Saudi Arabia and to the projects in Ethiopia, partially offset by the consumption of materials regarding railway projects in Venezuela;

- Contract work in progress totalled € 1,775.8 million (€ 1,252.8 million), and refer to foreign projects for € 1,376.2 million and to projects in Italy for € 399.6 million. The overall increase for € 523.0 million is due for € 44.4 million to projects in Italy and to € 478.6 million to projects abroad. This change includes the effect of production development, with particular regard to the Milan-Genoa section of the High Speed/High Capacity railway in Italy, and to our projects in Qatar, Ethiopia, Saudi Arabia and Denmark;

- 'Advances on contract work' includes both contract advances and the value of "negative" ongoing works (i.e. invoiced advances greater than the cumulative value of the projects built) and, globally amount to € 1,862.8 million, increased by € 136.9 million. This change was mainly due to the effects of the following factors:

    - the net increase in contract advances for € 194,0 million was mainly due to effects of the increase of the investment stake in the company that is constructing the Line 3 Metro Riyadh project, and to the collection of advances on new projects, such as the Al Bayt Stadium project in Qatar, to the absorption due to work progress, to the hydroelectric projects in Ethiopia and to the High Speed/High Capacity Milan-Genoa railway section;

    - the decrease of the 'negative work in progress for an overall amount of € 57.2 million, with particular reference to Line 4 of Milan's Metro, to the Vegas Tunnel in the USA and to the Adiyan Water Treatment Plant in Nigeria;

- the current receivables show an increase for a total of € 71.2 million. This item includes € 211.6 million of receivables towards third-parties for € 1,381.6 million and receivables towards unconsolidated Group companies and other related parties for € 179.1 million. The latter are reduced by € 80.6 million mainly due to the effect of the takings concerning unconsolidated Italian consortia while credits towards third-parties are reduced by € 40.0 million mainly due to the effects of the takings on projects in Ethiopia. The caption being examined includes receivables towards clients in Venezuela concerning railway works equal to € 231.3 million for the majority denominated in a strong currency (Euro and Dollars);

- payables increased by € 203.7 million and include payables towards third-parties for 1,501.7 million (€ 1,273.1 million) towards unconsolidated companies of the Group and other related parties for € 128.8 million (€ 153.6 million). Amounts payable to suppliers are mainly due to the increase of the production volumes on certain projects among which Line 3 of Riyadh's Metro in Saudi Arabia and the Milan-Genoa High Capacity/High Speed railway section;

- other assets decreased by € 171.4 million mainly due to the effect of the collection of some receivables towards non-consolidated companies of the Group, besides the absorption of advances to suppliers and accrued income due to the progress of projects as stated before. The other current liabilities remained basically unvaried.

Net financial position

At December 31, 2015, the Group’s consolidated net financial debt from continuing was € 26.8 million (€ 89.2 million), while that of the non-current assets held for sale was negative and amounted to € 18.9 million (negative by € 81.3 million). The improvement is mainly due to the optimization policy of the working capital that has been implemented during 2015.

At year-end, the Net Debt/Equity ratio (based on the Net financial position of continuing operations), on a consolidated basis, was 0.02.

The net financial debt for non-current assets held for sale refers to the divisions held for sale of Todini Costruzioni Generali S.p.A.

Gross debt increased by € 393.3 million compared to December 31, 2014, and is equal to € 1,820.2 million.

It is noted that Salini Impregilo has given guarantees in favour of unconsolidated subsidiaries for a total of € 305.3 million, against loans from banks and credit institutions granted thereto.

The group’s net financial debt at December 31, 2015, is summarized in the following table.

Tab. 3 - Net financial position of the Salini Impregilo Group

(Amounts in €/000)	Note (*)	December 31, 2015	December 31, 2014	Variazione
Non-current financial assets	10	67,832	89,124	(21,292)
Current financial assets	15	312,104	156,908	155,196
Cash and cash equivalents	18	1,410,775	1,030,925	379,850
Total cash and cash equivalents and other financial assets		**1,790,711**	**1,276,957**	**513,754**
Bank and other loans	21	(745,554)	(456,209)	(289,345)
Bond issues	22	(396,211)	(394,326)	(1,885)
Payables under finance leases	23	(79,789)	(102,310)	22,521
Total non-current indebtedness		**(1,221,554)**	**(952,845)**	**(268,709)**
Bank account overdrafts and current portion of loans	21	(538,802)	(247,522)	(291,280)
Current portion of bond issues	22	(10,203)	(166,292)	156,089
Current portion of payables under finance leases	23	(49,617)	(60,231)	10,614
Total current indebtedness		**(598,622)**	**(474,045)**	**(124,577)**
Derivative liabilities	24	(14,798)	(5,244)	(9,554)
Net financial position held by SPVs and unconsolidated project companies (**)		17,512	65,953	(48,441)
Total other financial assets (liabilities)		**2,714**	**60,709**	**(57,995)**
Total net financial debt - Continuing operations		**(26,751)**	**(89,224)**	**62,473**
Net financial position for assets held for sale		(18,939)	(81,292)	62,353
Net financial position comprising the non-current assets held for sale		**(45,690)**	**(170,516)**	**124,826**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.
(**) This item acknowledges the net credit/debit position of the Group towards Consortiums and Consortium Companies (“SPVs”) functioning through cost recharges and not included in the consolidation scope of the Group. The receivable/payable position is included in the item to the extent corresponding to the actual liquidity or indebtedness of the SPV. The receivables and payables that compose the balance of the item are respectively included under trade receivables and payables.

Performance of the Parent Company Salini Impregilo S.p.A.

Tab. 4 - Reclassified separate income statement of the Parent Company Salini Impregilo S.p.A.

(Amounts in €/000)	Note (*)	2015	2014	Change
Revenue		2,913,417	2,247,516	665,901
Other revenue		113,772	94,345	19,427
Total revenue	29	**3,027,189**	**2,341,861**	**685,328**
Operating cost	30	(2,708,431)	(2,115,972)	(592,459)
Gross operating profit (EBITDA)		**318,758**	**225,889**	**92,869**
EBITDA % (**)		*10.5%*	*9.6%*	
Amortization and depreciations	30	(112,154)	(99,959)	(12,195)
Operating profit (EBIT)		*206,604*	*125,930*	*80,674*
Return on Sales (**)		6.8%	5.4%	
Financing income (costs) and gains (losses) on investments				
Net Financing income (costs) and gains (losses)	31	(53,633)	(113,315)	59,682
Net Gains (losses) on investments	32	(114,938)	28,791	(143,729)
Net financing costs and net gains on investments		**(168,571)**	**(84,524)**	**(84,047)**
Earnings before taxes (EBT)		**38,033**	**41,406**	**(3,373)**
Income taxes	33	(2,302)	(10,713)	8,411
Net profit		**35,731**	**30,693**	**5,038**

(*) The note numbers refer to the notes to the financial statements of Salini Impregilo S.p.A. where the respective items are analysed in detail.
(**) The detailed composition of these indicators is supplied in chapter "Other information" of the Directors' report.

Revenue

Revenues for the reporting year amounted to € 3,027.2 million (€ 2,341.9 million). Revenues were generated in Italy for € 497.2 million (€ 529.0 million) and abroad for € 2,529.9 million (€ 1,812.9 million).

Other revenue mainly include revenue from supporting and coordinating activities, carried out by the parent Company in the interest of its subsidiaries and charged to them.

Operating profit (EBIT)

The EBIT amounted to € 206.6 million (€ 125.9 million) with an overall incidence (Return on Sales) of 6.8% (5.4%) on the total revenue.

The EBIT is affected by the costs for the central corporate units and other general expenses, for an overall amount of € 143.3 million.

Net Financing costs and net gains (losses) on investments

Net financing costs amounted to € 53.6 million (€ 113.3 million), while the net losses on investments amounted to € 114.9 million (net gains by € 28.8 million).

As commented with regard to the Group's performance, even with reference to Salini Impregilo S.p.A. the financial position benefited of lower interest rates thanks to the renegotiation of the corporate financial debt occurred in the reporting year.

The improvement regarding currency management, is mainly due to the fact that the negative result of the previous year has been significantly influenced by the first application of the official SICAD II exchange rate, for the purpose of converting the Group's net assets in the Venezuelan currency (the so called Bolivar Fuerte or VEF), which brought overall costs for € 97 million.

With regard to the management of investments, the 2015 result was negative for € 114.9 million (positive for € 28.8 million) especially due to the impairment of the investment in Todini Costruzioni Generali for € 96.4 million, due to the sale agreement previously commented upon.

Financial position of the Parent Company Salini Impregilo S.p.A.

Tab. 5 - Reclassified statement of financial position of the Parent Company Salini Impregilo S.p.A.

(Amounts in €/000)	Note (*)	December 31, 2015	December 31, 2014	Change
Property, plant and equipment, intangible assets and non-current financial assets	4-5-6	1,086,621	1,055,488	31,133
Provisions for risks	22	(29,884)	(36,952)	7,068
Post-employment benefits and employee benefits	21	(12,090)	(11,322)	(768)
Net tax assets	8-13-25	60,499	18,629	41,870
Inventories	*9*	*198,256*	*192,130*	*6,126*
Contract work in progress	*10*	*938,856*	*765,792*	*173,064*
Progress payments and advances on contract work in progress	*23*	*(1,003,418)*	*(803,169)*	*(200,249)*
Receivables (**)	*11*	*1,027,402*	*986,438*	*40,964*
Payables	*24*	*(899,898)*	*(863,255)*	*(36,643)*
Other current assets	*14*	*215,530*	*318,956*	*(103,426)*
Other current liabilities	*26*	*(118,168)*	*(137,152)*	*18,984*
Working capital		358,560	459,740	(101,180)
Net invested capital		**1,463,706**	**1,485,583**	**(21,877)**
Equity	**16**	**937,362**	**942,987**	**(5,625)**
Net financial position		**526,344**	**542,596**	**(16,252)**
Total financial resources		**1,463,706**	**1,485,583**	**(21,877)**

(*) The note numbers refer to the notes to the financial statements of Salini Impregilo S.p.A. where the respective items are analysed in detail.
(**) The item is considered net of € 17.5 million (€ 65.9 million as at December 31, 2014) classified in the net financial position as part of the net receivables relating to Consortiums and Consortium companies upon which nobody exercises control and that work through cost transfers to which is given a share of the Group's liquid resources possessed by SPVs.

Net invested capital

For the Parent Company the item increased by € 21.9 million compared to last year. The main changes that occurred in the year, refers to the effects hereinafter described.

Property, plant and equipment, intangible assets and non-current financial assets

Property, plant and equipment, intangible assets and non-current financial assets increased by € 31.1 million. This caption is broken down as follows:

(Amounts in €/000)	December 31, 2015	December 31, 2014	Change
Property, plant and equipment	288,955	268,805	20,150
Intangible assets	118,066	84,058	34,008
Investments	679,600	702,625	(23,025)
Property, plant and equipment, intangible assets and non-current financial assets	**1,086,621**	**1,055,488**	**31,133**

Property, plant and equipment increased by approximately € 20.2 million. The main depreciations by € 94.7 million, additions of investments by for € 113.1 million, mainly referred to projects abroad and other increases, including exchange rates differences, for € 1.7 million.

Intangible assets, mainly referred to costs for the acquisition of projects, increased by € 34.0 million. This caption increased by € 56.6 million due to increase in investment stake in the companies that are constructing Line 3 of Riyadh's metro and the Verona-Padua High Speed/High Capacity railway.

Amortisation amounted to € 17.4 million in the reporting year.

Post-employment benefits and employee benefits

This caption amounted to € 12.1 million and is basically unchanged compared to the previous year.

Net tax assets (liabilities)

As at December 31, 2015, net tax assets amounted to € 60.5 million (18.6 million). The caption is detailed as follows:

(Amounts in €/000)	December 31, 2015	December 31, 2014	Change
Deferred tax assets	35,760	57,527	(21,767)
Deferred tax liabilities	(34,570)	(97,872)	63,302
Net deferred tax assets	**1,190**	**(40,345)**	**41,535**
Current income tax assets	83,056	46,581	36,475
Current income tax liabilities	(47,775)	(27,292)	(20,483)
Net current tax assets	**35,281**	**19,289**	**15,992**
Other tax receivables	54,810	47,091	7,719
Other tax payables	(30,782)	(7,406)	(23,376)
Net other current tax assets	**24,028**	**39,685**	**(15,657)**
Total net tax assets	**60,499**	**18,629**	**41,870**

Working capital

The working capital as at December 31, 2015, amounted to € 358.6 million and decreased by €101.2 million compared to the previous year. The main changes in the working capital item derived from the evolution of the operational activity of the Company and from the production development during the year for some projects in Italy and abroad.

Net financial position

The net financial debt of the Parent Company as at December 31, 2015, amounted to € 526.3 million, compared to € 542.6 million at the end of the previous year.

The table hereunder highlights the composition of the net financial position of Salini Impregilo S.p.A. as at December 31, 2015, compared to the previous year.

Tab. 6 - Net financial position of the Parent Company Salini Impregilo S.p.A.

(Amounts in €/000)	Note (*)	December 31, 2015	December 31, 2014	Change
Non-current financial assets	7	17,630	39,083	(21,453)
Current financial assets	12	483,347	435,927	47,420
Cash and cash equivalents	15	763,933	380,867	383,066
Total cash and cash equivalents and other financial assets		**1,264,910**	**855,877**	**409,033**
Bank and other loans	17	(675,989)	(405,086)	(270,903)
Bond issues	18	(396,211)	(394,326)	(1,885)
Payables under finance leases	19	(67,002)	(88,673)	21,671
Total non-current indebtedness		**(1,139,202)**	**(888,085)**	**(251,117)**
Bank account overdrafts and current portion of financing facilities	17	(606,595)	(529,102)	(77,493)
Current portion of bond issues	18	(10,203)	(10,203)	-
Current portion of payables under finance leases	19	(42,081)	(36,742)	(5,339)
Total current indebtedness		**(658,879)**	**(576,047)**	**(82,832)**
Derivative liabilities	20	(10,685)	(294)	(10,391)
Net financial position held by SPVs and unconsolidated project companies (**)		17,512	65,953	(48,441)
Total other financial assets (liabilities)		**6,827**	**65,659**	**(58,832)**
Net financial debt held for sale		**(526,344)**	**(542,596)**	**16,252**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in .
(**) This item also considers that portion of net receivables/payables that relates to consortiums and/or to uncontrolled consortium companies that function through cost transfers, to which is given a share of the Group's cash resources or financial debt held by SPVs. Balances within financial statements are included under the item "Trade receivables".

Directors' Report
Part II

Operating performance by geographic region

Operating sector: Italy

The Group operates in the Construction and Concessions sectors in Italy.

Macroeconomic scenario

In 2015, Italy's growth outlook became increasingly positive and the country began to grow again. The OECD ranked Italy as one of the Eurozone economies with the highest GNP growth rates for this year (+1.4%), thanks to improved labor market conditions and a resulting increase in domestic consumption.

The recovery continued gradually over the course of the year. Exports weakened and, after underpinning activity levels for the past four years, are now held back, just like in other Eurozone countries, as a result of a drop in demand from non-EU countries.

Exports were gradually replaced by domestic demand, and in particular by consumption and inventory build-up. Thanks to more favorable cyclical conditions in the manufacturing sector, the service sector experienced an expansion and the construction sector stabilized after a long downturn. Forward looking indicators forecast this recovery to strengthen from the beginning of this year: the stimulus package for the purchase of capital goods enshrined in the 2016 Stability Law should support investments starting already from the first Quarter; moreover, capital growth should be positively impacted by investments in the building sector, which should benefit from increasing signs of recovery in the real estate market already observed starting from the second half of last year. The current and forward-looking sentiment of consumer households and companies about the overall trend for the economy remains positive.

The growth outlook is improving, with a relevant consolidation of the Italian economy's recovery from the recession that started in summer 2011 and continued until autumn 2014, and that rapidly followed the shorter, but more intense 2008-2009 crisis. The speed of this recovery, however, is strongly linked to the international economic scenario.

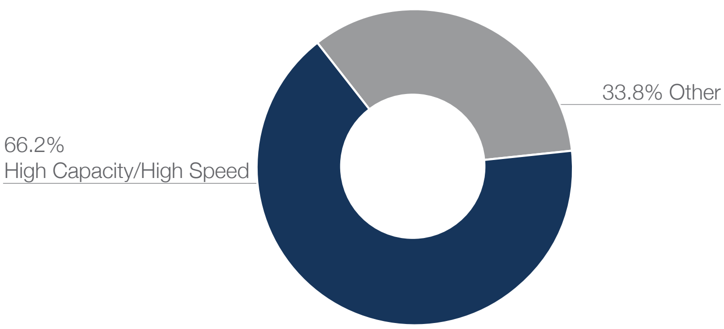
Construction

The order portfolio for the construction sector in Italy is shown below:

Scope	2015 residual portfolio	Percentage of total
High Speed/High Capacity	6,019.9	66.2%
Other projects	3,073.3	33.8%
Total	**9,093.2**	**100.0%**

The following chart shows the breakdown of the order portfolio by type of activity:

Summary of Construction Order Portfolio for Italy



(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Cociv Lot 1-6	3,905.1	13.9%
Iricav 2	2,111.0	-
CAVET	3.8	99.9%
High Speed/High Capacity	**6,019.9**	
Broni - Mortara	981.5	-
Metro B	946.3	0.1%
Milan Metro M4	407.3	17.6%
State Highway 106 Ionica	337.0	2.5%
Port of Ancona	223.5	-
Isarco underpass	117.8	4.6%
Stazione Tribunale	20.7	-
Highway, Lot 6 Salerno-Reggio di Calabria	16.4	97.0%
Highway, Lot 5 Salerno-Reggio di Calabria	16.1	98.7%
Spriana Landslide	2.2	95.2%
State Highway 36 connector	1.4	99.5%
Pedemontana Lombarda - Lot 1	1.4	99.7%
Metro B1	1.0	99.6%
Mestre Bypass Salerno-Reggio di Calabria	0.4	99.9%
A4 building of third lane	0.3	99.7%
Other projects in Italy	**3,073.3**	
Total	**9,093.2**	

Line 4 of the Milan Metro

Salini Impregilo, leader and lead contractor of a joint venture, won the tender called by the City of Milan for the selection of a private partner in a public/private partnership, which will grant a concession for the engineering, construction and subsequent operation of Line 4 of the Milan Metro. The new line, which will be fully automated (there will be no driver on board), will encompass a total of 15.2 km along the Linate-Lorenteggio section.

The total value of the works - consisting primarily of civil works, provision of technological services, and mechanical works - is approximately €1.7 billion, with about two thirds of the contributions coming from public State and City grants.

In 2013, the Company M4 S.C.p.A. and the Client signed the Addendum to the Ancillary Agreement that redefined the works schedule, restricting them to the 'EXPO section' only and increasing the overall amount of the investment to approximately €1.8 billion.

The works will last 88 months in total and are expected to finish in 2022.

In 2015, feasibility studies for design and scheduling variants were carried out, with the goal of optimizing existing construction sites, particularly in town centers, and aimed at mitigating their impact on the urban context.

The percentage of completion as of December 31, 2015 was 17.6%.

Another two variants were submitted in the first months of 2016:

- the "Centre Variant", envisaging architectural and functional changes to City Centre Stations, as a result of the optimization of public pathways aimed at reducing the impact of construction sites on traffic and existing works.

- the "S. Cristoforo depot variant", for the acknowledgment of CIPE (Inter-ministerial Committee for Economic Planning) provisions, the reclamation and depollution of the polluted site "Cava Roncheto", as well as the implementation of amendments to national anti-seismic legislation.

The progression of all civil works of the EXPO Section, and the execution of civil works for the construction of stations along the entire section in areas that have already been handed over is envisaged for 2016.

Milan-Genoa High Speed/High Capacity Railway Line Project

This project involves the construction of the Milan to Genoa High Speed/High Capacity railway line, which was awarded by the CO.C.I.V. Consortium as the general contractor with a TAV (as operator of the State Railways)/CO.C.I.V. Agreement dated March 16, 1992.

Salini Impregilo is the consortium's leader with a share of 68.25%.

The project suffered a complex and in-depth pre-contractual phase, which developed on a number of fronts from 1992 to 2011, many of which with controversy.

The contract for works on the Giovi Third Railway Crossing - Milan-Genoa High Speed/High Capacity Line, was signed in November 2011. The total value of the works awarded by CO.C.I.V. amounted to approximately €4.5 billion. The first and second lots of the project, already in progress, include construction works and activities for €1,131 million.

In 2015, a transactive agreement was signed, defining the allocation of design updates for a total amount of €511.7 million. The percentage of completion as of December 31, 2015 was 13.9%.

Verona-Padua High Speed/Capacity Railway Line Project

The IRICAV DUE Consortium is the General Contractor of Rete Ferroviaria Italia S.p.A. (RFI) for the design and development of the Verona-Padua section, on the basis of the Agreement of October 15, 1991, role confirmed by the arbitration award of May 23-26, 2012, res judicata. Salini Impregilo participates in the Consortium with a share of 34.09%, increased by 6.81% as a result of the increase in investment stakes from the Partner Lamaro Appalti S.p.A., which took place in 2015.

In October 2015, the Client received the final project drawings for the sub-section that is the subject of the contract, together with the bid. Moreover, the Final Project, inclusive of the relevant bid for the first functional lot, called "Verona - Vicenza junction", was submitted and forwarded by the Client to the Ministry for Infrastrcture and Transport with notice of October 30, 2015, in order to proceed with the opening of the Conference of Services.

The approval process for the first functional lot shall continue during the first half-year of 2016 with the closure of the Conference of Services and the granting of the necessary authorizations by the Ministry of the Environment. The process is expected to come to end in the second half of 2016 with CIPE's approval, the signing of an initial Addendum and the subsequent start of site preparation works.

Salerno-Reggio Calabria Highway Project: Lots 5 and 6

The project involves the improvement and modernization of the last section of the Salerno-Reggio Calabria A3 Highway in the section between the cities of Gioia Tauro and Scilla (Lot 5), and between Scilla and Campo Calabro (Lot 6). The Group is involved in the project with a 51% share.

Site progress is near completion, which is expected in 2016.

Concessions

With respect to the operating sector Italy, the portfolio of concession activities held by the Group consists of both equity investments in operators that have already fully entered the operational stage, and companies that are still developing projects and building the relevant infrastructure.

The concessions that are currently in the portfolio are mainly related to the transport sector (highways, subways, car parks).

The following tables show the key data for the operating sector Italy at December 31, 2015, broken down by activity type:

Highways

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Italy	SaBroM-Broni Mortara	60.0	50	not yet active	2010	2057
Italy (Ancona)	Dorico-Porto Ancona Bypass	47.0	11	not yet active	2013	2049

Subway systems

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Italy (Milan)	Milan subway Line 4	9.7	15	not yet active	2014	2045

Car parks

Country	Concessionaire Company	% of investment	Car parking spaces	Stage	Start date	End date
Italy (Terni)	Corso del Popolo S.p.A.	55.0		not yet active		

Other

Country	Concessionaire Company	% of investment	Stage	Start date	End date
Italy (Terni)	Piscine dello Stadio Srl	70.0	operational	2014	2041

International Operating Sector

The Group operates internationally in the Construction and Concession sectors.

Macroeconomic scenario

In 2015, the world economy grew at a slower pace. Initial estimates of the International Monetary Fund indicate a value of 3.1%, versus a GNP growth of 3.4 % in the previous year.

Developed economies as a whole grew by 1.9% in 2015: +0.1% compared to the previous year. The United States were one of the most resilient economics, growing by 2.5% compared to 2.4% in 2014. The improvement of the economy, the growth in job creation and the increase in domestic consumption led the Federal Reserve to adopt a less flexible monetary policy for the first time in almost a decade. This maneuver contrasted the more accommodating measures implemented by Japanese and European monetary authorities, strengthening the US dollar over the euro as a result.

Developing and emerging countries experienced a number of issues, since management of their debt, denominated in dollars, became more onerous. The currencies of these countries, moreover, suffered from the drastic fall in the price of raw materials and oil in particular. Emerging and developing economies, which accounted for over 70% of global growth in 2015, grew by 4.0% as a whole, a lower percentage compared to last year (4.6%), a level that, according to the IMF, will not be reached again before 2017.

The Eurozone recorded a growth of 1.5%, higher than the 0.9% posted in 2014, despite many issues and challenges faced along the way, including the wave of migration of asylum seekers, fighting unprecedented misery and violence in some African and Middle Eastern countries.

For 2016, the World Bank forecasts a certain stability for raw material prices, but various risk factors could change this scenario. If the slowdown of the Chinese and other economies were to be quicker than expected, the growth trend at global level would be inevitably influenced.

The IMF forecasts a global GNP growth rate of 3.4% for 2016 and 3.6% for 2017. The challenges that the world will have to face this year are almost the same as last year's: low raw material prices, an even stronger dollar and the slowdown of the Chinese economy.

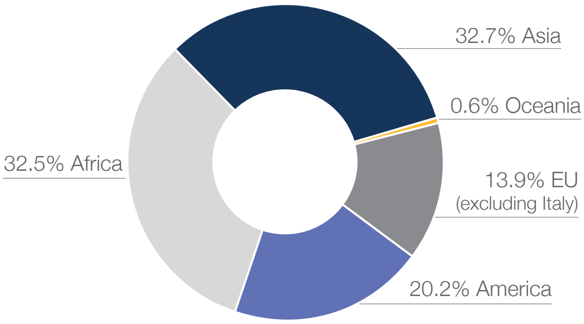
Construction

The order portfolio for the International construction sector is shown below:

Country	2015 residual portfolio	Percentage of total
Asia	5,608.3	32.7%
Africa	5,578.0	32.5%
America	3,459.1	20.2%
Europe (excluding Italy)	2,391.2	13.9%
Oceania	104.8	0.6%
Total	**17,141.4**	**100.0%**

The following chart shows the breakdown of the portfolio by type of activity:

Summary of International Construction Order Portfolio



Saudi Arabia

Market:

There was a general slow-down in infrastructure projects, apart from those with a high degree of priority, such as, for instance, the construction of the Riyadh Metro described below.

Riyadh Metro Line 3

In July 2013, Impregilo, leader of an international consortium, won the tender called by the Riyadh Development Authority for the design and build of the new Riyadh Metro Line (Line 3), with a 18.85% share.

The Lot assigned to the Consortium is an important part of the broader concurrent project for the construction of the new Riyadh metro network (consisting of 6 lines with an overall length of about 180 km), worthy approximately US$23.5 billion.

The total value of the works assigned to the consortium amounts to approximately US$6 billion, of which about US$4.9 billion for civil works.

The percentage of completion as of December 31, 2015 was 14.3%.

2016 outlook

2016 is expected to be a transition year for the construction market, in expectation of positive market economic developments.

Qatar

Market

Due to current oil price trends, the country has slowed down the development of new infrastructural projects, maintaining only priority ones (such as the Doha subway line) linked to the 2022 Soccer World Championship. At the moment, the Group is not experiencing any issues with existing projects.

The table below shows quantitative values for the main projects in the portfolio at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Red Line North	1,443.5	26.6%
Al Bayt Stadium	741.8	2.5%
Shamal Roads & Infrastructures	294.2	-
Abu Hamour	28.0	73.9%
Total	**2,507.5**	

Red Line North Underground, Doha

In 2013, Impregilo, as leader of a joint venture with a 41.25% share, won the competitive bidding launched by Qatar Railways Company ("Qrail") for the design and construction of the "Red Line North Underground" in Doha. The project, along with three other metro lines, is part of a program led by Qatar to build a new infrastructure mobility system as part of the National Development Plan for 2030 ("Qatar National Vision 2030"), which provides for significant investments to ensure sustainable economic growth over time, both within the country and abroad.

The total value of the contract amounts to approximately 8 billion Qatari Ryal (QAR), equal to about €2 billion.

The percentage of completion as of December 31, 2015 was 26.6%.

Al Bayt Stadium

In July 2015, the group won the tender for the construction of the Al Bayt stadium in the city of Al Khor, about 50 km North of the capital Doha. The contract, with a value of €770 million, entails the design and building of one of the sports venues for the 2022 Soccer World Championship. The project, called by the governmental foundation Aspire Zone, responsible for the development of sports infrastructure in the country, involves the construction of a stadium that can accommodate 70,000 spectators, covering an area of 200 thousand square meters.

The percentage of completion as of December 31, 2015 was 2.5%.

The client ASGHAL stopped the Shamal project, a contract awarded in July 2015 for a value of approximately €280 million (with a 50% Salini Impregilo's share). With respect to this contract, for which a new bid was requested in November 2015, there are uncertainties about the progress of the project itself.

2016 outlook

Pre-qualifications were submitted for the construction of two stadiums and for the second stage of a local infrastructure project.

Ethiopia

Market

Ethiopia boasted the highest economic growth rate in Africa in the past five years (IMF estimate for 2015: GNP growth 11.2%) and has ambitious development plans for the next five. The country's economic development is mainly due to a range of policies on several fronts, from infrastructure to education, from energy to urban development, from health to agricultural productivity.
All these areas experienced significant improvement that translated into a positive market transformation.

Significant events in the year

During the year, works on existing projects continued, and contractual variants described in detail below were agreed.

The table below shows quantitative values for the main projects in the portfolio at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Gerd	1,842.4	50.3%
Gibe III	41.8	97.4%
Total	**1,884.2**	

Gibe III

The Gibe project envisages the construction of a 1,870 MW hydroelectric plant as well as of a 66kw power line from the Sodo-Wolayta substation to the Gibe III site. At December 31, 2015, the works had reached completion stage. The remaining part pertains to the spillway and to finishings in the power station and the external areas occupied by the site.

Gerd

The Gerd project, located at approximately 500 Km North-West of the capital Addis Ababa, in the Benishangul - Gumuz region along the Blue Nile, consists in the development of a hydroelectric plant called "Grand Ethiopian Renaissance Dam" (GERDP), entailing the construction of the largest dam in the African continent (1,800 long, 170 meters high). The project also involves the development of two power stations on the riverbanks of the Blue Nile, each equipped with 16 turbines with a power of 375 MW. At December 31, 2015, construction work on the riverbank power plants, the permanent camp, and the construction site roads was mostly completed, as well as work, on diverting the Nile into the special channel.

2016 outlook

In 2016, the Group shall continue to pursue new business opportunities linked to the country's growing development.

Nigeria

Market

Nigeria is one of the largest producers of oil, a resource that accounts for almost the entire production capacity of the country. The drastic fall in the price of crude oil had a negative impact on the country's finances, paralyzing existing production activity, including those related to the construction sector.
Despite elections of a new Government in March 2015, the stalemate in infrastructural development continues, limiting the Group's growth opportunities.

Significant events in the year

The Group is currently involved in the management of 9 projects, including the Inex road project and the Ogoni road project, managed through a 70% joint venture with the Rivers State Government.

The table below shows quantitative values for the main projects in the portfolio at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Cultural Centre	248.5	38.5%
District 1	215.4	12.3%
Adiyan	151.0	36.3%
Suleja Minna	115.7	29.9%
Idu	67.8	73.0%
Inner Northern Expressway	33.5	-
Ogoni	27.3	86.0%
Isex	8.0	89.4%
Gurara	6.0	99.0%
Total	**873.2**	

Some key projects are described below:

Adiyan Waterworks Phase II (Adiyan)

The project consists in the construction of a water treatment plant with a capacity of 320,000 m^3/day, intended to meet a part of the Lagos population's water needs.

At December 31, 2015, the civil works on the treatment plant were at an advanced phase of construction.

The percentage of completion as of December 31, 2015 was 36.3%.

Suleja Minna

On January 16, 2015, the Group won the contract for the doubling of the carriageway of the Suleja Minna road (Phase II), an important route that allows access to the capital Abuja from the North-West.

The project's function is to improve mobility as well as facilitate the potential development of the entire region.

The Client is the Ministry of Public Works of Nigeria. The value of the works amounts to approximately €112 million for phase II only, added to the value of the works for phase I, in which the Salini Impregilo Group is already involved.

2016 outlook

The works for projects in progress are an absolute priority for the country's development. Maintenance work is being carried out on various contracts, with the exception of the Adiyan one, where the focus will be on procurement for electromechanical equipment.

Venezuela

Market

The December 2015 political elections ushered a change in institutional structures.

Even if forecasts are difficult at this stage, the new political situation could translate into a range of economic reforms aimed at reactivating the national industrial infrastructure and at increasing the production of goods and services in order to reduce reliance on imports.

Salini Impregilo shall continue the works planned for existing contracts in Venezuela with the objective of fulfilling the commitments with Clients.

The table below shows quantitative values for the main projects in the portfolio at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Puerto Cabello - Contuy Ferrocarriles stations	450.0	16.3%
Porto Cabello Sistema Integral	316.3	-
San Juan de Los Morros Railway	287.5	47.0%
OIV Tocoma	278.0	83.5%
Puerto Cabello - Contuy Ferrocarriles	224.0	83.7%
Chaguaramas Railway	95.6	62.1%
Total	**1,651.4**	

The most advanced project is the P. Cabello railway project, whilst maintenance work will continue on the two Guarico railway sites until rescheduling with the Client shall be agreed.

With respect to the Tocoma hydroelectric project, the commissioning of the first turbine is planned for November 2016.

2016 outlook

A significant rise of inflation is forecast for 2016, with a resulting slump in consumption. The ongoing political-economic uncertainty and oil price trends will have a negative impact also in 2016.

Considering this backdrop, it is difficult to have a clear idea of the commercial initiatives to be pursued, at least until the country's economic situation becomes more stable and certain.

Panama

Market

In the past decade, the country made significant progress in terms of economic growth and poverty reduction, against the trend of the recent financial crisis and global recession, with growth rates higher than those of any other Central American country. In the near future, despite forecasts of slowdown in public investment for new works, the completion of major infrastructural projects under way, such as the extension of the Panama Canal and some transport projects, could generate additional activity.

Significant events in the year

2015 witnessed the continuation of activities on the main existing project, relating to the execution of a system of locks as part of the extension of the Panama Canal. Works carried out in 2015 amounted to US$1,007 million.

Expansion of the Panama Canal

In July 2009, the Grupo Unidos por el Canal Consortium - a consortium formed, apart from Salini Impregilo, by Sacyr Vallehermoso (Spain), Jan de Nul (Belgium), and the Panamanian company Constructora Urbana (Cusa) - was awarded the tender.

The Contract entails the execution of a new system of locks as part of the project for the extension of the Panama Canal. The value of the bid was US$3.2 billion; following the approval of contractual variants, the current value amounts to US$5 billion.

The project is one of the largest civil engineering projects ever undertaken, concerning the construction of two new sets of locks, one on the Atlantic side and one on the Pacific side.

It will allow commercial traffic through the canal to increase and to meet growth in the maritime transport market, which is characterized by a trend toward the construction of vessels (so called Post Panamax) three times as large and much heavier than those which can currently pass through the existing locks.

In 2015, civil works were essentially completed, with the exception of buildings, and the first technical tests were carried out on the 16 gates.

The percentage of completion as of December 31, 2015 was 94.5%.

2016 outlook

Substantial completion of the work is scheduled for the first half of 2016.

Peru

Market

The country is engaged in consolidating democratic institutions and pursuing moderate policies aimed at supporting private initiative in the economy (particularly with respect to the extraction of natural resources).

The healthy dynamic of domestic demand, together with the positive trend of the commercial and construction sectors are the areas of the Peruvian economy that are experiencing growth rates among the highest in South America. Even if some uncertainties around global market trends remain, the sound position of public finances enables the country to adopt tax measures aimed at supporting the economy.

Significant events in the year

On March 28, 2014, the international consortium formed by the Salini Impregilo Group with other international groups was awarded the tender issued by P - Agencia de Promoción de la Inversión Privada for the construction and management of the expansion of the subway network of the city of Lima in Peru.

The project entails the construction and management of the infrastructure over the 35 years of the concession. Salini Impregilo construction is equal to 25.5% of the civil works. The project, to be completed in 5 years, includes the development of a 35 km-long underground line.

The following table shows the quantitative values for this project:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Metro Lima	650.6	2.4%
Total	**650.6**	

United States

Market

Against a backdrop of general moderate growth of the US economy, in 2015 the infrastructure and transport sector grew 9% compared to 2014 (1), largely due to railway and airport redevelopment projects.

With respect to the road infrastructure sector, positive demand developments are expected as a result of the FAST Act (Fixing America’s Surface Transportation Act) recently approved by the US Government, which entails investments for approximately US$205 billion for roads and highways and approximately US$48 billion for other transport infrastructure which are expected to be developed in the next five years.

With regard to the water infrastructure sector, which in 2015 grew 6% over 2014 (1) , the drought that has affected large areas of the West United States, numerous fires and expected winter floods, lead us to believe that the next years will see growing investment aimed at improving the management of water resources.

Significant events in the year

In 2015, work on key existing projects for the construction of the Anacostia River Tunnel in Washington D.C. and the Gerald Desmond Bridge in Long Beach (CA) continued, and the projects for the San Francisco Metro and the Lake Mead Tunnel in Nevada were completed (incidentally), the latter project won a number of international awards for engineering excellence and the high safety standards achieved.

During works for the Anacostia River Tunnel project, subsidence above a tunnel connecting two underground shafts caused significant production delays. However, in February 2016, an agreement was reached with the Client for the rescheduling of activities and recovery of the delay accrued. Finally, in February 2015, works started for the construction of the Dugway Storage Tunnel in Cleveland, a 4.5Km-long and 8m-wide tunnel.

Group revenue in the United States in 2015 for construction projects amounted to US$139 million, with a 26.5% increase over 2014 mainly due to the start of the construction works for the Dugway Storage Tunnel and the continuation of the Anacostia River Tunnel.

The table below shows quantitative values for the main projects in the portfolio:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Gerald Desmond Bridge	130.6	36.6%
Dugway Storage Tunnel Cleveland	119.7	14.6%
Anacostia	72.7	49.5%
Vegas Tunnel - Lake Mead	5.6	98.6%
San Francisco Central Subway	0.6	99.3%
Total	**329.2**	

(1) (Source: IMF’s Construction Outlook, Q4 2015).

- **Dugway Storage Tunnel - Cleveland.** Awarded in November 2014 for an amount of US$153 million and a contract term of 58 months, the project involves the construction of a 4.5Km-long and 8 meter-wide tunnel and six shafts of varying diameter and depth. Revenue in 2015 amounted to around US$23 million. The percentage of completion as of December 31, 2015 was 14.6%.

- **Anacostia River Tunnel - Washington D.C.** In 2013, in association with the Parsons Construction Group Inc., a leading construction company in the United States, Impregilo won the tender for the design and construction of a section of the wastewater collection and treatment system in the city of Washington DC. The project, which has a high technology content, has a value of US$254 million, of which 65% was awarded to the Group. 2015 revenues amounted to around US$65 million (a US$7 million increase over the previous financial year). The percentage of completion as of December 31, 2015 was 49.5%.

- **Gerald Desmond Bridge - Long Beach.** The project, awarded in 2012, pertains to the construction of a cable-stayed bridge with the main span of 300 m and two 150m-high towers, to be developed in the harbor of the city of Long Beach (CA). At December 31, 2015, the value of the contract, including variants, amounted to US$781 million, with a total duration of 72 months. 2015 revenues amounted to around US$131 million (a US$45 million increase over the previous financial year). The percentage of completion as of December 31, 2015 was 36.6%.

- **San Francisco Metro - San Francisco.** The works, started in January 2012, were completed in April 2015. At December 31, 2015, the value of the contract, including variants, totaled approximately US$240 million. 2015 revenues amounted to around US$14 million and percentage of completion at December 31, 2015 was 99.3%.

- **Lake Mead Tunnel - Las Vegas.** In 2015, works were successfully completely slightly ahead of schedule and, in December, the project was officially handed over to the Contracting Agency (SNWA). 2015 revenues amounted to around US$74 million, in line with those for the same period in the previous year. The percentage of completion as of December 31, 2015 was 98.6%.

  In November 2015 the Lake Mead Tunnel was nominated "Project of the Year" by the International Tunnelling Association in Switzerland, and, in December 2015, was awarded the "Project of the Year" prize by the New Civil Engineer (NCE), a prestigious organization of the British Tunneling Society.

  The project also won the (Engineering Excellence Award) of the American Society of Civil Engineers (ASCE) for the State of Nevada, and is currently nominated within the top 6 projects out of which ASCE will select the engineering excellence project.

  The project also received many awards from insurance companies for the high safety standards achieved, as well as the 2015 Employer for the Year award from the "Chamber of Commerce" of Boulder City (the city where it is located).

2016 outlook

The acquisition of Lane Industries Incorporated is another step undertaken by Salini Impregilo to grow in the US infrastructure sector.

The USA construction sector will become a core market for the Group, with a share of approximately 21% of total revenues.

With Lane, Salini Impregilo will be able to tender for and participate in a larger number of projects. It is estimated that the US transport infrastructure market may grow at higher rate of GNP thanks to economic recovery, demographic growth and the demand for maintenance of existing infrastructure after years of underinvestment.

To this end, noted in March 2016, the Purple Line Transit Partners Consortium, which includes Lane Construction, was selected as best bidder for the design and development of the Purple Line railway line, two billion dollar project.

The consortium, in which Lane has a 30% share (for a pro quota amount of 600 million dollars) and that includes Fluor Enterprises Inc. and Traylor Bros Inc., will start construction works by the end of 2016.

Denmark

Market

Denmark is experiencing a phase of moderate growth. The country's infrastructure development plan entails public and private investment. The Group operates through the subsidiary Copenhagen Metro Team I/S, a company incorporated under Danish law and active in the development of Copenhagen Cityringen, one of the world's most modern transport infrastructures. The following table shows quantitative values for the projects in which the Group was engaged at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
Cityringen	629.7	68.8%
Total	**629.7**	

Copenhagen Cityringen

The project consists in the design and construction of the new metro loop in the center of Copenhagen, which entails two tunnels of 16 km each, 17 stations and five monitoring shafts. The value of the contract, including additional works and price reviews, is €2,020 million.

During 2015, activities continued according to schedule, enabling the start of electromechanical works and architectural finishings.

The percentage of completion as of December 31, 2015 was 68.8%.

Costs for unbudgeted activities were incurred during the year, primarily for structure consolidation work requested by the Client, leading to the formalization of requests for additional compensation during extrajudicial discussions.

These costs were taken into consideration during the evaluation of work in progress, to the extent in which their repayment was deemed probable based on the opinion expressed by the Group's legal counsels.

2016 outlook

The Group is involved in important tenders for projects in the transport sector. The project for the Southbound extension of the metro line for the city of Copenhagen is at the pre-qualification stage.

Poland

Market

Poland is a country that is experiencing strong growth. Substantial EU funding, low wages, a highly qualified workforce and a low tax burden are the reasons for the attractiveness of the Polish market.

Significant events in the year

In 2015, activities on the major existing projects for the construction of highway sections continued. The S3 Nowa Sol and S8 Marki contracts witnessed the end of design activities; the construction permit for the S8 was granted on January 14, 2016, whilst it is being obtained for the S3. In June 2015, the activities for the S7 Checiny project were started and, in the second half of the year, the main strategic subcontractors and service providers were identified.

The contract for the A1-F Tuszyn project was signed in October 2015, followed by design activities, which shall last for approximately 16 months.

The following table shows quantitative values for the highway projects in which the Group was engaged at December 31, 2015:

(Figures in € million)

Project	Group residual portfolio	Percentage of completion
A1F Tuszyn-Pyrzowice	133.6	0.4%
S7 - Krakow Rabka Zdroj	117.3	-
S7 Checiny	105.8	6.6%
S3 Nowa Sol	93.5	12.8%
S8 Marki - Radzymin Lot 1	57.7	11.0%
Total	**507.9**	

Among the projects in the execution phase, on June 15, 2015, the Group won the tender for the construction of the Chęciny-Jędrzejów section of the S-7 two-lane carriageway, continuing the construction of the S7 national expressway. The works are part of the wider modernization project of the S7 Expressway that cuts through Poland from North to South connecting Gdansk to Krakow. The total length of the section is 21.53 km.

The percentage of completion as of December 31, 2015 was 6.6%.

A1 Highway

On July 22, 2015, the Salini Impregilo Group was awarded a contract worth €170 million for the design and construction of 20 km of a section of the A1 Motorway south of Warsaw near the town of Katowice. The project is financed in part by EU funds and in part by Polish public funding and shall last 33 months.

2016 outlook

2016 is a milestone year for the main projects under way. Specifically, for the S3 Nowa Sol and S8 Marki projects, completion of engineering works should be followed by the start of the construction phase. A strong increase in production is planned for the S7 Checiny.

The outlook for the Group in the country is linked to the participation in 23 pre-qualifications for a total amount of approximately €3 billion for the development of road infrastructure.

Australia

The construction sector has a leading role for the Australian industry, with an approx. 8% share of gross national product (GNP). It consists of over 330,000 companies distributed across the entire federal territory.

According to the estimates of the Australian Bureau of Statistic, the population is expected to double from the current 23 million to 46 million inhabitants by 2075. Since the demographic growth rate is one of the variables that positively correlates with civil engineering and public works, individual state Governments and the Federal Government have confirmed their support to extensive infrastructure development with the two-fold objective of stimulating the economy through a public expenditure plan that will counter the negative conjuncture in the mining sector and guaranteeing an adequate supply to the already existing demand for more infrastructure.

The Group has been active on the Australian market since 2013 and operates through Salini Impregilo Australia Branch and Salini Australia Pty Ltd, incorporated under Australian law.

In December 2013, the "Impregilo-Salini Joint Venture" was awarded the tender for the development of the "Sydney Metro Northwest Project - Design and Construction of Surface and Viaduct Civil Works" by the Contracting Authority "Transport for New South Wales", with a current value of approximately AUD450 million.

The Project is the first phase of the "Sydney Metro Project", the largest public transport infrastructure project in Australia, and consists in the construction of the new metro line that will service the North-East area of Sydney. Works completion is anticipated in January 2017 and the percentage of physical completion at December 31, 2015 was 63%.

Concessions

With reference to the International operating sector, the portfolio of concession activities held by the Group mainly consists of both equity investments in operators that have already fully entered the operational stage (and hence are providing services remunerated by fees or tariffs paid by consumers) and companies that are still developing projects and building the relevant infrastructure, which, therefore, will start service provision only from future financial years onwards.

The concessions in the current portfolio are distributed across Latin America (Argentina, Colombia, Peru) and the United Kingdom. They are in the transport (highways, subways, car parks), hospital and renewables sectors, as well as in the water treatment sector.

Two concessionaires in Argentina are currently being wound up and the relevant contracts have been terminated.

The following tables show the key data for International operations at December 31, 2015, broken down by activity type:

Highways

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Argentina	Iglys S.A.	98.0		holding company		
	Autopistas Del Sol	19.8	120	active	1993	2020
	Puentes del Litoral S.A.	26.0	59.6	in liquidation	1998	
	Mercovia S.A.	60.0	18	active	1996	2021
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	48.3	465	active	2011	2036

Subway systems

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Peru	Metro de Lima Linea 2 S.A.	18.3	35	not yet active	2014	2049

Energy from renewable sources

Country	Concessionaire Company	% of investment	Installed capacity	Stage	Start date	End date
Argentina	Yacilec S.A.	18.7	T line	active	1992	2091
	Enecor S.A.	30.0	T line	active	1995	2094

Integrated water cycle

Country	Concessionaire Company	% of investment	Pop. served	Stage	Start date	End date
Argentina	Aguas del G. Buenos Aires S.A.	42.6	210,000	in liquidation	2000	
Peru	Consorcio Agua Azul S.A.	25.5	740,000	active	2000	2027

Hospitals

Country	Concessionaire Company	% of investment	Car parking Beds	Stage	Start date	End date
Great Britain	Impregilo Wolverhampton Ltd.	20.0	150,000 medical visits	active	2002	2032
	Ochre Solutions Ltd. - Ospedale di Oxford	40.0	220	active	2005	2038
	Impregilo New Cross Ltd.	100.0		holding company		
Turkey	Ospedale di Gaziantep	35.5	1875	not yet active	2016	2044

Car parks

Country	Concessionaire Company	% of investment	Car parking spaces	Stage	Start date	End date
Great Britain	Impregilo Parking Glasgow Ltd.	100.0	1.400	active	2004	2034

It should be noted that in 2014 the associate Ochre Solutions - in which Impregilo International Infrastructures NV holds a 40% interest share and which owns the concession contract for Oxford University Hospitals - received two warning notices concerning the quality of the services offered. Some aspects of the aforementioned notices are being disputed by the Company. Despite this, receiving three notices in a six-months' period constitutes a default event under the contractual agreements between the company and the grantor. A default event would allow the grantor to terminate the concession contract, resulting in the transfer of all rights under the contract to the grantor against contractually-regulated compensation. The Directors of Ochre Solution are constantly liaising with the grantor and, in July 2015, signed an agreement with the grantor, which, following corrective action that will be implemented by the company and whose effects are included in the company's budget, shall prevent the termination of the contract.

Order portfolio

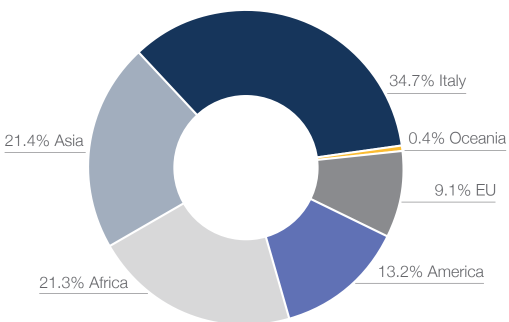
The order portfolio relating to construction contracts at December 31, 2015, was as follows:

(Salini Impregilo's share in millions of euros)

Region/Country	Residual portfolio at 31 December 2015	% of the total
Italy	9,093.2	34.7%
Asia	5,608.3	21.4%
Africa	5,578.0	21.3%
America	3,459.1	13.2%
Europe	2,391.2	9.1%
Oceania	104.8	0.4%
Total	**26,234.6**	**100.0%**

The following chart shows the breakdown of the portfolio by type of activity:

Portfolio summary



Risk management system

The context in which the Group currently operates, characterized by rapid macro-economic changes, financial markets instability and progressive developments of legal and regulatory compliance regulations, requires clear strategies and effective management processes aimed at preserving and maximizing value.

2015 witnessed the launch of a project for the development and implementation of a Risk Management framework that will be gradually extended to all Group operating companies and will support addressing and managing risks in accordance with industry best practices.

In line with development plans for this project, the Issuer appointed the Group Risk Officer to head up the Risk Management Function, whose task will be that of supporting Top Management with strategic planning through the comprehensive, in-depth analysis of relevant macro-factors for the business and the local contexts in which the Group operates, identifying and monitoring related risks.

As part of the risk management system being developed, the Group defined the universe of risk events that have a potential impact on operations (so-called "Risk Universe"), ranked into five risk categories and analyzed along three risk dimensions that are considered relevant for the business's features and characteristics, as well as the context in which it operates.

Business context-related risks

So-called external risks that may compromise the achievement of the Company's objectives, i.e. all events whose occurrence may not be influenced by corporate decisions. This category includes all risks arising from a country's macro-economical and socio-political dynamics, sector trends and competitive scenario, as well as from industry-specific technological innovation and regulatory developments.

Because of the nature of such Risks, the Group must rely on its forecasting and managing abilities. Specifically, Salini Impregilo integrated risk vision in its strategic and business planning processes through the definition of commercial and risk guidelines and the development of a process for the prioritization and selection of initiatives to be pursued, also and most of all based on the assessment of relevant risks linked to the country and/or sector in which operations are planned, rather than to the counterparty. Risk control is also ensured by monitoring the progress of strategic objectives also in terms of composition and diversification of the portfolio and its development over time in terms of risk profile.

Strategic risks

These are risks arising from strategic, business and organizational risks that may adversely impact Group performance and ultimately result in the non-achievement of strategic objectives. They include risks resulting from the choice of business or organizational model through which the Group intends to operate, those arising from M&A transactions, or again the non-effective management of the order portfolio or the relationships with key counterparties (clients, partners, suppliers, sub-contractors, etc).

Salini Impregilo considers risk as a key element for the preliminary assessment of decisions and strategic choices, so much so that it has envisaged integrating the strategy definition and development process with that for the identification, measurement and management of risks.
The choices pertaining to the adoption of a business or organizational model, the assessment about the opportunity of proceeding with an extraordinary transaction versus establishing a partnership are subject to preliminary analysis and evaluation of related risks and opportunities, with the concurrent identification of risk management and methods to be promptly actioned should such risks arise.

Financial risks

All risks linked to the availability of Group equity, depending on the management of receivables and cash and cash equivalents and/or the volatility of market variables such as interest and exchange rates.

Specifically, liquidity management has the objective of ensuring the financial autonomy of contracts in progress, taking into account the structure of consortia and special purpose vehicles, which can tie the availability of financial resources to the execution of the relevant projects. Moreover, liquidity management takes into account restrictions to currency transfers imposed by the legislation of some countries.

Salini Impregilo also considers specific risk areas such as the counterparty's credit-rating and raw materials price volatility, equipping itself with effective financial planning tools.

For a detailed description of financial risks, see Note no.32 to the Consolidated Financial Statements.

Legal and compliance risk

This risk class includes risks for the management of legal issues and/or risks related to compliance with laws and regulations (e.g. taxation, local legislation, etc.) required in order to operate in the sector and/or specific countries. Salini Impregilo deems that monitoring contractual issues linked to contract management and, particularly, the relationship with relevant counterparties, has a fundamental role. This also includes any internal and external fraud risks, and, more generally, the compliance with procedures and policies established by the company to govern its operations.

With respect to the aforementioned factors, Salini Impregilo implements a regulatory risk monitoring and management policy in order to minimize the impact of such risk, through a multi-level control system that entails collaborative and ongoing liaison with relevant counterparties and business units affected by regulatory developments and the comprehensive assessment of any potential impacts.

Operational risks

These are risks that could jeopardize value-creation and are due to an inefficient and/or ineffective management of the Company's core business, particularly those linked to bid management and actual execution of contracts. The various risk areas that fall into this class include bid design and planning, effective supply chain, logistics and inventory management, as well as those linked to the management of IT systems, personnel and planning and reporting.

These risks arise during the execution of contracts, should Company policies and procedures not be adequate for the management or risk factors linked to the level of complexity of the project or unforeseeable events.

To this end, the Group intends to monitor such risks starting at the bidding stage of each contract for risk/benefit analysis of the project in the event of its award and its impact on the portfolio structure, both in terms of risk concentration and overall risk profile. At this time, Salini Impregilo, as part of a wider process, prepares a Pre-bid Risk Assessment aimed at identifying potential risks and impacts linked to the project, apart from the necessary mitigation and/or contingency measures to counter them. Risk surveillance activity is then performed again at tender stage and monitored and updated during contract execution in order to promptly detect the risk exposure development and promptly implement adequate remediation measures.

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Within the framework of the aforementioned framework for the identification and classification of risks applicable to Group operations, Salini Impregilo has adopted a cross-functional approach for the analysis of risk dimensions that are considered more relevant due to the specific features of the business. These dimensions include various risk areas identified and belonging to different risk classes.

Country risk

The Group pursues its objectives by operating almost everywhere in the world, leveraging business opportunities in different countries and hence exposing itself to the risks resulting from the characteristics and conditions dictated by them, such as the political, economic and social scenario, local regulation, taxation and operational complexity and, last but not least, safety conditions.

Knowing and constantly monitoring Country risk through specific indicators enables the Group first and foremost to inform commercial strategies, as well as to gain an optimal understanding of the operating scenario and, therefore, adopt precautions and/or implementing actions aimed at removing barriers and mitigate potential threats.

Counterparty risk

The Counterparty dimension identifies potential criticalities linked to relationships with Clients, Shareholders, Sub-contracts and Suppliers of the Company, so as to create a comprehensive overview of the features of the partners with whom Salini-Impregilo should start or continue to collaborate. For each of the above counterparty types, risk factors linked to financial and operational reliability apply to a different extent, as does the potential strategic role of a partnership for a specific business initiative, as well as all aspects linked to legal and other compliance that safeguard the lawfulness of the relationship.

Contract risk

The Contract dimension is key for an effective analysis of all risks linked to the Group's core activity, since it informs the definition of tools capable of identifying and monitoring so-called Contract risks starting from the bidding stage in a risk prevention perspective, as part of an in-depth analysis of the risks and opportunities linked to the pursuit of a specific activity. Another fundamental aspect is the ongoing tracking of risks once they have been consciously taken on by Management, managing the resulting risk exposure in a proactive, dynamic way, as well as its ongoing development over time.

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The analysis of key risk dimensions and the relevant risk areas has the aim of providing Management with a two-fold overview: a detailed one (i.e. at individual Country, Counterparty, Contract level) and a portfolio one (for assessment of the overall exposure to such dimension), in order to assess the Group's risk profile as well as its compliance with the exposure limits imposed to its risk management capacity. The portfolio overview, moreover, enables, through the use of dedicated risk management tools, the performance of systematic assessments about the potential development of the risk profile upon occurrence of certain events and/or specific choices that may result in any changes to it.

The risk management framework, as outlined above and subject to further and future developments, intends to act as a support to decision-making and operational processes at every stage of the management of initiatives, in order to reduce the possibility that certain events may compromise the Group's normal business operations or its strategic objectives: to this end, it is integrated in strategic and business planning processes, which, therefore, cannot be separated from the Group's risk profile, as well as from its choices in terms of risk appetite.

Main risk factors and uncertainties

In addition to the areas outline in paragraph "Management of Business Risk" above, the following specific situations linked to major outstanding claims and Country risk exposure at December 31, 2015, characterized by risk and/or uncertainty profiles, should be added to the universe of risk events that may potentially impact on operations.

Claims

SUW Campania Projects

The 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 1990s through its subsidiaries FIBE and FIBE Campania.

The main phases of the SUW Campania projects were as follows:

(i) the "Contractual" phase which started in the 2000-2001 period with the signing, by the two project companies FIBE and FIBE Campania of the service contracts for the disposal of urban solid waste in the provinces of Campania and ended on December 15, 2005 with the cancellation "ope legis" of these contracts pursuant to Decree Law no. 245/2005 (converted into Law no. 21 of January 27, 2006);

(ii) the "Transitional" phase which started upon conclusion of the Contractual phase and lasted until the enactment of Decree Law no. 90 of May 23, 2008 and Decree Law no. 107 of June 17, 2008, both converted into Law no. 123 of July 14, 2008. The latter measure officially marked, among other things, the Group's exit from the waste disposal business, by transferring the title to RDF and storage facilities to the Provincial Administrations;

(iii) the "current" phase launched at the end of the "Transition "phase, is still underway.

The major issues that, since 1999-2000, have characterized the company's activities in service contracts, which have been discussed in detail and reviewed in all of the financial reports published by the Group starting from that time, have evolved and became more complex over the years, giving rise to a large range of disputes, some of which major and in part still ongoing. Even in presence of positive developments, the general situation in terms of pending claims is still very complex. A brief overview is provided below, especially in relation to existing risk positions.

Since FIBE Campania S.p.A. was merged by incorporation into FIBE S.p.A. in 2009, in the rest of this section, unless otherwise stated, reference is made exclusively to FIBE S.p.A., even with regard to positions and events that affected the company dissolved through the merger.

Administrative litigation

Recovery of the amounts owed to FIBE by local administrations for waste disposal fees up to the date of termination of the contracts
The Special Commissioner tasked by Regional Administrative Court to collect receivables of former operators of the waste disposal service performed until December 15, 2005 submitted his Report in November 2014, in which he stated that, despite an outstanding amount payable to Fibe as fee for the service rendered until December 15, 2005, the Administration had already collected directly, without forwarding it to Fibe, the amount of €46,363,800 and that total outstanding receivables totaled €74,317,550.

The Administration, apart from raising some objections, which were rejected by the Regional Administrative Court and pertained calculation criteria and the counter-availability of receivable items (which, incidentally, were the subject of other rulings), lodged a complaint, requesting that the appeal should be rejected on the grounds of expiry of the regulation - starting from December 31, 2009 - allowing performance of the activities that should have been carried out by the Special Commissioner. On February 13, 2015 the Regional Administrative Court and, subsequently, on September 1, 2015, the Council of State, rejected the appeal confirming that the obligation of collecting receivables due to Fibe was still in place for the Administration and, on its behalf, for the Commissioner appointed to replace it.

Following the resignation of the Special Commissioner and the subsequent appointment by the Regional Administrative Court as his replacement of the General Commander of the Italian Financial Police and as a result of the anticipated incompatibility raised by the latter, on July 13, 2015, the Regional Administrative Court appointed the MEF's Chief of Staff, who, on September 10, 2015, appointed a Director of the aforementioned MEF as attorney. With notice of November 16, 2015, the new Commissioner asked the Regional Administrative Court whether the duties assigned entailed, apart from collection, also the payment to FIBE of the amounts already collected by the Administration. At the hearing of January 27, 2016, the Regional Administrative Court reserved the right to decide.

Request that FIBE take back ownership of certain areas and storage sites by the parties appointed by the Government Commissioner to handle technical and operating activities
Starting in 2008, FIBE had to deal with a number of repeated events where the parties appointed by

the Government Commissioner to handle technical and operating activities demanded that FIBE take back ownership of certain areas and storage sites already handed over to the appointed Parties in August 2008, since they were deemed not to be suitable for the management of the service.

The Lazio Regional Administrative Court and the Council of State, following appeal of the relevant provisions by FIBE, confirmed the suitability of the aforementioned sites for the integrated waste cycle. The civil proceedings before the Court of Naples initiated by S.A.P.NA. S.p.A., a local company set up by the Naples provincial authorities, are part of this situation. S.A.P.NA. S.p.A. challenged its takeover of title to certain temporary and definitive areas and storage sites in roughly 40 proceedings. It also requested to be reimbursed and held harmless by FIBE S.p.A. and/or the Government Commissioner from the operating costs incurred in the meantime and yet to be incurred, including possible site reclamation.

Following the rulings of the Ordinary Court of Naples, which found that jurisdiction rested with the Administrative Court, the majority of the aforementioned dispute was reactivated by S.A.P. NA. S.p.A. before the Campania Regional Administrative Court. With the rulings filed over the first appeals discussed, the Campania Regional Administrative Court fully rejected all claims brought by S.A.P. NA. S.p.A..

Administrative procedures for the recording and recognition of the costs for activities carried out and the work ordered by the Administration during the transitional management period

As early as 2009 FIBE filed a complaint with the Regional Administrative Court of Lazio regarding the slowness by the Administration in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors for activities carried out pursuant to law and the work ordered by the Administration and performed by the companies during the transitional management period.

Within the framework of the aforementioned ruling, the Regional Administrative Court appointed an ispector who, on March 31, 2014 submitted a final report that compared the amounts stated by FIBE in its appeal and the supporting documentation, finding the figures to be substantially in line. Granting the inspection request submitted by FIBE, the Regional Administrative Court ordered an extension to the audit performed, asking for the identification of the existence and extent of the amounts requested and documented by the appellant upon reporting, whose investigation was omitted or not fulfilled by the Administration. To this end, it set January 28, 2016 as the deadline for filing the report and April 20, 2016 as the date of the hearing for oral arguments. On January 27, 2016, stating pressing work engagements as a reason, the verifier filed a motion with the Regional Administrative Court, in which he asked reconsidering the assignment of the engagement or, as an alternative, an extension of no less than 180 days of the deadline for filing the report.

Delivery of waste to the Acerra waste-to-energy plant

With their appeal notified on May 18, 2009 (RG no. 4189/09), the companies challenged Prime Minister’s Order No. 3748/09 before the Regional Administrative Court of Lazio whereby only waste produced and stored after the date of termination of the service contracts with the companies (December 15, 2005) was to be delivered to the Acerra waste-to-energy plant. The date for the relevant hearing was set to May 18, 2016.

Payment of the RDF plants

With judgement no. 3886 of May 5, 2011, the Lazio Regional Administrative Court upheld FIBE’s appeal and condemned the Administration to pay the outstanding costs at the termination date for CDR plants to FIBE, for a total amount of €205 million, exclusive of legal and penalty interests from December 15, 2005 until payment in full.

Following the enforcement order commenced by FIBE and opposed by the Office of the Prime Minister, FIBE obtained the allocation of €241 million as a final payment for the receivables for principal and legal interests and suspended the enforcement order for the further amount of default interest claimed. Both Parties initiated proceedings. Following the adjournment of proceedings with the writ of July 17, 2015 the lawsuit was discussed during the hearing of October 21, 2015. With judgement of February 12, 2016, the judge rejected the request for default interest submitted by Fibe. The option of lodging an appeal is being assessed.

Still on the subject of payment of the costs not depreciated at December 15, 2005, for the Campania RDF plants measures are being taken to recover the VAT paid on the principal amount collected of €205 million ordered to be paid by the judge. For the recovery of VAT a separate legal action was therefore initiated, which on January 28, 2015 led to obtaining an injunction to the Office of the Prime Minister, opposed by the Office of the Prime Minister on March 13, 2015. At the hearing of October 29, 2015, the lawsuit was adjourned for conclusions to January 12, 2016 and the relevant decision is pending.

Environmental disputes

During the various stages of the SUW Campania projects, the Group had to deal with a large number of administrative measures regarding reclamation and the implementation of safety measures at some of the landfills, storage areas and RDF facilities. The unsuccessfully resolved proceedings are on hold pending the merit hearings. For the proceedings regarding the characterization and emergency safety measures at the Pontericcio site, the RDF facilities in Giugliano, the temporary and permanent storage area at Cava Giuliani, the Regional Administrative Court of Lazio rejected the appeals filed by FIBE with ruling no. 6033 of 2012. An appeal against this ruling, based also on contamination found at a site different to those subject of the proceedings, was filed with the Council of State. They denied FIBE's precautionary motion to stay the enforcement of the decision. A date for the merits hearing has not been set yet. With respect to the Cava Giuliani waste disposal site, the Lazio Regional Administrative Tribunal, with ruling no. 5831/2012, ruled that it lacked jurisdiction in favor of the Superior Court of Public Waters, before which the appeal was refiled. Meanwhile, Fibe is continuing with the characterization operations for the above sites, but this does not constitute any admission of liability whatsoever.

Civil litigation

In May 2005, the Government Commissioner filed a motion requesting compensation from FIBE, FIBE Campania and FISIA Italimpianti for alleged damages of about €43 million. In the course of the proceedings, the Government Commissioner increased its damage claims to over €700 million, plus a further to claim for damages to its reputation quantified at €1 billion.

The Companies joined the proceedings and, in addition to disputing the claims made by the Government Commissioner, filed a counterclaim requesting compensation for damage and sundry expenses for over €650 million, plus a further one to claim for reputation damages quantified at €1.5 billion. In the same proceeding, the banks that issued FIBE and FIBE Campania's performance bonds to the Government Commissioner also moved for the Commissioner's claim to be denied and, in any case, asked to be held harmless by Salini Impregilo (at the time, Impregilo), which brought an action and rejected the claim of the guarantor banks.

The public prosecutor appealed against the ruling of April 11, 2011, which found that jurisdiction rested with the administrative court and not with the ordinary court, setting the hearing date for reconstituting the file to February 2, 2017.

On August 1, 2012, the Ministry of Justice and the Cassa Ammende summarized before the Court of Milan the ruling concerning the enforcement of guarantees, totaling €13 million, issued by a number of major banks to guarantee implementation of the requirements imposed by the Public Prosecutor of Naples, in the seizure procedure of the RDF plants.

With decision no. 6907/14, the Court of Milan denied the requests made by Cassa Ammende and by the

Ministry of Justice against the banks, UniCredit and ABC International Bank PLC, accordingly declaring the claims for recourse filed by the banks against IMPREGILO and Fibe and the latter against the Office of the Prime Minister absorbed.

The Ministry of Justice and the Cassa Ammende appealed against this decision before the Court of Appeal of Milan and the related proceedings were postponed to December 13, 2016 for clarification of the conclusions.

On November 30, 2015, the Office of the Prime Minister received a new writ of summons served by both FIBE and other Group companies involved in various ways in the activities performed in Campania for the waste disposal service, containing claims for the damages suffered as a result of termination of the agreements in 2005.

The total amount claimed is €1,741 million, plus corporate damages, yet to be quantified, caused to the Group for loss of the reference market. Considering that some requests are already included in other proceedings, the amount net of them is equal to €1,570 million for quantified items. The initial hearing for the parties was set to April 13, 2016.

Finally, the public authorities have recently commenced proceedings challenging FIBE's operations with respect to the complex situation of receivables and payables arising from the "contractual phase". Although these are separate from the other proceedings described above, they refer to the same claims filed by FIBE in the administrative courts that the Special Commissioner is still working on. Accordingly and comforted by the advice of the counsel that supports it in this complex situation, the Group believes that FIBE's fully compliant conduct during the "contractual" period can reasonably be confirmed and that the risk of a negative outcome of these proceedings is a mere possibility. Specifically, the Company's counsel believes that the public administration's claims can reasonably be resisted considering the counterclaims and, moreover, the admissibility in these proceedings of a court-ordered offsetting process.

Lastly, pending proceedings include a lawsuit in opposition to a payment injunction granted to FS Logistica (formerly Ecolog) against the Office of the Prime Minister for the payment of consideration owed for assignments it received from 2001 to 2008 by the then Government Commissioner for shipment of waste outside Italy. The claim made through a summary procedure was brought against the Office of the Prime Minister, which, in turn, summoned FIBE as a guarantee, who, in turn, filed a counterclaim for the payment of a greater expense incurred during the concession. The judge allowed a court-ordered technical expert's report only with regard to the claims of FS Logistica toward the Office of the Prime Minister and subject of the injunction, adjourning the hearing to March 31, 2016.

Tax litigation

The outstanding claim on local property tax (ICI) on Acerra's waste incineration plant should be mentioned in this respect.

In January 2013, the Company received tax assessment notices from the Municipality of Acerra with respect to the waste incineration plant, which requested payment of local property tax and relevant penalties for approx. €14.3 million for the years 2009-2011. The amount demanded by the Municipality and challenged by the Company was confirmed as far as its applicability but reduced in terms of its amount and penalties by Naples' Regional Tax Committee, so that the original payment orders issued were canceled.

Even if it believes that it will be able to reverse the ruling through an appeal to the Court of Cassation, in 2015, the Company - comforted by its legal counsel - set aside a provision for an amount equal to the tax alone plus any accrued interest as a precautionary measure.

Criminal litigation

In September 2006, the Public Prosecutor of the Court of Naples served Impregilo S.p.A. (now Salini Impregilo), Impregilo International Infrastructures N.V., FIBE S.p.A., FIBE Campania S.p.A., FISIA Italimpianti

S.p.A. (now Fisia Ambiente S.p.A.) and Gestione Napoli in liquidation with a "Notice of the completion of the preliminary investigation about the administrative liability of legal entities" related to the alleged administrative violation pursuant to Article 24 of Italian Legislative Decree no. 231/2001, within the framework of criminal proceedings against some former Directors and employees of the above-mentioned companies, who were being investigated for the crimes covered by Article 640, Sections 1 and 2, no. 1, of the Italian Criminal Code in connection with the contracts for management of the urban solid waste disposal cycle in the Campania region. Following the preliminary hearing of February 29, 2008, the Preliminary Investigation Judge at the Court of Naples granted the motions for indictment presented by the Public Prosecutor, rejecting all proceedings as plaintiffs against the companies at the same time.

As part of these proceedings, the Judge for the Preliminary Investigation ordered, in his ruling on June 26, 2007, the precautionary seizure of the profit from the alleged crime, estimated to amount to about €750 million.

The precautionary proceedings continued for five years and finally ended in May 2012, without any action taken against the Group. On November 4, 2013, the Court of Naples handed down a decision finding all defendants not guilty on all charges. In March 2014, the Public Prosecutor Office of Naples challenged the decision and the first hearing was set for April 22, 2016 before the IV section of the Court of Appeal of Naples.

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In 2008, as part of a new investigation into waste disposal in the Campania region carried out after the termination of the contracts by force of law (on December 15, 2005), the Preliminary Investigations Judge, upon a request by the Public Prosecutor issued preventive measures against some managers and employees of FIBE, FIBE Campania and FISIA Ambiente and managers in the Commissioner's office. As part of this investigation, which in the record is described both as a continuation of an earlier investigation and as separate proceedings based on new charges, the former contractors and FISIA Ambiente are again charged with the administrative liability attributable to legal entities pursuant to Italian Legislative Decree No. 231/01.

In the hearing of March 21, 2013 the Preliminary Hearing indicted all defendants and legal entities involved pursuant to Italian Legislative Decree 231/2001 for all charges, transferring the proceedings to the Court of Rome as a result of an acting magistrate being listed by the Public Prosecutor of Naples as being under investigation.

At the hearing of April 1, 2014 the Court of Rome acquired the ruling delivered by the Fifth Criminal Chamber of the Court of Naples in the aforementioned "parent" proceedings (15940/03 R.G.n.r.), also in order to better assess the requests of evidence that would be presented by the parties. After fulfillment of these requests the proceedings, which were still in the oral argument phase, were finally adjourned to February 18, 2016 for the examination of the Public Prosecutors Office's technical expert.

On December 23, 2011, FIBE S.p.A., in its capacity as the legal entity involved pursuant to Italian Legislative Decree No. 231/01, was served with a notice of completion of the preliminary investigations related to another investigation by the Naples Public Prosecutor. The charges are based on a violation of Article 24 of Italian Legislative Decree No. 231/01, as it applies to the occurrence of the crime subject of Article 81, Section Two, Article 110 and Article 640, Sections 1 and 2, of the Criminal Code, committed jointly and with the prior agreement of the defendants (individuals) and other parties to be identified, in connection with the management of an urban wastewater purification service based on treatment facilities.

FIBE S.p.A. is a defendant because it allegedly submitted expense reports that, among the other items related to the disposal of USW, included the cost of transporting leachate, while failing to mention the fact that the leachate was transported to facilities without the requisite proper permit and lacked the technical qualifications and residual treatment capacity.
The Public Prosecutor filed a motion requesting that the Judge for Preliminary Investigations of the Court of Naples hear the case filed and the latter, upholding the objection presented by the defense of the "public

party", ruled that it lacked jurisdiction and ordered that the record of the proceedings be forwarded to the Rome Public Prosecutor.

On April 13, 2015, the Rome Public Prosecutor requested the closure of proceedings for all defendants (both natural and legal persons) and all claims. The decision of the Preliminary Investigations Judge is pending.

As it relates to events challenged in the period after the contracts were terminated, when the companies' activities were not solely specifically covered by Law 21/2006 but also carried out on behalf of the Commissioner, the Group Companies involved are fully convinced that they acted in accordance with the law.

Assessment by the Board of Directors regarding the status of the SUW Campania Projects at December 31, 2015

The general situation of the Salini Impregilo Group with respect to the SUW Campania projects at December 31, 2015 still continues to be extremely complex and uncertain (as can be seen from the complexity of the above information).

The decisions by the administrative courts regarding the claims put forth for the costs of the RDF facilities that had not been amortized when the service contracts were canceled (December 15, 2005) and the decisions recently handed down for proceedings initiated by S.A.P. NA. S.p.A., as discussed earlier in this Report, are positive and extremely important factors because they support the Group's arguments regarding the correctness of its conduct and the resulting assessments made to date.

Taking also into account the recent rulings handed down by the administrative judges regarding the aforementioned environmental issues (which are still pending with regard to merit) and for which the Directors, with the support of the counsel assisting FIBE in the various disputes, deem the risk of an unfavorable outcome to be in the realm of mere possibility, at this time, an accurate timeframe for the end of the various pending proceedings cannot be reasonably determined.

In view of the complexity and development of the different disputes described in detail in the preceding paragraphs, the possibility that future events, unforeseeable at this point, could occur requiring changes to the assessments made to date cannot be excluded.

Panama Canal extension project

With regard to this project, 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 significantly revise downwards the estimates on which the early phases of the project had been based. The most critical issues relate, inter alia, to the geological characteristics of the excavation areas, specifically with respect to the raw materials required to produce concrete and the processing of such raw materials during normal production activities. Additional problems arose due to the adoption by the client of operational and management procedures substantially different from those contractually agreed, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These facts, which were the subject of specific disclosures in previous financial reports published by the Group, continued in 2013 and 2014. Faced with the client's persistent unwillingness to reasonably implement appropriate, contractually agreed instruments to manage such disputes, the contractor - and thus the original contractor partners - was forced to acknowledge the resulting impossibility to continue the construction activities needed to complete the project at its full and exclusive risk by undertaking the relevant full financial burden without any guarantee of the resumption of objective negotiations with the counterparty. In this context, at the end of 2013, formal notice was sent to the Client to inform him of the intention to immediately suspend work if the Client refused once again to address this dispute in accordance with a contractual approach based on good faith and the willingness of all parties to reach a reasonable agreement.
Negotiations between the parties, supported by the respective consultants and legal/contract experts, were carried out through February 2014 and, on March 13, 2014, the minutes of an agreement were signed. The key elements of the agreement included

that the contractor undertake to resume works and functionally complete them by December 31, 2015, while the Client and contracting companies undertake to provide financial support for the works to be finished up to a maximum value of about US$1.4 billion. This commitment was be honored by the client through (i) a moratorium on the refunding of already disbursed contractual advances totaling about US$800 million and (ii) the disbursement of additional advances amounting to US$100 million and the group of contractor companies through (i) a direct contribution of their own financial resources in the amount of US$100 million and (ii) a contribution of additional financial resources, through the conversion into cash of existing contractual guarantees totaling $400 million. The reimbursement of the amounts stipulated to finance the work to be performed was postponed, so as to make it compatible with the expected outcome of the arbitration proceedings, already launched to determine the responsibilities of the parties for the extra costs already incurred and to be incurred due to the aforementioned situation.

At the end of 2014, the first level independent ruling of the DAB (Dispute Adjudication Board), established by the parties within the framework of the project, awarded GUPC damages for US$ 244 million, of which US$233 million paid out in the first months of 2015 and further US$10 million in the last quarter of the year. In December 2015 and January 2016, the DAB approved further damages for US$14 million and US$24.7 million respectively.

In this regard, it should be noted that, already in previous years, the Group applied a valuation approach to the project on the basis of which significant end-of-project losses were recognized, offset in part by the corresponding recognition of the additional consideration claimed from the client and determined based on the expectation that recognition of such consideration could be deemed to be reasonably certain based on the opinions expressed by its legal counsels and in light of the damages awarded by the DAB.

In 2015, the estimate for the additional costs at the end of the project was updated, as well as the additional consideration claimed from the Client (always with the support of the company's technical and legal experts).

The Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

CAVTOMI Consortium (Turin-Milan High-speed/ High Capacity Line)

With respect to the contract for the Turin-Milan High speed/High capacity railway line - sub-section Novara - Milan, the General Contractor Fiat (now FCA N.V.) has the obligation to bring registered claims of the General Contractor CAVTOMI Consortium (the "Consortium"), in which Salini Impregilo has a share of 74.69%, against the client Rete Ferroviaria Italiana ("RFI"). The Consortium, as a matter of fact, carried out all design and execution activities for the project.

In view of the above, on April 18, 2008 Fiat initiated contractual arbitration proceedings against RFI for the award, in particular, of damages suffered for delays in the works ascribable to the client, non-achievement of early completion bonus also due to the client and higher consideration. On July 9, 2013, the Court of Arbitration handed down an award in favor of Fiat, condemning RFI to pay an amount of approximately €187 million (of which about €185 million to the Consortium).

RFI appealed against the award before the Rome Court of Appeal on September 30, 2013 and in October 2013 paid the amount due to Fiat, which in turn forwarded the relevant share to the Consortium in December 2013.

The ruling of September 23, 2015 of the Rome Court of Appeal canceled a large part of the aforementioned arbitration award. FCA made an appeal to the Court of Cassation and issued a writ of summons for the revision of the ruling of the Court of Appeal.

Since the ruling of the Court of Appeal is an executive one and following the notification by RFI to FCA of an enforcement order for approx. €175 million, FCA and RFI reached an agreement based on which FCA provided RFI with the following guarantees in order to prevent execution of the aforementioned ruling, without prejudice to the Parties' substantive rights, which are subject to final judgement: (i) payment of an amount of approximately €66 million (€49 million for Salini Impregilo), issue to RFI of a bank security of €100 million (€75 million for Salini Impregilo).

The lawyers representing FCA in the claim under review deem that the appeal of the ruling of the Court of Appeal has good and substantial chances of success; therefore, the Consortium is confident that its arguments will be accepted at the end of the dispute.

The Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

COCIV

With writ of summons notified to the COCIV Consortium on September 18, 2014, the client RFI S.p.A. contested the inter partes arbitral award of June 20-21, 2013 on grounds of invalidity, also asking the amount of about €108 million (approx. €74 million for Salini Impregilo) collected by COCIV as a result of it to be returned.

The COCIV Consortium joined the proceedings, which were deferred to March 17, 2017 for clarification of the conclusions. The Consortium, represented by its legal counsels, is confident that its arguments stated by the arbitral award will be confirmed by the ruling.

The Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Metro Santiago - Chile

The project for the construction of two sections of line 6 of the Santiago Metro was won in 2013 by the Salini Impregilo Group, through its subsidiary Empresa Constructora Metro 6 Limitada and has a total value (in local currency) of 3.3 million Unidad de Fomento (equivalent to €122 million). During the implementation of the project, a series of events interfered with the work, such as unexpected geological conditions that were very different from those reported by the client, project engineering changes, archaeological finds and the prohibition of the client of working at night despite the fact that it would not exceed the maximum permitted noise levels.

These factors led to delays in the execution times that were partially recognized by the Operations Management Team, but never formalized by the Client. The client, at its own initiative and on the basis of a schedule different from the one agreed on, started imposing fines in November 2013. These fines were all challenged in full.

In addition to the above, relations with the client were characterized by complex situations, resulting in five requests to extend the delivery date of the work and, in 2014, to the revision of its scope.

With respect to this situation, Empresa Constructora Metro 6 Limitada, submitted various claims to the client in July 2014, and requested an Extension of Time, with the request that they be assessed by the relevant body under the Agreement.

In August 2014, the client rejected the requests and submitted our claim directly to Arbitration at the Santiago Chamber of Commerce, failing to respect the contractual agreements requiring prior consultation between the parties for the selection of the arbitrator.

The first hearing was scheduled for September 25, 2014, but the client asked to postpone it to October 6, 2014. In the meantime, on October 3, 2014, the client informed Empresa Constructora Metro 6 Limitada of the early termination of the contract based on grounds that are contested in full and are currently the subject of the aforementioned arbitration. It is noted that the client has the contractual right to terminate the contract with Empresa Constructora Metro 6 Limitada at any time, regardless of any breaches denied by it.

On the same date, the client presented a request to the Chilean banks for the enforcement of the contract guarantees (local contract guarantees secured by European banks) for a total of 912,174 Unidad de Fomento (the equivalent of €28.9 million). These amounts also include the full enforcement of the guarantee for advance payment, even though 156,323 Unidad de Fomento (the equivalent of €5.1 million) had already been repaid to the client through the monthly certifications (a criminal suit to this effect has been brought in Chile).

The subsidiary responded to the client's initiatives by requesting that the enforcement order regarding the guarantees be suspended and that the operational and contractual conditions be reinstated to those existing on October 2, 2014.

The Arbitrator did not find grounds for an urgent order to suspend enforcement of the guarantees and reserved final judgment, prolonging the suspension of the works.

Therefore, the amounts corresponding to the guarantees referred to above have been paid.

The directors (supported by counsel) believe that the company's operations were correct and the amounts recognized as financial receivables and work in progress at December 31, 2015 can be collected.

Considering the complexity of the existing situation and the uncertainties linked to the arbitration procedure under way with respect to both legal assessment and the relationship with the Client, however, it cannot be ruled out that events may occur in the future which could require changes to the assessments made to date.

Strait of Messina bridge - Eurolink

In March 2006, Impregilo S.p.A., in its capacity as Lead Contractor (with a 45% interest) of the Temporary Business Association established for this specific purpose (subsequently incorporated into the Eurolink Consortium), executed with Stretto di Messina S.p.A. a contract to entrust to the general contractor the final and executive design for the construction of a bridge over the Strait of Messina, with the related roadway and railway connectors.

In addition, a pool of banks signed the financial documents required by the General Specifications, after the Association won the tender, for the supply of credit facilities totaling €250 million earmarked for the services subject of the awarded project. In addition, as contractually stipulated, the client was also given performance bonds of €239 million. A reduction of the credit line to €20 million was approved in 2010.

In September 2009, Stretto di Messina S.p.A. and the General Contractor Eurolink S.c.p.A. executed a rider that took into account the suspension of project activities from the time the contract was signed until that date. As provided for by the rider, the project's final design was also delivered to the client. On July 29, 2011, the Board of Directors of Stretto di Messina S.p.A. approved the final design.

Decree Law no. 187 was issued on November 2, 2012 providing for "Urgent measures for the renegotiation of the contracts with Stretto di Messina S.p.A. (the client) and for local public transport". Further to the enactment of this decree and in light of the potential implications for the contractual position of the Eurolink General Contractor, of which Salini Impregilo is the leader, Eurolink decided to send to the client, pursuant to the contractual provisions in effect, a notice of its intention to withdraw from the contract also to protect the positions of all Italian and foreign partners in the Association. Nevertheless, given the preeminent interest in constructing the project, the General Contractor also communicated its willingness to review its position, should the client demonstrate a real commitment to pursuing the project. Despite the efforts made, the negotiations carried out by the parties were unsuccessful. Eurolink commenced various legal proceedings in Italy and at the EU level, on the one hand, arguing that the provisions of the above-mentioned decree are unconstitutional and contrary to EU laws and thus injurious to Eurolink's legally acquired rights under the contract and, on the other hand, asking that Stretto di Messina be ordered to pay the amounts claimed, under various titles by the General Contractor due to the termination of the contract for reasons for which it was not responsible. With regard to the actions filed at the EU level, it is worth mentioning that, in November 2013, the European Commission communicated its decision to suspend the lawsuit, as no treaties were violated, and confirmed it on January 7, 2014, with a communication dismissing the lawsuit. As regards the civil action in Italy, Salini Impregilo S.p.A. and all the members of Eurolink have jointly and severally asked that Stretto di Messina be ordered to pay the amounts claimed, under various titles, due to the termination of the contract for reasons for which it was not responsible.

Considering the complex nature of the various legal proceedings and although the legal advisors assisting Salini Impregilo and the general contractor are reasonably confident about the outcome of the proceedings and the recoverability of the remaining assets recognized 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.

Romania - Orastie-Sibiu highway
Salini Impregilo has been operating in Romania since July 2011 following the start of the works for the Orastie-Sibiu highway section project (Lot 3).

In July 2013, it was awarded a second tender for the development of Lot 2 of another highway section between the cities of Lugoj and Deva.

The two contracts are part of a wider road project called IV pan-European corridor, which cuts through Romania from Nădlac (at the border with Hungary) via Pitesti and reaches Costanta, on the Black Sea. Both contracts entered into with "Compania Nationala de Autostrazi si Drumuri Nationale din Romania" (CNADNR) and 85% financed with EU structural funds and by the Romanian Government for the remaining 15%.

The Orastie-Sibiu contract envisaged the construction of 22.1 km of two-lane highway (plus relevant emergency lanes). On January 13, 2016, with works completion at 99.9%, following a number of disputes between the Parties, the Client terminated the contract motivating such unilateral decision with the alleged non-resolution of non-compliances notified by Operations Management. The aforementioned contract termination, which the Company deemed fully unfounded, was formally contested as a result. The dispute between the Parties shall be submitted to arbitral procedures envisaged by the Contract.

The Directors (also based on the advice of their legal and technical experts), believe that the company's operations were correct and that the amounts recognized in works in progress at December 31, 2015, inclusive of requests for additional consideration also part of the claim, can be collected.

Considering the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Rome Metro
As part of the contract for the design and construction of the works for the B1 line of Rome Metro, Salini Impregilo promoted legal proceedings in its name and as agent of the Joint Venture works contractor, for Roma Metropolitane S.r.l. and Roma Capitale to be condemned to pay the claims subject to the reserves recognized during works execution, for which a technical appraisal by a court-appointed expert was provided.

The Directors (also supported by their legal and technical experts) deemed that the amounts recognized in contract work in progress at December 31, 2015, inclusive of the additional consideration claimed from the client and determined based on the expectation that recognition of such consideration could be deemed to be reasonably certain also on the basis of the aforementioned expert opinions, are collectible.

In view of the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Naples, construction of a railway section for an urban railway system, Piscinola-Secondigliano segment

Construction of the civil engineering structures for the Piscinola-Secondigliano railway section, part of a project to modernize and upgrade the Naples - Alifana railway, was suspended in the second half of 2011 due to the failure of the client Metrocampania Nordest S.r.l. (now Ente Autonomo Volturno) to pay the consideration owed for the work. As a result, the only activities carried out concerned ensuring the safety of the construction sites.

The client, while aware of the strategic significance of the project for the purpose of completing the railway system ringing the City of Naples, was unable to honor its commitments due to the financial difficulties that characterized the budget of the Campania region, which, ultimately, created a shortage of financial resources at the Metrocampania Nordest S.r.l. subsidiary, making the disbursements of the consideration owed extremely difficult.

In light of this situation, the Ministry of Infrastructures and Transportation, in accordance with the provisions of Decree Law no. 83 of June 22, 2012 (converted into Law no. 134 of August 7, 2012), appointed an ad acta Commissioner tasked with determining the amounts of the payables and receivables of the companies that operate the regional railway services, with the aim of developing a plan to cover the ascertained deficit.

At this point, the appointed Commissioner has apparently completed his task regarding the investigative and planning phase and is now expected to announce his subsequent determinations.

Considering that, in order to allow the Commissioner to carry out his activities, the above-mentioned Italian Decree-Law specified that no payment enforcement actions may be activated or pursued against the companies owned by the regional administration that operate railway transportation services for 12 months from the effective date of the above-mentioned Italian Decree Law No. 83 (a deadline was extended several times and recently confirmed until December 31, 2015 by art. 41 paragraph 5 of Italian Decree Law 133/2014), Todini Costruzioni Generali S.p.A. nevertheless took all actions that it deemed necessary to obtain satisfaction of its rights, while maintaining a non-confrontational relationship with its client, who still considers completion of the railway segment in question a priority for the effective operation of the metro railway ring.

Finally, with a document of June 30, 2014 notified to the Client, Todini Costruzioni Generali S.p.A. transferred to Salini Impregilo S.p.A. all receivables covered by the outstanding invoices issued to Ente Autonomo Volturno.

During 2014, and before formalization of the sales deed, the Client made partial payments of approximately €8.5 million to Todini Costruzioni Generali S.p.A..

In the same negotiation, the Client requested the dispute concerning implementation of the lot adjacent to the Naples-Alifana railway (Secondigliano-Di Vittorio), contracted to a temporary consortium of which Todini Costruzioni Generali S.p.A. is the lead contractor to be included in the settlement.

Negotiations finally broke down in December 2015, given the impossibility of finding an agreement that was acceptable to the Parties.

In light of the above, the possibility of initiating ordinary proceedings against the Administration for termination of the works contract is being assessed.

In relation to the Secondigliano - Di Vittorio section - whose works were never initiated - the joint venture that awarded the same initiated legal proceedings to have the contract declared terminated, claiming compensation for all damages.

The Directors (also supported by their legal and technical experts) deemed that the company’s operations were correct and that the amounts recognized in contract work in progress at December 31, 2015 were collectible, inclusive of the additional consideration claimed as part of the dispute, determined based on the expectation that recognition of such consideration could be deemed to be reasonably certain also on the basis of the aforementioned expert opinions.

In view of the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

A1 Milan-Naples Highway, work to upgrade the Apennine Mountains section between Sasso Marconi and Barberino di Mugello, La Quercia-Aglio segment

The works were substantially finished and the section was open to traffic in December 2015.

Starting in June 2011, the Florence Public Prosecutor, at the end of an investigation launched in 2005, charged some employees/senior managers of Todini Costruzioni Generali S.p.A. with environmental crimes allegedly related to the construction of the Valico Bypass.

By a decision dated November 5, 2012, the Preliminary Hearing Judge ruled for all the accused that the statute of limitations had run out on the alleged crimes regarding water control and effluent management and indicted the above-mentioned defendants for the alleged crimes concerning the management of excavated soil and rocks and environmental damage.

In the hearing of March 26, 2013, before the Court of Florence, the Italian Ministry of the Environment joined the proceeding as plaintiff seeking damages from the parties liable under civil law, that is Todini Costruzioni Generali, Autostrade per l'Italia S.p.A., and the other contractors involved (in addition to said defendants) by claiming damages "for equivalent assets" of no less than €810 million or such amount as the Court considers just and appropriate.

In support of its claim, the Ministry of the Environment filed a report by the I.S.P.R.A. (an institute established within the Ministry), which was struck from the record of the proceedings at a hearing on December 9, 2013, as the Judge ruled that the introduction of this document could not be allowed because it had not been developed through an adversary process and lacked the name of the party who wrote it.

Since the civil plaintiff failed to produce documents or consultants, at this point, the damage claim is not supported by any evidence as to its amount.

The investigation phase began in January 2014 and is still ongoing.

The Group denies having any responsibility for the disputed issues, emphasizing that its conduct was completely lawful and that the charges levied against it are groundless. It also objects to the outrageous amount of the damage claim filed by the Ministry of the Environment, which, in addition to being put forth without first requesting the adoption of any environmental remediation measures that might have been necessary, does not appear to be compliant with Italian law and European Directive No. 2004/35/EC. In that regard, the European Commission activated infraction proceedings against Italy in 2007 (No. 2007/4679), confirmed on January 27, 2012 with a complementary reasoned opinion, which recently resulted in the adoption, with Italian Law No. 97 of August 6, 2013, of amendments to the Uniform Environmental Code enacted with Italian Legislative Decree No. 152 of April 3, 2006, which include the elimination from the text of Article 311 of the above-mentioned Italian Legislative Decree No. 152/2006 of the reference to the damage claim "for equivalent asset value," due to the fact that compensation for environmental damages can first of all be achieved with specific remediation measures.

Comforted by the opinion of counsel, the Group believes that the above-mentioned damage claim is devoid of merit and, consequently, that the risk of the claim being granted is remote. Consequently, management did not find it necessary to recognize a provision in the financial statements.

In view of the uncertainties linked to the dispute stage, the Group cannot exclude that currently unforeseeable events may arise in the future which could require changes to the assessments made to date.

Sesto San Giovanni building

In 2009, as a result of the transfer of the Parent Company's registered office from Sesto San Giovanni (Milano) to the current Milan office, a dispute arose with the lessor of the building where the old head office was located. The dispute was decided in December 2012 by an arbitration award that upheld the lessor's claims, ordering the Parent Company to pay rent for the entire duration of the lease expiring in July 2012.

This award was promptly challenged before the relevant Milan Court of Appeals, before which the proceedings are currently pending. However, in 2012, before the expiration of the appeal deadline, the Parent Company had already recognized the impact of the arbitration award on its statement of financial position. Moreover, while the appellate proceedings were pending, the Parent Company was forced to pay the amount awarded to the lessor, reserving the right to a refund.

With regard to this dispute, Salini Impregilo S.p.A., by virtue of the provisions of the contract executed with Immobiliare Lombarda S.p.A., in its capacity as the original lessor of the premises where the head office is currently located, holds the right to be held harmless from claims made by the previous lessor in excess of €8 million, which it exercised by means of a payment injunction.

The payment injunction was issued by the Court of Milan and challenged by Immobiliare Lombarda. However, while the proceedings are in progress, the opposing party paid the full amount of the claim, as the court refused to stay the enforcement of the payment injunction.

Ente Acque Umbre Toscane (Imprepar)

On December 29, 2010, the Group was informed that part of the sill above the surface discharge of the Montedoglio Dam, in the Province of Arezzo, had been damaged. In January 2011, the Umbria-Tuscany Irrigation Authority (now Ente Acque Umbre Toscane) informed Imprepar that "investigations and tests 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. In addition, the structure in question had been tested and inspected in the past with positive results. In its response to the Ente Acque Umbre Toscane, Imprepar specifically explained why it was not liable for any damages caused by the event and, comforted by the opinion of counsel, believes that, at this point, there are no reason to amend the relevant assessments.

During 2012, the management of the Ente Acque Umbre Toscane and the Project Manager signed a service order requesting the contractor to immediately prepare executive designs and commence the related work at its own expense and under its own responsibility. Imprepar challenged these actions in their entirety, even though the amounts involved were not material.

As part of a Prior Technical Assessment resulting from a third-party complaint claiming damages of a minor amount (around €80,000), the judge ordered a technical appraisal by a court-appointed expert to determine the causes of the dam's subsidence. The court ordered technical expert's report filed in June 2015 ascribes the cause of subsidence to various concurrent factors with different negligence percentages, and, specifically: design deficiencies 20%, execution deficiencies 60%, control deficiencies 20%.

Imprepar, with the aid of its legal advisors, is defending the correctness of its conduct in all the competent forums.

C.A.V.E.T. Consortium - Florence Court

With regard to the criminal proceedings activated against the C.A.V.E.T. Consortium and certain individuals, including some former managers of the Consortium, it is worth mentioning that the appellate proceedings ended with a decision handed down on June 27, 2011, which reversed in full the lower court's decision, thus reversing the convictions handed down by the lower court and finding both the Consortium and the indicted individuals not guilty of any of the charges. The Public Prosecutor of the Court of Florence appealed this decision before the Court of Cassation, which, on March 18, 2013, set aside in part the decision of the Florence Court of Appeals ordering that the case be returned to the Court of Appeals. The reinstated proceedings before the Florence Court of Appeals got under way on January 30, 2014 and, on March 21, 2014, the Court of Appeals handed down a decision by which it rejected most of the charges levied by the Public Prosecutor, but upheld them in some important cases. The decision of the Florence Court of Appeals was appealed by all defendants and by C.A.V.E.T, in its capacity as a party liable under civil law, and the relevant appeals were filed before the Court of Cassation in September last year. The Consortium, in protecting its interests, is confident that it will be able to demonstrate, again, in the subsequent courts of instance, the correctness of its actions.

Investigation by the judiciary - Court of Milan (proceedings initiated before the Court of Monza)
Following the proceedings initiated by the Public Prosecutor of the Court of Monza, in which the Chairman of the Board of Directors and the Chief Executive Officer of Impregilo in office at time of the events in question are being investigated, Impregilo S.p.A. was the target of a preliminary investigation. The alleged charge against Impregilo is to have "prepared and implemented an organizational model unsuitable to prevent the crimes" allegedly attributed to the officers involved in the investigation, from which the Company is alleged to have benefited.

After structured and complex procedural phases, described in the previous Financial Reports, to which we refer, on March 21, 2012 the Court of Appeal of Milan (as part of the appeal proceedings initiated by the Public Prosecutor against the lower court's decision that had found Impregilo not guilty of the charge of violating Italian Legislative Decree No. 231/01) rejected the Public Prosecutor's arguments and fully confirmed the aforementioned decision lower court judge, who had found, inter alia, that the organizational model adopted by the Company was adequate. The Public Prosecutor appealed this decision to the Court of Cassation, which on December 18, 2013 handed down Decision No. 4677/14 canceling the decision of the Milan Court of Appeals, returning the proceedings to a different section of the same Court for a new merit review. The ruling was summarized before the Court of Appeal of Milan, which, in the hearing of November 19, 2014, acquitted the company and confirmed the rest of the acquittal of the preliminary investigation judge of the Court of Milan of November 17, 2009.

Country risk

Impregilo Lidco Libya General Contracting Company (Libya)
Salini Impregilo S.p.A. operates in Libya through a permanent establishment and a subsidiary, Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), which have been active in Libya since 2009 and are 60%-owned by Salini Impregilo and 40%-owned by a local partner.

No significant risk is deemed to be linked to the contracts managed by the permanent establishment, since work was not started. The exception is the Koufra airport project, for which, however, total exposure is not large as a result of collection of the contractual advance. Lastly, the Group is also part of the "Libyan Coastal Highway" project, which at the reporting date had not yet been started.

With reference to Impregilo Lidco, it is noted that the subsidiary won important contract for the construction of:

- infrastructural projects in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- Tripoli's new "Conference Hall".

With regard to the political events in Libya from the end of February 2011, which have experienced a progressive deterioration to the reporting date, it is worth mentioning that the subsidiary was always able to operate in accordance with contractual terms and that the investments made up until the deterioration of the country's political situation were fully covered by contractually stipulated advances.

It is clear that the subsidiary will face significant challenges in developing the projects in line with the planned schedule. Accordingly, Salini Impregilo does not expect significant new growth in the production activities of its subsidiary Impregilo Lidco in the foreseeable future.

Impairment losses to net assets and the expenditure incurred starting from the 2012 Financial Statements until December 31, 2015 were calculated as about €69 million, whose amount was fully included in the recognition of work in progress since, as described in detail below, it is deemed to be collectible from the client as due to *force majeure*.

It is worth mentioning that the subsidiary Impregilo Lidco collected contractual advances in previous financial years, which, at the reference date of this Report, amounted to €183.2 million.

Moreover, any expense that may arise in this regard - consistent with force-majeure contractual terms, as also determined by the counsel that is assisting the subsidiary - would be covered by clients, and, in this context no significant risks are deemed to exist for the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed against the clients contractually or otherwise.

Currently, also in view of the recent unrest in various areas of the country during the period under review, the social and political situation in the country remains extremely complex and marked by critical conditions.

Salini Impregilo continues to monitor very closely the country's situation, which is still uncertain. It cannot be ruled out that, after the reporting date of this Annual Report, events may occur that are unforeseeable at present and liable of resulting in changes to the assessments made to date.

Venezuela

The Salini Impregilo Group has been active in Venezuela through a permanent establishment that, directly or in association with international partners, carried out several railway and hydroelectric projects, with a consolidated presence in the country over more than 30 years.

In recent years, relationships with clients, all government entities, were generally characterized by delays in payments. These have become more acute in the last financial year, following the rapid decrease in the price of oil, which is main source of hard currency for Venezuela, and social tensions that have intensified as a result of lack of staple foods and drugs.

With respect to railway works, particularly for the P. Cabello-La Encrucijada project, the last collection recorded were those of January 2015 for hard currency, whereas local currency collections occurred in line with the contractual schedule. We would also like to stress that in 2015, however, approximately 70% of IPC in local currency was collected, as a testament to the client's interest in continuing the works.

Despite collection difficulties and the presence of many other issues, such as the lack of raw materials, linked to the complicated political-economical conjuncture that the country is experiencing, works continued in line with budget forecasts during the year.

Considering that the country's situation has been constantly deteriorating, despite the efforts and the costs incurred to maintain the desired production speed, there is the possibility that the latter may be negatively impacted by the events of future months, such as the early end of the Government's mandate.

With respect to hydroelectric works executed through the OIV Tocoma Consortium, instead, the Client requested work to be rescheduled, with the expected commissioning of the first turbine by end 2016. This proposal was agreed by the Client who, also in light of legitimate requests for payment of the certified debt and the identification of the future financial resources needed to ensure normal performance of the remaining work, proceeded to both the recovery of payments in favor of the consortium and the signing of a new addendum to the contract under which the work to be completed and the related outlays have been rescheduled. During the year, the Client Corpoelec made payments for over US$ 242 million, apart from approximately Bolivares 2.8 billion.

Despite the commitments undertaken by the parties with the aforementioned Addendum, works slowed down in the later part of 2015 as a result of delays in the latest payments (about US$ 80 million and Bolivares 1.2 billion scheduled for the last quarter of 2015). However, in October last year, the important milestone of the filling of the dam's reservoir to the planned level was reached in line with the works schedule.

The projects that are being developed by the Salini Impregilo Group are priority infrastructures of the utmost importance, both in economic-industrial and social terms.

With this in mind and based on a constant and careful monitoring of the situation in the country, carried out together with the Group's partners and through discussions with clients and local government authorities with the aim of defending and protecting the positions of the Impregilo Group, no specific issues are apparent at this stage with regard to the realizable value of the Group's net assets.

However, in view of the delicate and complex uncertainty situation that developed at political level, the possibility that events not foreseeable at the reporting date may arise in the future requiring changes to the assessments made to date.

Nigeria

The stalemate situation in the country's infrastructure development process is ongoing, as a result of reduced tax collections from the extraction and sale of crude oil, of which Nigeria is one of the major producers. Even if after elections held in March 2015 the new Federal Government kick-started its administrative activity following a second half-year in 2015 characterized by reduced incisiveness, the country's limited financial means do not support a rapid recovery of construction sector activities. The works for existing projects are almost on stand-by for the entire Nigerian territory. Even if the Federal Government is showing some interest in the Adiyan and Isex contracts, which are projects of the highest priority, for which a slow restart of activities is hoped for in 2016, given the current trend and estimates for the price of a barrel of crude, the short-term restart of production activities for contracts of the Salini Impregilo Group's subsidiaries cannot be anticipated.

However, in view of the delicate and complex uncertainty situation that developed at political level, the possibility that events not foreseeable at the reporting date may arise in the future requiring changes to the assessments made to date.

Turkey

Despite internal political tension, geopolitical instability, the serious public order situation of some areas and some macroeconomic-monetary chronic issues, Turkey, with an ongoing robust GNP growth rate, continues to remain an attractive destination for foreign direct investment and a key trade partner for Italy.

The Group is active in Turkey in the construction of the hydroelectric project called CETIN, located near areas that are the theater of internal armed conflict. It should also be noted that, with letter dated March 15, 2016, the Client Statkraft notified the termination of the contract for alleged non-compliance of the contractor (Joint Venture Salini Impregilo - Salini Insaat - NTF), without disclosing that this represents, in the opinion of the joint venture - comforted by its legal counsel - a unilateral decision by Statkraft to withdraw from the contract as a result of the serious public order situation that had emerged in the location where the works are expected to be executed, which is obviously completely unrelated to the contractor. The joint venture, therefore, shall appeal the Client's decision and initiate the contractual procedure for dispute resolution.

As a result, it cannot be ruled out that, after the reporting date of this Annual Financial Report, events may occur that are unforeseeable at present and liable of resulting in changes to the assessments made to date.

Ukraine

The country's political situation continues to be extremely fragile. Ongoing instability determined a strong economic downturn and a progressive deterioration of public finances.

In view of the location of our construction sites near the cities of Poltava, for the Capital Repair M03 Kiyv-Kharkiv-Dovzhanskiy contract, and of Zhytomyr, for the M06 Kiev-Chop Road Rehabilitation contract, which are geographically far from the areas most affected by the current social crisis, no significant impacts were recorded for the safety of production activities. Payment collection is in line with schedule. It should also be stressed that the Company is not exposed to currency devaluation risk, since contractual amounts are expressed in € and US$.
The burden of the conflict and the economic slowdown also negatively impacted the country's public debt, but the Group reasonably believes to be able to assess the profitability of the contracts awarded in Ukraine with a perspective of continuity, while constantly and continuously monitoring the internal developments in the country. However, it cannot exclude that currently unforeseeable events may arise in the future which could require that changes be made to these assessments.

Sustainability Business Model

The Group is committed to creating shared value for all its stakeholders, through the continuous search for excellence for clients, satisfaction for investors, engagement with local communities, development and integrity for its employees and environmental protection. To this end, Group operations are inspired by the principles of sustainable development. Their application to corporate strategies and processes allows the Group to operate and grow in numerous and diversified environments, interpreting and fulfilling the expectations of institutions, clients, local communities, employees and technical and operational counterparties who all have different histories and cultures.

The Group has integrated sustainability principles into its business model, and is committed to pursuing the following priorities:

- ensuring high performance standards to investors, clients, employees and the environment;
- supporting growth in the areas in which it operates, through job creation, professional training, engagement of local suppliers and support to local communities; and
- ensuring transparency towards all stakeholders, through information and engagement programs.

The sustainability model adopted by the Group, moreover, supports the wider management of operational, financial and reputational risks, apart from creating new opportunities and competitive advantage in a market that increasingly focuses on these aspects.

Salini Impregilo has formalized its commitment in a coordinated set of policies, procedures and organizational structures aligned with major international benchmark standards.

Specifically, in January 2015 the Company adopted a new Sustainability Policy, which identified ten principles that enshrine an equal number of commitments by the Group to its stakeholders.

Moreover, Salini Impregilo is a member of the United Nations "Global Compact", a global sustainable development initiative through which the Group undertakes to align its strategies and operations to ten universal principles concerning human rights, work, the environment and the fight against corruption.

The adoption of an integrated quality, health and safety and environmental management system by the Group, as well as the organizational model pursuant to Italian Legislative Decree 231/2001, as well as the Anti-corruption Model, ensures that the Group is equipped with adequate controls for the aforementioned principles.

Since 2014, the Group has voluntarily subscribed to the Carbon Disclosure Project (CDP), the global platform supported by over 800 institutional investors that allows users to measure, compare and share information about the environmental performance (climate change) of over 2,000 companies all over the world.

In 2015, the Group also joined the Italian Climate Disclosure Leadership Index (CDLI), the CPD sustainability index consisting of leading companies in the management of climate change.

At domestic level, Salini Impregilo is a founding member of the Global Compact Network Italy Foundation and collaborates with other member organizations and companies to develop specific projects and initiatives aimed at promoting the priorities set by the Global Compact.

Apart from adopting the aforementioned policies and management systems, Salini Impregilo implements additional sustainability programs based on the specific features of each project. These include eco-design and eco-construction systems currently adopted by the Stavros Niarchos Cultural Centre project in Athens, Greece, aimed at achieving LEED Platinum certification, by the Red Line North project in Doha, Qatar, which adopts the GSAS system for improvement of the sustainability performance of public works, and by the North West Rail Link project in Sidney, Australia, which in 2015 was awarded the "Leading ISCA rating" for the development of sustainability best practices in its design.

The commitment to sustainability, the initiatives implemented and the results achieved in this area are accounted for on an annual basis in the Group’s Sustainability Report, available on the **www.salini-impregilo.com** website.

Salini Impregilo was one of the first European construction companies to prepare an Environmental Report on a voluntary basis, starting from 2002. In the first years of its publication, this report came to be an important reference for the entire sector, since up until then few companies had dealt with the relationship between the environment and the execution of large infrastructural projects in a systematic way. At a later stage, the Group extended its reporting activities to other areas, such as the health and safety of workers, the quality of the structures erected, personnel policies and interactions with local communities.

The 2015 Sustainability Report, which you are invited to read for more in-depth information, has been prepared in accordance with the guidelines of the new Global Reporting Initiative (GRI-G4), the most advanced sustainability reporting standard currently available.

The document complies with the GRI’s Comprehensive option, which guarantees maximum disclosure about the Group’s significant impacts and is independently certified by Reconta Ernst & Young.

Human resources and organization

Employment figures at December 31, 2015, referring to the entire Salini Impregilo Group is shown in the table below:

Total workforce by category

	December 31, 2015	December 31, 2014
Management	287	365
Office workers	6,646	6,865
Construction workers	23,665	26,907
Total	**30,598**	**34,137**

The headcount figures and the overall decrease in the labor count compared to 2014 depends on the physiological temporary imbalance between the site clearance stage of some large projects and the resource mobilization stage for the contracts awarded, apart from the suspension of works on some projects located in geo-politically unstable areas.

Organization

The key elements of the new organizational were finalized in 2015. Specifically, the company undertook activities aimed at completing Corporate organizational structures as well as consolidating the matrix organizational model, with the goal of ensuring full transparency of Company processes through a management system for all corporate functions at all organizational levels and the clear identification of:

- "Business" functions, responsible for conducting the business within the Group's Operating Units (Contracts, Companies and Consortia);
- "Competence" or guidance functions responsible for providing guidelines, control and specialist support for the management of business activities.

The Company also completed the optimization and finalization of its procedural framework, whose key elements had already been defined during 2014, to bring it closer into line with the Company's new organizational structure and the consequent evolution of the process model.

Specifically, through this activity, it verified existing procedures with respect to both the ongoing optimization of company processes, in dialogue with the organizational units concerned, and the compliance of some of these units with Italian Law 262/05. This activity included creating the framework for the future implementation of new policies, operating procedures and operating manuals, in line with the organizational structured defined, the developments of business and organizational competencies model as well as legal compliance requirements.

Moreover, to facilitate the dissemination and understanding of the new procedural and organizational structure, development work on a number of video tutorials on an e-learning platform that will explain the main company processes in simple language was started.

Training

Learning Academy

The Salini Impregilo Learning Academy was established in 2015 with the launch of the international training program on Administration, Finance and Control for Non-Financial and Financial Managers.
The Learning Academy promotes a model and information system that leverages company know-how and promotes its acquisition. The Academy's programs and training initiatives contribute to the professional specialization and managerial development of individuals, promoting the acquisition of core competencies and knowledge transfer.
The Administration, Finance and Control international training program involved approximately 200 managers

of the company, with the objective of sharing the Group's finance and industrial accounting program, providing tools to enable them to proactively contribute to corporate dynamics.
The project, which consisted of 8 international session for a total of 1,916 training hours, was developed by promoting internal competencies: course design and training, as a matter of fact, were entrusted to internal trainers, in order to leverage their expertise.
At the same time, technical and institutional training programs were implemented in 2015.

Attraction and development of talent

"Tomorrow's Builders": The BUILD UP development program for 100 young engineers

The BUILD UP development program, especially designed for the "100 Young Engineers - Tomorrow's Builders" project started in March 2015, reached its end phase.

The course is aimed at accelerating organizational and professional training for young engineers through inter-functional rotation secondments at projects, on-the-job training, a dedicated on-line development program and an assessment and monitoring process, in order to help the acquisition of the skill set required to cover key posts within the company in future.

During the program, over 100,000 hours of on-the-job training and tutoring, and over 1,000 hours of e-learning training were delivered.

The technical aspects of managing complex projects and the value of teamwork are the drivers of the Project Management course taken by young engineers at the end of the first year of their training and development course.

The Employer Branding plan and recruiting and university career counselling activities

An extensive employer branding and talent attraction plan in the most important Italian and international universities was implemented in 2015, specifically in some of the key Countries where the Group operates.
The activities, aimed at selecting talent and providing career counselling and tutoring with respect to career opportunities in the construction sector, were successfully implemented thanks to strategic agreements with the most important universities at national and international level and by leveraging engagement opportunities such as career fairs, recruiting days, themed workshops in university faculties, presentations and site visits.
In this respect, the partnership with BEST (Board of European Students of Technology), the main European association of engineering students, was signed in 2015. Through it, several recruiting and tutoring initiatives were organized, such as the Salini Impregilo day at the Istanbul Technical University, held in November 2015.
Nowadays, the ability to attract junior talent is measured primarily on social and digital channels. For this reason, Salini Impregilo became part of Employerland, the virtual city in which students and young graduates can meet companies and understand their offering through innovative on-line gamification processes and tools.

"Master in International Construction Management"

The Company continued its work with Milan Polytechnic, a leading university partner, on dedicated training and internship activities for young talents with level I and level II master degrees in "International Construction Management".

The Master is aimed at Italian and International students and young graduates with a degree in Civil, Mechanical, Environmental, Building and Architectural Engineering and designed to train professionals with specific competencies for the management and site management processes of large-scale international infrastructure projects.

Salini Impregilo Best New Entry amongst Best Employers of Choice 2016

Salini Impregilo entered the "Top 20" of the "Best Employer of Choice" list (the list of the most desirable employers in Italy that Cesop Communication has compiled since 2002) and won the "Best New Entry 2016" award, with an overall ranking of 11 and as the only construction sector company.

Remuneration Policies and Performance Management

"Performance Management" Program

A Performance Management program aimed at a limited number of key employees within the Company was launched in 2015. This represents the first step towards a fully-fledged Performance Management culture in the development of our Company. The program entails an objective-setting stage and a performance-assessment stage at the end of the reference period (end of 2015).

Long Term Incentive Plan - "Salini Impregilo 2015 Performance Shares Plan"

In 2015, a Long Term Incentive Plan (LTI) called "Salini Impregilo 2015 Performance Shares Plan" was introduced, dedicated to Key Management Personnel and other directors with functions relevant to the achievement of corporate objectives.
The LTI was developed in order to (i) focus the attention of beneficiaries on strategic interest factors, (ii) improve their retention, (iii) align remuneration to value creation for Shareholders in the medium to long term and (iv) guarantee an overall competitive remuneration level.
The long-term variable component, which is of mixed (cash and shares) type, accrues and is issued in one installment at the end of the plan's time horizon.
Such component is linked to the achievement of set Group targets that are aligned with those envisaged by the Business Plan. The award thereof is approved by the Board of Directors, on proposal of the Compensation and Nominating Committee, subject to verification that the minimum performance level has been attained.

Short Term Incentive Plan for Key Management Personnel

As in 2014, a short term incentive plan for Key Management Personnel was implemented also in 2015. The plan, as detailed in the 2015 Remuneration Report, entails the payment of a bonus on the basis of the achievement of annual targets measured at Group, Business Unit and Individual level.

Integration of offices

As part of the integration process of the Milan and Rome offices, the Company, with the aim of pursuing process and Corporate procedure efficiency objectives, cost optimization for the Group as a whole and a suitable, targeted remix of the professional profiles available in the company population, initiated discussions with the trade unions and company union representatives resulting, on July 7, 2015, in a memorandum which was signed with Group Companies that established the implementation of a shared plan enabling the achievement of corporate objectives and entailing some of the accompanying measures for the aforementioned company activities.

News concerning trade union aspects at the national level

Remuneration increases in the national collective bargaining agreement for employees of construction and related companies of July 1, 2014

As part of the changes introduced by the National Collective Bargaining Agreement, a salary increase of €25 gross per month with parameter 100 was introduced with effect from July 1, 2015.

In addition, the company paid a monthly contribution to PREVEDI of €8 with parameter 100 to all employees with effect from January 1, 2015.

Contribution rates - National Collective Bargaining Agreement for Senior Managers of December 30, 2014

The renewal of the above National Agreement introduced an increase, with effect from January 1, 2015, in the contribution rates due to FASI by companies and senior managers.

Trade union relations

Election of the company union representatives for the Rome office
In February 2015, elections for the appointment of Company Union Representatives of Salini Impregilo S.p.A., Todini Costruzioni Generali S.p.A., Co.Ge.Ma. S.p.A. at the Rome operational headquarters were held. The Group initiated talks with the thus elected representatives in order to pave the way for positive and correct trade union relations.

FISIA Italimpianti S.p.A.
In order to restructure corporate activities based on a partial demerger of the Company and concurrent creation of a new limited liability company 100% owned by Salini Impregilo S.p.A., Fisia Italimpianti started and successfully concluded the trade-union consultation procedure pursuant to Article 47, Italian Law 428/90, with the signature of an agreement on April 8, 2015.

Metro Blu S.c.a.r.l.
As a result of the gradual completion of the mechanized excavation and related lining of the two tunnels of the "Stazione di Linate" - "Stazione di Forlanini F.S." section, the Company signed agreements with the trade unions entailing the reduction of excess staff and alternative personnel management methods in view of the restart of the works.

Quality, safety and the environment

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

In December 2015, ISO 9001, ISO 14001 and OHSAS 18001 certifications were successfully renewed on the basis of the results of the audit performed by the Independent Body SGS Italia S.p.A..

The Salini Impregilo Group plays an important social and economical role in the markets in which it operates, contributing to local economic development with investments in health, safety and sustainability, as well as supporting local communities and has adopted a Quality, Health and Safety and Environmental Management System as a guarantee to all Stakeholders (shareholders, employees, clients, suppliers, local communities, public administration, etc.) to deliver increasingly efficient and effective performance.

Adoption of the QES Management System has assisted the Group to meet the objectives set out in its QES policy, specifically:

- maintaining the quality of products and services, through respect for the environment and the health and safety of workers in all workplaces and labor sectors. This commitment also extends to third party companies and subcontractors;

- the availability of resources (human, technological, financial) necessary for the development and implementation of the Quality, Health and Safety and Environmental Management System;

- the performance of work based on the latest construction technologies available in the industry and the fundamental concept of building “to best industry standards”, the use of processes, technologies and materials that allow the rational and sustainable use of natural resources (e.g. water, energy and raw materials);

- the involvement and active participation of all staff working for the Company or on its behalf, through information, education and training, for proper dissemination and understanding of the principles expressed on the issues of quality management, environmental respect and protection, the health and safety of workers, with the commitment to continual improvement;

- compliance with the applicable legal provisions and any other regulations which might be adopted, with the application of more stringent standards wherever possible;

- continuous dialogue with clients and their representatives throughout the technical and administrative process of delivering services and the performance of works, the involvement of Interested Parties in analysis of the environmental performance of the Company through the opening of channels of communication concerning sustainable development, the promotion of all initiatives with Employees, Clients, Suppliers, Authorities and Interested Parties designed to achieve the highest levels of health and safety protection;

- the identification and assessment of risks to the health and safety of workers caused by their activities;

- the identification and assessment of the environmental aspects of the Group’s activities and the identification of those aspects that have or could have a significant impact on the environment;

- effective waste management through the re-use of products and materials where possible, and the use of products with low environmental impact;

- the identification of all technical and organizational measures useful to eliminate the possibility of pollution, through the careful analysis of the risk of spillage, uncontrolled release into soil/water/air;

- the prevention of occupational diseases and the elimination or reduction of accidents in the workplace for employees, service providers and subcontractors, based on the principle that all accidents are preventable.

The issue of new editions of the ISO 9001 and 14001 (2015 version) standards introduced, among the most significant developments, the so-called “risk-based approach” in Management Systems. The adjustment process for QES System shall be defined in 2016 (alignment to new standards must be completed by September 2018).

For the correct application of the QES management system, the Group appointed a Management Representative who, assisted by the Quality, Environment and Safety Organizational Unit and top management, is responsible for:

- updating personnel and the entire organization about management’s commitments taken on with the “Quality, Environment and Safety Policy”, also by using the “@work” portal;

- scheduling regular internal audits to check the organization’s working;

- proposing possible changes to the policies aimed at improving the group’s performance to senior management.

In the reporting year, the QHSE Function conducted a series of audits according to the annual plan of the Function, with the aim of verifying effective application of QES systems in contracts. The interventions were carried out mainly on contracts in full operation, and less so on those starting up (where, nevertheless, interventions were made, taking part in the deployment program) or under completion.

9 audits in total were carried out on various contracts.

Support to branch offices was provided through medium/long-term missions (aimed at achieving specific objectives), both based on planning of the QHSE Function and upon direct request of the branches.

Environmental protection

Protecting the environment has always been a priority for the Group, formalized since 2002 - among the first companies in Europe - in a specific Environmental Policy. Since then, the Group has implemented in all its operating companies an environmental management system certified to the ISO 14001 standard and able to ensure that environmental impacts are adequately identified and mitigated, in response to legislative requirements, contractual requirements and the expectations of the communities affected by our projects.

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

- its strategic priority;

- ongoing improvement in performance and conduct;

- additional information and training for employees;

- the assessment and prior limitation of the effects of its operations on the environment;

- research and development, to identify increasingly sustainable techniques;

- dialogue with employees and local communities, to jointly resolve any contingent environmental issues;

- commitment to involving clients, suppliers and subcontractors in a more correct and evolved environmental management of their products and services.

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

- ongoing improvement of environmental performances;

- utilization of an internal organization to circulate and promote the system’s guidelines and instructions with all group companies and in building sites, ensuring their correct application;

- developing the capacity to identify and monitor key environmental aspects of its core business, including by setting up special data bases;

- the faster use of the results of technological research, encouraging adoption of increasingly efficient solutions to recycle materials, contain the movement and consumption of raw materials and energy, protect water resources and reduce waste and the clean-up of sites after work.

Large civil engineering projects have, by their very nature, very strong interrelationships with the anthropic and environmental environments in which they are implemented, modifying them to make them accessible (as in the case of transport infrastructures), to increase their economic potential (as in the case of dams for irrigation or energy) or to improve public utility services (as in the case of hydraulic engineering works).

The Salini Impregilo Group is committed to providing the highest level of environmental protection in all stages of their construction works: from design to the construction phase, until clearing of the work sites and environmental restoration. Adopting the most advanced tools available, the Group evaluates all potential impacts arising from its activities, in order to eliminate or minimize them.

During project implementation, the Salini Impregilo Group adopts specific environmental management plans in accordance with the requirements of ISO 14001, which allow all engineering works which could have effects on the environment to be monitored. The procedures of the environmental management system are applied in all our contracts and are constantly assessed and monitored, also through direct audits by the QES Organizational Unit.

When a new contract is started and based on the work to be carried out, the group identifies significant environmental aspects, i.e., those aspects that could significantly impact the environment. Their identification and subsequent assessment take place using specific procedures designed by the Health, Quality, Environment and Safety Unit of Salini Impregilo, applicable to all contracts.

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

- the existence of specific regulatory requirements;

- the probability that the event will occur;

- the seriousness for the environment;

- how long the impact will last;

- how difficult it will be to restore the original situation;

- the effects on the group's reputation.

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

- atmosphere;

- natural resources and energy consumption;

- surface and underground watercourses;

- soil and subsoil;

- waste generation;

- noise and vibrations;

- biodiversity;

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

Following the significance analysis, an Environmental Protection Plan will be prepared for each contract, describing the management and monitoring activities (Environmental Control Plans) for all the environmental components involved.

Atmosphere

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

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

To reduce emissions of combustion gases and particulates low-impact methods are used: performing regular maintenance, periodically renewing plant, machinery and vehicles with more efficient and environmentally friendly models. However, the main opportunities for reducing emissions derive from the connection of the plant and installations of the Group to local power networks, reducing, where possible, the use of diesel generators. For this reason, Salini Impregilo carefully assesses the possibility and means of connecting their sites to existing electrical networks.

Natural resources and energy

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

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

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

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

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

Water environment

The effects of construction of a large-scale work on surface or underground watercourses are never insignificant. The impact varies depending on the type of work. Construction of a bridge or a dam inevitably leads to interference of watercourses. In these cases, Salini Impregilo implements procedures to limit any impacts on water quality as much as possible.

Tunnel boring also unavoidably leads to interference of underground watercourses. This is normal in all tunnel work but may become a critical issue if there are large waterbeds. Salini Impregilo adopts the necessary techniques to prevent any type of contamination.

To prevent contamination, wastewater is properly channeled and collected in leak-proof sedimentation tanks and treatment plants, where sediment and oily residues are removed. Prior to their release into the environment, the Group closely monitors the quantity and quality of its water discharges, to ensure compliance with local laws.

Even the water from underground excavations is collected and treated in treatment plants constructed at the entrance to the excavation windows, in order to eliminate any trace of pollutants or suspended matter before the water is returned to the environment.

Soil and subsoil

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

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

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

The excavated earth and rock are classified and stored on the sites for possible re-use within them, where possible and in compliance with the regulations, or sold to third parties to be re-used externally.

Waste

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

Salini Impregilo avails of the services of local authorized companies for the collection, recycling and disposal of this type of waste.

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

On industrial sites, waste materials are collected and sorted, and stored in specific enclosed areas, from which they are then taken to be reused or to be sold to third parties authorized to carry out disposal and treatment of waste.

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

Hazardous waste is a marginal part of the waste generated in a large-scale infrastructure contract. Normally it involves paint, additives and solvents, used oil and oil filters from vehicle maintenance, batteries, rechargeable batteries and, in some cases, earth, mud and other materials containing hazardous substances.

Impregilo transfers its hazardous waste to authorized third parties.

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

Noise and vibrations

The aspects relating to noise and vibration have a double significance for the Group: internally, in terms of the health of workers, and externally, in terms of impacts on the environment and local communities.

Within its management system, there are specific procedures to evaluate and monitor these aspects, adopting the most appropriate measures to ensure protection of the health and safety of workers (use of personal protection equipment, soundproofing, etc.) and of the surrounding environment.

With regard to the effects on the environment surrounding the sites, the areas most subject to noise interference are protected by noise barriers, which can be artificial dunes made of backfill material or support structures and absorption panels made of various materials. The noise barriers could also be one or more rows of trees or shrubs which both absorb the noise and reduce the visual impact.

Vibration is also a feature of work on civil engineering sites. The effects of pressure waves that propagate in the soil can cause damage to buildings or other structures located in the vicinity of the works. During the works, periodic monitoring of both noise and vibration is carried out.

Biodiversity

The performance of infrastructure projects requires the implementation of special protection measures when the sites are adjacent to or within sites of special natural interest, so that construction activities interfere as little as possible with the fauna and flora present. In these situations, the Group commits to preserving and protecting the biological diversity of the areas surrounding its operating sites.

Employee health and safety

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

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

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

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

Salini Impregilo complies with prevailing regulations in each country in which it operates and guarantees high standards of health and safety in the workplace. All internal departments are required to contribute to ensuring the correct implementation of the management system, pursuant to the relevant regulations and the organizational, management and control model as per Italian Legislative Decree no. 231/2001.

Operational control of the management system is implemented through a specific procedure, which requires that, at each Group office and site, safety risks and emergencies are properly identified and managed, preventive and protective measures are defined, responsible corporate functions are identified. The basic documentation required to operate the system is as follows:

- Risk assessment documents (RAD);
- Operational Safety Plans (OSP);
- Emergency and evacuation plans;
- Fire prevention and control plans;
- First aid plans.

To ensure the coherence, uniformity and rigor of the documentation prepared by the individual sites, the Group has established guidelines and principles to be adopted in the preparation of the OSP, which must take into account the characteristics of the work, the specific processes, particular performance risks, the contractual specifications and local regulations.

The head office Quality, Environment and Safety Unit carries out periodic audits on specific safety procedures used at Group sites and evaluates the application of corporate rules concerning health and safety in the workplace.

Safety numbers

With respect to accident figures, it should be pointed out that the data analyzed also refers to the consolidated entity Salini Impregilo for the period prior to the date of the merger (January 1, 2014). The table summarizes data and key indicators for the past four years in a single statement, considering both employee and subcontractor data.

Indicator / Year	2012 *	2013 *	2014 *	2015 *
Total Man Hours worked	100,345,570	114,774,287	137,218,465	141,745,857
LTI (Lost Time Injuries) > 3 days lost	839	612	580	520
Number of Lost Workdays > 3 days	15,569	16,096	10,371	12.923
IR - Total Workforce Injury Rate (ILO) = ((LTI>3 days) / Hours Worked) X 200,000	1.71	1.09	0.86	0.74
LDR - Total Workforce Lost Day Rate (ILO) = (LWD >3 days / Hours Worked)X 200,000	31.03	28.05	15.12	18.23

* Note: Comparison data (for 2012, 2013, 2014) were reprocessed, compared to those published in the Annual Report at December 31, 2014, in order to align them with those published in the 2014 Sustainability Report with respect to scope and calculation method.

The analysis of the figures shows an ongoing declining trend in the Severity Rate, whereas the LTRIF frequency index, after reaching a peak 2012, continued to decrease, returning to previous levels.

Events occurring after the end of 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 the Annual Financial Report of the Salini Impregilo Group as at December 31, 2015.

Lane Industries Incorporated

The acquisition of a 100% equity investment in Lane Industries Incorporated was finalized on January 4, 2016.

The value of the transaction is of approximately US$ 460 million. Salini Impregilo funded the operation through a bridge loan of €400 million with maturity at May 2017, granted by 5 premier international banks.

Lane is the biggest builder of freeways and the largest private asphalt manufacturer in the United States. It is a private company with a history spanning over 100 years, specialized in civil and transport infrastructure, with a turnover of approximately US$1.5 billion, 53 active projects in over 20 States of the United States and around 5,000 employees.

The company operates in three segments: asphalt manufacturing, road and other infrastructural projects on the US and international market. Thanks to its impressive track record, technical expertise and strategic location for the manufacturing of materials, Lane takes part in some of the largest and most complex projects in the United States, such as the construction of a freeway in Florida, the I-4 Ultimate, a US$2.3 billion contract of which Lane has a 30% share.

The acquisition of Lane is another step undertaken by the Group to foster its development in the US infrastructure sector. The USA construction sector will become a core market for Salini Impregilo, with a share of approx. 21% of total revenues.

With Lane, Salini Impregilo will be able to tender for and participate in a larger number of projects. It is estimated that the US transport infrastructure market may grow at higher rate than GNP thanks to economic recovery, demographic growth and the demand for maintenance of existing infrastructure after years of underinvestment. Lane's presence in the Group will open up significant commercial development opportunities, increasing portfolio diversification and exposure to advanced and developing markets. To this end, it should be notated that, in March 2016, the Purple Line Transit Partners Consortium, which includes Lane Construction, was selected as best bidder for the design and development of the Purple Line, railway line, a project worth two billion dollar. The works entail the development of 21 stations along a 16-mile line that will cross Montgomery and Prince George counties in the State of Maryland. The consortium, in which Lane has a 30% share (for a pro quota amount of US$600 million dollars) and that includes Fluor Enterprises Inc. and Traylor Bros Inc., will start construction work by the end of 2016. The project is expected to finish in 2022.

Verona-Padua High Speed/Capacity Railway Line Project

With notice of January 28, 2016, the Shareholder Ansaldo STS S.p.A. informed consortium partners about its intention to transfer its entire stake in the Iricav Due Consortium to Salini Impregilo S.p.A. and Astaldi S.p.A..

However, the transaction, which will enable Salini Impregilo to increase its stake in the initiative by 8.12%, is subject to the positive opinion of the Consortium's Shareholders' Meeting and the issue to the required authorization by the contracting authority R.F.I. S.p.A., without prejudice to the preemptive right of other Consortium partners, at the same conditions and proportionally to their respective, current stake.

Contribution of Todini Costruzioni Generali S.p.A. Business Unit

February 3, 2016, saw the end of the consultation pursuant to Article 47 of Italian Law 428/90 and subsequent amendments and additions, which had been started with Company letter of January 27, 2016, through which trade unions were informed about the impending transaction for the contribution of a Business Unit from the transferor Todini Costruzioni Generali S.p.A. to the transferee subsidiary HCE Costruzioni S.p.A.. The transaction must be considered in the wider context of the transfer of Todini's shares in favor of the company Prime System KZ Ltd. already discussed in the previous paragraph "Introductory remarks on data compatibility".

S7 Expressway - Poland

On January 20, 2016, the Salini Impregilo Group won a €117 million contract for building a section of the S7 Expressway, south of Krakow, near the Slovakian border.

The works, which shall last 22 months in total, include approx. 6 km of fully asphalted road, 2 junctions with roundabouts and 21 works of art, including: a bridge (992 m long) and a viaduct with multiple spans (400 m long). The Client is the Polish General Directorate for National Roads and Highways (GDDKiA).

The contact increases the value of the Salini Impregilo order book in the country to over 650 million euros and consolidates the Group's leadership in the infrastructure sector, with projects in progress for S3 Nowa Sol - Legnica, S8 Warsaw Ring Road, S7 Checiny - Jedrzejow, as well as A1 lot F near Katowice.

Business outlook
for the current year

2015 consolidated an ongoing growth trend despite a complex scenario in the Group's reference markets, characterized by numerous macro-economic and political uncertainty issues described in the previous pages.

The Salini Impregilo Group faces 2016 with an excellent order book, both in terms of quantity and quality, and on the strength of its confirmed leadership in the water sector and its ability to successfully complete particularly complex infrastructure works. These factors, combined with its balanced asset and financial structure, are important growth and development factors.

Additionally, the acquisition of Lane confirms the Group's business model, as it represents a new basis for development in more stable territories and contributing to the growth in markets with a lower risk profile.

The above will set the foundations for the development of the new 2016-2019 Business Plan, which shall be presented in the near future and will be characterized by a shift towards lower a risk profile for operations, with a long-term strategic vision aimed at increasingly diversified geographical presence in more stable markets and the optimization of margins and cashflows.

Report on corporate governance and the ownership structure

The Corporate Governance model adopted by the company complies with the principles enshrined in the "Corporate Governance Code for Listed Companies" approved by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria. For further details about the Corporate Governance System, pursuant to Article 123-bis of the Italian Consolidated Finance Law (Italian Financial Decree no. 58, of February 24, 1998, and subsequent amendments), see the Report on corporate governance and the ownership structure, published on the Company's website under the Governance section (**www.salini-impregilo.com**).

Alternative performance indicators

As required by Consob Communication No. 6064293 of July 28, 2006, information about the composition of the performance indicators used in this document and in the corporate communications of the Salini Impregilo Group is provided below.

Financial ratios

Debt/Equity ratio: This indicator corresponds to the ratio of net financial indebtedness as the numerator (with a negative sign signifying net debt) to shareholders' equity as the denominator. The items that comprise the financial position are highlighted in the dedicated section in the Notes to the Financial Statements. The shareholders' equity items are those included in the relevant section of the consolidated statement of financial position. On a consolidated basis, the shareholders' equity used for this ratio includes the amount attributable to minority interests.

Performance indicators

1. **EBITDA or Gross operating profit:** This indicators is the algebraic sum of the following items included in the income statement for the period:

   a. Total revenue.

   b. Total costs, except for depreciation and amortization.

This indicator can also be shown in percentage form, as the ratio of EBITDA to Total revenue.

2. **EBIT or Operating Profit:** This indicator corresponds to the operating profit shown in the income statement and is equal to the algebraic sum of Total revenue and Total costs.

3. **Return on sales o R.o.S.**: Stated as a percentage, shows the ratio of EBIT, calculated in the manner described above, to Total revenue.

Other information

Compliance with the requirements of Article 36 of the Market Regulations

Salini Impregilo confirms that it is in compliance with the requirements of Article 36 of Consob Regulation No. 16191 (the "Market Regulations"), based on the procedures adopted before the above-mentioned regulations went into effect and the availability of the related information.

Research and development activities

In accordance with the requirements of Article 2428 of the Italian Civil Code, the Company discloses that it did not carry out any research and development activities in 2015.

Share buy-back

The share buy-back program, approved by the Ordinary Shareholders' Meeting of Salini Impregilo on September 19, 2014, was launched on October 6, 2014. At the date of preparation of this Annual Report, a total of 3,104,377 shares had been purchased, for a total amount of €7,676,914.46.

Related Parties

The description of Related party transactions is reported in Note 38 to the Consolidated Financial Statements and Note 34 to the Financial Statements, to which we refer.

Proposal by the Board of Directors to the Shareholders of Salini Impregilo S.p.A.

Dear Shareholders,

The financial statements of Salini Impregilo S.p.A. at December 31, 2015 prepared for your approval, show a profit for the year of €35,730,601.57, which we propose be allocated as follows:

- €1,786,530.08, equal to 5% of the profit for the year, to the Legal Reserve;
- €19,562,732.56 as a dividend to the holders of ordinary shares, equal to €0.04 per share;
- €420,027.66 as a dividend to the holders of savings shares, in line with applicable Bylaws, equal to €0.26 per share, as per article 33.b) of the company Bylaws;
- €13,961,311.27 to be carried forward.

In view of the calendar approved by Borsa Italiana S.p.A., we suggest that the aforementioned dividends should paid out on May 25, 2016, with May 23, 2016 as coupon date (record date May 24, 2016).

On behalf of the Board of Directors

The Chairman

Consolidated financial statements as at and for the year ended 31 December 2015

Consolidated financial statements as at and for the year ended 31 December 2015 Statement of financial position

ASSETS (€'000)	**Note**	**31 December 2015**	of which: related parties	**31 December 2014**	of which: related parties
Non-current assets					
Property, plant and equipment	7	594,365		567,919	
Intangible assets	8	193,821		160,014	
Equity investments	9	131,254		104,422	
Non-current financial assets	10	67,832	19,986	89,124	15,657
Deferred tax assets	11	64,064		138,402	
Total non-current assets		**1,051,336**		**1,059,881**	
Current assets					
Inventories	12	268,073		262,740	
Contract work in progress	13	1,775,791		1,252,769	
Trade receivables	14	1,560,684	180,586	1,680,303	259,714
Derivatives and other current financial assets	15	312,104	162,463	156,908	105,284
Current tax assets	16	114,577		95,477	
Other current tax assets	16	142,652		96,489	
Other current assets	17	518,642	33,882	689,997	103,544
Cash and cash equivalents	18	1,410,775		1,030,925	
Total current assets		**6,103,298**		**5,265,608**	
Non-current assets held for sale and discontinued operations	19	147,606		344,154	
Total assets		**7,302,240**		**6,669,643**	

EQUITY AND LIABILITIES (€'000)	**Note**	**31 December 2015**	of which: related parties	**31 December 2014**	of which: related parties
Equity					
Share capital		544,740		544,740	
Share premium reserve		120,798		120,798	
Other reserves		90,163		88,489	
Other comprehensive income (expense)		(24,552)		12,115	
Retained earnings		324,259		249,988	
Profit for the year		60,592		93,773	
Equity attributable to the owners of the parent		**1,116,000**		**1,109,903**	
Non-controlling interests		100,860		76,513	
Total equity	**20**	**1,216,860**		**1,186,416**	
Non-current liabilities					
Bank and other loans	21	745,554		456,209	
Bonds	22	396,211		394,326	
Finance lease liabilities	23	79,789		102,310	
Non-current derivatives	24	4,113		4,951	
Post-employment benefits and employee benefits	25	25,412		23,320	
Deferred tax liabilities	11	55,857		80,435	
Provisions for risks	26	106,361		97,527	
Total non-current liabilities		**1,413,297**		**1,159,078**	
Current liabilities					
Current portion of bank loans and current account facilities	21	538,802	9,825	247,522	5,795
Current portion of bonds	22	10,203		166,292	
Current portion of finance lease liabilities	23	49,617		60,231	
Derivatives and other current financial liabilities	24	10,685		293	
Progress payments and advances on contract work in progress	27	1,862,759		1,725,884	
Trade payables	28	1,630,437	128,757	1,426,743	153,924
Current tax liabilities	29	68,273		47,484	
Other current tax liabilities	29	61,097		53,751	
Other current liabilities	30	334,198	13,061	335,918	30,334
Total current liabilities		**4,566,071**		**4,064,118**	
Liabilities directly associated with non-current assets held for sale and discontinued operations	19	106,012		260,031	
Total equity and liabilities		**7,302,240**		**6,669,643**	

Income statement

(€'000)	Note	2015	of which: related parties	2014 (*)	of which: related parties
Revenue					
Revenue	33	4,595,483	480,018	4,136,361	246,078
Other income	33	143,393	21,991	105,119	13,415
Total revenue		**4,738,876**		**4,241,480**	
Costs					
Purchases	34.1	(814,368)		(650,908)	(7)
Subcontracts	34.2	(1,219,834)	(811)	(1,429,610)	
Services	34.3	(1,496,415)	(478,020)	(1,085,181)	(354,978)
Personnel expenses	34.4	(537,553)		(511,605)	
Other operating expenses	34.5	(161,412)	(19)	(133,894)	(11)
Amortisation, depreciation, provisions and impairment losses	34.6	(236,638)	(2,133)	(185,327)	(327)
Total costs		**(4,466,220)**		**(3,996,525)**	
Operating profit		**272,656**		**244,955**	
Financing income (costs) and gains (losses) on investments					
Financial income	35.1	34,587	8,729	38,219	9,990
Financial expense	35.2	(107,523)	(189)	(135,630)	(91)
Net exchange rate losses	35.3	(16,675)		(44,343)	
Net financing costs		(89,611)		(141,754)	
Net gains on equity investments	36	336		8,973	
Net financing costs and net gains on equity investments		**(89,275)**		**(132,781)**	
Profit before tax		**183,381**		**112,174**	
Income tax expense	37	(84,577)		(39,607)	
Profit from continuing operations		**98,804**		**72,567**	
Profit (loss) from discontinued operations	19	(16,573)		30,553	
Profit for the year		**82,231**		**103,120**	
Profit for the year attributable to:					
Owners of the parent		60,592		93,773	
Non-controlling interests		21,639		9,347	
Earnings per share					
From continuing and discontinued operations	33				
Basic		0.12		0.2	
Diluted		0.12		0.2	
From continuing operations	33				
Basic		0.16		0.14	
Diluted		0.16		0.14	

(*) The 2014 income statement was restated to comply with IFRS 5 given the new disposal scope of Todini Costruzioni Generali Group.

Statement of comprehensive income

(€'000)	Note	2015	2014 (*)
Profit for the year (a)		**82,231**	**103,120**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Exchange rate gains (losses) on the translation of foreign companies' financial statements	20	(28,339)	17,006
Net losses on cash flow hedges, net of the tax effect	20	(9,830)	(613)
Other comprehensive expense related to equity-accounted investees	20	(15)	(721)
Items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	20	174	**(3,418)**
Other comprehensive income (expense) (b)		**(38,010)**	**12,254**
Comprehensive income (a) + (b)		**44,221**	**115,374**
Comprehensive income attributable to:			
Owners of the parent		23,181	104,785
Non-controlling interests		20,296	10,589

(*) The 2014 statement of comprehensive income was restated to comply with IFRS 5 given the new disposal scope of Todini Costruzioni Generali Group.

Statement of cash flows

(€'000)	Note	2015	2014 (*)
Cash and cash equivalents	18	1,030,925	1,127,276
Current account facilities	21	(27,711)	(126,624)
Total opening cash and cash equivalents		**1,003,214**	**1,000,652**
Operating activities			
Profit from continuing operations		98,803	72,567
Amortisation of intangible assets	34	24,563	29,441
Depreciation of property, plant and equipment	34	189,291	153,456
Net impairment losses and provisions	34	22,784	2,430
Accrual for post-employment benefits and employee benefits	34	15,443	15,561
Net gains (losses) on the sale of assets		819	-
Deferred taxes	37	33,436	12,492
Share of loss of equity-accounted investees	36	(412)	(8,452)
Income taxes		51,141	27,115
Net interest paid during the year		78,153	34,399
Impairment losses on available-for-sale financial assets	36		
Other non-monetary items, including financing costs and exchange rate gains (losses)		14,081	93,418
Cash flows generated by operating activities		**528,102**	**432,427**
Increase in inventories		(407,531)	(116,305)
Decrease in trade receivables		213,505	82,314
Decrease (increase) in intragroup loans and receivables			
Decrease in progress payments and advances from customers		(94,658)	(15,547)
Decrease in trade payables		160,668	(44,090)
(Decrease) increase in intragroup payables			
Decrease (increase) in other assets/liabilities		205,779	(154,617)
Total changes in working capital		**77,763**	**(248,245)**
Decrease (increase) in other items not included in working capital		(90,358)	13,506
Interest expense paid		(64,699)	(9,115)
Income taxes		(24,925)	(51,023)
Cash flows generated by operating activities		**425,883**	**137,550**
Investing activities			
Net investments in intangible assets	8	(62,815)	(36,552)
Acquisitions, net of cash acquired			
Investments in property, plant and equipment	7	(215,386)	(270,236)
Proceeds from the sale or reimbursement value of property, plant and equipment		36,587	23,058
Investments in non-current financial assets and capital transactions	9	(37,412)	(96,459)
Dividends and capital repayments from equity-accounted investees	9	925	549
Proceeds from the sale or reimbursement value of non-current financial assets		(704)	(130)
Cash flows used in investing activities		**(278,805)**	**(379,770)**
Financing activities			

(€'000)	Note	2015	2014 (*)
Share capital increase	20		161,640
Dividends distributed		(22,921)	(420)
Capital injection by non-controlling interests in subsidiaries		11,295	
Repurchase of treasury shares			(7,677)
Assignment of shares under LTI plan		138	
Increase in bank and other loans		1,537,498	529,856
Decrease in bank and other loans		(1,229,818)	(756,445)
Change in other financial assets/liabilities		(353,071)	99,324
Change in consolidation scope		146,701	36,875
Cash flows generated by financing activities		**89,822**	**63,153**
Net cash flows from discontinued operations	**19**	**4,676**	**84,580**
Net exchange rate gains on cash and cash equivalents		**50,370**	**97,049**
Increase in cash and cash equivalents		**291,946**	**2,562**
Cash and cash equivalents	18	1,410,775	1,030,925
Current account facilities	21	(115,615)	(27,711)
Total closing cash and cash equivalents		**1,295,160**	**1,003,214**

(*) The 2014 statement of cash flows was restated to comply with IFRS 5 given the new disposal scope of Todini Costruzioni Generali Group.

Statement of changes in equity

				Other reserves					
(€'000)	**Note**	**Share capital**	**Share premium reserve**	**Legal reserve**	**Share capital increase related charges**	**Extraordinary and other reserves**	**Reserve for treasury shares**	**LTI reserve**	**Total other reserves**
As at 1 January 2014 (*)	**20**	**62,400**	**141,484**	**2,252**		**13,811**			**16,063**
Merger	20	437,600	(141,484)	97,748		(13,675)			84,073
Allocation of profit and reserves	20								
Dividend distribution	20								
Coverage of Todini's losses	20								
Reserve for treasury shares	20						(7,677)		(7,677)
Capital increase	20	44,740	120,798		(3,970)				(3,970)
Other changes and reclassifications	20								
Profit for the year	*20*								
Other comprehensive income	*20*								
Comprehensive income	*20*								
31 December 2014 (*)	**20**	**544,740**	**120,798**	**100,000**	**(3,970)**	**136**	**(7,677)**		**88,489**
As at 1 January 2015 (*)	**20**	**544,740**	**120,798**	**100,000**	**(3,970)**	**136**	**(7,677)**		**88,489**
Allocation of profit and reserves	20			1,535					1,535
Dividend distribution	20								
Change in consolidation scope	20								
Repurchase of treasury shares	20							139	139
Capital increase	20								
Other changes and reclassifications	20								
Dividend distribution to non-controlling interests	20								
Profit for the year	*20*								
Other comprehensive expense	*20*								-
Comprehensive income	*20*								-
31 December 2015	**20**	**544,740**	**120,798**	**101,535**	**(3,970)**	**136**	**(7,677)**	**139**	**90,163**

(*) Data restated to comply with IFRS 10 and IFRS 11 using the same approach as in the 2014 consolidated financial statements.

Other comprehensive income								
Translation reserve	Hedging reserve	Actuarial reserve	Total other comprehensive income (expense)	Retained earnings	Profit for the year	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
826	**2,151**	**(1,874)**	**1,103**	**309,453**	**168,924**	**699,427**	**221,995**	**921,422**
				(206,146)		174,043	(174,043)	
				168,924	(168,924)			
				(420)		(420)		(420)
				(21,823)		(21,823)	17,914	(3,909)
						(7,677)		(7,677)
						161,568		161,568
							59	59
					93,773	*93,773*	*9,347*	*103,120*
14,749	*(164)*	*(3,573)*	*11,012*			*11,012*	*1,242*	*12,254*
14,749	*(164)*	*(3,573)*	*11,012*	*-*	*93,773*	*104,785*	*10,589*	*115,374*
15,575	**1,987**	**(5,447)**	**12,115**	**249,988**	**93,773**	**1,109,903**	**76,514**	**1,186,417**
15,575	**1,987**	**(5,447)**	**12,115**	**249,988**	**93,773**	**1,109,903**	**76,513**	**1,186,416**
				92,238	(93,773)	-		-
				(19,983)		(19,983)		(19,983)
				2,668		2,668	(4,306)	(1,638)
						139		139
							11,295	11,295
				(652)		(652)		(652)
							(2,938)	(2,938)
					60,592	*60,592*	*21,639*	*82,231*
(26,769)	*(10,072)*	*174*	*(36,667)*			*(36,667)*	*(1,343)*	*(38,010)*
(26,769)	*(10,072)*	*174*	*(36,667)*	*-*	*60,592*	*23,925*	*20,296*	*44,221*
(11,194)	**(8,085)**	**(5,273)**	**(24,552)**	**324,259**	**60,592**	**1,116,000**	**100,860**	**1,216,860**

Notes to the consolidated financial statements

1. Basis of preparation

Salini Impregilo S.p.A. (the "parent") has its registered office in Italy. These consolidated financial statements at 31 December 2015 include the financial statements of the parent and its subsidiaries (the "Group"). The Group, created by the merger of the Salini and Impregilo Groups, is a global player in the large-scale infrastructure sector.

Salini Impregilo Group has prepared its consolidated financial statements at 31 December 2015 on a going concern basis. As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The format and content of these 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 consolidated financial statements at 31 December 2015 are consistent with those used to prepare the 2014 annual consolidated financial statements, except for the changes summarised in note 2.

Significant accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgments and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

The significant judgements made to apply the Group's accounting policies and the main sources of uncertainty in the estimates are the same as those applied to prepare the consolidated financial statements at 31 December 2014.

Translation of the assets and liabilities in foreign currency related to Venezuela

At the end of the first half of 2014, the Group had to update the estimates for its industrial operations in Venezuela.

In line with the previous financial reports, made available to the public as required by the current legal provisions, the deterioration in the country's economic conditions seen since early 2014 were such that it became necessary to review the time and financial parameters according to which the Group's net assets can be realised in reference to this area.

However, in light of the current general framework of the local currency/financial market situation, stemming from the conditions of the above-mentioned local economic system, and consistently with the changes to the currency regulations of the country during 2014, the Group considered it reasonable, inter alia, to adopt, with effect from 30 June 2014, a new reference exchange rate for the translation of both the present values of working capital denominated in the Venezuelan currency and the prospective assets/liabilities over the entire estimated life of the railway contract work in progress.

The "*Convenio Cambiario No. 33*" was published with the Extraordinary Official Journal no. 6.171 of 10 February 2015, written jointly by the Venezuelan Ministry of Communal Economy, Finance and Public Bank (MPPEFBP) and the Venezuelan Central Bank (BCV), replacing the SICAD II exchange rate with three different rates:

1) CENCOEX for food staples;

2) SICAD for specific business sectors and public sector entities;

3) SIMADI where currency transactions are based on demand and offer at a variable exchange rate which is published daily.

The Group decided that the SIMADI is the appropriate exchange rate to translate Bolivar balances as it best represents the rate at which future cash flows, expressed in the local currency, may be settled assuming that they are still valid at the measurement date, also considering the possibility to access the local currency market and the Group's need to obtain a currency other than its functional currency.

As a result of adoption of the SIMADI rate in the first half of 2015, the Group recorded a decrease of approximately €4 million in the carrying amount of its assets in local currency. Adoption of SICAD II had a negative effect of €55 million on the Group's income statement for the first half of 2014.

2. Changes in standards

Amendments applicable in 2015

The standards and amendments set out below became applicable from 1 January 2015. The adoption of these new standards, interpretations and amendments did not have significant effects on the Group's consolidated financial statements.

Amendment to IAS 19 - Employee benefits (revised in 2011) - the amendment introduces a simplification whereby employees' or third parties' contributions linked to pension plans may be accounted for as a reduction in service costs in the period in which the service is rendered rather than over the entire vesting period.

Annual improvements to IFRSs - cycle 2010 - 2012 covering IFRS 2 - Share-based payment, IFRS 3 - Business combinations, IFRS 8 - Operating segments, IFRS 13 - Fair value, IAS 16 - Property, plant and equipment, IAS 38 - Intangible assets and IAS 24 - Related party transactions. Issues applicable to the Group included in particular:

- **IFRS 2**: no significant amendments were introduced. Appendix A clarifies the definition of "vesting condition" as "The conditions that determine whether the entity receives the services that entitle the counterparty to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement" and introduces the definitions of a "service condition" and a "performance condition";

- **IFRS 3**: this standard was amended to clarify that the obligation to pay a contingent consideration is part of the definition of a financial instrument and shall be classified as a financial liability or under equity based on the guidance provided in IAS 32. The amendment also clarified that the non-equity contingent consideration liability shall be measured at fair value through profit or loss at each reporting date;

- **IFRS 8**: the amendment contains a requirement to describe the judgements made by management in aggregating operating segments, including the financial indicators that management has assessed to conclude that operating segments have similar economic characteristics. It also requires a reconciliation of the total of the reportable segments' assets to the entity's assets be presented, if that amount is regularly provided to the chief operating decision maker;

- **IFRS 13**: the Basis for Conclusions of IFRS 13 was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts when the time value of money is immaterial;

- **IAS 16 and IAS 38:** these standards were amended to clarify how the historical cost and accumulated amortisation/depreciation of a non-current asset shall be measured when the entity adopts the revalued cost method;

- **IAS 24**: the amendment sets out the disclosure requirements when a third party provides key management personnel services to the reporting entity.

Annual improvements to IFRSs - cycle 2011-2013 related to IFRS 3 - Business combinations, IFRS 13 - Fair value measurement and IAS 40 - Investment property.

- **IFRS 1**: the Basis for Conclusions of IFRS 1 was amended to clarify that when adoption of a revised standard is not yet mandatory, but early adoption is permitted, a first-time adopter may apply the old or new version as long as it applies the same standard to all the periods presented;

- **IFRS 3**: the amendment clarifies that IFRS 3 is not applicable to recognise the accounting effects of the formation of a joint venture or a joint operation (as defined by IFRS 11) in the financial statements of the joint venture or the joint operation;

- **IFRS 13**: the amendment clarifies that the provision of IFRS 13 for the measurement of the fair value of a group of financial assets and liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of IAS 39 (or IFRS 9) regardless of whether they meet the definitions of financial assets or liabilities as per IAS 32;

- **IAS 40**: the amendment clarifies that reference shall be made to IFRS 3 to determine whether the acquisition of investment property is a business combination.

Standards and interpretations issued by the IASB/IFRIC and not yet endorsed

This section sets out information useful to assess the potential impact of applying the new standards and interpretations issued but not yet applicable or not yet endorsed by the EU and, hence, not applicable to the financial statements at 31 December 2015.

Amendment to IAS 1 - Presentation of financial statements - the amendment encourages entities to apply professional judgement in determining what information to disclose in their financial statements and provides additional guidance about how to provide and present such information. It also explicitly requires that the entity's share of other comprehensive income of associates and joint ventures accounted for using the equity method be indicated, including the related amounts that will be or will not be subsequently reclassified to profit or loss.

It also provides new guidance about the general disclosures such as, for example, the systematic presentation of the notes, the accounting policies, etc.

Amendment to IAS 27 "Equity method in separate financial statements" - the amendment allows entities to use the equity method to measure investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendment to IFRS 11 "Accounting for acquisitions of interests in joint operations" - the amendment requires an entity to adopt the principles of IFRS 3 to account for the acquisition of an interest in a joint operation that is a business. This is applicable both to the acquisition of an initial interest and the subsequent acquisitions of additional interests. An entity does not remeasure a previously held interest when the acquisition of an additional interest is made to maintain joint control (i.e., the additional acquisition does not lead to control).

Amendment to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures on sales and contributions of assets between an investor and its associate or joint venture - the amendment establishes that, in the case of a sale of a contribution of a business to its associate or joint venture, the investor shall apply the principles of IFRS 10 and shall recognise the full gain or loss due to the loss of control in its financial statements. This amendment is not applicable if the assets sold or contributed to the associate or joint venture are not a business pursuant to IFRS 3 - Business combinations, and IAS 28 continues to apply.

Amendment to IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets on amortisation, depreciation and impairment losses - the amendment to both standards provides that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. According to the IASB, revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits arising of the asset.

The amendments included in the 2012-2014 cycle include:

IFRS 5 - the amendment clarifies that when an entity reclassifies a non-current asset (or a disposal group) from "held for sale" (IFRS 5.7-9) to "held for distribution" (IFRS 5.12A) or vice versa, this reclassification is not a modification of a sales or distribution plan and shall not be treated as such.

Therefore, a non-current asset (or disposal group) shall not be represented as if it had never been classified as "held for sale" or "held for distribution" simply because there has been a change in the sale/distribution. The amendment also clarifies that the provisions of IFRS 5 about changes to a sales plan are applicable to an asset (or disposal group) that ceases to be "held for distribution" but is not reclassified as "held for sale";

IFRS 7 - Financial instruments on servicing agreements - the amendment clarifies that if an entity transfers a financial asset to third parties and the derecognition conditions of IAS 39 are met, the entity shall disclose its continuing involvement in the transferred asset and explain what is meant by "continuing involvement".

IAS 19 - Employee benefits - the amendment requires that the rate used to discount post-employment benefit obligations be determined by reference to market yields on high quality corporate bonds and, in countries where there is no deep market for HQCB, the market yields for government bonds shall be used.

No new standard or amendment is expected to be effective from 1 January 2017. The standards with an application date after 1 January 2018 (the IASB effective date, which may differ from the EU endorsement date) are set out below:

Standard, amendment or interpretation	Status
IFRS 15 - Revenue from contracts with customers	Endorsement expected by the second quarter of 2016
IFRS 9 - Financial instruments	Endorsement expected by the second quarter of 2016

IFRS 15 - Revenue from contracts with customers replaces IAS 18 - Revenue, IAS 11 - Construction contracts and the interpretations IFRIC 13 - Customer loyalty programmes, IFRIC 15 - Agreements for the construction of real estate, IFRIC 18 - Transfers of assets by customers and SIC 31 - Revenue: Barter transactions involving advertising services. This standard is applicable to all contracts with customers except for those within the scope of IAS 17 - Leases, IFRS 4 - Insurance contracts and IAS 39/IFRS 9 - Financial instruments. The paragraphs of IFRS 15 on the recognition and measurement of revenue introduce a five-step model: i) identify the contract with a customer; ii) identify the performance obligations (distinct elements that are part of a single contract but are separated for accounting purposes) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; v) recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 integrates the financial statements disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 9 - Financial instruments and related amendments - this replaces IAS 39 - Financial instruments and includes a model to measure financial statements based on three categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The standard also introduces a new impairment model which differs from that currently provided for in IAS 39 and is mainly based on expected losses.

The standards with an application date after 1 January 2019 (the IASB effective date, which may differ from the EU endorsement date) are set out below.

Standard, amendment or interpretation	Status
IFRS 16 - Leases	No known date for endorsement

IFRS 16 - Leases - this standard replaces IAS 17 - Leases and the interpretations IFRIC 4 - Determining whether an arrangement contains a lease, SIC 15 - Operating leases - incentives and SIC 27 - Evaluating the substance of transactions in the legal form of a lease. IFRS 16 eliminates the difference between operating and finance leases from the lessee's viewpoint. However, IFRS 16's approach to lessor accounting is substantially unchanged from IAS 17. Leases continue to be recognised as a right-of-use asset with a balancing lease liability. Partial exemption to this rule is allowed only when the lease term is 12 months or less or the underlying asset has a low value (e.g., personal computers).

3. Non-current assets held for sale and discontinued operations

USW Campania

Based on information that came to light in previous years and like in previous financial statements, the Group decided that the conditions for application of IFRS 5 - Non-current assets held for sale and discontinued operations continued to exist. Therefore, it has recognised the USW Campania project net assets and operations separately in the statement of financial position and income statement.

Due to reasons outside the Group's control, the period for completion of the sale has extended beyond the year allowed by IFRS 5. Despite this, its commitment to finalising the sale as described in the Annual 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.

Reference should be made to the section on the "Main risk factors and uncertainties" in the Directors' report for more information.

Todini Group

The Group has presented the figures of Todini Costruzioni Generali ("Todini") as held for sale following expressions of interest shown in this group's operations in Italy and abroad and Salini Impregilo Group's consequent decision to maintain some activities which it had originally planned to sell.

On 31 December 2014, the Todini Group was divided into business units, each with their own assets and liabilities and the specific technical-administrative skills, in line with the expressions of interest received and with the intention of rationalising management of these assets.

As mentioned in the Directors' report, the composition of the various business units is as follows:

Business unit A - Italian operating contracts for which the Group received expressions of interest for their acquisition from third parties. This business unit includes the Metrocampania contracts (Naples Alifana and Secondigliano), the Variante di Valico and Naples Sarno River contracts and the plant and machinery situated at the Lungavilla Depot.

Busines unit B - Foreign business unit for which the Group received expressions of interest for their acquisition from third parties. It includes all the branches in Georgia, Azerbaijan, Belarus and Kazakhstan. It also comprises the carrying amount of the investments in subsidiaries for the contracts of interest, especially the JV Todini Takenaka and Todini Central Asia.

Business unit C - Business unit to be sold to Salini Impregilo which includes the following contracts: Ukraine, Albania, Argentina, Romania, Tunisia, Algeria, Greece, Dubai and Poland and the Cagliari Capo Boi, Roma-Fiumicino, Milan-Lecco, Corso del Popolo, Piscine dello Stato contracts and the outstanding work on smaller contracts nearing completion and the "head office"'s asset and liability balances on transactions with third parties and entities included in this business unit. It also includes the carrying amount of the investments in the subsidiaries Groupment Todini Enaler, Groupment Todini Hamilà, GMTI, Corso del Popolo Engineering Scarl, Corso del Popolo S.p.A., Piscine dello Stadio S.r.l., Piscine dello Stadio Scrl, JV Todini - Akkord - Salini and EURL Todini Algerie.

In accordance with IFRS 5, Business units A and B, which are destined for sale to third parties, have been maintained under "Non-current assets held for sale" and "Profit (loss) from discontinued operations", while Business unit C has been reclassified to continuing operations. For comparative purposes, the income statement figures for 2014 have been reclassified accordingly, as required by IFRS 5.

The following information applies to the business units classified in non-current assets held for sale and discontinued operations sold after the 12 months allowed under IFRS 5:

- the changes in 2014 could not have been foreseen by the Group;
- these changes did not occur as a result of the Group's intentions as they were dependent on factors outside its control; and
- regardless of the above, the Group continues to intend to sell Business units A and B, for which it has received expressions of interest.

In light of all this, the directors have decided to continue to classify Business units A and B according to IFRS 5. Comparative income statement figures have been presented using the same logic.

4. Basis of presentation

The Group's consolidated financial statements include the financial statements of the parent, Salini Impregilo S.p.A., and the Italian and foreign operating companies controlled directly or indirectly by Salini Impregilo S.p.A..

The financial statements at 31 December 2015 approved by the internal bodies of the consolidated companies, where applicable, have been used for consolidation purposes.

The financial statements are prepared by adopting the parent's accounting policies. Where necessary, consolidation adjustments are made to make the items affected by different accounting policies consistent.

A list of the companies and other Salini Impregilo Group entities included in the consolidation scope is set out in the annexes with the schedules showing changes therein during the year.

Consolidated financial statements

The Group opted to present its consolidated financial statements at 31 December 2015 in line with previous years as follows:

- Current and non-current assets and current and non-current liabilities are presented separately in the statement of financial position. Current assets and liabilities are those expected to be realised, sold, used or settled in the Group's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used or settled after the Group's normal operating cycle, i.e., more than twelve months after the reporting date.
- The income statement gives a classification of costs by nature and shows the profit or loss before "Financing income (costs) and gains (losses) on investments" and income taxes. The profit or loss from continuing operations, the profit or loss from discontinued operations and the profit or loss attributable to non-controlling interests and that attributable to the owners of the parent are also presented.

- The statement of comprehensive income shows all non-owner changes in equity.
- The statement of cash flows presents the cash flows from operating, investing and financing activities separately. The indirect method is used.

Basis of consolidation

The consolidated financial statements have been prepared by consolidating the financial statements at 31 December 2015 of Salini Impregilo S.p.A., the parent, and the Italian and foreign companies which the parent directly or indirectly controls.

Control exists when the Group has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. Generally speaking, control is presumed to exist when the Group holds more than half of the voting rights either directly or indirectly.

Entities or companies over which Salini Impregilo has joint control, by virtue of an investment therein or specific contractual arrangements, are consolidated as follows pursuant to IFRS 11:

- on a line-by-line basis according to the investment percentage, if they are joint operations;
- at equity, if they are joint ventures.

Investments in associates are measured using the equity method.

The financial statements used for consolidation are modified (made consistent) and reclassified to comply with the Group's accounting policies in line with the currently applicable IFRS.

The financial statements used are expressed in the functional currency, being the local currency or another currency in which most of the economic transactions and assets and liabilities are denominated.

Financial statements expressed in currencies other than the Euro are translated into Euros by applying the closing rates to the statement of financial position items and the average annual rates to the income statement items, as these approximate the spot rates.

Differences arising from the translation of the opening equity using the closing rates and from the translation of assets and liabilities at the spot rate and the income statement items at the average annual rate are taken to the translation reserve.

The exchange rates used to translate the foreign currency financial statements into Euros are as follows:

Currency	Closing rate 31 December 2015	2015 average rate	Closing rate 31 December 2014	2014 average rate
ZAR South Africa Rand	16.953	14.172251	14.0353	14.403729
BRL Brazilian Real	4.3117	3.700435	3.22070	3.121129
COP Colombian Peso	3,456.00972	3,048.527066	2,892.26	2,652.451564
PEN Nuevo Sol	3.708331	3.532373	3.6327	3.767811
AED United Arab Emirates Dirham	3.996618	4.073341	4.45942	4.879569
ARS Argentine Peso	14.09723	10.259927	10.2755	10.771757
AUD Australian Dollar	1.4897	1.47766	1.4829	1.471877
BGN Bulgarian New Lev	1.9558	1.955799	1.9558	1.9558
DZD Algerian Dinar	116.702336	111.361305	106.607	106.867232
INR Indian Rupee	72.0215	71.195605	76.719	81.040617
LYD Libyan Dinar	1.510124	1.51826	1.4539	1.646259
MYR Malaysian Ringgit	4.6959	4.337333	4.2473	4.344569
NGN Nigerian Naira	216.703013	219.515233	223.693	219.163465
PES Chilean Peso	772.712673	726.406162	737.297	756.932708
PLN Polish Zloty	4.2639	4.184118	4.2732	4.184258
RUB Russian Ruble	80.6736	68.072032	72.337	50.951836
SAR Saudi Riyal	4.086239	4.162014	4.5573	4.983066
SGD Singapore Dollar	1.5417	1.525491	1.6058	1.68232
TRY Turkish Lira (new)	3.1765	3.025457	2.832	2.906496
USD US Dollar	1.0887	1.109512	1.2141	1.3285
NAM Namibian Dollar	16.953	14.172251	14.0353	14.403729
CHF Swiss Franc	1.0835	1.067857	1.2024	1.214622
GBP British Pound	0.73395	0.72585	0.7789	0.80612
DOP Dominican Peso	49.502209	49.850272	53.6672	57.687707
PKR Pakistani Rupee	114.117781	113.998882	122.146	134.205816
QAR Qatari Riyal	3.962868	4.039028	4.4216	4.837372
SIMADI/ VEF Bolivar	217.078221	217.078221	60.7657775	38.72995

Reference should be made to the information provided earlier about the use of the SIMADI as the exchange rate for the Venezuelan currency.

When an investment in a consolidated entity is sold, the accumulated gain or loss recognised in equity is released to profit or loss.

The consolidation criteria used to prepare these consolidated financial statements may be summarised as follows:

Subsidiaries are consolidated on a line-by-line basis, whereby:

- assets and liabilities, costs and revenue shown in the subsidiaries' financial statements are fully recognised, regardless of the size of the investment therein;
- the carrying amount of the investment is eliminated against the Group's share of its equity;
- the main transactions between consolidated entities, including dividends distributed among group companies, are eliminated;
- non-controlling interests are shown separately under equity and their share of the profit or loss for the year is similarly shown separately in the income statement.

Investments in associates and joint ventures are measured using the equity method whereby the carrying amount of the investment is adjusted to consider:

- the parent's share of the profits or losses of the investee realised after the acquisition date;
- modifications arising from changes in the investee's equity that are not taken to profit or loss as per the relevant IFRS;
- dividends distributed by the investees;
- any greater value paid at acquisition (measured using the same criteria set out in the section on "Business combinations") and managed pursuant to the relevant standard;
- the share of the profit or loss deriving from application of the equity method, which is taken to profit or loss;
- standardisation to comply with the group accounting policies, where necessary.

Interests in joint ventures that qualify as joint operations are recognised by the investor to the extent of its share of the rights and obligations held.

Dividends, reversals of impairment losses and impairment losses on investments in consolidated companies, gains and losses on the intragroup exchange of investments in consolidated entities are eliminated.

Gains and losses arising from transactions between consolidated companies, which are not realised directly or indirectly through transactions with third parties, are eliminated.

Unrealised intragroup losses are recognised when the transaction shows an impairment of the transferred asset.

Business combinations

Business combinations are recognised using the acquisition method set out in IFRS 3 (revised in 2008). Accordingly, the consideration for a business combination is measured at fair value, being the sum of the fair value of the assets acquired and liabilities assumed or incurred by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquired entity. Transaction costs are recognised in profit or loss when incurred.

The contingent consideration, included as part of the transfer price, is measured at acquisition-date fair value. Any subsequent changes in fair value are recognised in profit or loss.

The identifiable assets acquired and the liabilities assumed are recognised at their acquisition-date fair value.

Goodwill is measured as the difference between the aggregate of the consideration transferred, the amount of any non-controlling interests (NCI) and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree and the net fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

NCI can be measured at fair value or at its proportionate share of the fair value of the net assets of the acquiree at the acquisition date.

The measurement method is decided on a transaction by transaction basis.

Business combination achieved in stages (step acquisition)

In the case of step acquisitions, the Group's existing investment in the acquiree is measured at fair value on the date that control is obtained.

Any resulting adjustments to previously recognised assets and liabilities are recognised in profit or loss.

Therefore, the previously held investment is treated as if it had been sold and reacquired on the date that control is obtained.

Transactions involving NCI

Changes to the investment percentage of a subsidiary that does not entail loss of control are treated as equity transactions.

Therefore, any differences between the acquisition price and the related share of equity in subsequent acquisitions of investments in entities already controlled by the Group are recognised directly in equity.

With respect to partial disposals of an investment in a subsidiary while control is retained, any gain or loss is recognised in equity.

Basis of preparation

The accounting policies adopted to draw up the Group's consolidated financial statements at 31 December 2015 comply with the IFRS and are consistent with those used to prepare the 2014 consolidated financial statements, except for the standards enacted after 1 January 2015, summarised in the section on the "Changes in standards".

Accounting policies

Property, plant and equipment

Salini Impregilo Group has opted to recognise property, plant and equipment at purchase or production cost net of accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	0%
Buildings	3%
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continuing use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be available for immediate sale and their sale shall be highly probable (i.e., the related commitments already exist). Their price shall be reasonable compared to their fair value.

Assets acquired as a result of business combinations are recognised at fair value at the acquisition date and remeasured within a year. Such amount reflects their purchase cost.

After their initial recognition, they are measured at cost, depreciated over their estimated useful lives and shown net of any impairment losses.

When an asset consists of different significant components with different useful lives, the significant components are recognised and subsequently measured separately.

The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount may not be recovered.

Reference should be made to the section on "Impairment of non-financial assets" for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount.

As established by IAS 23 - Borrowing costs, the Group has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset to a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from the amount to be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

Moreover, capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature.

They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Leased property, plant and equipment

Assets held under finance leases whereby all the risks and rewards of ownership are substantially transferred to the Group are recognised as group assets and classified as property, plant and equipment.

The related liability to the lessor is shown under financial liabilities. The lease payment is split into the interest expense, taken to the income statement, and the principal repayment, offset against the financial liability.

The carrying amount of the leased asset is determined considering its fair value or, if lower, the present value of the minimum future lease payments.

The depreciation method and subsequent measurement are consistent with those applied to non-leased assets.

Leases where the lessor retains all the risks and rewards of ownership are treated as operating leases.

The initial negotiation costs incurred for this type of lease increase the value of the related lease and are recognised over the lease term in order to match the revenue generated by the leased asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Rights to infrastructure under concession

These rights are covered by IFRIC 12 - Service concession arrangements, issued by the International Financial Reporting Interpretations Committee (IFRIC), which regulates the recognition and measurement of concession arrangements between public sector entities and private sector operators. It was endorsed by the European

Commission with EC regulation 254/2009 dated 25 March 2009 and its application is mandatory for financial statements drawn up under IFRS beginning from the year after which it was endorsed. Therefore, the Group has applied IFRIC 12 since 2010.

The criteria adopted by the Group to apply the interpretation to its concessions are set out below.

Scope and measurement

Scope: IFRIC 12 is applicable to service concession arrangements when the grantor is a public body and the operator is a private entity, when the following conditions are met:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

b) the grantor controls - through ownership, beneficial entitlement or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

Measurement of the revenue arising from the concession arrangement: the operator acts as the service provider (construction and management of the work) and recognises the revenue for the construction and upgrade services in accordance with IAS 11 - Construction contracts and the revenue from management of the infrastructure in line with IAS 18 - Revenue.

The grantor pays the operator a consideration for the construction/upgrade services, to be recognised at fair value, which may consist of rights to:

(a) a financial asset (financial asset model);

(b) an intangible asset (intangible asset model);

(c) both ("mixed" model).

The first model is applicable when the operator has an unconditional contractual right to receive a specified or determinable amount of cash. The second is applicable when the operator acquires the right to charge for use of a public sector asset that it constructs or upgrades.

The amounts are contingent on the extent to which the public uses the service (demand risk). Finally, the third model is applicable when both of the above situations are present.

In this case, the intangible asset is determined as the difference between the fair value of the investment made and the present value of the financial asset obtained by discounting the cash flows from the minimum specified amount.

The Group's concession arrangements (via the operators consolidated on a line-by-line or proportionate basis) fall under the intangible asset model except for two immaterial concessions held by the subsidiaries of Todini Costruzioni Generali S.p.A., wholly owned by the parent, which fall under the "mixed model". The financial asset model is applicable to certain equity-accounted associates.

Recognition of the intangible asset: the intangible asset is recognised during construction of the infrastructure. The main identified cases are as follows:

a. *arrangements that cover the construction of a new infrastructure;* the operator recognises the intangible asset in line with the stage of completion of the construction project. During construction, the operator recognises revenue and costs in line with IAS 11 - Construction contracts.

b. *arrangements that cover management of an existing infrastructure and its extension or upgrading against which the operator acquires specific additional financial benefits;* the operator recognises an increase in the intangible asset as the construction services are provided for these construction and/or upgrade services to be recognised under IAS 11 - Construction contracts.

c. *arrangements that cover management of an existing infrastructure and specific obligations to extend or upgrade it against which the operator does not acquire additional specific financial benefits:* at initial recognition, the operator recognises a liability equal to the present value of the forecast outlay for the construction services to be provided in the future with, as a balancing item, an additional component of the intangible asset for the contract consideration, which begins to be amortised.

Contractual obligations for the infrastructure's efficiency levels: given that the operator does not meet the requirements for recognition of the infrastructure as "Property, plant and equipment", the accounting treatment differs depending on the nature of the work carried out and can be spit into two categories: (i) work related to normal maintenance of the infrastructure; (ii) replacement and scheduled maintenance at a future date.

The first category relates to normal ordinary maintenance of the infrastructure, the cost of which is recognised in profit or loss when incurred, also under IFRIC 12.

Given that the interpretation does not provide for the recognition of the physical asset but of a right, the second category is recognised in line with IAS 37 - Provisions, contingent liabilities and contingent assets, which requires: (i) recognition of an accrual to a provision in profit or loss; and (ii) recognition of a provision for charges in the statement of financial position.

Amortisation of the intangible asset: amortisation of the intangible asset recognised for the rights acquired under the concession arrangement is calculated in line with paragraph 97 of IAS 38 - Intangible assets: "The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used".

Goodwill and intangible assets with indefinite lives

Goodwill and other intangible assets with indefinite lives are recognised at cost net of impairment losses.

At 31 December 2015, Salini Impregilo Group did not have any intangible assets with indefinite lives other than goodwill.

Goodwill acquired as part of a business combination is measured as the difference between the aggregate of the acquisition-date fair value of the consideration transferred, the amount of any NCI and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.
Goodwill deriving from acquisitions is not amortised. It is tested annually for impairment or whenever conditions arise that presume impairment as per IAS 36 - Impairment of assets.

For impairment testing purposes, goodwill acquired as part of a business combination is allocated at the acquisition date to each of the cash-generating units (or groups of cash-generating units - CGU) that will benefit from the acquisition. The carrying amount of goodwill is monitored at cash-generating unit level for internal management purposes.

Impairment is determined by defining the recoverable amount of the cash-generating unit (or group of units) to which the goodwill is allocated. When the recoverable amount of the CGU (or group of CGUs) is lower than the carrying amount, an impairment loss is recognised.

When goodwill is allocated to a CGU (or group of CGUs), the asset of which has been partly disposed of, the goodwill allocated to the disposed of asset is considered to determine any gain or loss deriving from the transaction. In this case, the transferred goodwill is measured using the amounts related to the disposed of asset compared to the asset still held by the unit.

Other intangible assets

Other intangible assets acquired or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably.

Those assets with finite useful lives are measured at acquisition or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on "Impairment of non-financial assets".

The excess of the purchase cost compared to the Group's share of the net fair value of the high capacity business units acquired in the past is classified as other intangible assets and mainly refers to acquisition costs of the business units purchased. The related amortisation is calculated in line with the stage of completion and duration of the work.

Other non-current assets (recognised in Other assets)

Other non-current assets mainly consist of loans and receivables and claims related to completed or nearly completed contracts and companies in liquidation when their liquidation plan provides for the realisation of the assets after twelve months from the reporting date.

These assets are measured at their estimated realisable value, by recognising allowances to adjust their carrying amount accordingly. Claims are only recognised for the amounts matured and that part which is held to be reasonably recoverable. The estimated realisable value is discounted if the time value of money is material depending on when settlement is expected to take place.

Impairment of non-financial assets

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill is tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the entity could obtain by disposing of the asset.

Value in use is determined by discounting the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life.

Discounting is applied by using a post-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the asset.

The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit).

An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/ amortisation that would have been recognised had the impairment loss not been recognised.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value.

Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the asset or similar assets.

Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract work in progress and revenue from construction contracts

Contract work in progress consists of work performed net of progress billings issued to customers. When final payment of the consideration is made, the related progress billings and advances are recognised under “Operating revenue” in the income statement, with the related variation in inventories.

The provision for contractual risks directly offsets inventories and is set up to cover possible charges and losses on contracts performed either directly by the group or as part of a joint venture.

Contract work in progress is measured considering the consideration agreed with the customer and the stage of completion of the work.

Revenue related to contract work in progress is recognised using the stage of completion method.

The stage of completion is determined using the cost to cost method whereby the percentage of completion (the ratio between costs incurred and total estimated costs) is applied to the total estimated revenue.

Given the technical complexity, size and length of time involved in completing contracts, the additional considerations are measured before an agreement is reached with the customer.

Claims for additional considerations are considered when measuring contract work in progress if they have been substantially approved by the customer, or, if not yet approved by the customer, are supported by appraisals made by third party consultants and/or documentation prepared by contractual bodies (arbitration tribunals, dispute review boards, dispute adjudication boards, etc.)

In the case of events that take place after the reporting date but before the consolidated financial statements are approved, which provide additional information about expected profits or losses on the contract, this additional information is considered when determining the contractual revenue or costs to be incurred to complete the contract and for the recognition of any profits or losses.

When total contract costs exceed total contract revenue, the loss to complete the contract is recognised as an expense immediately.

The contract costs, included in the cost to cost calculation, may be classified as:

- pre-operating costs, which include costs incurred during the start-up stage of the contract, before construction starts, such as the costs of design and specific studies carried out for the contract; organisation and production start-up costs and building site start-up costs. These pre-operating costs are included in the stage of completion calculation and in the cost to cost calculation once they have been incurred. During the initial stage of the contract, they are included in the carrying amount of contract work in progress, if recoverable, without recognising any contract output when the contract profit or loss cannot be reliably estimated;

- contract operating costs, which include those directly attributable to the contract (e.g., materials, subcontracting, labour, amortisation and depreciation, compulsory purchases, any directly attributable borrowing costs, etc.). They are recognised on an accruals basis and included in the calculation of the stage of completion;

- post-operating costs, which include site dismantlement costs generally incurred after the contract has been closed to remove the installations (or entire sites) and to return the machinery or plant to the Group’s premises or transfer them to another site. This category also includes losses on abandoned materials and the cost of transporting unused materials. They are included in the contract estimate and, therefore, if incurred during the contract term, they are comprised in the calculation of the progress billings. Therefore, no specific accruals are made to the income statement;

- costs for services to be rendered after completion of the contract, which mainly relate to services rendered after the contract has been completed. They may include assistance and supervision provided in the early stages of use of the plant or scheduled maintenance. If the contract does not include specific additional considerations for these services and the contract may be "closed" for accounting purposes (contracts are usually closed once work is completed and the customer has accepted the end result), the costs to be incurred to render these services when the contract is closed in the accounting records should be estimated and provided for in the specific items. These costs are included in the calculation to determine the contract revenue.

Real estate projects

Closing inventories of real estate projects are those real estate areas developed with a view to selling them.

They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid for purchasing the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.

Financial assets and liabilities

Measurement and presentation of financial instruments are covered by IAS 39 and IAS 32, respectively. The Group introduced the disclosure required by IFRS 7 in 2007.

The financial instruments used by the Group are classified as follows: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets or financial liabilities at fair value through profit or loss
This category includes derivatives that do not meet hedge accounting requirements.

Fair value gains or losses on derivatives in this category are recognised as "Financing income (costs)" in profit or loss when they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

They are measured at amortised cost, as detailed further on, and any gains or losses arising therefrom are recognised as "Financing income (costs)" in profit or loss.

This category includes the following items:

- **Trade receivables and payables and other assets and liabilities**
  Trade receivables and other assets are recognised at amortised cost, net of impairment losses determined on the basis of their estimated recoverable amount calculated by analysing each position and the total non-collection risk.

  If the collection date is postponed and exceeds normal collection times for the sector, these receivables are discounted.

  All factored receivables that do not meet the requirements for derecognition under IAS 39 continue to be recognised in the Group's consolidated financial statements even when they have been legally transferred.

  They are thus included as assets and a financial liability of the same amount is recognised.

  Trade payables and other liabilities are recognised at amortised cost, allocating interest to the income statement based on the effective interest rate, being the rate that exactly discounts estimated future cash payments through to the carrying amount of the related asset.

- **Cash and cash equivalents**
  Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

- **Loans and borrowings and bonds**
  Loans and borrowings and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

  After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

  Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

  The effects arising from the recognition at amortised cost are taken to "Financing income (costs)".

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. They are recognised at amortised cost and interest accrued thereon is taken to profit or loss under "Financial income" using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial instruments that are not classified in the other categories. They include the following items:

- **Equity investments**
  Investments in entities other than subsidiaries, associates, joint operations and joint ventures (reference for which should be made to the section on "Consolidation scope") are classified as "Equity investments" at the time of their acquisition and are included in the available-for-sale financial assets category required by IAS 39.

  Since they mainly relate to consortia and consortium companies of which the Group holds less than 20%, in accordance with IAS 39, such investments are stated as non-current assets measured at cost, adjusted for impairment, since their fair value cannot be determined.

  Investments in listed companies belonging to this category are measured at fair value and the related fair value gains or losses are recognised in equity. Material or prolonged decreases in their fair value that are evidence of impairment are, therefore, transferred from equity to profit or loss and offset against the relevant reserve.

  Dividend income from such financial instruments is recognised in profit or loss under financial income when the group companies holding the investments are given the right to such dividend.

Fair value of financial instruments
The fair value of financial instruments has been estimated as follows:

- The fair value of financial instruments traded on an active market is based on the market price at the reporting date. This method has been applied especially to listed financial instruments classified as "Available-for-sale financial assets" and financial instruments classified as "Held-to-maturity investments".

- The fair value of the derivatives classified as "Hedging derivatives" and "Financial assets and financial liabilities at fair value through profit or loss" is measured using the Discounted Cash Flow Model. With respect to interest rate swaps, future cash flows are estimated using the implicit forward rate of the market Euro curve at 31 December 2015 and 2014, while the forward exchange rate market prices at the relevant reporting date are used for currency forward transactions.

– The fair value of loans and receivables is determined, for disclosure purposes in the notes, on the basis of the present value of their future cash flows discounted at a rate equal to the current interest rates applicable in the relevant markets and the average spread agreed by the Group. The fair value measurement of loans takes account of the Group's credit risk and uses the rate curves in the different currencies with reference to the reporting date.

Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

(i) the contractual rights to the cash flows from the financial asset expire;

(ii) the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;

(iii) the Group transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the Group has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the Group could be required to pay.

(b) Financial liabilitie

Financial liabilities are derecognised when the underlying obligation is extinguished, cancelled or settled.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

Impairment of financial assets

If there is any indication that a financial asset is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

Derivatives and hedging transactions

Salini Impregilo Group has derivatives recognised at fair value when the related agreement is signed and for subsequent fair value changes. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting are met, as described below.

The Group has derivatives to hedge currency and financial risks.

At the inception of the transaction, it documents the hedging relationship, its risk management and strategy objectives in entering into the transaction, the hedging instrument and hedged item or transaction and the nature of the hedged risk.

Moreover, at the inception of the transaction and thereafter on an ongoing basis, the Group documents whether or not the hedge meets the effectiveness requirements to offset its exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.

Based on the above-mentioned documentation, derivatives used for specific hedging purposes are classified and recognised as follows:

(a) ***Fair value hedges*** - If a derivative is designated as a hedge of exposure to changes in the fair value of an asset or liability due to a specific risk that may affect profit or loss, the gain or loss deriving from the subsequent measurement of the fair value of the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item, related to the hedged risk, changes the carrying amount of this item and is recognised in profit or loss.

(b) ***Cash flow hedges*** - If a derivative is designated as a hedge of exposure to changes in cash flows of an asset or liability or a highly probable transaction that could affect profit or loss, the effective part of the gains or losses on the financial instrument is recognised in equity. The cumulative gain or loss is reclassified from equity to profit or loss in the same period in which the hedged transaction is recognised. The gain or loss related to a hedge or part of a hedge which has become ineffective is taken to profit or loss immediately. If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, the cumulative gains and losses, recognised in equity up to then, are reclassified to profit or loss when the transaction takes place. If it is unlikely the hedged transaction will take place, the unrealised gains and losses recognised in equity are immediately reclassified to profit or loss.

"Hedging purposes" are assessed in strategic terms. When they do not meet the requirements of IAS 39 for hedge accounting, the derivatives are classified as "Financial assets or financial liabilities at fair value through profit or loss".

Employee benefits

- **Short-term and long-term benefits**
  Short-term employee benefits, that is payable within twelve months of the end of the year in which the employees rendered the service, are recognised as a cost and as a liability for the undiscounted amount of benefits expected to be paid in exchange for that service. Long-term benefits, such as remuneration to be paid after twelve months of the end of the year in which the employees rendered the service, are recognised as liabilities for an amount equal to the present value of the benefits at the reporting date.

- **Post-employment benefits**
  Post-employment benefits are recognised at the present value of the Group's liability determined in line with ruling legislation and national and in-house labour agreements. The valuation, based on demographic, financial and turnover assumptions, is carried out by independent actuaries. The gains and losses resulting from the actuarial calculation are recognised in profit or loss if related to service costs and interest expense or in comprehensive income if relating to assets and liabilities.

  The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

  Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

- **Share-based payments**
  The Group has adhered to the guidelines of IFRS 2 - Share-based payments.

  Share-based payments are measured at fair value of the option at the grant date. This amount is recognised in the income statement on a straight-line basis over the vesting period. This treatment is based on an assessment of the stock options that will effectively vest in favour of the qualifying employees. Fair value is determined using the Black-Scholes model.

Income taxes

Current taxes are provided for using the enacted tax rates and laws ruling in Italy and other countries in which the Group operates, based on the best estimate of the taxable profit for the year.

Group companies net tax assets and liabilities when this is legally allowed.

Beginning from 1 January 2004, the parent, Salini Impregilo, and 17 of its Italian subsidiaries have joined the national tax consolidation system pursuant to article 117 and subsequent articles of Presidential decree no. 917/86, which is regulated by the specific consolidation mechanisms.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and its carrying amount. Deferred tax assets are recognised when the Group holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted at company level if related to taxes that may be offset.

If the balance is positive, it is recognised as "Deferred tax assets", if not, as "Deferred tax liabilities".

Taxes that could arise from the transfer of undistributed profits by subsidiaries are only calculated when the subsidiary has the positive intention to transfer such profits.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

Provisions for risks and charges

In accordance with IAS 37, the Group makes accruals to provisions for risks and charges when the following conditions exist:

- the Group or a group company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (i.e., forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the parent or relevant group company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

Translation criteria for foreign currency items and translation of financial statements of consolidated companies or companies measured using the equity method expressed in currencies other than the Euro

The translation criteria for foreign currency items adopted by the Group are as follows:

- foreign currency monetary assets and liabilities, excluding property, plant and equipment, intangible assets and equity investments measured at cost, are translated at the closing spot rate with any exchange rate gains or losses taken to the income statement;

- property, plant and equipment and intangible assets (non-monetary assets) are recognised at historical cost denominated in the foreign currency and translated using the historical exchange rate;

- revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the transaction date;

- any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

With respect to the translation of financial statements of consolidated companies or companies measured using the equity method and expressed in currencies other than the presentation currency (functional currency), reference should be made to the section on the "Basis of consolidation".

The Group has applied IAS 29 - Financial reporting in hyperinflationary economies for its subsidiaries and associates that prepare their financial statements in a functional currency of a hyperinflationary economy.

This standard requires that the financial statements of an entity, whose functional currency is that of a hyperinflationary economy, be translated at the closing spot rate.

The statement of financial position items not yet translated into Euros at the reporting date are redetermined using a general price index. All the income statement items are translated into Euros at the exchange rate ruling on the date the revenue and costs were initially recognised.

Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;

- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition;

- subject only to terms that are usual and customary for sales of such assets, and

- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or iii) it is a subsidiary acquired exclusively with a plan to resell. The profit or loss from discontinued operations is disclosed separately in the income statement. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Revenue recognition

- **Operating and other revenue**
  Revenue is measured to the extent it is probable that the economic benefits will flow to the Group and the related amount can be determined reliably.

  Revenue from the sale of goods is recognised when the Group has shipped the goods and has transferred all the material risks and rewards of ownership to the buyer. Revenue from construction contracts is recognised as provided for in the related Standard, described below.

  When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the reporting date based on the ratio of the costs incurred up to the reporting date to the total estimated contract costs, unless this is held to not represent the stage of completion of the contract.

  Changes in the contract and price revisions are recognised to the extent that they are reasonably certain.

  Revenue is recognised only to the extent of contract costs incurred that it is probable will be recovered. Contract costs are recognised as an expense in the year in which they are incurred.

- **Interest income**
  Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, i.e., the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

- **Dividends**
  Dividends are recognised when the investors' right to receive payment arises in line with local ruling legislation.

Earnings per share

Basic earnings per share are calculated as the ratio of the profit or loss for the year attributable to the holders of the ordinary shares of the parent to the weighted number of ordinary shares outstanding during the year. Diluted earnings per share are calculated considering the potential diluting effect of exercise of their rights by the holders of rights that potentially have a diluting effect on shares when calculating the number of outstanding shares.

Operating segments

The operating segments comply with the reporting system provided to group management which is in charge of allocating the resources and assessing the results obtained by the segments. The Group's management and organisational structure presents the segments according to a geographic breakdown in macro-areas, on the basis of the two primary Italian and foreign segments.

The intrasegment transfer prices related to the exchange of goods and services are agreed at normal market conditions.

Significant accounting estimates

Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgments and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the "Property, plant and machinery", "Leased property, plant and equipment", "Rights to infrastructure under concession" and "Other intangible assets" paragraphs of the "Accounting policies" section);

- recognise impairment losses (see the "Impairment of non-financial assets" paragraph of the "Accounting policies" section);

- recognise employee benefits (see the “Employee benefits” paragraph of the “Accounting policies” section);
- recognise taxes (see the “Income taxes” paragraph of the “Accounting policies” section);
- recognise provisions for risks and charges (see the “Provisions for risks and charges” paragraph of the “Accounting policies” section);
- determine total contract costs and the related stage of completion (see the “Contract work in progress and revenue from construction contracts” paragraph of the “Accounting policies” section). A significant part of the Group’s activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the Group may incur during performance of such contracts.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based. Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the reporting date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors’ report which gives an analysis of the risk areas of each segment.

5. Business combinations

Acquisition of an investment in Co.Ge.Fin S.r.l.

On 6 March 2015, the Group acquired 49% of Co.Ge.Fin S.r.l. from the related party Todini Finanziaria for €9,077,348. This acquisition completed the project started in December 2014 when the Group acquired 51% of this investee for €5,77,157 from Todini Costruzioni Generali. Pursuant to the existing quotaholder agreements which gave control over Co.Ge.Fin. S.r.l. to the quotaholder Todini Finanziaria, this investee had been classified as an associate up until 31 December 2014.

The following table summarises Salini Impregilo's share of the assets and liabilities of Co.Ge.Fin S.r.l. at the acquisition date and their fair value determined before such date for the purchase price allocation (PPA):

(€'000)	Carrying amounts	Fair value
Non-current assets	188	21
of which:		
- Intangible assets	167	-
Trade receivables	47,966	47,966
Other current assets	38	38
Total assets	**48,192**	**48,025**
Non-current bank loans and borrowings	(28,168)	(28,001)
Other non-current liabilities		
Current bank loans and borrowings	(1,296)	(1,296)
Trade payables	(338)	(338)
Other current liabilities	(1,556)	(1,556)
Total liabilities	**(31,358)**	**(31,191)**
Net assets acquired	**16,834**	**16,834**
Consideration paid to acquire 49%	-	9,077
Fair value of the previously-held investment (51%)	-	8,585
Fair value of the net assets acquired	-	(16,834)
Difference between the fair value of the consideration paid and the net assets acquired	**-**	**828**
Carrying amount of the equity-accounted investment	-	9,095
Fair value of the previously-held investment	-	8,585
Smaller carrying amount	**-**	**510**

The difference of €0.8 million between the fair value of the consideration paid and the net assets acquired and the fair value loss of €0.5 million on the previously-held investment have been recognised under other operating expenses in the income statement.
The cash used for the acquisition, net of cash acquired, is set out below:

(€'000)	
Total net assets acquired	16,834
Difference between the fair value of the consideration paid and the fair value of the net assets acquired	828
Less non-controlling interests and the fair value of the previously-held investment	(8,585)
Cash and cash equivalents net of cash acquired and used for the acquisition	**9,077**

Co.Ge.Fin has been included in the consolidation scope since 1 January 2015 and the effects of its consolidation on the income statement are shown below:

(€'000)	
Revenue	8,534
Operating expenses	(60)
Operating profit	**8,474**
Net financing costs	(737)
Profit before tax	**7,737**

Acquisition of Seli Tunneling Denmark ApS

On 19 December 2014, Salini Impregilo S.p.A. and Seli S.p.A. signed a conditional agreement for the sale of the latter's entire investment in Seli Tunneling Denmark ApS ("Seli Denmark").

Seli Denmark has a subcontracting agreement with CMT, which is 99.989% owned by Salini Impregilo S.p.A., for the excavation and lining of the tunnels of two sections of the Copenhagen metro as part of the Cityringen Project.

The acquisition became effective in June 2015, when the conditions precedent were met and the subholding company Impregilo International Infrastructure N.V. acquired the entire investment in Seli Denmark.

The agreed consideration was €1 based on Seli Denmark's financial difficulties.

The following table summarises Impregilo's share of the assets and liabilities of Seli Denmark at the acquisition date and their fair value measured before such date for the purchase price allocation (PPA):

(€'000)	Carrying amounts	Fair value
Non-current assets	29,544	35,352
of which:		
- Intangible assets	-	5,808
- Property, plant and equipment	29,544	29,544
Cash and cash equivalents	1,037	1,037
Trade receivables	24,401	24,401
Other current assets	1,631	1,631
Total assets	**56,613**	**62,421**
Other non-current liabilities	(2,815)	(2,815)
Trade payables	(12,448)	(12,448)
Progress payments and advances on contract work in progress	(45,555)	(45,555)
Other current liabilities	(1,603)	(1,603)
Total liabilities	**(62,421)**	**(62,421)**
Net assets acquired	**(5,808)**	**-**

Seli Tunneling has been included in the consolidation scope since the end of June 2015. The effects on the income statement that would have occurred if the Group had acquired control on 1 January 2014 are shown below:

(€'000)	
Revenue	33,355
Operating expenses	(19,368)
Operating profit	**13,987**
Net financing costs	(288)
Profit before tax	**13,699**

Seli Denmark generates most of its revenue with the Salini Impregilo CMT Group companies.

Other changes in the consolidation scope

Acquisition of another interest in the Riyadh Metro Line 3 contract

On 28 June 2015, Salini Impregilo acquired another interest in the SPE set up to perform the civil works for construction of Line 3 of the Riyadh Metro in Saudi Arabia.

Imprepar

Imprepar's acquisition of control of Ancipa, Diga di Ancipa and Pietrarossa did not have a significant effect on the consolidation scope.

6. Segment reporting

Impregilo Group's combination with Salini Group has meant, inter alia, both the concentration of the Group's industrial operations in its core business of the construction of complex large-scale infrastructure and the gradual disposal of assets no longer deemed strategic as well as a comprehensive review of the Group's organisation and business management processes.

As a result, segment reporting is presented according to macro geographical regions, based on the management review principles adopted by senior management, for the two primary geographical segments: "Italy" and "Abroad".

Costs relating to activities which are centrally operated at the parent, Salini-Impregilo S.p.A., called "Corporate" costs, are attributed to the Italy segment and relate to:

- 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.

These costs amounted to €143.3 million for 2015 compared to €142.9 million for the previous year.

Management measures the segments' results by considering their operating profit, which is consistent with the accounting policies applied to the Group's consolidated financial statements.

The geographical segments are measured based on net invested capital.

Disclosures on the Group's performance by business segment are set out in the Directors' report. The consolidated financial statements figures are summarised below by geographical segment.

Income statement by geographical segment

2015

(€'000)	**Italy (*)**	**Abroad**	**Total**
Revenue	638,866	3,956,617	4,595,483
Other income	71,991	71,402	143,393
Total revenue	**710,857**	**4,028,019**	**4,738,876**
Costs			
Production costs	(529,967)	(3,000,651)	(3,530,618)
Personnel expenses	(164,122)	(373,431)	(537,553)
Other operating expenses	(72,964)	(88,448)	(161,412)
Provisions and impairment losses	(31,020)	8,237	(22,783)
Total costs	**(798,073)**	**(3,454,293)**	**(4,252,366)**
Gross operating profit (loss)	**(87,216)**	**573,726**	**486,510**
Gross operating profit (loss) %	*-12.3%*	*14.2%*	*10.3%*
Amortisation and depreciation	(39,449)	(174,405)	(213,854)
Operating profit (loss)	**(126,665)**	**399,321**	**272,656**
Return on Sales	*-17.8%*	*9.9%*	*5.8%*
Financing income (costs) and gains (losses) on investments			(89,275)
Profit before tax	**-**	**-**	**183,381**
Income tax expense	-	-	(84,577)
Profit from continuing operations	**-**	**-**	**98,804**
Loss from discontinued operations	-	-	(16,573)
Profit for the year	**-**	**-**	**82,231**

(*) The operating profit includes the costs of the central units and other general costs of €143.3 million.

Income statement by geographical segment

2014 (*)

(€'000)	Italy (**)	Abroad	Total
Revenue	690,269	3,446,092	4,136,361
Other income	44,982	60,135	105,119
Total revenue	**735,251**	**3,506,227**	**4,241,480**
Costs	-	-	-
Production costs	(587,137)	(2,578,563)	(3,165,700)
Personnel expenses	(150,725)	(360,880)	(511,605)
Other operating expenses	(84,780)	(49,113)	(133,894)
Provisions and impairment losses	(1,310)	(1,121)	(2,431)
Total costs	**(823,952)**	**(2,989,677)**	**(3,813,630)**
Gross operating profit (loss)	**(88,701)**	**516,550**	**427,851**
Gross operating profit (loss) %	*-12.1%*	*14.7%*	*10.1%*
Amortisation and depreciation	(30,362)	(152,534)	(182,897)
Operating profit (loss)	**(119,063)**	**364,016**	**244,955**
Return on Sales	*-14.5%*	*10.4%*	*5.8%*
Financing income (costs) and gains (losses) on investments			(132,781)
Profit before tax			**112,174**
Income tax expense			(39,607)
Profit from continuing operations			**72,567**
Profit (loss) from discontinued operations			30,553
Profit for the year			**103,120**

(*) The 2014 income statement was restated to comply with IFRS 5 given the new disposal scope of Todini Costruzioni Generali Group.
(**) The operating profit includes the costs of the central units and other general costs of €142.9 million.

Statement of financial position as at 31 December 2015 by geographical segment

(€'000)	Italy	Abroad	Total
Non-current assets	677,202	242,239	919,441
Assets (liabilities) held for sale, net	62,169	(20,575)	41,594
Provisions for risks	(97,091)	(9,269)	(106,360)
Post-employment benefits and employee benefits	(14,195)	(11,217)	(25,412)
Net tax assets	89,365	46,700	136,065
Working capital	1,219,967	(941,685)	278,282
Net invested capital	**1,937,417**	**(693,807)**	**1,243,610**
Equity	-	-	1,216,860
Net financial position	-	-	26,750
Total financial resources	**-**	**-**	**1,243,610**

Statement of financial position as at 31 December 2014 by geographical segment

(€'000)	Italy	Abroad	Total
Non-current assets	585,553	246,803	832,356
Assets (liabilities) held for sale, net	160,329	(76,206)	84,123
Provisions for risks	(145,874)	48,347	(97,527)
Post-employment benefits and employee benefits	(13,942)	(9,378)	(23,320)
Net tax assets	83,028	65,670	148,698
Working capital	923,445	(592,134)	331,311
Net invested capital	**1,592,539**	**(316,898)**	**1,275,641**
Equity	-	-	1,186,416
Net financial position	-	-	89,225
Total financial resources	**-**	**-**	**1,275,641**

Statement of financial position

7. Property, plant and equipment

Property, plant and equipment amount to €594.4 million, up from the 31 December 2014 figure by €26.4 million.

The historical cost and carrying amount are given in the following table:

	31 December 2015			31 December 2014		
(€'000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	5,354	-	5,354	2,014	-	2,014
Buildings	152,726	(74,056)	78,670	140,504	(72,470)	68,034
Plant and machinery	1,084,534	(634,156)	450,378	912,076	(481,508)	430,568
Industrial and commercial equipment	112,781	(93,979)	18,802	112,794	(86,981)	25,813
Other assets	57,771	(44,812)	12,959	50,314	(37,085)	13,229
Assets under const. and payments on account	28,201	-	28,202	28,261	-	28,261
Total	**1,441,367**	**(847,003)**	**594,366**	**1,245,963**	**(678,044)**	**567,919**

Changes during the year are summarised below:

(€'000)	31 December 2014	Increases	Depreciation	(Imp. losses)/ Reversals of imp. losses	Reclassific-ations*	Disposals	Exchange rate gains (losses) and other changes	Change in consolidation scope	31 December 2015
Land	2,014	3,207	-	-	-	-	133	-	5,354
Buildings	68,034	25,692	(18,497)	-	2,926	(4,399)	4,401	513	78,670
Plant and machinery	430,568	166,048	(152,220)	(416)	7,201	(29,721)	(2,757)	31,675	450,378
Industrial and commercial equipment	25,813	14,721	(14,231)	-	(6,508)	(809)	(184)	-	18,802
Other assets	13,229	4,444	(4,342)	(1)	(331)	(535)	21	475	12,959
Assets under const. and payments on account	28,261	1,274	-	-	(419)	(1,942)	356	672	28,202
Total	**567,919**	**215,386**	**(189,291)**	**(417)**	**2,869**	**(37,406)**	**1,970**	**33,335**	**594,365**

** Reclassifications related to different entities as per IFRS 5 at 31 December 2015 compared to 31 December 2014.*

Prior year changes are summarised below:

(€'000)	31 December 2013	Increases	Depreciation	(Imp. losses)/ Reversals of imp. losses	Reclassific-ations	Disposals	Exchange rate gains (losses) and other changes	Change in consolidation scope	31 December 2014
Land	2,010	-	-	-	39	-	(35)	-	2,014
Buildings	51,300	29,500	(13,585)	(5)	(314)	(3,213)	3,007	1,344	68,033
Plant and machinery	362,426	192,780	(111,479)	(280)	(1,063)	(18,368)	1,749	4,803	430,568
Industrial and commercial equipment	23,908	20,779	(18,752)		39	(807)	93	553	25,813
Other assets	11,998	7,076	(4,247)	(4)	(649)	(598)	(498)	151	13,229
Assets under const. and payments on account	8,518	20,102		(1,500)	1,948		(783)	(24)	28,261
Total	**460,160**	**270,237**	**(148,063)**	**(1,789)**	**-**	**(22,986)**	**3,533**	**6,827**	**567,918**

The most significant changes include:

- increases of €215.4 million, mainly related to investments for foreign contracts including the Ethiopian branch (€27 million), the Riyadh Metro Line 3 (Saudi Arabia) (€36.9 million), the Red Line North Underground (Qatar) (€31.4 million) and Consorzio Collegamenti Integrati Veloci (CO.C.I.V.) (€30.8 million);
- depreciation for the year of €189.3 million;
- disposals of €37.4 million, principally related to plant and machinery for some contracts nearing completion and to Consorzio Collegamenti Integrati Veloci (CO.C.I.V.) for the sale of a TBM (€10.3 million);
- reclassifications of €2.9 million, mainly to present some assets of the subsidiary Todini Costruzioni Generali as assets held for sale;
- the change in the consolidation scope mostly refers to the newco Seli Tunneling (€29.5 million) and the increase in the Group's involvement in the Riyadh Metro Line 3 (Saudi Arabia) contract (€3.7 million).

The closing balance at 31 December 2015 includes leased assets of €161.6 million recognised under "Buildings" (€0.7 million), "Plant and machinery" (€158.4 million), "Industrial and commercial equipment" (€1.6 million) and "Other assets" (€0.9 million).

8. Intangible assets

This item of €193.8 million includes rights to infrastructure under concession of €64.9 million and other intangible assets of €128.9 million.

The rights to infrastructure under concession are in line with the previous year end. The historical cost and carrying amount are given in the following table:

	31 December 2015			31 December 2014		
(€'000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Rights to infrastructure under concession	73,984	(9,098)	**64,886**	78,406	(13,026)	**65,380**

Changes of the year are detailed in the following table:

(€'000)	31 December 2014	Increases	Amortization	Exchange rate gains (losses)	Change in consolidation scope	31 December 2015
SA.BRO.M.	42,552	939	-	-	-	43,491
Parking Glasgow	19,913	-	(1,016)	555	-	19,452
Mercovia	2,915	165	(477)	(660)	-	1,943
Total	**65,380**	**1,104**	**(1,493)**	**(105)**	**-**	**64,886**

The increase in this item for SA.BRO.M. mainly comprises design costs, including the borrowing costs capitalised in accordance with IAS 23, which the Group expects to recover based on the outcome of the tender/contract.

The rights related to Parking Glasgow were tested for impairment using the Scottish operator's 2016-2035 business plan. In order to calculate value in use, the operating cash flows were discounted using the weighted average cost of capital (WACC) of 6.4% (2014: 5.6%). The Group also performed sensitivity analyses considering the potential effect of variations in the discount rate. The resulting recoverable amount was higher than the asset's carrying amount and, therefore, no impairment losses were recognised.

No indications of impairment were identified for Mercovia and, therefore, the Group did not perform the impairment test.

For comparative purposes, prior year changes are as follows:

(€'000)	31 December 2013	Increases	Amortisation	Exchange rate gains (losses)	Change in consolidation scope	31 December 2014
SA.BRO.M.	41,640	912				42,552
Parking Glasgow	20,279		(969)	603		19,913
Mercovia - Argentina	2,895	729	(330)	(379)		2,915
Total	**64,814**	**1,641**	**(1,299)**	**224**	**-**	**65,380**

Other intangible assets amount to €128.9 million, down €34.3 million from the 31 December 2014 figure.

The historical cost and carrying amount are given in the following table:

	31 December 2015			31 December 2014		
(€'000)	Cost	Acc. amortisation	Carrying amount	Cost	Acc. amortisation	Carrying amount
Industrial patents	921	(908)	13	921	(879)	42
Concessions	64	(62)	2	63	(59)	4
Software	1,447	(487)	960	2,072	(1,118)	954
Contract acquisition costs	193,923	(66,209)	127,714	138,381	(45,049)	93,332
Other	899	(653)	246	54,206	(53,904)	302
Total	**197,254**	**(68,319)**	**128,935**	**195,643**	**(101,009)**	**94,634**

Changes during the year are set out below:

(€'000)	31 December 2014	Increases	Amortisation	Reclassific-ations	Disposals	Exchange rate gains (losses)	Change in consolidation scope	31 December 2015
Industrial patents	42	-	(29)	-	-	-	-	13
Concessions	4	-	(2)	-	-	-	-	2
Software	954	375	(271)	(61)	-	(37)	-	960
Contract acquisition costs	93,332	51,258	(22,683)	-	-	-	5,807	127,714
Other intangible assets	302	29	(85)	-	-	-	-	246
Total	**94,634**	**51,662**	**(23,070)**	**(61)**	**-**	**(37)**	**5,807**	**128,935**

Prior year changes are as follows:

(€'000)	31 December 2013	Increases	Amortisation	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	31 December 2014
Industrial patents	8	48	(6)	-	-	-	(8)	42
Concessions	80	-	(4)	-	(72)	-	-	4
Software	983	491	(271)	(15)	-	(9)	(225)	954
Contract acquisition costs	86,886	33,184	(26,738)	-	-	-	-	93,332
Other	11,921	1,188	(1,122)	-	(11,875)	(2)	192	302
Total	**99,878**	**34,911**	**(28,141)**	**(15)**	**(11,947)**	**(11)**	**(41)**	**94,634**

Contract acquisition costs amount to €127.7 million and are analysed in the following table:

(€'000)	31 December 2014	Increases	Amortisation	Disposals	Change in consolidation scope	31 December 2015
Cociv (Milan - Genoa railway section)	48,623		(4,257)			44,366
Riyadh Metro - Saudi Arabia	25,394	38,748	(7,591)			56,551
Iricav Due (Verona - Padua railway section)	-	12,510	-			12,510
Thessalonica Metro - Greece	1,202		(72)			1,130
Yarull - Dom. Republic	3,083		(46)			3,037
Vegas Tunnel - USA	4,687		(4,380)			307
Gerald Desmond Bridge - USA	7,235		(1,971)			5,264
Stavros Niarchos - Greece	3,108		(2,398)			710
Seli Tunnelling Denmark A.p.S.	-		(1,968)		5,807	3,839
Total	**93,332**	**51,258**	**(22,683)**	**-**	**5,807**	**127,714**

Contract acquisition costs include considerations paid to purchase stakes in projects/contracts representing intangible assets with a finite useful life, which are amortised in line with the stage of completion of the related contracts.
The increases include acquisition of another share in the contract to construct the Riyadh Metro Line 3 in Saudi Arabia and the acquisition of a stake in Consorzio Iricav Due held by Lamaro Appalti S.p.A. (6.81%), set up to construct the high speed Verona - Padua railway section. Changes in the consolidation scope refer to the acquisition of Seli Denmark, based in Denmark, to build the new Copenhagen metro.
With respect to the Verona - Padua section, amortisation of the acquisition cost will commence when work starts.
There are no indicators of impairment for the contracts to which the acquisition costs refer.

Prior year changes are as follows:

(€'000)	31 December 2013	Increases	Amortisation	Disposals	Change inconsolidation scope	31 December 2014
Cociv (Milan - Genoa railway section)	51,281	7,790	(10,448)			48,623
Riyadh Metro - Saudi Arabia	-	25,394	-			25,394
United Arab Emirates	8,323		(8,323)			-
Thessalonica Metro - Greece	1,386		(184)			1,202
Yarull - Dom. Republic	3,109		(26)			3,083
Vegas Tunnel - USA	9,424		(4,737)			4,687
Gerald Desmond Bridge - USA	8,153		(918)			7,235
Stavros Niarchos - Greece	5,195		(2,087)			3,108
Ogoni - Nigeria	15		(15)			-
Total	**86,886**	**33,184**	**(26,738)**	**-**	**-**	**93,332**

9. Equity investments

Equity investments increased by €26.8 million to €131.3 million.

(€'000)	31 December 2015	31 December 2014	Change
Investments in subsidiaries	124	174	(50)
Investments in equity-accounted investees	114,990	89,303	25,687
Other investments	16,140	14,945	1,195
Total	**131,254**	**104,422**	**26,832**

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

(€'000)	31 December 2015	31 December 2014
Change in consolidation method	(9,095)	(331)
Capital transactions	36,739	19,855
Acquisitions, capital injections and disinvestments	673	(96)
Share of profit of equity-accounted investees	81	5,572
Dividends from equity-accounted investees	(925)	(549)
Other changes including change in the translation reserve	(641)	6,352
Total	**26,832**	**30,803**

"Capital transactions" mainly refer to the subscription of shares of the company that will develop the concession project for the Lima Metro (Peru) for €9.9 million, the recapitalisation of the SPE Grupo Unido por el Canal (Panama) for €12.2 million and the subscription of shares of the SPE set up to construct the Milan Metro Line 4 for €9.8 million. The change in the consolidation scope column refers to the consolidation of Co.Ge.Fin S.r.l., of which the Group acquired control.

The Group's share of loss of equity-accounted investees totals €0.2 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 33. The carrying amount of the investment in Ochre Solutions Holdings Ltd was tested for impairment using the English operator's 2016-2039 business plan. Its cash flows were discounted using a rate of 5.7% (2014: 6.7%) to calculate the investment's recoverable amount. The Group also performed sensitivity analyses considering the potential effect of a change in the reference parameters.

The resulting recoverable amount was higher than the investment's carrying amount and, therefore, it was not necessary to recognise an impairment loss. The Group performed a similar test for Consorcio Agua Azul S.A. based on the Peruvian operator's 2016-2027 business plan.

Its cash flows were discounted using a rate of 8.8%. The Group again also performed sensitivity analyses considering the potential effect of a change in the reference parameters. The resulting recoverable amount was higher than the investment's carrying amount, showing that it was not impaired.

Investments in associates, jointly controlled entities and other companies

Investments in associates, jointly controlled entities and other companies increased by €26.9 million to €131.1 million:

(€'000)	31 December 2015	31 December 2014	Variation
Investments in associates	103,847	88,981	14,866
Investments in jointly controlled entities	22,831	10,779	12,052
Investments in other companies	4,452	4,488	(36)
Total	**131,130**	**104,248**	**26,882**

Investments in associates, jointly controlled entities and other companies with a negative carrying amount decreased to €2.2 million by €4.5 million at 31 December 2015.

(€'000)	31 December 2015	31 December 2014	Variation
Investments in associates	(1,691)	(955)	(736)
Investments in jointly controlled entities		(4,845)	4,845
Investments in other companies	(499)	(889)	390
Total	**(2,190)**	**(6,689)**	**4,499**

The decrease is mainly a result of inclusion of companies related to Imprepar Impregilo Partecipazioni S.p.A. in the consolidation scope, following acquisition of control thereover. The amount recognised in profit or loss is as follows:

(€'000)	2015	2014	Variation
Investments in associates	222	6,000	(5,778)
Investments in jointly controlled entities	(103)	1,298	(1,401)
Investments in other companies	343	1,308	(965)
Total	**462**	**8,606**	**(8,144)**

The classification of Salini Impregilo Group companies in line with the IFRS referred to earlier was based on the following guidelines:

(i) Paragraphs 5 and 6 of IFRS 10 were adhered to for assessing the existence of control. Group entities were only classified as subsidiaries when the Group has substantial rights over the investee's relevant activities, in exchange for the Group's exposure to variable returns from its involvement with the investee and the Group can use its power over the investee to affect the amount of the variable returns. These requirements are met when the Group holds sufficient voting rights to obtain the majority required in decisions for the governance bodies of the Group entities in question.

(ii) Reference was made to paragraphs 4 and 5 of IFRS 11 to assess the existence of joint control. Joint control exists if the majorities required for decision-taking by the governance bodies of the Group entities in question require the unanimous vote or qualified majorities that can only be reached with the consent of a specific group of investors.

(iii) With reference to the type of joint arrangements, in view of the fact that all joint arrangements in which the Group participates are structured through separate vehicles, reference was made to paragraph B15 of IFRS 11, analysing in particular the legal form of the separate vehicle and the terms of the contractual agreement. With reference to the situation at 31 December 2014 and 2013, only those entities not incorporated into legal entities and structured as separate vehicles that guarantee transparency of the rights and obligations of the parties are classified as joint operations.

Salini Impregilo Group's activities involve its participation in numerous SPEs that, especially in Italy, use the consortium structure, which works using a cost recharging system. For the purposes of classification under IFRS 10 and 11, these entities have been categorized as subsidiaries, associates and joint ventures, according to the guidelines set out above.

Although the investments in the associated consortium entities and entities subject to joint control are measured using the equity method, their revenues are nonetheless presented in the consolidated financial statements as the parent recognises the contract work in progress while the costs incurred by the entities are recharged to the parent and shown in a single cost item (classified among service costs). Therefore, in view of the fact that the relevant effects concerning consortium entities are already shown in the tables below, the details are not provided here.

Financial highlights of the significant associates
The Group associates at 31 December 2015 which, in management's opinion are considered relevant for the Group, are presented below. The share capital of the companies listed below consists solely of ordinary shares, which are directly held by the Group; these companies primarily conduct their business in the country of their incorporation or registration.

	Head office	Registered office (if different to the head office)	Investment %	Nature of the relationship	Measurement method
Consorcio Agua Azul S.A.	Peru	n/a	25.5%	(1)	Equity
Ochre Solutions Holdings Ltd	UK	n/a	40%	(2)	Equity
Yuma Concessionaria S.A.	Colombia	n/a	48.33%	(3)	Equity
Gaziantep Hastane Sanglik	Turkey	n/a	35.50%	(4)	Equity

The activities of the above companies are key to the Group's activities. A description of the nature of Salini Impregilo Group's relationship with the above companies is provided below:

(1) the company is held by the sub holding company Impregilo International Infrastructures N.V. and has a concession contract expiring in 2027 for the integrated water cycle in Lima, Peru. The governance system requires majority resolutions and Salini Impregilo's investment percentage means it can be classified as an associate. Information about the concession's term is provided in the paragraph on "Concessions" of the section on the "Foreign operating segment" of the Directors' report;

(2) the company is held by the sub holding company Impregilo International Infrastrctures N.V. and has a concession contract for Oxford University Hospitals in the United Kingdom, expiring in 2038. The paragraph on "Concessions" of the section on the "Foreign operating segment" of the Directors' report provides a description of this concession. The governance system requires majority resolutions and Salini Impregilo's investment percentage means it can be classified as an associate;

(3) the company is held directly by Salini Impregilo S.p.A. and has a concession contract for the third motorway lot of the Ruta del Sol project in Colombia. The contract expires in 2036. The section on "Concessions" in the Directors' report provides a description of this concession. The governance system requires majority resolutions and Salini Impregilo's investment percentage means it can be classified as an associate. Information about the concession's term is provided in the paragraph on "Concessions" of the section on the "Foreign operating segment" of the Directors' report.

(4) the company is held directly by Salini Impregilo S.p.A. and has a concession contract in the hospital sector expiring in 2048. Construction work is at an initial stage and the concession will only become active in future years. The governance system requires majority resolutions and Salini Impregilo's investment percentage means it can be classified as an associate. Information about the concession's term is provided in the paragraph on "Concessions" of the section on the "Foreign operating segment" of the Directors' report.

The above equity investments do not have a market price and their carrying amount is in line with their fair value.

The financial information relating to individually significant associates accounted for using the equity method is shown below. In addition, the financial information of the associates is reconciled with the carrying amount of the related investments.
The information shown reflects the carrying amounts in the associates' financial statements, adjusted to comply with group accounting policies.

Agua Azul (Peru)

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets			
Property, plant and equipment and intangible assets	22,107	24,458	(2,351)
Other non-current assets	2,900	2,943	(43)
Total non-current assets	**25,007**	**27,401**	**(2,394)**
Current assets			
Cash and cash equivalents and other financial assets	3,583	2,639	944
Other current assets	1,286	1,236	50
Total current assets	**4,869**	**3,875**	**994**
Total assets	**29,876**	**31,276**	**(1,400)**
Equity	**27,473**	**26,590**	**883**
Non-current liabilities			
Non-current financial liabilities	-	221	(221)
Other non-current liabilities	-	-	-
Total non-current liabilities	**-**	**221**	**(221)**
Current liabilities			
Current financial liabilities	248	2,654	(2,406)
Other current liabilities	2,155	1,811	344
Total current liabilities	**2,403**	**4,465**	**(2,062)**
Total liabilities	**29,876**	**31,276**	**(1,400)**

(€'000 Group share)	31 December 2015	31 December 2014
Opening equity	**6,779**	**6,087**
Comprehensive income attributable to the owners of the parent	992	1,119
Dividends distributed	(766)	(427)
Capital increases and other variations	-	-
Closing equity	**7,005**	**6,779**
Carrying amount	**7,005**	**6,779**

(€'000)	31 December 2015	31 December 2014	Variation
Revenue	12,591	10,735	1,856
Costs	(6,449)	(5,957)	(492)
Operating profit	**6,142**	**4,778**	**1,364**
Net financing income (costs)	45	(341)	386
Profit before tax	**6,187**	**4,437**	**1,750**
Income tax expense	(1,895)	(1,526)	(369)
Profit from continuing operations	**4,292**	**2,911**	**1,381**
Other comprehensive income (expense)	(399)	1,480	(1,879)
Profit for the year	**3,893**	**4,391**	**(498)**

Yuma (Colombia)

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets			
Property, plant and equipment and intangible assets	141,017	120,813	20,204
Other non-current assets		1,956	(1,956)
Total non-current assets	**141,017**	**122,769**	**18,248**
Current assets			
Cash and cash equivalents and other financial assets	2,179	7,255	(5,076)
Other current assets	61,142	60,504	638
Total current assets	**63,321**	**67,759**	**(4,438)**
Total assets	**204,338**	**190,528**	**13,810**
Equity	**23,286**	**22,169**	**1,117**
Non-current liabilities			
Non-current financial liabilities	38,897	32,047	6,850
Other non-current liabilities	802	2,107	(1,305)
Total non-current liabilities	**39,699**	**34,154**	**5,545**
Current liabilities			
Current financial liabilities	130,208	125,819	4,389
Other current liabilities	11,145	8,386	2,759
Total current liabilities	**141,353**	**134,205**	**7,148**
Total liabilities	**204,338**	**190,528**	**13,810**

(€'000 Group share)	31 December 2015	31 December 2014
Opening equity	**8,868**	**6,352**
Comprehensive income attributable to the owners of the parent	83	2,516
Dividends distributed	-	-
Other comprehensive income	2,302	-
Closing equity	**11,253**	**8,868**
Carrying amount	**11,253**	**8,868**

(€'000)	31 December 2015	31 December 2014	Variation
Revenue	86,714	144,747	(58,033)
Costs	(87,199)	(143,725)	56,526
Gross operating profit (loss)	**(485)**	**1,022**	**(1,507)**
Net financing income	7,953	5,068	2,885
Profit before tax	**7,468**	**6,090**	**1,378**
Income tax income/expense	(2,764)	2,133	(4,897)
Profit from continuing operations	4,704	8,223	(3,519)
Other comprehensive expense	(4,533)	(1,933)	(2,600)
Profit for the year	**171**	**6,290**	**(6,119)**

Gaziantep Hastane (Turkey)

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets			
Property, plant and equipment and intangible assets	5,736	2,926	2,810
Non-current financial assets	-	-	-
Other non-current assets	-	-	-
Total non-current assets	**5,736**	**2,926**	**2,810**
Current assets			
Cash and cash equivalents and other financial assets	1,813	189	1,624
Other current assets	1,721	1,558	163
Total current assets	**3,534**	**1,747**	**1,787**
Total assets	**9,270**	**4,673**	**4,597**
Equity	**7,519**	**4,307**	**3,212**
Non-current liabilities			
Non-current financial liabilities	-	-	-
Total non-current liabilities	**-**	**-**	**-**
Current liabilities			
Other current liabilities	1,751	366	1,385
Total current liabilities	**1,751**	**366**	**1,385**
Total liabilities	**9,270**	**4,673**	**4,597**

(€'000 Group share)	31 December 2015	31 December 2014
Opening equity	**1,529**	**304**
Comprehensive income (expense) attributable to the owners of the parent	(511)	14
Capital increases and other variations	1,651	1,211
Closing equity	**2,669**	**1,529**
Goodwill and other intangible assets	-	-
Carrying amount	**2,669**	**1,529**

(€'000)	31 December 2015	31 December 2014	Variation
Revenue	-	-	-
Costs	(165)	-	(165)
Operating loss	**(165)**	**-**	**(165)**
Net financing income	74	-	74
Loss before tax	**(91)**	**-**	**(91)**
Income tax		-	-
Loss from continuing operations	**(91)**	**-**	**(91)**
Other comprehensive expense	(1,350)	-	(1,350)
Loss for the year	**(1,441)**	**-**	**(1,441)**

Ochre Holding (UK)

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets			
Property, plant and equipment and intangible assets	-	-	-
Non-current financial assets	177,228	169,847	7,381
Other non-current assets	2,285	965	1,320
Total non-current assets	**179,513**	**170,812**	**8,701**
Current assets			
Cash and cash equivalents and other financial assets	**33,870**	**21,253**	**12,617**
Other current assets	4,299	5,960	(1,661)
Total current assets	**38,169**	**27,213**	**10,956**
Total assets	**217,682**	**198,025**	**19,657**
Equity	**(5,197)**	**(1,885)**	**(3,312)**
Non-current liabilities			
Non-current financial liabilities	184,390	171,481	12,909
Total non-current liabilities	**184,390**	**171,481**	**12,909**
Current liabilities			
Other current liabilities	38,489	28,429	10,060
Total current liabilities	**38,489**	**28,429**	**10,060**
Total liabilities	**217,682**	**198,025**	**19,657**

(€'000 Group share)	31 December 2015	31 December 2014
Opening equity (deficit)	**(754)**	**123**
Net expense for the year	(1,325)	(877)
Capital increases and other variations	-	-
Closing deficit	**(2,079)**	**(754)**
Goodwill and other intangible assets	7,409	7,912
Carrying amount	**5,330**	**7,158**

(€'000)	31 December 2015	31 December 2014	Variation
Revenue	13,177	11,225	1,952
Operating costs	(18,297)	(14,394)	(3,903)
Operating loss	**(5,120)**	**(3,169)**	**(1,951)**
Net financing income	683	1,249	(566)
Loss before tax	**(4,437)**	**(1,920)**	**(2,517)**
Income tax	1,275	35	1,240
Loss from continuing operations	**(3,162)**	**(1,885)**	**(1,277)**
Other comprehensive expense	(150)	(307)	157
Loss for the year	**(3,312)**	**(2,192)**	**(1,120)**

Significant restrictions

At the date of preparation of this Report, there were no restrictions on the associates' ability to transfer dividends, repay loans or make advances to the parent.

Contingent liabilities

At the date of preparation of this Report, there were no contingent liabilities related to the Group's investments in associates. Any related risk areas are described in the paragraph on "Concession" of the section on the "Foreign operating segment" of the Directors' report.

Interests in joint ventures

The most significant joint ventures are listed below:

	Head office	Registered office (if different to the head office)	Investment %	Nature of the relationship	Measurement method
Grupo Unidos Por El Canal S.A.	Panama	n/a	48%	(1)	Equity

(1) The company is held (owned/controlled) directly by Salini Impregilo S.p.A. and is engaged in building the new system of locks on the Panama Canal. Reference should be made to the section of the Directors' report on the "Operating performance by geographical segment" and in particular the paragraphs "Panama Canal" and "Main risk factors and uncertainties" for a detailed description of the concession. The governance system requires qualified majority resolutions passed with the favourable vote of two members, including Salini Impregilo. The above equity investment does not have a market price and its carrying amount is in line with its fair value.

Risks associated with the Group's interest in joint ventures

Commitments

The Group has the following commitments vis-à-vis the joint ventures:

(€'000)	31 December 2015	31 December 2014	Variation
Commitments	1,156,741	638,181	518,560

The increase is mainly due to the guarantees issued on behalf of Grupo Unidos por El Canal and Metro de Lima Linea 2 S.A..

Contingent liabilities

At the date of preparation of this Report, there were no contingent liabilities related to the Group's interests in joint ventures. Any related risk areas are described in the notes above.

Financial highlights of the joint ventures

The financial information related to the joint venture measured using the equity method is set out below with a reconciliation of such information with the carrying amount of the Group's interest in the joint venture as per the shareholder agreements.
The information shown reflects the carrying amounts in the joint venture's financial statements, adjusted to comply with group accounting policies.

Gupc (Panama)

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets			
Property, plant and equipment and intangible assets	80,079	110,624	(30,545)
Total non-current assets	**80,079**	**110,624**	**(30,545)**
Current assets			
Cash and cash equivalents and other financial assets	30,296	154,880	(124,584)
Other current assets	1,357,931	1,091,856	266,075
Total current assets	**1,388,227**	**1,246,736**	**141,491**
Total assets	**1,468,306**	**1,357,360**	**110,946**
Equity	**(492,519)**	**(441,402)**	**(51,117)**
Non-current liabilities			
Other non-current liabilities	1,141	1,223	(82)
Total non-current liabilities	**1,141**	**1,223**	**(82)**
Current liabilities			
Current financial liabilities	472,832	523,558	(50,726)
Other current liabilities	1,486,852	1,273,981	212,871
Total current liabilities	**1,959,684**	**1,797,539**	**162,145**
Total liabilities	**1,468,306**	**1,357,360**	**110,946**

(€'000)	31 December 2015	31 December 2014
Opening deficit	**(169,499)**	**(149,197)**
Comprehensive expense attributable to the owners of the parent	(19,657)	(48,187)
Capital increases and other variations	29	27,885
Closing deficit	**(189,127)**	**(169,499)**
Loan asset	211,928	180,228
Carrying amount	**22,801**	**10,729**

(€'000)	2015	2014	Variation
Revenue	913,265	708,661	204,604
Costs	(895,765)	(766,502)	(129,263)
Operating profit (loss)	**17,500**	**(57,841)**	**75,341**
Net financing costs	(17,727)	(14,814)	(2,913)
Loss before tax	**(227)**	**(72,655)**	**72,428**
Income tax expense	(116)	(21)	(95)
Loss from continuing operations	**(343)**	**(72,676)**	**72,333**
Other comprehensive expense	(50,847)	(52,809)	1,962
Loss for the year	**(51,190)**	**(125,485)**	**74,295**

The carrying amount of this investment is the balance of the parent's receivable due from the joint venture and the provisions for risks on equity investments set up to reflect the assessment of the losses to complete the contract.

Joint operations

The Group is involved in the following main joint operations: CMC - Mavundla - Impregilo (South Africa) and Civil Work Group (Saudi Arabia).

Salini Impregilo S.p.A. has a direct 39.2% interest in the former, which is engaged in works for the hydroelectric plant in Ingula. Salini Impregilo S.p.A. increased its direct stake in the latter to 66% during the year. This joint operation is engaged in the civil works for the Riyadh metro. Both are governed by joint control arrangements as resolutions of the governing bodies require a unanimous vote. Both entities are structured as separate vehicles, guaranteeing transparency of their rights and obligations with respect to Salini Impregilo S.p.A..

10. Non-current financial assets

Non-current financial assets of €67.8 million are analysed in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Other financial assets	19,638	21,070	(1,432)
Loans and receivables - unconsolidated group companies	19,986	15,675	4,311
Loans and receivables - third parties	28,208	52,379	(24,171)
Total	**67,832**	**89,124**	**(21,292)**

The other financial assets include unlisted guaranteed-return securities which mature after one year. They amount to €19.6 million at year end (31 December 2014: €21.0 million) and mainly comprise units in the fund financing Yuma.

Loans and receivables - unconsolidated group companies increased by €4.3 million to €20.0 million, including an increase of €3.7 million due to reclassifications of the Todini business units held for sale and new financing of €4.2 million granted to the English associate Ochre Holding and a decrease of €3.6 million following the Swiss subsidiary CSC's waiver of its receivables to cover the losses of its SPEs.

Loans and receivables - third parties of €28.2 million decreased by €24.2 million on 31 December 2014 and include:

- receivables arising on the sale of the investment in the Argentine operator Caminos de Las Sierras to the Cordoba provincial authorities (Argentina) in 2010, which accrue interest at a fixed rate of 9.50% as follows:
  - the amount due from Caminos de Las Sierras, related 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 €13.2 million at the reporting date includes €5.5 million due after one year and € 7.7 million due within one year. The latter amount is shown under "Other current assets";
  - the receivable from the Cordoba provincial authorities, which also refers to the sale of the investment in Caminos de Las Sierras and amounts to €4.8 million, including €1.1 million due after one year and €3.7 million due within one year.

These loans and receivables are repaid regularly according to the schedule set in the agreements with the counterparties:

- loans and receivables of €21.3 million related to the concessions of the indirect subsidiaries Corso del Popolo S.p.A. and Piscine dello Stadio S.r.l.;
- other of €0.3 million.

The decrease in loans and receivables - third parties is mainly due to the reclassification of amounts due before 31 December 2016. Specifically, in addition to the reclassification of the receivables related to Caminos de Las Sierras (described above), the item includes the receivable of €17.9 million related to the sale of the investment in TE, which will be collected before 31 October 2016.

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to €64.1 million and €55.9 million at 31 December 2015, respectively, as shown in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Deferred tax assets	64,064	138,402	(74,338)
Deferred tax liabilities	(55,857)	(80,435)	24,578

Changes in deferred tax assets and liabilities and the related impact on profit or loss are set out below:

(€'000)	December 31, 2014	Increases	Decreases	Exchange rate gains (losses)	Change in consolidation scope	Change in tax rate	Reclassific-ations	Other changes	December 31, 2015
Deferred tax assets:									
Amortisation and depreciation exceeding tax rates	9,202				(39)	(177)	(7,727)		1,259
Provisions for risks and impairment losses	47,198	5,490	(9,033)	(106)	(32)	(4,646)	4,312	132	43,315
Tax effect of capital increase	1,205		(301)			(115)			789
Deferred taxes	44,293			(35)				(43,353)	905
Fisia Hiatus transaction	15,789		(4,685)						11,104
Other	97,440	143,694	(68,464)	(61)	(6,872)	(918)	5,681	(29)	170,471
Total	**215,127**	**149,184**	**(82,483)**	**(202)**	**(6,943)**	**(5,856)**	**2,266**	**(43,250)**	**227,843**
Offsetting	(76,725)	621			1,648		(621)	(88,702)	(163,779)
Net deferred tax assets (a)	**138,402**	**149,805**	**(82,483)**	**(202)**	**(5,295)**	**(5,856)**	**1,645**	**(131,952)**	**64,064**
Deferred tax liabilities:									
Fiscally-driven amortisation and depreciation	(5,003)	(392)	1,247	42					(4,106)
Deferred gains	(584)				126		458		
Uncollected default interest	(6,053)					771			(5,282)
Tax effects of PPA	(7,585)		1,575			525			(5,485)
Contract revenue or revenue items	(21,706)	(131)	11,619	(549)	(5,881)				(16,648)
Contract revenue taxable in future years	(59,092)	(197)						43,353	(15,936)
Other	(57,137)	(149,002)	38,048	1,008	(2,496)	1,034	(2,113)	(1,521)	(172,179)
Total	**(157,160)**	**(149,722)**	**52,489**	**501**	**(8,251)**	**2,330**	**(1,655)**	**41,832**	**(219,636)**
Offsetting	76,725				(1,648)			88,702	163,779
Net deferred tax liabilities (b)	**(80,435)**	**(149,722)**	**52,489**	**501**	**(9,899)**	**2,330**	**(1,655)**	**130,534**	**(55,857)**
Net deferred tax (income) expense (a+b)		**83**	**(29,994)**			**(3,526)**			**(33,437)**

"Other" mainly reflects temporary differences related to unrealised exchange rate gains or losses and ordinary maintenance costs for the Group's assets.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted at company level when this is allowed.

Changes in 2014 were as follows:

(€'000)	31 December 2013	Increases	Decreases	Exchange rate gains (losses)	Change in consolidation scope	Equity	Other changes	31 December 2014
Deferred tax assets:								
Amortisation and depreciation exceeding tax rates	8,482	21			65		634	9,202
Provisions for risks and impairment losses	47,843	1,952	(8,756)	2	6,157		-	47,198
Tax effect of capital increase			(301)			1,506		1,205
Deferred taxes	37,204	657	-	6,432				44,293
Fisia Hiatus transaction	19,378		(3,589)					15,789
Other	26,421	76,508	(13,208)	248	6,730	106	635	97,440
Total	**139,328**	**79,138**	**(25,854)**	**6,682**	**12,952**	**1,612**	**1,269**	**215,127**
Offsetting	(18,082)						(58,643)	(76,725)
Net deferred tax assets (a)	**121,246**	**79,138**	**(25,854)**	**6,682**	**12,952**	**1,612**	**(57,374)**	**138,402**
Deferred tax liabilities:								
Fiscally-driven amortisation and depreciation	(4,650)	(2,174)	1,847	(26)				(5,003)
Deferred gains	(459)		126		(251)			(584)
Uncollected default interest	(6,053)							(6,053)
Tax effects of PPA	(9,714)		2,129					(7,585)
Contract revenue or revenue items	(7,695)	(22,155)		449			7,695	(21,706)
Contract revenue taxable in future years	(47,426)	(5,369)		(6,297)				(59,092)
Other	(16,100)	(54,562)	15,408	201	(2,089)		5	(57,137)
Total	**(92,097)**	**(84,260)**	**19,510**	**(5,673)**	**(2,340)**		**7,700**	**(157,160)**
Offsetting	18,082						58,643	76,725
Net deferred tax liabilities (b)	**(74,015)**	**(84,260)**	**19,510**	**(5,673)**	**(2,340)**		**66,343**	**(80,435)**
Net deferred tax (income) expense (a+b)		**(5,122)**	**(6,344)**					**(11,466)**

12. Inventories

Inventories total €268.1 million at the reporting date, as shown in the following table:

	31 December 2015			31 December 2014			
(€'000)	Gross carrying amount	Allowance	Carrying amount	Gross carrying amount	Allowance	Carrying amount	Variation
Real estate projects	22,085	(8,597)	13,488	22,285	(8,222)	14,063	(575)
Finished products and goods	3,448		3,448	3,680		3,680	(232)
Raw materials, consumables and supplies	252,666	(1,529)	251,137	246,550	(1,553)	244,997	6,140
Total	**278,199**	**(10,126)**	**268,073**	**272,515**	**(9,775)**	**262,740**	**5,333**

Real estate projects

Real estate projects amount to €13.5 million, substantially unchanged from the previous year end. They mainly relate to the real estate project of €11.6 million (net of the related allowance of €8.6 million) for the construction of a trade point in Lombardy for which a dispute is pending about the zoning provisions of the area on which the property stands. Based also on its legal advisors' opinion, the Group deems that the carrying amount can be recovered through the real estate project or, alternatively, through recognition of the damage incurred due to non-authorisation of the zoning of the area by the competent authorities.

Finished products and goods and Raw materials, consumables and supplies

The carrying amount of these items totals €3.4 million and €251.1 million, respectively, and mainly relates to materials and goods to be used for foreign contracts, including those in Ethiopia (€149 million) and Venezuela (€15 million).

The carrying amount of raw materials, consumables and supplies is net of an allowance of € 1.5 million, analysed below:

(€'000)	31 December 2014	Write-downs	Utilisations	Reversals	Exchange rate gains (losses)	31 December 2015
Allowance - raw materials	(1,553)	(814)	832		6	(1,529)
Total	**(1,553)**	**(814)**	**832**	**-**	**6**	**(1,529)**

Changes in the prior year are shown in the next table:

(€'000)	31 December 2013	Write-downs	Utilisations	Reversals	Exchange rate gains (losses)	31 December 2014
Allowance - raw materials	(726)	(813)			(14)	(1,553)
Total	**(726)**	**(813)**	**-**	**-**	**(14)**	**(1,553)**

13. Contract work in progress

Contract work in progress totals €1,775.8 million at the reporting date, up €523.0 million on the previous year-end figure. The increase includes ongoing production calculated using the most recent estimates of the current contracts' profitability. 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:

(€'000)	31 December 2015	31 December 2014	Variation
Contract work in progress	27,960,191	18,987,684	8,972,507
Progress payments and advances received (on approved work)	(26,184,400)	(17,734,915)	(8,449,485)
Total	**1,775,791**	**1,252,769**	**523,022**

The most significant contract work in progress relates to railway work in Venezuela (€251.4 million, with production of €57.1 million during the year), the hydroelectric plants in Ethiopia (€164.0 million, with production of €885.1 million during the year), the high speed/high capacity railway work in Italy (€149.5 million, with production of €233.2 million during the year), the hydroelectric, road and civil building works in Nigeria (€109.7 million, with production of €58.4 million during the year), the Copenhagen Cityringen Metro in Denmark (€145.1 million, with production of €415.3 million during the year), the Doha Metro in Qatar (€51.0 million, with production of €333.8 million during the year), the design and construction of motorways in Romania (€75.7 million, with production of €52.7 million during the year) and work in progress in Libya (€143.3 million with production of €2.9 million during the year). With respect to the contracts in Libya, the subsidiary Lidco collected contractual advances in previous years amounting to €183.2 million at the reporting date, recognised as "Advances for contract work in progress" under liabilities in the statement of financial position.

Todini Costruzioni Generali Group's contract work in progress carried out by business units for which expressions of interest have not been received and which are included in the continuing operations amount to €161.6 million.
The item shows an increase over 31 December 2014 mainly attributable to continuation of production on the contracts in Denmark (€118.9 million, due to the Copenhagen Cityringer Metro contract), Qatar (€70 million, mainly referred to construction of the Al Bayt Stadium in Al Khor City and the Red Line North Underground), Ethiopia (€69.5 million, principally for the GIBE III project) and Italy (€59.8 million, high speed/high capacity contract).

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

(€'000)	31 December 2015	31 December 2014	Variation
Italy	399,625	355,219	44,406
EU (excluding Italy)	247,378	80,465	166,913
Non-EU	106,464	16,714	89,750
Asia	16,310	26,184	(9,874)
Middle East	115,991	38,346	77,645
Africa	546,857	378,075	168,782
North America	613		613
Latin America	328,251	357,766	(29,515)
Oceania	14,302		14,302
Total	**1,775,791**	**1,252,769**	**523,022**

The section on the "Main risk factors and uncertainties" in the Directors' report provides information on pending disputes and assets exposed to country risk in Libya, Venezuela, Nigeria, Ukraine and Turkey.

The section on the "Performance by geographical segment" in the Directors' report provides more details about the contracts and the progress made on the main projects.

14. Trade receivables

At 31 December 2015, trade receivables amount to €1,560.7 million, a net decrease of €119.6 million compared to 31 December 2014. The item includes receivables of €180.6 million from unconsolidated group companies and other related parties.
It is analysed in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Third parties	1,380,098	1,420,589	(40,491)
Unconsolidated group companies and other related parties	180,586	259,714	(79,128)
Total	**1,560,684**	**1,680,303**	**(119,619)**

Trade receivables - third parties may be broken down as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Trade receivables	1,479,741	1,521,485	(41,744)
Allowance for impairment	(99,643)	(100,896)	1,253
Total	**1,380,098**	**1,420,589**	**(40,491)**

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 decrease of €40.5 million is mainly due to the following opposing factors: an increase of roughly €10.5 million following the reclassification of Todini Costruzioni Generali Group's business units which, after the internal reorganisation mentioned earlier, are presented as part of the continuing operations at 31 December 2015 while they were recognised as non-current assets held for sale at 31 December 2014; an increase of €22.3 million for Imprepar and of €32.5 million for Salini Impregilo Insaat NTF J.V. for the CETIN hydroelectric contract (Turkey); a decrease of €96.7 million following collections for the Ethiopian branch's contracts and a decrease of €53.2 million for the JV Salini Mukorsi (Zimbabwe), whose contract is nearing completion.

The item also includes € 229.3 million due to FIBE by 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 "Main risk factors and uncertainties" section in the Directors' report for more information about this complicated situation and the directors' related assessments).

Retentions amount to €87.3 million at the reporting date compared to €109.5 million at 31 December 2014.
The allowance for impairment decreased by €1.3 million to €99.6 million at the reporting date and includes impairment losses on trade receivables of €43.8 million (mostly for the Venezuelan branch and Fisia Ambiente) and on default interest of €55.8 million (mainly related to FIBE). Changes in the allowance are shown in the next table:

(€'000)	31 December 2014	Impairment losses	Utilisations	Reversals	Change in consolidation scope	Other changes	Exchange rate gains (losses)	31 December 2015
Trade receivables	41,098	5,269	(6,722)	(950)	-	2,999	2,123	43,817
Default interest	59,798	86	(3,079)	-	-	(1,014)	35	55,826
Total	**100,896**	**5,355**	**(9,801)**	**(950)**	**-**	**1,985**	**2,158**	**99,643**

Changes in the previous year are as follows:

(€'000)	31 December 2013	Impairment losses	Utilisations	Reversals	Change in consolidation scope	Other changes	Exchange rate gains (losses)	31 December 2014
Trade receivables	42,598	4,230	(6,310)	(1,060)	1,549	95	(3)	41,099
Default interest	60,117	302		(622)				59,797
Total	**102,715**	**4,532**	**(6,310)**	**(1,682)**	**1,549**	**95**	**(3)**	**100,896**

Trade receivables from unconsolidated group companies and other related parties decreased by €79.1 million to €180.6 million at 31 December 2015.

The item mainly comprises trade receivables from unconsolidated SPEs for work carried out by them under contracts with Italian and foreign public administrations.

The balance includes €17.5 million equal to the Group's share of the SPEs' cash and cash equivalents. It is shown in the item "Net financial position with unconsolidated SPEs" in the schedule of the Group's net financial indebtedness.
The decrease is principally attributable to the reduction in the receivable due from the consortium company Metro Blu s.c.r.l. which is involved in constructing Line 4 of the Milan Metro.

15. Derivatives and other current financial assets

At 31 December 2015, this item of €312.1 million (31 December 2014: €156.9 million) includes the following:

(€'000)	31 December 2015	31 December 2014	Variation
Government bonds and insurance shares	2,815	11,433	(8,618)
Loans and receivables - third parties	164,693	40,190	124,503
Loans and receivables - unconsolidated group companies and related parties	144,596	105,285	39,311
Total	**312,104**	**156,908**	**155,196**

The government bonds and insurance shares amount to €2.8 million compared to €11.4 million at 31 December 2014. The item includes unlisted guaranteed-return securities with maturities of less than one year. The decrease in 2015 is due to the sale of securities by the Argentine subsidiary Impregilo Healy Ute, which was awarded the Riachuelo contract in Argentina.

Loans and receivables - third parties mainly consist of:

- current loans and receivables of €65.9 million due from the CAV.TO.MI consortium for the return of the escrow account previously recognised under cash and cash equivalents (see note 18). The section on the "Main risk factors and uncertainties" in the Directors' report provides more information;

- current loans and receivables of €29.9 million related to the surety enforced in 2014 for the delay in the Metro 6 works. The Group is confident it will recover this amount, based also on the opinion of its legal advisors assisting it with the dispute. The section on the "Main risk factors and uncertainties" in the Directors' report provides more information;

- current loans and receivables of €18.3 million which arose after the sale of TEEM S.p.A. and are due in 2016; they were classified as non-current financial assets at 31 December 2014;
- current loans and receivables of €11.4 million (31 December 2014: €9.4 million) related to the subsidiary Impregilo International Infrastructures N.V. for the current portion of the receivables that arose after the sale of its investment in the Argentine operator Caminos de las Sierras to the Cordoba provincial authorities (Argentina) in note 10. To date, these receivables have been collected in line with the contractual terms.

Loans and receivables with unconsolidated group companies and other related companies mainly consist of:

- receivables of €14.5 million due from Salini Costruttori S.p.A., principally relating to its participation in the VAT consolidation scheme. At 31 December 2014, this item amounted to €10.0 million and referred to the joint current account;
- the amount of €119.3 million due from Consorzio OIV Tocoma, the SPE in charge of a hydroelectric project in Venezuela.

16. Current tax assets and other current tax assets

Current tax assets amount to €114.6 million as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Direct taxes	56,387	38,483	17,904
IRAP	863	4,088	(3,225)
Foreign direct taxes	57,327	52,906	4,421
Total	**114,577**	**95,477**	**19,100**

The 31 December 2015 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 €46.2 million to €142.7 million at the reporting date as follows:

(€'000)	31 December 2015	31 December 2014	Variation
VAT	107,035	74,906	32,129
Other indirect taxes	35,617	21,583	14,034
Total	**142,652**	**96,489**	**46,163**

VAT assets amount to €107.0 million, which includes €72.2 million due from the Italian taxation authorities and €34.8 million from foreign taxation authorities. The other indirect taxes include withholdings of €8.7 million paid by the Islandic branch on the remuneration paid to foreign temporary workers involved in the work site. More information is available in note 31.

17. Other current assets

Other current assets of €518.6 million show a decrease of €171.4 million on the previous year end and may be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Other receivables	217,636	257,177	(39,541)
Advances to suppliers	179,268	222,775	(43,507)
Other - unconsolidated group companies and other related parties	33,882	103,544	(69,662)
Prepayments and accrued income	87,856	106,501	(18,645)
Total	**518,642**	**689,997**	**(171,355)**

Specifically, "Other receivables" include:

- €71.2 million (substantially unchanged from 31 December 2014) due from the public bodies involved in managing the waste emergency in Campania to FIBE. The section on the "USW Campania projects" and related assessments in the section of the Directors' report on the "Main risk factors and uncertainties" provides more information about these projects;
- €34.0 million due from the Argentine Republic as compensation for damage following the favourable award issued on 21 June 2011 and confirmed by the Buenos Aires Arbitration Tribunal on 24 January 2014. This award settled the proceedings commenced by the shareholders of the investee Aguas del Buenos Aires S.A. in liquidation (operator) against the Argentine Republic;
- €25.6 million due from some of the Group's partners of joint ventures around the world, mainly for the works on Line 3 of the Riyadh Metro in the Middle East.

Advances to suppliers decreased by €43.5 million due to absorption of advances made in previous years for the Copenhagen Cityringer contracts in Denmark and the contracts in Kazakhstan, partly offset by advances made for the Lima metro in Peru and the hydroelectric plants in Turkey and Georgia.

Other - unconsolidated group companies and other related parties decreased by €69.7 million to €33.9 million at the reporting date. The most significant variations relate to the receivable of €13.7 million (down €8.6 million) from the ultimate parent, Salini Costruttori S.p.A., and the reduction in the receivable from Consorzio OIV Tocoma.

Prepayments and accrued income of €87.9 million show a decrease of €18.6 million on 31 December 2014. The item mainly consists of insurance premiums, commissions on sureties and other contract costs which will be recognised in profit or loss in future periods based on the stage of completion of the related contracts. The decrease, shown in the following table, is mainly due to the Ethiopian contracts and the high capacity Milan - Genoa railway section contract.

(€'000)	31 December 2015	31 December 2014	Variation
Accrued income:			
- Other	301	542	(241)
Total accrued income	**301**	**542**	**(241)**
Prepayments:			
- Insurance	41,024	44,008	(2,984)
- Sureties	6,180	8,465	(2,285)
- Other contract costs	40,351	53,486	(13,135)
Total prepayments	**87,555**	**105,959**	**(18,404)**
Total	**87,856**	**106,501**	**(18,645)**

18. Cash and cash equivalents

At 31 December 2015, cash and cash equivalents amount to €1,410.8 million, up by €379.9 million, as shown below:

(€'000)	31 December 2015	31 December 2014	Variation
Cash and cash equivalents	1,410,775	1,030,925	379,850

A breakdown by geographical segment is as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Italy	253,922	313,098	(59,175)
EU (excluding Italy)	138,975	178,127	(39,152)
Non-EU	26,715	31,418	(4,703)
Asia	33,388	54,070	(20,682)
Middle East	771,495	298,373	473,121
Africa	65,808	46,610	19,199
North America	45,044	43,629	1,415
Latin America	47,051	51,147	(4,096)
Oceania	28,377	14,453	13,924
Total	**1,410,775**	**1,030,925**	**379,850**

The balance includes credit bank account balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign subsidiaries. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries.

The statement of cash flows shows the reason for the increase in the item and changes in current account facilities (note 20).

Imprepar's deposits include €13.2 million collected by it on behalf of third parties.
Parking Glasgow's cash and cash equivalents are tied to specific reserves for €0.6 million, while cash and cash equivalents of €8.5 of CAVTOMI are tied up in a fiduciary deposit to guarantee the positive outcome of a pending dispute (the section on the "Main risk factors and uncertainties" in the Directors' report provides more information about this).

At the reporting date, the cash and cash equivalents attributable to non-controlling interests of the consolidated SPEs amount to €166.5 million and mainly refer to entities working on the Red Line North Underground and the Al Bayt Stadium in Al Khor in Qatar.

19. 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 with the associated liabilities:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current assets held for sale	147,606	344,155	(196,549)
Liabilities directly associated with non-current assets held for sale	(106,012)	(260,031)	154,019
Total	**41,594**	**84,124**	**(42,530)**

A breakdown of this item is as follows:

	31 December 2015		
(€'000)	Todini	USW Campania	Total
Non-current assets	32,291	5,683	37,974
Current assets	109,632	-	109,632
Non-current assets held for sale	**141,923**	**5,683**	**147,606**
Non-current liabilities	(30,485)	-	(30,485)
Current liabilities	(75,527)	-	(75,527)
Liabilities directly associated with non-current assets held for sale	**(106,012)**	**-**	**(106,012)**
Total	**35,911**	**5,683**	**41,594**
- including net financial indebtedness	*(18,939)*		*(18,939)*

	31 December 2014			
(€'000)	Todini	USW Campania	Co.ge.ma	Total
Non-current assets	38,711	5,683	4,676	49,070
Current assets	295,084			295,084
Non-current assets held for sale	**333,795**	**5,683**	**4,676**	**344,154**
Non-current liabilities	(19,860)			(19,860)
Current liabilities	(240,171)			(240,171)
Liabilities directly associated with non-current assets held for sale	**(260,031)**	**-**	-	**(260,031)**
Total	**73,764**	**5,683**	**4,676**	**84,123**
- including net financial indebtedness	*(81,292)*			*(81,292)*

The €42.5 million decrease in this item mainly relates to the reorganisation of Todini Costruzioni Generali Group.

The loss from discontinued operations in 2015 and 2014 is analysed in the following tables:

	31 December 2015		
(€'000)	Todini	USW Campania	Total
Operating revenue	207,911		207,911
Other revenue	16,199		16,199
Total revenue	**224,110**	**-**	**224,110**
Costs			
Raw materials and consumables	(47,269)		(47,269)
Subcontracts	(106,068)		(106,068)
Services	(26,958)	(542)	(27,500)
Personnel expense	(2,983)		(2,983)
Other operating expenses	(18,137)		(18,137)
Amortisation, depreciation, provisions and impairment losses	(33,136)	(4,505)	(37,641)
Total costs	**(234,551)**	**(5,047)**	**(239,598)**
Operating loss	**(10,441)**	**(5,047)**	**(15,488)**
Financing income (costs) and gains (losses) on investments			
Financial income	28		28
Financial expense	(835)		(835)
Net exchange rate gains	2,870		2,870
Net financing income	2,063	-	2,063
Net gains on equity investments	1	-	1
Net financing income and net gains on equity investments	**2,064**	**-**	**2,064**
Loss before tax	**(8,377)**	**(5,047)**	**(13,424)**
Income tax expense	(3,149)		(3,149)
Loss from discontinued operations	**(11,526)**	**(5,047)**	**(16,573)**

	31 December 2014			
(€'000)	**Todini**	**Fisia Babcok**	**USW Campania**	**Total**
Revenue				
Operating revenue	145,709	111,164		256,873
- of which: gains on the sale of equity investments		*89,201*		*89,201*
Other revenue	16,606	2		16,608
Total revenue	**162,315**	**111,166**	**-**	**273,481**
Costs				
Raw materials and consumables	(25,713)	(11,619)		(37,332)
Subcontracts	(105,366)			(105,366)
Services	(23,713)			(23,713)
Personnel expense	(15,172)	(7,604)	(903)	(23,679)
Other operating expenses	(25,403)	(6,880)		(32,283)
Amortisation, depreciation, provisions and impairment losses	(12,980)	(402)		(13,382)
Total costs	**(208,347)**	**(26,505)**	**(903)**	**(235,755)**
Operating profit (loss)	**(46,032)**	**84,661**	**(903)**	**37,725**
Financing income (costs) and gains (losses) on investments				
Financial income	40	801		841
Financial expense	(1,351)	(54)		(1,405)
Net exchange rate losses	(125)	(190)		(315)
Net financing income (costs)	(1,436)	557	-	(879)
Net losses on investments	(244)	-	-	(244)
Net financing income (costs) and net losses on investments	**(1,680)**	**557**	**-**	**(1,123)**
Profit (loss) before tax	**(47,712)**	**85,218**	**(903)**	**36,602**
Income tax expense	(5,923)	(93)	(34)	(6,050)
Profit (loss) from discontinued operations	**(53,635)**	**85,125**	**(937)**	**30,552**

20. Equity

Equity increased to €1,216.9 million at 31 December 2015 from €1,186.4 million at the end of 2014 as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Equity attributable to the owners of the parent			
Share capital	544,740	544,740	-
Share premium reserve	120,798	120,798	-
- Legal reserve	101,535	100,000	1,535
- Reserve for share capital increase related charges	(3,970)	(3,970)	-
- Reserve for treasury shares	(7,677)	(7,677)	-
- LTI reserve	139		139
- Extraordinary and other reserves	136	136	-
Total other reserves	90,163	88,489	1,674
Other comprehensive income (income)			
- Translation reserve	(11,194)	15,575	(26,769)
- *Hedging reserve*	(8,085)	1,987	(10,072)
- Actuarial reserve	(5,273)	(5,447)	174
Total other comprehensive income (expense)	(24,552)	12,115	(36,667)
Retained earnings	324,259	249,988	74,271
Profit for the year	60,592	93,773	(33,181)
Equity attributable to the owners of the parent	**1,116,000**	**1,109,903**	**6,097**
Share capital and reserves attributable to non-controlling interests	79,221	67,166	12,055
Profit for the year attributable to non-controlling interests	21,639	9,347	12,292
Share capital and reserves attributable to non-controlling interests	100,860	76,513	24,347
TOTAL EQUITY	**1,216,860**	**1,186,416**	**30,444**

Changes of the year in the different equity items are summarised in the relevant schedule of the consolidated financial statements. Specifically, in their meeting held on 30 April 2015, the parent's shareholders resolved to allocate the profit for 2014 as follows:

- €1,534,634.74, equal to 5% of the profit for the year, to the legal reserve;
- €19,562,732.56 as a dividend to the holders of ordinary shares, equal to €0.04 per share;
- €420,027.66 as a dividend to the holders of savings shares, equal to €0.26 per share;
- €9,175,299.76 to retained earnings.

At 31 December 2015, the parent's fully paid-up share capital amounts to €544,740.000. It comprises 493,798,182 shares, including 492,172,691 ordinary shares and 1,615,491 savings shares, all without a nominal amount.

Savings shares issued pursuant to the law do not carry voting rights, have preference dividend and capital repayment rights and can be bearer shares, subject to the provisions of article 2354.2 of the Italian Civil Code. Upon the shareholder's requests and at his/her own expense, they can be converted into registered shares and vice versa. Savings shares held by directors, statutory auditors and CEOs are registered. Except when the parent's by-laws or relevant legislation provide for otherwise, savings shares give the holders the same rights as those of ordinary shares.

Holders of savings shares do not have the right to attend the parent's shareholders' meetings or to request that they are called. The special savings shareholders' meeting is regulated by law. When reserves are distributed, the savings shares have the same rights as ordinary shares.

Upon dissolution of the parent, savings shares bear preference rights to capital repayment, up to €5.2 per share. When shares are grouped or split (as well as when capital transactions are carried out and as necessary in order to protect the savings shareholders' rights in the case the shares have nominal value), the above fixed amount shall be adjusted accordingly.

Profit for the year as per the financial statements is allocated as follows:

a) 5% to the legal reserve, up to the legally-required amount;

b) to savings shares, to the extent of 5% of €5.2 per share (i.e., €0.26 per share). If a dividend lower than 5% of €5.2 per share (i.e., €0.26 per share) is paid one year, the difference is taken as an increase in the preferred dividend of the following two years;

c) the residual amount, to all shareholders in such a way as to allocate to savings shares a total dividend which is 2% of €5.2 per share (i.e., €0.104 per share) greater than that distributed to ordinary shares, except when the shareholders decide to allocate an amount to the extraordinary reserves or for other uses.

The reserve for treasury shares is unchanged from 31 December 2014. The Group launched the repurchase programme on 6 October 2014 and has bought back 3,104,377 shares for €7,676,914.46.

The LTI (long term incentive plan) reserve shows the fair value of €0.1 million of this plan rolled out in 2015. The section on the accounting policies describes how the reserve is treated. The following table provides a breakdown of the reserve:

(Euro)	No. of shares	Amount	Start date	End date	Average price	Fair Value
Managing director	**569,573.00**	2,198,551.78	17/12/2015	30/4/2018	3.86	35,583.50
Personnel	**983,286.00**	3,795,483.96	17/12/2015	30/4/2018	3.86	61,429.80
Other managers	**1,025,050.00**	3,964,893.40	22/12/2015	30/4/2018	3.87	41,493.07
Total	**2,577,909.00**	**9,958,929.14**				**138,506.37**

The main variation in other comprehensive income items relates to the effect of fluctuations in exchange rates as shown below:

(€'000)	2015	2014
Opening balance	15,575	826
Reclassification to profit or loss	-	(333)
Equity-accounted investees	228	(865)
Increase (decrease)	(26,997)	15,947
Total changes	(26,769)	14,749
Closing balance	**(11,194)**	**15,575**

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

(€'000)	2015	2014
Opening balance	1,987	2,151
Reclassification of fair value gains/losses on settled transactions to profit or loss	583	556
Net fair value losses	(10,113)	(854)
Change in consolidation scope	-	307
Net exchange rate losses and other changes	(299)	(316)
Net losses for equity-accounted investees	(243)	143
Total changes	(10,072)	(164)
Closing balance	**(8,085)**	**1,987**

The actuarial reserve underwent the following changes:

(€'000)	2015	2014
Opening balance	(5,447)	(1,874)
Reclassifications	744	-
Net actuarial gains recognised in OCI	(570)	(3,573)
Closing balance	**(5,273)**	**(5,447)**

Retained earnings

This item may be analysed as follows:

(€'000)	2015	2014
Opening balance	249,988	309,453
Allocation of profit	92,237	168,924
Dividend distribution	(19,983)	(420)
Merger	-	(206,146)
Reclassifications	(651)	-
Change in consolidation scope	2,668	(21,823)
Closing balance	**324,259**	**249,988**

Share capital and reserves attributable to non-controlling interests

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

(€'000)	2015	2014
Opening balance	76,513	221,995
Merger	-	(174,044)
Capital increase	11,295	-
Profit attributable to non-controlling interests	21,639	9,347
Dividend distribution to non-controlling interests	(2,938)	-
Change in consolidation scope	(4,306)	17,973
Components of comprehensive income	(1,343)	1,242
Closing balance	**100,860**	**76,513**

At the reporting date, the Group's significant not wholly owned subsidiaries are:

(€ m) Company	Head office	Business	% of ordinary shares held directly by the parent	% of ordinary shares held by the Group	% of ordinary shares held by non-controlling investors	% of preference shares held by the Group	Non-controlling interests
Salerno-Reggio Calabria S.c.p.a.	Italy	Construction	51%	51%	49%	0%	24.5
Reggio Calabria - Scilla S.c.p.a.	Italy	Construction	51%	51%	49%	0%	17.1
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar	Construction	41.25%	41.25%	58.75%	0%	14.5
Salini-Kolin-GCF Joint Venture	Turkey	Construction	38%	38%	62%	0%	11.9
Società Autostrada Broni - Mortara S.p.A. (SA.BRO.M)	Italy	Concessions	60%	60%	40%	0%	10.9
Other							22
Total non-controlling interests							**100.9**

A complete list of not wholly-owned subsidiaries is given in the "Consolidation scope" table at the end of these notes.

Summary of financial information of subsidiaries with significant non-controlling interests
Access to the assets of Italian law consortia and consortium companies and foreign SPES and the possibility of using them to settle the Group's liabilities is generally subject to approval by qualified majorities of the members, in order to protect the operating requirements of their contracts. The following table summarises the financial information of each company in which the Group has an investment that has significant non-controlling interests:

Salerno-Reggio Calabria S.c.p.A.

(€'000)

Statement of financial position	31 December 2015	31 December 2014	Variation
Assets			
Non-current assets	179	1,118	(939)
Current assets	277,753	247,635	30,118
Total assets	**277,932**	**248,753**	**29,179**
Total equity and liabilities			
Equity	50,000	49,933	67
Non-current liabilities	20	413	(393)
Current liabilities	227,912	198,407	29,505
Total equity and liabilities	**277,932**	**248,753**	**29,179**
Income statement	**2015**	**2014**	**Variation**
Revenue	38,070	41,753	(3,683)
Profit before tax	459	399	60
Income taxes	(391)	(408)	17
Profit (loss) for the year	**68**	**(9)**	**77**
Comprehensive income (expense)	**68**	**(9)**	**77**
Comprehensive income (expense) attributable to non-controlling interests	**33**	**(4)**	**37**
Statement of cash flows			**2015**
Net cash flows generated by operating activities			21,768
Net cash flows used in investing activities			(1)
Net cash flows used in financing activities			(3,173)
Net increase in cash and cash equivalents and current account overdrafts			**18,594**
Opening cash and cash equivalents and current account overdrafts			**6,446**
Closing cash and cash equivalents and current account overdrafts			**25,040**

Reggio Calabria-Scilla S.c.p.A.

(€'000)

Statement of financial position	31 December 2015	31 December 2014	Variation
Assets			
Non-current assets	499	755	(256)
Current assets	130,760	117,100	13,660
Total assets	**131,259**	**117,855**	**13,404**
Total equity and liabilities			
Equity	35,000	35,000	-
Non-current liabilities	374	396	(22)
Current liabilities	95,885	82,459	13,426
Total equity and liabilities	**131,259**	**117,855**	**13,404**
Income statement	**2015**	**2014**	**Variation**
Revenue	34,940	92,925	(57,985)
Profit before tax	262	431	(169)
Income taxes	(262)	(431)	169
Statement of cash flows			**2015**
Net cash flows generated by operating activities			25,124
Net cash flows used in financing activities			(11,079)
Net increase in cash and cash equivalents and current account overdrafts			**14,045**
Opening cash and cash equivalents and current account overdrafts			**2,687**
Closing cash and cash equivalents and current account overdrafts			**16,732**

Società Autostrada Broni-Mortara S.p.A.

(€'000)

Statement of financial position	31 December 2015	31 December 2014	Variation
Attività			
Non-current assets	43,491	42,551	940
Current assets	5,044	6,006	(962)
Total assets	**48,535**	**48,557**	**(22)**
Patrimonio netto e passività			
Equity	27,128	27,396	(268)
Current liabilities	21,407	21,161	246
Total shareholders' equity and liabilities	**48,535**	**48,557**	**(22)**
Income statement	**2015**	**2014**	**Variation**
Revenue	1	40	(39)
Loss before tax	(393)	(208)	(185)
Income taxes	126	-	126
Loss for the year	**(267)**	**(208)**	**(59)**
Comprehensive expense	**(267)**	**(208)**	**(59)**
Comprehensive expense attributable to non-controlling interests	**(107)**	**(81)**	**(26)**
Statement of cash flows			**2015**
Net cash flows generated by operating activities			3,412
Net cash flows used in financing activities			(138)
Net increase in cash and cash equivalents and current account overdrafts			**3,274**
Opening cash and cash equivalents and current account overdrafts			**278**
Closing cash and cash equivalents and current account overdrafts			**3,552**

Salini-Kolin-GCF joint venture (Turkey)

(€'000)

Statement of financial position	31 December 2015	31 December 2014	Variation
Assets			
Non-current assets	121	154	(33)
Current assets	45,902	48,675	(2,773)
Total assets	**46,023**	**48,829**	**(2,806)**
Total equity and liabilities			
Equity	19,202	11,767	7,435
Non-current liabilities	3,038	3,038	-
Current liabilities	23,783	34,024	(10,241)
Total equity and liabilities	**46,023**	**48,829**	**(2,806)**
Income statement	**2015**	**2014**	**Variation**
Revenue	13,925	75,930	(62,005)
Profit before tax	7,438	6,515	923
Income taxes	-	(1,303)	1,303
Profit for the year	**7,438**	**5,212**	**2,226**
Other comprehensive income	103	103	-
Comprehensive income	**7,541**	**5,315**	**2,226**
Comprehensive income attributable to non-controlling interests	**4,675**	**3,295**	**1,380**
Statement of cash flows			**2015**
Net cash flows used in operating activities			(1,227)
Net cash flows used in investing activities			(6)
Net increase in cash and cash equivalents and current account overdrafts			**(1,233)**
Opening cash and cash equivalents and current account overdrafts			**16,806**
Closing cash and cash equivalents and current account overdrafts			**15,573**

Impregilo-SK E&C-Galfar al Misnad J.V. (Qatar)

(€'000)

Statement of financial position	31 December 2015	31 December 2014	Variation
Assets			
Non-current assets	74,993	70,448	4,545
Current assets	171,645	98,234	73,411
Total assets	**246,638**	**168,682**	**77,956**
Total equity and liabilities			
Equity	24,632	9,423	15,209
Current liabilities	222,006	159,259	62,747
Total equity and liabilities	**246,638**	**168,682**	**77,956**
Income statement	**2015**	**2014**	**Variation**
Revenue	339,719	181,577	158,142
Profit before tax	13,852	7,109	6,743
Profit for the year	**13,852**	**7,109**	**6,743**
Other comprehensive income	865	865	-
Comprehensive income	**14,717**	**7,974**	**6,743**
Comprehensive income attributable to non-controlling interests	**8,646**	**4,685**	**3,961**
Statement of cash flows			**2015**
Net cash flows generated by operating activities			55,588
Net cash flows used in investing activities			(31,406)
Net cash flows generated by financing activities			344
Net increase in cash and cash equivalents and current account overdrafts			**24,526**
Opening cash and cash equivalents and current account overdrafts			**69,693**
Closing cash and cash equivalents and current account overdrafts			**94,219**

Reconciliation between equity and profit of Salini Impregilo S.p.A. with consolidated equity and consolidated profit

The following table shows the reconciliation of equity and profit of the parent with the corresponding consolidated items:

(€'000)	Equity	Profit for the year
Equity and profit for the year of Salini Impregilo S.p.A.	**937,362**	**35,731**
Elimination of consolidated investments	(567,102)	143,095
Elimination of the provision for risks on equity investments	17,758	
Equity and profit or loss of consolidated companies	673,512	3,929
Other consolidation entries		
Elimination of dividends paid to Salini Impregilo S.p.A.	-	(27,815)
Other consolidation entries	(145)	(47)
Gains on intragroup sales	(3,930)	2,221
Purchase Price Allocation	20,785	3,835
Unrealised net exchange rate losses	(226)	(17,075)
Tax effects	23,454	(212)
Elimination of national tax consolidation system effects	23,475	(74,127)
Lane acquisition costs	(8,943)	(8,943)
Equity and profit for the year attributable to the owners of the parent	**1,116,000**	**60,592**
Equity and profit for the year attributable to non-controlling interests	100,860	21,639
Consolidated equity and profit for the year	**1,216,860**	**82,231**

21. Bank and other loans, current portion of bank loans and current account facilities

Bank and other loans and borrowings increased by €580.6 million over 31 December 2014 to €1,284.4 million at year end, as summarised below:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current portion			
- Bank and other loans and borrowings	745,554	456,209	289,345
Current portion			
- Current account facilities and other loans	538,802	247,522	291,280
Total	**1,284,356**	**703,731**	**580,625**

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

	31 December 2015			31 December 2014		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	667,328	202,733	870,061	389,775	64,057	453,832
Bank project financing	38,954	76,520	115,474	24,665	89,510	114,175
Bank concession financing	24,776	21,301	46,077	18,515	21,031	39,546
Financing and loans of companies in liquidation	2,136	-	2,136	2,136	-	2,136
Other financing	7,782	53,036	60,818	12,022	32,817	44,839
Total bank and other loans and borrowings	**740,976**	**353,590**	**1,094,566**	**447,113**	**207,415**	**654,528**
Current account facilities	-	115,615	115,615	-	27,711	27,711
Factoring liabilities	944	58,763	59,707	3,374	6,339	9,713
Loans and borrowings - unconsolidated group companies	3,634	10,834	14,468	5,722	6,057	11,779
Total	**745,554**	**538,802**	**1,284,356**	**456,209**	**247,522**	**703,731**

Bank corporate loans

Bank corporate loans amount to €870.1 million at the reporting date (31 December 2014: €453.8 million) and refer to the parent.

They have been granted by major banks and have repayment plans which provide for payment of the last instalments in 2020. 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 Salini Impregilo.

The main conditions of the bank corporate loans in place at 31 December 2012 are as follows:

	Company	Interest rate	Expiry date	Note
Bank syndicate - Refinancing Facility A	Salini Impregilo	Euribor	2019	(1)
Bank syndicate - Refinancing Facility B	Salini Impregilo	Euribor	2020	(1)
Banca Popolare dell'Emilia Romagna	Salini Impregilo	Euribor	2019	
Monte dei Paschi di Siena	Salini Impregilo	Fixed	2019	(1)
Banco do Brasil	Salini Impregilo	Euribor	2018	
Banca IMI	Salini Impregilo	Euribor	2020	
Banca del Mezzogiorno	Salini Impregilo	Euribor	2017	

(1) The loans are backed by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios, which at the date of this Annual Report are fully respected.

The syndicated financing was agreed in the first half of 2015 after the Group renegotiated a large part of its existing bank loans and borrowings to extend their expiry date from 2016 to 2019 and 2020, with repayment starting in 2017.

The non-current portion of the above loans will be repaid at their contractual maturity, based on the following time bands:

(€'000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Banca IMI (agent)	Salini Impregilo	Italy	147,798	-	147,798	-
BPER	Salini Impregilo	Italy	37,500	25,000	12,500	-
Monte dei Paschi di Siena	Salini Impregilo	Italy	49,708	49,708	-	-
Banca IMI Refinancing (Facility B)	Salini Impregilo	Italy	161,988	-	161,988	-
Banca IMI Refinancing (Facility A)	Salini Impregilo	Italy	246,458	243,370	3,088	-
Banco do Brasil	Salini Impregilo	Italy	13,333	13,333	-	-
Banca del Mezzogiorno	Salini Impregilo	Italy	10,543	10,543	-	-
Total			**667,328**	**341,955**	**325,374**	**-**

The fair value of the bank corporate loans, measured as set out in the "Accounting policies" section, is €884.1 million.

Bank project financing

Project financing of €115.5 million at 31 December 2015 mainly relates to the contracts in Colombia (€24.7 million) and Chile (€4.2 million), the Moroccan branch (€5.9 million), the UAE branch (Abu Dhabi) (€10.3 million), the Metro B1 (€19.9 million) the contracts in Nigeria (€8.8 million) and in Switzerland (€1.7 million). The variation is mostly due to the increase recorded for Salini Nigeria's contracts (€8.8 million), those of the UAE branch (€10.3 million) and some contracts of Todini Costruzioni Generali (€10.9 million). This increase was partly countered by the reduction in project financing for the Chilean Metro 6 contract and the Colombian contracts.

The main conditions of the bank project financing in place at 31 December 2012 are as follows:

	Company	Country	Interest rate	Expiry date
Banco de Bogotà	ICT II	Colombia	DTF	2016
Banco de Bogotà	Consorzio OHL	Colombia	DTF	2016
Banco Stato del Ticino	CSC	Switzerland	Fixed	2016
Skye Bank	Salini Nigeria	Nigeria	Fixed	2016
Various	Venezuelan branch	Venezuela	Fixed	n.a.
BMCE	Marocco branch	Marocco	Fixed	(1)
Banca del Mezzogiorno	Metro B1	Italy	Euribor	2017

(1) Project financing agreements have contractual maturities in line with the performance of the relevant contract.

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

The non-current portion of the above project financing will be repaid at their contractual maturity, based on the following time bands:

(€'000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Various banks	Venezuelan branch	Venezuela	777	777	-	-
Various banks	Ancipa	Italy	20,505	20,505	-	-
Various banks	Ancipa Dam	Italy	1,232	1,232	-	-
Various banks	Pietrarossa	Italy	6,507	6,507	-	-
Banca del Mezzogiorno	Metro B1	Italy	9,933	9,933	-	-
Total			**38,954**	**38,954**	**-**	**-**

The fair value of the project financing, measured as set out in the "Accounting policies" section, is €130.9 million.

Bank concession financing

At 31 December 2015, bank concession financing amounts to €46.1 million and refers to the Piscine dello Stato, Corso del Popolo and Parking Glasgow concessions and the Broni-Mortara (SA.BRO.M.) motorway concession.

				31 December 2015			31 December 2014		
(€'000)	Company	Currency	Country	Total concession financing	Current portion	Non-current portion	Total concession financing	Current portion	Non-current portion
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Euro	Italy	8,828	491	8,337	9,496	668	8,828
Credito Sportivo	Piscine dello Stadio Srl	Euro	Italy	6,809	285	6,524	-	-	-
Royal Bank of Scotland	Impregilo Parking Glasgow	Sterling	UK	10,280	364	9,916	9,967	280	9,687
Unicredit	S.A.BRO.M	Euro	Italy	20,160	20,160	-	20,082	20,082	-
Total				**46,077**	**21,300**	**24,777**	**39,545**	**21,030**	**18,515**

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 24). The financing agreement includes a number of covenants, all of which the operator had complied with at the reporting date.

The main conditions of the bank concession financing in place at 31 December 2012 are as follows:

	Company	Country	Reference date	Exp
Royal Bank of Scotland	Impregilo Parking Glasgow	GB	Libor	2029
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Italy	Euribor	2028
Credito Sportivo	Piscine dello Stadio	Italy	IRS	2035
Unicredit	SA.BRO.M.	Italy	Euribor	2016

The above reference rates provide for floating spreads in line with the bank project financing's term and conditions.

The non-current portion of the above bank concession financing will be repaid at their contractual maturity, based on the following time bands:

(€'000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Royal Bank of Scotland	Impregilo Parking Glasgow	UK	9,915	424	1,444	8,047
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Italy	8,337	1,097	1,563	5,677
Credito Sportivo	Piscine dello Stadio Srl	Italy	6,524	446	762	5,316
Total			**24,776**	**1,967**	**3,769**	**19,040**

The fair value of the concession financing, measured as set out in the "Accounting policies" section, is €145.4 million.

The related repayment plans are linked to the liquidation procedures of the companies to which the financing and loans refer.

Financing and loans of companies in liquidation

This item of €2.1 million is substantially unchanged from 31 December 2014.

Other financing

This item may be analysed as follows:

			31 December 2015			31 December 2014		
(€'000)	Company	Country	Total other financing	Current portion	Non-current portion	Total other financing	Current portion	Non-current portion
Cat Finance	Salini Impregilo	Italy	11,996	5,057	6,938	16,694	4,757	11,937
Nesma Riyad	Salini Impregilo	Italy	25,076	25,076	-	-	-	-
Bethar Al Amal	Salini Impregilo	Italy	15,303	15,303	-	28,004	28,004	-
Various	Todini	Italy	667	193	475	-	-	-
Various	ANM	Riyadh	948	948	-	-	-	-
Various	Consorzio Lec	Libya	150	150	-	-	-	-
Various	Pietrarossa	Italy	343	-	343	-	-	-
Various	Nepalese branch	Nepal	15	15	-	-	-	-
Grodco	Ariguani	Colombia	869	869	-	-	-	-
Various	Imprepar	Italy	413	413	-	-	-	-
Sace	Salini Namibia	Namibia	4,112	4,112	-	-	-	-
AFCO	Salini Impregilo - Healy JV	Cleveland	841	841	-	-	-	
Cat Finance	Co.Ge.Ma.	Italy	84	59	25	140	56	84
Total			**60,818**	**53,036**	**7,782**	**44,838**	**32,817**	**12,021**

The conditions of the main existing financing may be summarised as follows:

	Company	Country	Interest rate	Expiry date
CAT Finance	Salini Impregilo	Italy	Fixed rate	2019
CAT Finance	Co.Ge.Ma.	Italy	Fixed rate	2019

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

The non-current portion of the above other financing will be repaid at their contractual maturity, based on the following time bands:

(€'000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Cat Finance	Salini Impregilo	Italy	6,964	4,303	2,661	-
Various banks	Todini	Italy	475	475	-	-
Various banks	Pietrarossa	Italy	343	343	-	-
Total			**7,782**	**5,121**	**2,661**	**-**

The fair value of the financing, measured as set out in the "Accounting policies" section, is €61 million.

Current account facilities

Current account facilities increased by €87.9 million to €115.6 million at the reporting date. The increase mainly refers to the subsidiary Todini Costruzioni Generali (€43.9 million), following its reclassification as a result of the new disposal scope of Todini Costruzioni Generali Group to comply with IFRS 5, the Romanian branch (€18.7 million) and the subsidiary Salini Nigeria (€10.0 million).

Factoring liabilities

(€'000)	31 December 2015	31 December 2014	Variation
Salini Impregilo S.p.A. (SACE Factoring S.p.A.)	43,776	-	43,776
Venezuelan branch (various)	944	3,374	(2,430)
Salerno-Reggio Calabria S.c.p.a (Mediofactoring)	-	2,359	(2,359)
Ethiopian branch (Factorit)	14,553	3,853	10,700
Sierra Leone branch (Factorit)	433	97	336
JV Mukorsi (Factorit)		31	(31)
Total	**59,707**	**9,714**	**49,993**

Factoring liabilities relate to receivables mostly factored by Salini Impregilo S.p.A. on behalf of its branches.

Net financial indebtedness of Salini Impregilo Group

(€'000)	Note (*)	31 December 2015	31 December 2014	Variation
Non-current financial assets	10	67,832	89,124	(21,292)
Current financial assets	15	312,104	156,908	155,196
Cash and cash equivalents	18	1,410,775	1,030,925	379,850
Total cash and cash equivalents and other financial assets		**1,790,711**	**1,276,957**	**513,754**
Bank and other loans and borrowings	21	(745,554)	(456,209)	(289,345)
Bonds	22	(396,211)	(394,326)	(1,885)
Finance lease liabilities	23	(79,789)	(102,310)	22,521
Total non-current indebtedness		**(1,221,554)**	**(952,845)**	**(268,709)**
Current portion of bank loans and borrowings and current account facilities	21	(538,802)	(247,522)	(291,280)
Current portion of bonds	22	(10,203)	(166,292)	156,089
Current portion of finance lease liabilities	23	(49,617)	(60,231)	10,614
Total current indebtedness		**(598,622)**	**(474,045)**	**(124,577)**
Derivative liabilities	24	(14,798)	(5,244)	(9,554)
Net financial assets of unconsolidated SPEs (**)		17,512	65,953	(48,441)
Total other financial assets, net		**2,714**	**60,709**	**(57,995)**
Net financial indebtedness - continuing operations		**(26,751)**	**(89,224)**	**62,473**
Net financial indebtedness - discontinued operations		(18,939)	(81,292)	62,353
Net financial indebtedness including discontinued operations		**(45,690)**	**(170,516)**	**124,826**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analysed in detail.
(**) This item shows the Group's net amounts due from/to unconsolidated consortia and/or consortium companies operating under a cost recharging system. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The balances are shown under trade receivables and payables in the consolidated financial statements.

22. Bonds

The outstanding bond issues at 31 December 2015 relate to the parent, Salini Impregilo S.p.A. (€406.4 million). They are analysed in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current portion	396,211	394,326	1,885
Current portion	10,203	166,293	(156,090)
Total	**406,414**	**560,619**	**(154,205)**

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

		31 December 2015			31 December 2014		
(€'000)	Country	Total bonds	Current portion	Non-current portion	Total bonds	Current portion	Non-current portion
Salini Impregilo S.p.A.	Italy	406,414	10,203	396,211	404,529	10,203	394,326
Impregilo International Infrastructures - 2nd issue	Netherlands	-	-	-	156,090	156,090	-
Total		**406,414**	**10,203**	**396,211**	**560,619**	**166,293**	**394,326**

On 23 July 2013, Salini S.p.A. (now part of Salini Impegilo S.p.A.) issued senior unsecured bonds for a nominal amount of €400 million to be redeemed on 1 August 2018, intended for international institutional investors. The bonds, which have a minimum denomination of €100,000 and an annual gross coupon of 6.125%, were placed with primary international institutional investors at a price of €99.477. The issue is secured by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios which, at the date of this Annual Report, are fully respected. The decrease in the item is entirely due to redemption of the notes issued by the Dutch company Impregilo International Infrastructures N.V., wholly owned by Salini Impregilo S.p.A. in November 2015. These notes, with a nominal amount of €150 million at 31 December 2014, had been placed with qualified Italian and foreign investors and had been issued in November 2010 for an initial nominal amount of €300 million, listed on the Luxembourg stock exchange and bore interest at a fixed rate of 6.526%.

23. Finance lease liabilities

Finance lease liabilities may be broken down as follows at 31 December 2015:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current portion	79,789	102,310	(22,521)
Current portion	49,617	60,231	(10,614)

This item includes the principal of future lease payments at the reporting date for the purchase of plant, machinery and equipment with an average life of between 3 to 8 years.

At 31 December 2015, the effective average rate ranged between 2% to 5% for the Italian companies.

Liabilities for these leases are guaranteed to the lessor via rights to the leased assets.

The present value of the minimum future lease payments is €129.4 million (31 December 2014: €162.5 million) as follows:

(€'000)	31 December 2015	31 December 2014
Minimum lease payments:		
Due within one year	43,553	66,270
Due between one and five years	92,134	105,006
Due after five years	4,780	6,410
Total	**140,467**	**177,686**
Future interest expense	(11,060)	(15,145)
Net present value	**129,407**	**162,541**
The net present value is as follows:		
Due within one year	38,752	60,231
Due between one and five years	86,283	96,837
Due after five years	4,372	5,473
Total	**129,407**	**162,541**

24. Derivatives and other current financial liabilities

These items show the reporting-date fair value of the currency and interest rate hedges as follows:

(€'000)	31 December 2015	31 December 2014
Non-current portion	4,113	4,951
Current portion	10,685	293
Total	**14,798**	**5,244**

The following table analyses the items:

(€'000)	31 December 2015	31 December 2014
Interest rate swaps - Cash flow hedges	14,798	5,244
Total derivatives presented in net financial indebtedness	**14,798**	**5,244**

The following tables set out the characteristics of the derivative liabilities existing at 31 December 2015, 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 (€)
Impregilo Parking Glasgow	27/09/2004	30/06/2029	GBP	7,701,547	(3,005,778)
Impregilo Parking Glasgow	01/06/2003	30/06/2029	GBP	783,974	(1,106,773)
Salini Impregilo S.p.A.	16/11/2015	04/01/2016	USD	400,000,000	(9,920,088)
Salini Impregilo S.p.A.	12/11/2015	24/02/2016	EUR	75,000,000	(382,694)
Salini Impregilo S.p.A.	12/11/2015	24/02/2016	EUR	75,000,000	(382,694)
Total					**(14,798,027)**

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 have been verified and confirmed and therefore, their fair value changes have been recognised in the hedging reserve (see note 20).

25. Post-employment benefits and employee benefits

At 31 December 2015, the Group's liability due to its employees determined using the criteria set out in IAS 19 is €25.4 million.

The balance mainly consists of the Italian post-employment benefits (TFR) related to Salini Impregilo S.p.A. and its Italian subsidiaries. At 31 December 2015 and 2014, the liability for post-employment benefits is the outstanding amount 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: 1.27%;
- advance payment rate: 3%;
- inflation rate: 0.60%.

The Group has used the Iboxx AA Corporate index for the Eurozone, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

Changes in the item are as follows:

(€'000)	31 December 2014	Accruals	Payments	Net actuarial gains	Other changes	Contributions paid to INPS treasury and other funds	31 December 2015
Post-employment benefits and employee benefits	23,320	15,443	(11,892)	570	3,507	(5,536)	25,412

(€'000)	31 December 2013	Accruals	Payments	Net actuarial gains	Other changes	Contributions paid to INPS treasury and other funds	31 December 2014
Post-employment benefits and employee benefits	21,755	14,979	(11,613)	3,574	(85)	(5,290)	23,320

"Net actuarial gains" include the actuarial gains and losses recognised in the actuarial reserve as per the revised IAS 19 while "Other changes" includes exchange rate gains and losses and the reclassifications of Todini Group's business units that were part of that group's reorganisation and had been classified as assets held for sale and associated liabilities at 31 December 2014.

An increase or decrease of 0.25% in the discount rate used to calculate the liability at 31 December 2015 would have had a negative effect of €0.9 million or €1.2 million, respectively. A similar increase or decrease at 31 December 2014 would have had a negative or positive effect of €0.2 million, respectively.

26. Provisions for risks

These provisions amount to €106.4 million at the reporting date, as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Provisions for risks on equity investments	2,190	6,694	(4,504)
Other provisions	104,171	90,833	13,338
Total	**106,361**	**97,527**	**8,834**

The provision for risks on equity investments relates to expected impairment losses on the carrying amount of the Group's investments in associates for the part that exceeds their carrying amounts. Changes in this provision are detailed below:

(€'000)	2015
Change in consolidation method	(4,845)
Acquisitions/disinvestments	(704)
Share of profit of equity-accounted investees	120
Other changes including change in the translation reserve	925
Total	**(4,504)**

The change in the consolidation method relates to the acquisition of control over Ancipa, Diga di Ancipa and Pietrarossa. Other provisions comprise:

(€'000)	31 December 2015	31 December 2014	Variation
USW Campania projects	32,760	30,494	2,266
Provisions set up by Imprepar and its subsidiaries	36,452	32,927	3,525
Contract completion losses	-	38	(38)
Ongoing litigation	9,877	13,406	(3,529)
Building segment litigation	795	2,601	(1,806)
Tax and social security litigation	3,304	39	3,265
Environmental risks	-	385	(385)
Other	20,983	10,943	10,040
Total	**104,171**	**90,833**	**13,338**

The provision for the USW Campania projects mainly consists of the estimated potential costs for the environmental clean-up. The section on the "Main risk factors and uncertainties" in the Directors' report includes a description of the litigation and risks related to the USW Campania projects.

The provisions set up by Imprepar and its subsidiaries include accruals made for probable future charges related to the closing of contracts and potential developments in ongoing litigation.
The provision for ongoing litigation refers to disputes involving Salini Impregilo and certain of its subsidiaries.

The provision for environmental risks of €0.4 million, relating mainly to Fisia Ambiente S.p.A. (€0.2 million), was set up for future liabilities related to the closing and post-closing activities for the management of a landfill. It was released in full at 31 December 2015.

"Other" mainly comprises amounts accrued in 2014 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 2015 are summarised below:

(€'000)	31 December 2014	Accruals	Utilisations	Reclassific-ations	Exchange rate gains (losses)	Discounting and other changes	31 December 2015
Total	90,833	21,646	(12,809)	4,672	(243)	73	104,171

Changes during 2014 are shown in the following table:

(€'000)	31 December 2013	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Discounting and other changes	31 December 2014
Total	89,407	11,687	(9,922)	708	286	(1,334)	90,832

Changes of the year comprise:

- accruals of €21.6 million related mainly to the subsidiary Todini Costruzioni Generali (€2.7 million) and the subsidiary Imprepar (€9.3 million) for the pending litigation about the ICI property tax on the Acerra waste-to-energy plant for the USW Campania contract (reclassified to profit or loss in 2015 pursuant to IFRS 5);
- utilisations of €12.8 million, including €4.9 million related to utilisations and €7.9 million released to profit or loss after the occurrence of the events for which the provision had been set up. The main utilisations referred to the subsidiaries Todini Costruzioni Generali and Imprepar;
- reclassifications, mainly due to the new disposal scope of Todini Costruzioni Generali to comply with IFRS 5.

Reference should be made to the section on the "Main risk factors and uncertainties" of the Directors' report for more information on litigation.

27. Progress payments and advances on contract work in progress

This item, included in "Current liabilities", amounts to €1,862.8 million, up €136.9 million on the figure at 31 December 2014. It comprises:

(€'000)	31 December 2015	31 December 2014	Variation
Contract work in progress	(4,099,585)	(8,332,057)	4,232,472
Progress payments and advances received (on approved work)	4,211,995	8,501,621	(4,289,626)
Negative work in progress	**112,410**	**169,564**	**(57,154)**
Contractual advances	1,750,349	1,556,319	194,030
Total	**1,862,759**	**1,725,883**	**136,876**

Work in progress recognised under liabilities (negative WIP) of €112.4 million is the negative net balance, for each contract, of work performed to date and progress billings and advances.

The following table shows the contribution by geographical segment of negative WIP and contractual advances:

	31 December 2015			31 December 2014			
(€'000)	Negative WIP	Advances	Total	Negative WIP	Advances	Total	Variation
Italy	13,862	100,576	114,438	39,058	111,048	150,106	(35,668)
EU (excluding Italy)	48,426	147,413	195,839	17,217	140,433	157,650	38,189
Non-EU	2,523	42,509	45,032	1,651	10,245	11,896	33,136
Asia	-	23,768	23,768	10,387	51,924	62,311	(38,543)
Middle East	10,839	594,991	605,830	23,013	267,370	290,383	315,447
Africa	9,900	725,901	735,801	31,115	846,972	878,087	(142,286)
North America	17,870	-	17,870	38,212	-	38,212	(20,342)
Latin America	8,990	112,640	121,630	2,391	128,327	130,718	(9,088)
Oceania	-	2,551	2,551	6,521	-	6,521	(3,970)
Total	**112,410**	**1,750,349**	**1,862,759**	**169,565**	**1,556,319**	**1,725,884**	**136,875**

The contracts that contributed the most to the negative WIP were those in the US (€17.9 million), Austria (€32.2 million), Denmark (€16.2 million), Peru (€8.4 million) and Italy (€13.9 million).

The most significant changes, compared to 31 December 2014, in terms of increases, relate to work in Denmark, while in terms of decreases, they relate to the work in Nigeria, Italy and Qatar.

The most significant contractual advances relate to the following contracts: the Grand Ethiopian Renaissance Dam Project in Ethiopia (€335.6 million), the Copenhagen Cityringer Metro in Denmark (€108.8 million), contracts in Libya (€191.8 million), the Riyadh Metro Line 3 in Saudi Arabia (€472.5 million), projects in Nigeria (€140.0 million), construction of the Ruta del Sol motorway in Colombia (€53.4 million), design and construction of the Red Line North in Doha (€47.8 million) and construction of the Al Bayt Stadium in Al Khor City in Qatar (€72.1 million).

The Directors' report provides more information about the performance of these contracts and their progress.

The section on the "Main risk factors and uncertainties" in the Directors' report provides information on pending disputes and assets exposed to country risk in Libya and Nigeria.

28. Trade payables

Trade payables amount to €1,630.4 million at the reporting date, an increase of €203.7 million on 31 December 2014. They include payables to unconsolidated group companies and other related parties of €128.7 million (31 December 2014: €153.9 million). They are made up as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Third parties	1,501,680	1,273,100	228,580
Unconsolidated group companies and other related parties	128,757	153,643	(24,886)
Total	**1,630,437**	**1,426,743**	**203,694**

The net increase in trade payables is the result of opposing factors. The increase is mainly due to: an approximate €9.4 million increase as a result of the reclassification of the Todini Costruzioni Generali Group business units which are no longer presented as liabilities associated with assets held for sale at 31 December 2015 following the group's reorganisation; increases of €83.8 million due to the roll out of production on the Riyadh Metro Line 3 (Saudi Arabia); the €32 million increase for the new project commenced by Western Station JV (Saudi Arabia) and the increase of €61.2 million for Consorzio Collegamenti Integrati Veloci (CO.C.I.V.). The decreases relate to the normal continuation of work on ongoing contacts and also greater eliminations due to the larger consolidation scope.

As noted earlier, the item includes payables to unconsolidated group companies and other related parties of €128.8 million (31 December 2014: €153.6 million).

The €25.2 million decrease is principally attributable to the reduction in the receivables due from the consortium company Metro Blu s.c.rl.l. which is involved in constructing Line 4 of the Milan Metro.

The item mostly consists of payables from unconsolidated SPEs accrued on work performed by these entities for contracts with Italian and foreign public administrations.

29. Current tax liabilities and other current tax liabilities

Current tax liabilities amount to €68.3 million as follows:

(€'000)	31 December 2015	31 December 2014	Variation
IRES	9,835	8,318	1,517
IRAP	687	292	395
Foreign taxes	57,751	38,874	18,877
Total	**68,273**	**47,484**	**20,789**

Other current tax liabilities of €61.1 million increased by €7.3 million over 31 December 2014. They may be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Witholdings Tax	284	10	274
VAT	39,311	42,583	(3,272)
Other indirect taxes	21,502	11,158	10,344
Total	**61,097**	**53,751**	**7,346**

30. Other current liabilities

Other current liabilities of €334.2 million (31 December 2014: €335.9 million) comprise:

(€'000)	31 December 2015	31 December 2014	Variation
Social security institutions	16,233	13,304	2,929
Employees	52,225	39,881	12,344
Compensation and compulsory purchases	7,331	16,112	(8,781)
State bodies	115,588	116,235	(647)
Guarantee deposits	198	6	192
Other	108,163	91,312	16,851
Unconsolidated group companies and other related parties	13,060	30,334	(17,274)
Accrued expenses and deferred income	21,400	28,734	(7,334)
Total	**334,198**	**335,918**	**(1,720)**

"Employees" relate to accrued unpaid remuneration.

"Compensation and compulsory purchases" relate to the high speed/capacity railway contracts; the decrease of €8.8 million refers to the Milan - Genoa section.

"State bodies" (€115.6 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 "Main risk factors and uncertainties - USW Campania projects" section in the Directors' report for more information about the complicated situation surrounding the USW Campania projects.

"Other" of €108.2 million (31 December 2014: €91.3 million) increased by €16.9 million. This variation is due to the rise in payables to partners, mostly for the Qatar and South African contracts and the reduction in payables related to contracts that have been completed or are nearing completion, such as the Angostura hydroelectric project in Chile.

"Unconsolidated group companies and other related parties" of €13.1 million decreased by €17.3 million on 31 December 2014, mainly as a result of:

- elimination of Todini's payables of €12.4 million to the former associate Co.ge.Fin. S.r.l. following the latter's full consolidation as the Group acquired 49% of its quota capital, meaning that the parent now controls this company starting from the first quarter of 2015;
- the reduction in payables to the TAT.Tunnel Alp Transit consortium and Tessaloniki Metro CW, working in Switzerland and Greece, respectively.

Accrued expenses and deferred income of €21.4 million include the ten-year post-contract guarantee of €8.0 million.

(€'000)	31 December 2015	31 December 2014	Variation
Accrued expenses:			
- Commissions on sureties	3,594	3,093	501
- Other	12,485	14,360	(1,875)
Total accrued expenses	**16,079**	**17,453**	**(1,374)**
Deferred income:			
- Provision of services	5,321	11,281	(5,960)
Total deferred income	**5,321**	**11,281**	**(5,960)**
Total	**21,400**	**28,734**	**(7,334)**

31. Guarantees, commitments, risks and contingent liabilities

Guarantees and commitments

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

- contractual sureties of € 7,208.6 million, which 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 of €305.3 million;
- sureties granted for export credit of €160.3 million;
- other guarantees of €881.3 million consisting of guarantees related to customs and tax obligations (€76.7 million) and for other commitments (such as environmental clean-ups and export credit) (€804.6 million);
- collateral related to:
  - lien on the remaining shares of Tangenziale Esterna S.p.A. given to guarantee a loan (€17.4 million);
  - lien on the shares of the SPE M4 (€1.9 million).

Litigation and contingent liabilities

The Group is involved in civil and administrative proceedings that are not expected to have a significant negative effect on its consolidated financial statements, based on the information currently available and the existing provisions for risks. The section on the "Main risk factors and uncertainties" in the Directors' report provides information about the main disputes.

Tax disputes

Salini Impregilo S.p.A.
With respect to the principal dispute with the tax authorities:

- the dispute about the assessment notice challenging the tax treatment of impairment losses and losses on the sale of assets recognised by the parent in 2003 is currently before the Supreme Court, following the tax authorities' appeal. As noted in previous reports, the main issue about the sale by Impregilo S.p.A. of its investment in the Chilean operator Costanera Norte SA to Impregilo International NV was cancelled by the Milan Regional Tax Commission on 11 September 2009 (higher assessed tax base of €70 million);
- the parent's appeal about reimbursement of tax assets with a nominal amount of €12.3 million acquired from third parties as part of previous non-recurring transactions is still pending before the Supreme Court;
- a dispute about the technique used to "realign" the carrying amount of equity investments as per article

128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court;

- with respect to another dispute again related to 2005 and the costs of a joint venture set up in Venezuela for which the greater assessed tax base is €6.6 million, the Regional Tax Commission filed its ruling entirely in the parent's favour on 19 May 2015; the tax authorities appealed to the Supreme Court on 28 December 2015 challenging the procedure while stating that the findings do not relate to the appeal. The parent has filed its defence brief;

- the parent was notified of: (i) a payment order from the tax authorities for Islandic taxes of €4.6 million, which was cancelled after the parent's appeal with the ruling filed on 30 November 2015; and (ii) a payment bill for the same taxes which the parent appealed. It won both at first and second level. On 18 January 2016, the tax authorities presented their appeal to the Supreme Court and the parent filed its defence brief;

With respect to the above pending disputes, after consulting its legal advisors, the parent believes that it has acted correctly and deems that the risk of an adverse ruling is not probable.

Finally, the Milan unit of the tax police is currently performing a tax audit of the IRES, IRAP and VAT paid in 2011 and 2012. It has extended this audit to 2010 and issued its preliminary assessment report on 8 July 2015 finding a higher tax base for IRES and IRAP purposes of approximately €1.0 million and approximately €0.8 million, respectively. The parent decided to communicate its intention to join the mutually-agreed settlement procedure to the tax authorities pursuant to article 5-bis of Legislative decree no. 218 of 19 June 1997. This procedure was finalised in 2015. Settlement entailed paying higher IRES and IRAP of €0.8 million for 2009.

Islandic branch

With respect to the completed contract for the construction of a hydroelectric plant in Karanjukar (Iceland), 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. Salini 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 parent's claims were fully satisfied. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly the same issue. The Supreme Court rejected the parent'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 parent had expected to be refunded both the unduly paid withholdings of € 6.9 million (at the original exchange rate). After the last ruling, the parent took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements regulating 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 take steps to comply with these regulations. Accordingly, the parent requested the case be re-examined and is assessing whether to take additional action at international level. Based on the above, Salini Impregilo does not believe objective reasons currently exist to change the valuations made about this dispute.

Imprepar

The Milan Regional Tax Commission filed a ruling on the IRES assessment notices for 2006/2007/2008 received by the subsidiary Imprepar at the end of March 2015 cancelling all the main findings notified by the tax authorities on the assessment notices for 2006 and 2007 for €12 million. In November 2015, the tax authorities appealed against the Milan Regional Tax Commission before the Supreme Court and the company filed its defence brief in December. After consulting its legal advisors, the subsidiary did not set up a provision for this tax dispute as it deems that the risk of an adverse ruling is not probable.

Impregilo International

On 13 January 2016, the Milan unit of the tax police commenced a tax audit of this subsidiary, based in Amsterdam.

The audit is still ongoing and no findings have been communicated to date.

32. Financial instruments and risk management

Classes of financial instruments

The Group's financial instruments are broken down by class in the following table, which also shows their fair value:

31 December 2015 (€'000)	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair value
Financial assets								
Non-current financial assets	10	48,195			19,637		67,832	67,832
Trade receivables	14	1,560,684					1,560,684	1,560,684
Other current financial assets	15	309,289			2,815		312,104	312,104
Cash and cash equivalents	18	1,410,775					1,410,775	1,410,775
Total		**3,328,943**			**22,452**		**3,351,395**	**3,351,395**

31 December 2015 (€'000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair value
Financial liabilities						
Bank and other loans and borrowings	21	1,284,356			1,284,356	1,297,891
Bonds	22	406,414			406,414	556,160
Finance lease liabilities	23	129,406			129,406	129,400
Derivatives	24			14,798	14,798	14,798
Trade payables	28	1,630,437			1,630,437	1,630,437
Total		**3,450,613**		**14,798**	**3,465,411**	**3,628,686**

31 December 2014 (€'000)	**Note**	**Loans and receivables**	**Financial assets at fair value through profit or loss**	**Hedging derivatives**	**Held-to-maturity investments**	**Available-for-sale financial assets**	**Total**	**Fair value**
Financial assets								
Non-current financial assets	10	71,320			17,804		89,124	89,124
Trade receivables	14	1,680,303					1,680,303	1,680,303
Other current financial assets	15	145,475			11,433		156,908	156,908
Cash and cash equivalents	18	1,030,925					1,030,925	1,030,925
Total		**2,928,023**			**29,237**		**2,957,260**	**2,957,260**

31 December 2014 (€'000)	**Note**	**Other liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Hedging derivatives**	**Total**	**Fair value**
Financial liabilities						
Bank and other loans and borrowings	21	703,730			703,730	729,859
Finance lease liabilities	22	162,541			162,541	162,541
Bonds	23	560,618			560,618	577,120
Derivatives	24			5,244	5,244	5,244
Trade payables	28	1,426,744			1,426,744	1,426,744
Total		**2,853,633**		**5,244**	**2,858,877**	**2,901,508**

The note column gives the section in which the relevant item is described.

Reference should be made to the section on the accounting policies for information on the fair value measurement of these items. Specifically, the fair value of the items is based on the present value of estimated future cash flows.

Risk management

The Group is exposed to financial risks which encompass all the risks related to capital availability, affected by credit and liquidity management and/or the volatility of market factors such as interest and exchange rates.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

The Group's international presence entails its exposure to the risk of fluctuations in exchange rates of the Euro and the currencies of the various countries in which it operates.

Currency risk at 31 December 2015 mainly related to the following currencies:

- US dollar (United States)
- SIMADI (Venezuela)
- Dirham (United Arab Emirates)
- Riyal (Qatar)
- Tenge (Kazakhstan)
- Birr (Ethiopia)

The Group's currency risk management strategy is essentially based on the following policies:

- agreement of contractual considerations for works and projects in countries with weak currencies using a primarily multi-currency format, in which only a portion of the consideration is expressed in local currency;

- use of portions of the contractual considerations in local currency mainly to cover project expenses to be incurred in that currency;

- analysis of exposure in US dollars on a cumulative and prospective basis with consistent deadlines and setting up forward transactions in the same currency to hedge the group's net exposure at those deadlines.

Adoption of the above-mentioned policies has contained the Group's exposure to currency risk with respect to the US dollar, the SIMADI, the Dirham, the Tenge and the Ringgit.

Had the Euro appreciated or depreciated by 5% against the US dollar at year end, the profit before tax for the year would have been respectively greater or lower by €12.3 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in US dollars. A similar change at the end of the previous year would have led to a €7.2 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 15% against the Venezuelan SIMADI at year end, the profit before tax for the year would have been respectively greater or lower by €0.6 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in the Venezuelan SIMADI. A similar change at the end of the previous year would have led to a €1.7 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the UAE Dirham at year end, the profit before tax for the year would have been respectively lower or greater by €0.1 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the UAE Dirham. A similar change at the end of the previous year would have led to a €2.5 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Qatari Riyal at year end, the profit before tax for the year would have been respectively lower or greater by €1.5 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the Qatari Riyal.

A similar change at the end of the previous year would have led to a €1.0 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Kazakhstani Tenge at year end, the profit before taxfor the year would have been respectively greater or lower by €0.3 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in the Kazakhstani Tenge. A similar change at the end of the previous year would have led to a €13.9 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Ethiopian Birr at year end, the profit before tax for the year would have been respectively lower or greater by €0.9 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the Ethiopian Birr. A similar change at the end of the previous year would have led to a €1.0 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Interest rate risk

Salini Impregilo group has adopted a combined strategy of streamlining group operations by disposing of non-strategic assets, containing debt and hedging interest rate risks on a portion of the non-current structured loans through interest rate swaps (IRSs).

The financial risks arising from market interest rate fluctuations to which the Group is potentially exposed and which are monitored by the relevant company personnel relate to non-current floating rate loans. Such risk is mitigated by interest accrued on short-term investments of liquidity available at the Italian-based consortia and consortium companies and foreign subsidiaries, which are used to support the Group's operations.

Had interest rates increased or decreased by an average 75 basis points in 2015, the profit before tax for the year would have been respectively lower or greater by €12.3 million (€12.4 million for 2014), assuming that all other variables remained constant and without considering cash and cash equivalents. The sensitivity test on the interest rate derivative of Impregilo Parking Glasgow was only performed on cash flows generated during the year; fair value was not analysed as the derivative qualifies for hedge accounting and the effects of a change in interest rates would only impact equity.

Credit risk

Credit risk is that deriving from the Group's exposure to potential losses arising from the customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of offers, through a careful analysis of the characteristics of the countries in which the Group's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (positive and negative work in progress, advances and payments on account) in relation to contract work in progress as a whole.

A breakdown of working capital by geographical segment is set out below:

(€'000)	31 December 2015	31 December 2014
Italy	1,219,967	923,445
Other EU countries	(87,457)	(157,827)
Other non-EU countries	8,219	1,206
America	(170,822)	(81,278)
Asia/Middle East	(590,470)	(386,391)
Africa	152,934	124,660
Australia	(55,486)	(19,829)
Eliminations	(198,602)	(72,675)
Total	**278,283**	**331,311**

The reconciliation of the reclassified statement of financial position details the items included in working capital.

The Group's exposure to customers, broken down by contract location, is analysed below:

	Trade receivables	Positive WIP	Negative WIP and advances	Total	Allowances
31 December 2015					
Italy	740,818	399,625	(114,438)	285,187	78,686
Other EU countries	45,257	247,378	(195,839)	51,539	834
Other non-EU countries	89,063	106,464	(45,032)	61,432	-
America	321,296	328,864	(139,499)	189,365	8,462
Asia/Middle East	81,067	132,301	(629,598)	(497,297)	1,939
Africa	276,849	546,857	(735,801)	(188,944)	10,185
Australia	6,334	14,302	(2,551)	11,751	-
Total	**1,560,684**	**1,775,791**	**(1,862,758)**	**(86,967)**	**100,106**
31 December 2014					
Italy	772,943	364,167	(149,012)	988,098	85,219
Other EU countries	57,337	80,466	(144,822)	(7,019)	1,271
Other non-EU countries	34,132	16,715	(11,896)	38,951	54
America	297,280	348,819	(170,027)	476,072	4,862
Asia/Middle East	84,420	64,531	(352,829)	(203,878)	3,978
Africa	425,627	378,071	(877,949)	(74,251)	5,931
Australia	8,564	-	(19,349)	(10,785)	-
Total	**1,680,303**	**1,252,769**	**(1,725,884)**	**1,207,188**	**101,315**

The section on the "Main risk factors and uncertainties" of the Directors' report provides information about country risk for Libya, Venezuela, Nigeria, Ukraine and Turkey.

Liquidity risk

Liquidity risk derives from the risk that the financial resources necessary to meet obligations may not be available to the Group at the agreed terms and deadlines.

The Group's strategy aims at ensuring that each ongoing contract is financially independent, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. This strategy is strictly monitored centrally.

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(€'000)	31 December 2016	31 December 2017	31 December 2019	After	Total
Current account facilities	115,615				115,615
Bonds	24,567	24,500	412,216		461,283
Bank loans and borrowings	532,664	211,797	346,624	138,402	1,229,487
Finance lease liabilities	49,617	28,505	46,911	4,372	129,405
Interest rate derivatives	10,685			4,113	14,798
Gross financial liabilities	**733,148**	**264,802**	**805,751**	**146,887**	**1,950,588**
Trade payables	1,630,437				1,630,437
Total	**2,363,585**	**264,802**	**805,751**	**146,887**	**3,581,025**

The prior year figures are given below for comparative purposes:

(€'000)	31 December 2015	31 December 2016	31 December 2019	After	Total
Current account facilities	27,711				27,711
Bonds	181,026	24,567	438,797		644,390
Bank loans and borrowings	297,169	400,074	34,919	17,293	749,455
Finance lease liabilities	60,231	40,604	56,233	5,473	162,541
Interest rate derivatives	293			4,951	5,244
Gross financial liabilities	**566,430**	**465,245**	**529,949**	**27,717**	**1,589,341**
Trade	1,426,743				1,426,743
Total	**1,993,173**	**465,245**	**529,949**	**27,717**	**3,016,084**

Future interest has been estimated based on the market interest rates at the date of preparation of these consolidated financial statements, summarised in the notes.
Liquidity risk management is mainly based on containing debt and maintaining a balanced financial position.

This strategy is pursued by each of the Group's operating companies.
Loans and borrowings (principal) and trade payables (net of advances) falling due before 31 March 2016 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below:

	Total financial commitments due before 31 March 2016	Cash and cash equivalents	Difference
Salini Impregilo (head office and branches)	377,501	170,664	(206,837)
Subsidiaries	108,527	193,645	85,118
SPEs	176,352	430,359	254,007
Joint operations	47,331	592,298	544,967
Total	**709,711**	**1,386,966**	**677,255**

Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

Financial instruments recognised by the Group at fair value are classified at the following levels:

(€'000)	Note	Level 1	Level 2	Level 3
Derivative assets	15	-	-	
Derivative liabilities	24	-	(14,798)	
Total		**-**	**(14,798)**	**-**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Consolidated financial statements as at and for the year ended 31 December 2015

Income statement

33. Revenue

Revenue for 2015 amounts to €4,738.9 million, up 11.7% on the previous year:

(€'000)	2015	2014	Variation
Revenue	4,595,483	4,136,361	459,122
Other income	143,393	105,119	38,274
Total	**4,738,876**	**4,241,480**	**497,396**

The €459.1 million increase in revenue is mainly due to continuation of work on several large foreign contracts such as the Red Line North in Qatar, the Riyadh Metro in Saudi Arabia and the Gibe II and GERD hydroelectric plants in Ethiopia as well as the high capacity/high speed Milan-Genoa railway section.

A breakdown of revenue is given in the following table:

(€'000)	2015	2014	Variation
Works invoiced to customers	4,339,548	3,857,076	482,472
Services	236,462	249,401	(12,939)
Sales	19,473	29,884	(10,411)
Total	**4,595,483**	**4,136,361**	**459,122**

Services include revenue of €128.7 million for costs recharged to third party partners of fully consolidated consortia and consortia companies.

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

(€'000)	2015	2014	Variation
Rent and leases	1,417	302	1,115
Staff services	123	2,029	(1,906)
Recharged costs	55,538	28,016	27,522
Insurance compensation	1,435	7,722	(6,287)
Gains on the disposal of non-current assets	11,890	10,706	1,184
Prior year income	24,840	18,408	6,432
Other	48,150	37,936	10,214
Total	**143,393**	**105,119**	**38,274**

Recharged costs increased by €27.5 million mainly due to the costs recharged to third parties by the joint venture Salini Impregilo - Salini Insaat - NTF.

"Other" shows a €10.2 million increase, principally attributable to Co.Ge.Fin, which had not been fully consolidated at 31 December 2014.

34 Costs

Costs for the year amount to €4,466.2 million compared to €3,996.5 million for 2014.

They account for 94.2% of revenue, in line with the previous year.

The item may be broken down as follows:

(€'000)	2015	2014	Variation
Purchases	814,368	650,908	163,460
Subcontracts	1,219,834	1,429,610	(209,776)
Services	1,496,415	1,085,181	411,234
Personnel expenses	537,553	511,605	25,948
Other operating expenses	161,412	133,894	27,518
Amortisation, depreciation, provisions and impairment losses	236,638	185,327	51,311
Total	**4,466,220**	**3,996,525**	**469,695**

The difference in the individual items compared to 2014 is mainly due to the different cost structures that vary from contract to contract and may, in some cases, entail changes in the industrial operating model from one year to another. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors depends on the stage of completion of each contract in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of operating costs of total revenue.

34.1 Purchases

The cost of raw materials and consumables incurred in 2015 increased by €163.5 million to €814.4 million compared to the corresponding figure of the previous year:

(€'000)	2015	2014	Variation
Purchases of raw materials and consumables	811,329	681,539	129,790
Change in raw materials and consumables	3,039	(30,631)	33,670
Total	**814,368**	**650,908**	**163,460**

The rise in the cost of purchasing raw materials and consumables is in line with the generalised increase in revenue thanks to the fact that some large foreign contracts are now fully operational (Denmark, Qatar and Australia in particular).

34.2 Subcontracts

Costs of subcontracts decreased to €1,219.8 million, down €209.8 million on 2014 as shown in the following table:

(€'000)	2015	2014	Variation
Subcontracts	1,219,834	1,429,610	(209,776)
Total	**1,219,834**	**1,429,610**	**(209,776)**

The €209.8 million decrease mainly refers to the CMT Copenhagen Metro Team I/S - Cityringen project in Denmark (€84.2 million), Grupo ICT II SAS in Colombia (€38.2 million), Costructora Ariguani S.a.s. in Colombia (€44.0 million) and Rc-Scilla Scarl in Italy (€45.5 million); the work for the last few contracts is nearing completion.

34.3 Services

This item increased to €1,496.4 million, up €411.2 million on the previous year, as shown in the following table:

(€'000)	2015	2014	Variation
Consultancy and technical services	490,460	312,662	177,798
Fees to directors, statutory auditors and independent auditors	12,637	14,760	(2,123)
Employee travel costs	2,733	16,394	(13,661)
Maintenance and testing	18,495	16,820	1,675
Transport and customs	136,799	139,769	(2,970)
Insurance	60,647	41,670	18,977
Recharging of costs by consortia	463,451	319,306	144,145
Rent and leases	165,739	97,436	68,303
Charge backs	293	1,305	(1,012)
Other	145,161	125,059	20,102
Total	**1,496,415**	**1,085,181**	**411,234**

"Other" increased by €20.1 million over 2014 and includes the cost of temporary workers on CMT IS' Danish contract (Cityringen project) of approximately €69 million and costs allocated by joint operations of €7.1 million, while the remainder mostly relates to utilities, seconded personnel, security and board costs.

"Consultancy and technical services" increased by €177.8 million and mainly consist of the design and construction costs incurred by the SPEs and legal and administrative consultancy fees. A breakdown of this item is as follows:

(€'000)	2015	2014	Variation
Design and engineering services	382,800	250,642	132,158
Legal, administrative and other services	67,575	45,967	21,608
Testing	1,493	2,961	(1,468)
Construction	38,592	13,092	25,500
Total	**490,460**	**312,662**	**177,798**

34.4 Personnel expenses

Personnel expenses for the year amount to €537.6 million, up by €25.9 million on 2014.

The item is made up as follows:

(€'000)	2015	2014	Variation
Wages and salaries	397,946	381,573	16,373
Social security and pension contributions	74,882	68,363	6,519
Post-employment benefits and employee benefits	15,444	15,561	(117)
Other	49,281	46,108	3,173
Total	**537,553**	**511,605**	**25,948**

"Other" mainly relates to termination benefits and reimbursements of travel expenses.

34.5 Other operating expenses

Other operating expense amount to €161.4 million, up €27.5 million on 2014.

The variation in the losses on the sale of property, plant and equipment is mainly due to the sale of a TBM of Consorzio Cociv (high speed railway Milan-Genoa section), which is no longer usable.

This item is made up as follows:

(€'000)	2015	2014	Variation
Other operating costs	81,336	55,016	26,320
Commissions on sureties	47,901	37,348	10,553
Bank charges	5,270	5,443	(173)
Losses on the disposal of property, plant and equipment	12,709	3,480	9,229
Other non-recurring costs	1	3,264	(3,263)
Other prior year expense	14,195	29,343	(15,148)
Total	**161,412**	**133,894**	**27,518**

The increase in other operating costs is mainly due to the Ethiopian branch (€19 million), Salini Nigeria (€3.3 million) and the Cetin contract of Salini - Insaat - NTF JV in Turkey (€2.0 million).

34.6 Amortisation, depreciation, provisions and impairment losses

This item of €236.6 million shows an increase of €51.3 million on the previous year figure. It may be analysed as follows:

(€'000)	2015	2014	Variation
Impairment losses	10,592	6,072	4,520
Provisions (Utilisations)	12,192	(3,642)	15,834
Total provisions and impairment losses, net of the utilisations	**22,784**	**2,430**	**20,354**
Depreciation of property, plant and equipment	189,291	153,456	35,835
Amortisation of intangible assets	387	1,404	(1,017)
Amortisation of rights to infrastructure under concession	1,493	1,299	194
Amortisation of contract acquisition costs	22,683	26,738	(4,055)
Total amortisation and depreciation	**213,854**	**182,897**	**30,957**
Total	**236,638**	**185,327**	**51,311**

"Provisions and impairment losses" increased by €20.4 million in 2015.

Specifically, impairment losses recognised in the related allowance mainly refer to the Venezuelan contracts given the delays in payments by customers, as described in the paragraph on Venezuela in the section on the "Main risk factors and uncertainties" in the Directors' report. They are net of the reversals of impairment losses recognised in previous years following the partial collection of receivables from N.E.A. in Nepal.

The provisions also include accruals made by Imprepar for the three pending disputes and by Todini Group for tax and legal disputes.

35. Net financing costs

Net financing costs amount to €89.6 million compared to €141.8 million for the previous year.

The item may be broken down as follows:

(€'000)	2015	2014	Variation
Financial income	34,587	38,219	(3,632)
Financial expense	(107,523)	(135,630)	28,107
Net exchange rate losses	(16,675)	(44,343)	27,668
Net financing costs	**(89,611)**	**(141,754)**	**52,143**

35.1 Financial income

Financial income totalled €34.6 million (2014: €38.2 million) and is made up as follows:

(€'000)	2015	2014	Variation
Interest income on loans and receivables	**2,373**	**2,403**	**(30)**
Gains on securities	**1**	**272**	**(271)**
Interest and other income from unconsolidated group companies and other related parties	**8,729**	**8,368**	**361**
Interest and other financial income	**23,484**	**27,176**	**(3,692)**
- Interest income on correspondence accounts	6	-	6
- Interest on financing	581	1,333	(752)
- Bank interest	4,590	6,503	(1,913)
- Default interest	9,624	7,743	1,881
- Financial discounts and allowances	527	535	(8)
- Other	8,156	11,062	(2,906)
Total	**34,587**	**38,219**	**(3,632)**

The €3.6 million decrease is due to the reduction in bank interest income caused by the smaller interest rates and the smaller PPA during the year, offset by the recognition of default interest due from customers following the rulings in the Group's favour about the USW Campania projects. Other financial income of €8.2 million mainly consists of the PPA of €4.2 million and interest income of €2.4 million on loans and receivables of the Argentine operator Caminos de las Sierras.

35.2 Financial expense

Financial expense totalled €107.5 million (€135.6 million) and is made up as follows:

(€'000)	2015	2014	Variation
Intragroup interest and other expense	**(200)**	**1,314**	**(1,514)**
Interest and other financial expense	**(107,323)**	**(136,944)**	**29,621**
- Bank interest on accounts and financing	(52,517)	(77,727)	25,210
- Interest on bonds	(29,400)	(30,811)	1,411
- Interest on tax liabilities	(1,392)	(1,854)	462
- Default interest	(62)	(330)	268
- Discounting	(245)	29	(274)
- Bank fees	(3,426)	(5,898)	2,472
- Charges on sureties	(1,311)	(898)	(413)
- Other loans and borrowings	(3,218)	(1,758)	(1,460)
- Factoring and leases	(7,546)	(11,948)	4,402
- Other	(8,206)	(5,749)	(2,457)
Total	**(107,523)**	**(135,630)**	**28,107**

Financial expense decreased by €28.1 million, mainly due to the reduction of €25.2 million in interest expense on bank accounts and financing as a result of the Group's smaller average debt and lower interest rates, thanks in part to the renegotiation of the corporate bank loans during the year.

Interest expense on other loans and borrowings principally refers to the financial liabilities for the factoring of tax and trade receivables. The increase relates to the high capacity/high speed Milan - Genoa railway section contract.

In addition:

- bank interest on accounts and financing of €52.5 million includes €10.7 million (2014: €16.9 million) arising from the application of the "amortised cost" method, which did not entail cash outlays during the year as it was paid in full in previous years;
- interest on bonds of €29.4 million includes the release of the PPA effects on bonds that did not give rise to cash outlays of €6.9 million (2014: €6.1 million).

35.3 Net exchange rate losses

The net exchange rate losses amount to €16.7 million (2014: €44.3 million).

They mainly arose on the Hryvnia's depreciation against the US dollar for Todini Group's activites in Ukraine and the Ethiopian Birr's and the Namibian Dollar's depreciation against the Euro.

The net exchange rate losses decreased by €27.7 million due to the Group's adoption of the official exchange rate SIMADI in the first half of 2015 replacing the SICAD II exchange rate used in the second six months of 2014 to translate its net financial assets expressed in the Venezuelan currency (the Bolivar).

The Group determined that the SIMADI is the best exchange rate to translate its balances in the local currency into Euros and, hence, has adopted this exchange rate starting from the first half of 2015.

36. Net gains on equity investments

Net gains on equity investments came to €0.3 million compared to €9.0 million for the previous year.

The item may be broken down as follows:

(€'000)	2015	2014	Variation
Share of profit (loss) of equity-accounted investees	(142)	8,584	(8,726)
Dividends	431	57	374
Gain on the disposal of equity investments	-	1,055	(1,055)
Loss on the disposal of equity investments	-	(718)	718
Other income	47	(5)	52
Total	**336**	**8,973**	**(8,637)**

The share of the profit or loss of equity-accounted investees is substantially zero, showing a drop on the previous year, mainly due to the different consolidation scope.

The following table provides a breakdown of this item:

(€'000)	2015	2014	Variation
Share of profit (loss) of equity-accounted investees			
Yuma Concessionaria	3,870	3,289	581
Co.Ge.Fin	-	3,566	(3,566)
Sep Eole	-	1,295	(1,295)
Pietrarossa	-	1,327	(1,327)
Impregilo Arabia	(3,209)	-	(3,209)
Gupc	(103)	-	(103)
Associates of Todini Group	(451)	-	(451)
Metro de Lima Linea 2 S.A.	1,377	-	1,377
Ochre Holding Solution	(1,768)	-	(1,768)
Other	142	(1,025)	1,167
Total	**(142)**	**8,452**	**(8,594)**

37. Income tax expense

The Group's income tax expense for the year is €84.6 million as follows:

(€'000)	2015	2014	Variation
Current taxes (income taxes)	36,976	28,287	8,689
Net deferred tax expense	33,436	12,492	20,944
Prior year taxes	9,531	(6,455)	15,986
Total income taxes	**79,943**	**34,324**	**45,619**
IRAP	4,634	5,283	(649)
Total	**84,577**	**39,607**	**44,970**

An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

	Income tax expense	
	€m	%
Profit before tax	**183.4**	
Theoretical tax expense	50.4	27.5%
Effect of permanent differences	15.0	8.2%
Net effect of foreign taxes	10.5	5.7%
Adjustment to deferred taxes for reduction in IRES rate	3.5	1.9%
Prior year and other taxes	0.5	0.3%
Total	**79.9**	**43.6%**

The effective tax expense is affected by the following:

- permanent differences;
- the tax asset for taxes paid abroad by the consolidated companies' branches to the extent the Group believes the conditions exist for its recovery in Italy in 2015 or subsequent years;
- the adjustment to deferred tax assets to consider the new IRES rate, which will decrease to 24% on 1 January 2017 as per Law no. 208/2015.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

	IRAP	
	€m	%
Operating profit	272.6	
Personnel expenses	537.6	
Operating profit for IRAP tax purposes	**810.2**	
Theoretical tax expense	31.6	3.9%
Tax effect of foreign companies' production	(10.0)	(1.2%)
Tax effect of foreign production	(14.5)	(1.8%)
Tax effect of permanent differences	(2.5)	(0.3%)
Total	**4.6**	**0.6%**

The net deferred tax expense contributes negatively to the consolidated profit for €33.4 million as shown below:

(€'000)	
Deferred tax expense for the year	149,722
Reversal of deferred tax liabilities recognised in previous years	(54,819)
Deferred tax income for the year	(149,805)
Reversal of deferred tax assets recognised in previous years	88,339
Total	**33,436**

38. Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature and were carried out with the following counterparties in 2015:

- directors, statutory auditors and key management personnel, solely related to the contracts regulating their positions within the Group;
- associates and joint arrangements; these transactions mainly relate to:
  - commercial assistance with purchases and procurement of services necessary to carry out work on contracts, contracting and subcontracting;
  - services (technical, organisational, legal and administrative), carried out at centralised level;
  - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

  Transactions are carried out with associates in the interests of Salini 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 Costruttori S.p.A., are summarised below:

Related party (€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Financial liabilities	Total revenue	Total costs	Financing income (costs)
C.Tiburtino	4							
CEDIV S.p.A.	649	3,244				11		
Dirlan	73					11		
G.A.B.I.RE S.r.l.	1,112	18,001				11		
Imm. Agricola San Vittorino	44					12		
Infernetto	5			16		6		
Iniziative Immobiliari Italiane S.p.A.	17			267				
Madonna dei Monti S.r.l.		78		61		8		3
Nores	22					6		
Plus	149					11		
Salini Costruttori S.p.A.	85	14,503	13,700		7,596	76	2	(113)
Salini Saudi Arabia Co. L.t.d.	13							
Todini Finanziari	1,506							
Zeis	9	609		38		247		17
Total	**3,688**	**36,435**	**13,700**	**382**	**7,596**	**399**	**2**	**(93)**

In addition to the above transactions, on 6 March 2015, the Group acquired 49% of Co.Ge.Fin. S.r.l. from the related party Todini Finanziaria for €9,077,348. The effects of this acquisition are described in note 3.

Most of the Group's production is carried out through SPEs, set up with other partners that have participated with Salini 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 income statement are shown together with the related contract, when appropriate.

	2015			2014		
(€'000)	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-employment benefits	Total
Directors and statutory auditors	10,781		10,781	6,264		6,264
Key management personnel	5,114		5,114	4,389		4,389
Total	**15,895**	**-**	**15,895**	**10,653**	**-**	**10,653**

The next table shows the impact of transactions with unconsolidated group companies on the statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

31 December 2015 (€'000)	Non-current loans and receivables (1)	Current loans and receivables (2)	Current liabilities (3)	Revenue	Costs	Financial income	Financial expense
Total - group companies	19,986	376,930	151,643	502,009	480,983	8,729	189
Total financial statements item	1,051,336	6,103,298	4,566,071	4,738,876	4,466,220	34,587	107,523
% of financial statements item	1.9%	6.2%	3.3%	10.6%	10.8%	25.2%	0.2%

31 December 2014 (€'000)	Non-current loans and receivables (1)	Current loans and receivables (2)	Current liabilities (3)	Revenue	Costs	Financial income	Financial expense
Total - group companies	15,657	468,542	190,053	259,493	355,323	9,990	91
Total financial statements item	1,059,881	5,265,608	4,064,118	4,241,480	3,996,525	38,219	135,630
% of financial statements item	1.5%	8.9%	4.7%	6.1%	8.9%	26.1%	0.1%

(1) The percentage of non-current loans and receivables is calculated considering total non-current assets.
(2) The percentage of current loans and receivables is calculated considering total current assets.
(3) The percentage of current liabilities is calculated considering total current liabilities.

39. Earnings per share

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

Basic earnings per share are calculated by dividing the profit (loss) for the year attributable to the owners of the parent by the weighted average of the shares outstanding during the year. Diluted earnings per share are calculated considering the weighted average of the outstanding shares adjusted by assuming the conversion of all the shares with potentially diluting effects.

The following table summarises the calculation. Following the merger resolution of 12 September 2013, 44,974,754 new ordinary Salini Impregilo S.p.A. shares were issued to Salini Costruttori S.p.A. to service the merger.

On 30 June 2014, the board of directors approved a capital increase with the related issue of 44,740,000 new shares. This took place on 25 June 2014 and the parent's share capital comprises 492,172,691 ordinary shares and 1,615,491 savings shares.

In October 2014, the parent repurchased 3,104,377 own shares. No shares were issued or repurchased in 2015.

Note 20 describes the long-term incentive plan, which provides for the assignment of shares to the beneficiaries upon the attainment of financial objectives. At the reporting date, the plan did not have diluting effects.

(€'000)	**2015**	**2014**
Profit from continuing operations	98,804	72,567
Non-controlling interests	(21,638)	(9,348)
Profit earmarked for holders of savings shares	588	588
Profit from continuing operations attributable to the owners of the parent	**77,754**	**63,807**
Profit from continuing and discontinued operations	82,231	103,120
Non-controlling interests	(21,638)	(9,348)
Profit earmarked for holders of savings shares	588	588
Profit from continuing and discontinued operations attributable to the owners of the parent	**61,181**	**94,360**
Average outstanding ordinary shares	489,069	467,559
Average outstanding savings shares	1,615	1,615
Average number of shares	**490,684**	**469,174**
Average number of diluted shares	**490,684**	**469,174**
Basic earnings per share (from continuing operations)	**0.16**	**0.14**
Basic earnings per share (from continuing and discontinued operations)	**0.12**	**0.20**
Diluted earnings per share (from continuing operations)	**0.16**	**0.14**
Diluted earnings per share (from continuing and discontinued operations)	**0.12**	**0.20**

40. Events after the reporting date

Lane Industries Incorporated
On 4 January 2016, the acquisition of 100% of Lane Industries Incorporated was finalised.

The consideration is roughly USD460 million. Salini Impregilo financed the acquisition with a bridge financing of €400 million, to be repaid in May 2017, obtained from a syndicate of five major international banks

Lane is the top highway contractor and top private asphalt producer in the United States. It is a family-owned business with more than 100 years of history specialized in heavy civil construction and in the transportation infrastructure sector with approximately USD1.5 billion turnover, 53 active projects in more than 50 states in the US and roughly 5,000 employees.

The company has three divisions: asphalt production, road projects and other infrastructure projects, in both domestic and international markets. Thanks to its strong track record, technical experience and the strategic location of its materials plants, Lane is participating in some of the largest and most complex projects in the US, such as the highway construction in Florida, the I-4 Ultimate, a USD2.3 billion contract, in which Lane has a 30% stake.

The acquisition of Lane represents a further step by Salini Impregilo to expand in the US infrastructure market. The US construction sector will become a core market for the company, contributing roughly 21% of its total revenue.

With Lane, Salini Impregilo will be able to access a much larger pool of projects. The US transportation infrastructure market is expected to grow above GDP on the back of a recovering economy, a positive demographic trend and the pent-up demand for significant upgrades and expansions of existing infrastructure after years of underinvestment. The entry of Lane into the Group will bring significant growth opportunities, while increasing the diversification of the portfolio and improving the balance of its exposure between developed and developing markets. In March 2016, the Purple Line Transit Partners consortium, which includes Lane Construction, was selected as the best bidder for the design and construction of the Purple Line transit system worth USD2 billion. The contract includes the construction of 21 stations along a 16-mile alignment through Montgomer and Prince George's counties in Maryland. The consortium, in which Lane has a 30% share (for USD600 million), includes Flour Enterprises Inc. and Traylor Bros Inc. and will begin construction work before the end of 2016 for a slated completion date in 2022.

High-speed/capacity Verona-Padua Railway Project
With its communication of 28 January 2016, Ansaldo STS S.p.A. informed its consortium partners of its intention to transfer its entire investment in Consorzio Iricav Due to Salini Impregilo S.p.A. and Astaldi S.p.A..

The transaction, which will allow Salini Impregilo to increase its share by 8.12%, is subject to the approval of the consortium's members and the issue of the required authorisation by the customer, R.F.I. S.p.A., without prejudice to the other consortium members' right of first option at the same conditions and in line with their current investments in the consortium.

Contribution of the Todini Costruzioni Generali S.p.A. business
On 3 February 2016, the consultation as per article 47 of Law no. 428/90 as subsequently amended, commenced with the company's letter dated 27 January 2016 informing the trade unions of the imminent contribution of the business unit by Todini Costruzioni Generali S.p.A. to its subsidiary HCE Costruzioni S.p.A., was completed. The contribution is part of the sale of the Todini shares to Prime System KZ Ltd, described in the previous section on "Introductory comments on the compatibility of data".

S7 Expressway - Poland
On 16 January 2016, the Group was awarded a €117 million contract to build a section of S7 Expressway south of Krakow near the border with Slovakia.

The project, which will take 22 months, includes roughly 6 kilometres of asphalt road, two interchanges with roundabouts and 21 engineering structures, among which a 992-metre bridge and a 400-metre viaduct with multiple spans. The customer is the General Directorate of National Roads and Motorways (GDDKiA).

This new contract increases the value of Salini Impregilo's order backlog in the country to over €650 million and consolidates the Group's leadership in the infrastructure sector in which the following roads are under construction: the S3 Nowa Sol - Legnica, the S8 Warsaw Bypass, the S7 Checiny - Jedrzejow section and the A1 lot F, near Katowice.

41. Significant non-recurring events and transactions

The Group's financial position, performance and cash flows were not affected by significant non-recurring events and transactions, as defined by Consob communication no. DEM/6064293[1].

42. Balances or transactions arising from atypical and/or unusual transactions

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

On behalf of the board of directors

Chairman

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.

Consolidated financial statements as at and for the year ended 31 December 2015

Consolidated financial statements of Salini Impregilo Group Intragroup transactions

Assets and liabilities at 31 December 2015

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
A.Constructor J.V Kallidromo	-	-	950	-	950
Agua AZ	26,888	-	-	-	26,888
Agua BA	22,809	-	-	-	22,809
Alburni scarl in liquidation	215	-	-	-	215
Anbafer S.c.r.l.	18,908	-	-	-	18,908
Arge Haupttunnel Eyholz	5,779,318	-	-	-	5,779,318
Arge Sisto N8	1,830,345	-	-	-	1,830,345
Aurelia 98 S.c.r.l.	-	-	-	-	-
BA.TA. 91 S.c.r.l.	-	-	-	-	-
Barnard	246,774	-	-	2,589,739	2,836,513
Cagliari 89 S.c.r.l.	2,072,698	-	-	2,371	2,075,069
Carvalho Pinto	10,437	-	-	-	10,437
CE.S.I.F. S.c.p.a.	-	-	-	-	-
CGMR Gestione materiale Roveredo	-	-	-	-	-
Churchill Consortium	3,284	-	-	-	3,284
Churchill Hospital J.V.	6,540	-	-	-	6,540
CMC Consorzio Monte Ceneri lot 851	1,316,042	-	-	-	1,316,042
Cogeca scarl in liquidation	221	-	-	-	221
Con.Sal. S.c.n.c. in liquidation	-	-	-	-	-
Cons Pizzarotti Todini .Keff-Eddir	3,703,964	664,266	-	-	4,368,230
Cons. A.F.T. in liquidation	740,579	-	-	-	740,579
Cons. Astaldi Federici Todini Kramis	3,730,805	2,959,250	-	-	6,690,055
Consorcio Cigla-Sade	160,373	-	1,473,533	-	1,633,906
Consorcio Contuy Medio	-	-	601,875	-	601,875
Consorcio Federici/Impresit/Ice Cochabamba	100,000	-	-	-	100,000
Consorcio Grupo Contuy-Proyectos y Ob. De F.	-	-	76,665	-	76,665
Consorcio OIV-TOCOMA	387,889	-	119,316,993	6,799,621	126,504,503
Consorcio Serra do Mar	6,601	-	162,513	358,888	528,002
Consorcio V.S.T. Tocoma	-	-	6,145	-	6,145
Consorcio VIT Tocoma	-	-	3,057,484	-	3,057,484
Consorio Kallidromo	591,713	86,360	-	-	678,073
Consorzio 201 Quintai	749,348	-	-	-	749,348
Consorzio Biaschina	296,166	-	-	-	296,166
Consorzio Casertano	263	-	-	-	263
Consorzio CEMS	87,552	-	-	-	87,552
Consorzio Coltun JV	609,981	-	-	-	609,981
Consorzio Consavia S.c.n.c.	5,050	-	-	-	5,050
Consorzio Costral in liquidation	76,715	-	-	-	76,715
Consorzio Costruttori TEEM	419	-	-	-	419
Consorzio CPR 3	7,601	-	-	-	7,601
Consorzio CPR 2	-	-	-	-	-
Consorzio CRS9	21,833	184,587	-	-	206,420
Consorzio del Sinni	76,976	-	-	-	76,976
Consorzio Edilizia Capital Industralizzata Lazio	19,792	-	-	-	19,792
Consorzio EPC	602,435	-	755,202	-	1,357,637
Consorzio Felce BP	328,722	-	-	-	328,722
Consorzio Ferrofir	111,038	-	-	-	111,038
Consorzio Ferroviario Milanese	-	-	-	-	-
Consorzio Galliera Roveredo	1,711,850	-	-	-	1,711,850
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,055	-	-	-	5,055

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
-	-	-	-	-	950
-	-	-	-	-	26,888
38,451	-	-	-	38,451	(15,642)
-	-	-	-	-	215
106	-	-	-	106	18,802
2,466,911	-	-	-	2,466,911	3,312,407
46,016	-	-	-	46,016	1,784,329
16,121	-	-	-	16,121	(16,121)
1,363	-	-	-	1,363	(1,363)
-	-	-	-	-	2,836,513
1,890,716	-	-	5,165	1,895,881	179,188
-	-	427,165	310,252	737,417	(726,980)
22,749	-	-	-	22,749	(22,749)
8,458	-	-	-	8,458	(8,458)
-	-	-	-	-	3,284
-	-	-	552,492	552,492	(545,952)
588,390	-	-	-	588,390	727,652
-	-	-	-	-	221
-	-	109,277	-	109,277	(109,277)
10,791,939	-	-	-	10,791,939	(6,423,709)
524,656	-	-	-	524,656	215,923
1,403,804	-	-	-	1,403,804	5,286,251
1,156,571	-	-	-	1,156,571	477,335
-	-	-	-	-	601,875
-	-	100,840	-	100,840	(840)
-	-	-	-	-	76,665
183,660	-	-	-	183,660	126,320,843
-	-	221,765	-	221,765	306,237
-	-	-	-	-	6,145
-	-	-	-	-	3,057,484
-	-	38,232	-	38,232	639,841
-	-	-	-	-	749,348
-	-	-	-	-	296,166
-	-	-	-	-	263
-	-	-	-	-	87,552
-	-	-	-	-	609,981
-	-	-	-	-	5,050
72,522	-	-	14,000	86,522	(9,807)
418	-	-	-	418	1
6,736	-	-	-	6,736	865
147,064	-	-	-	147,064	(147,064)
-	-	-	-	-	206,420
-	-	-	-	-	76,976
-	-	-	-	-	19,792
-	-	-	-	-	1,357,637
-	-	-	-	-	328,722
115,575	-	-	-	115,575	(4,537)
8,060	-	-	-	8,060	(8,060)
598,278	-	-	-	598,278	1,113,572
-	-	-	-	-	5,055

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
Consorzio infrastruttura area metropolitana	-	-	-	-	-
Consorzio Iniziative Ferroviarie - INFER	3,044	-	-	-	3,044
Consorzio Iricav Due	3,878,846	-	-	-	3,878,846
Consorzio Lavori Interventi Straordinari Palermo	44,640	-	-	-	44,640
Consorzio Miteco	-	-	-	-	-
Consorzio MM4	403,866	-	-	-	403,866
Consorzio MPC	1,161,760	-	-	-	1,161,760
Consorzio NOG.MA	-	-	-	-	-
Consorzio Pedelombarda 2	472,733	-	-	-	472,733
Consorzio Piottino	111,382	-	-	-	111,382
Consorzio Portale Vezia	1,701,271	-	-	-	1,701,271
Consorzio Probin	631,873	-	-	-	631,873
Consorzio San Cristoforo	-	-	-	-	-
Consorzio Sarda Construction Generali	7,549	-	-	-	7,549
Consorzio Sardo d'Imprese	-	-	-	-	-
Consorzio SI.VI.CI.CA.	1,014,190	-	-	-	1,014,190
Consorzio Sivicica 3	37,363	-	-	-	37,363
Consorzio Sivicica 4	180,631	-	-	-	180,631
Consorzio Stazione Mendrisio	48,454	-	-	-	48,454
Consorzio TAT-Tunnel Alp Transit Ticino	410,852	-	271,866	856,022	1,538,740
Consorzio TRA.DE.CI.V.	223,062	-	-	-	223,062
Consorzio Tre Esse	-	-	-	-	-
Consorzio Trevi - S.G.F. INC per Napoli	334,538	-	-	-	334,538
Consorzio Umbria Sanità in liquidation	23,201	-	-	-	23,201
Consorzio VIT Caroni Tocoma	-	-	29,045	-	29,045
Depurazione Palermo S.c.r.l.	-	-	-	-	-
E.R. Impregilo/Dumez y Asociados para Yaciretê	15,174,297	-	-	-	15,174,297
Edilfi scarl in liquidation	333,516	-	-	-	333,516
Enecor	1,974	-	-	-	1,974
Eurolink S.c.p.a.	10,415,448	-	-	-	10,415,448
Executive J.V. Impregilo S.p.A. Terna S.A.	-	-	8,181	-	8,181
FE.LO.VI. S.c.n.c.	13,857	-	-	-	13,857
Felce lotto 101	11,854	-	-	-	11,854
G.T.B. S.c.r.l.	297,631	-	-	-	297,631
Galileo scarl	134,637	-	-	-	134,637
Gaziantep Hastane Saglik	-	-	315,000	-	315,000
Group. d'entreprises Salini Strabag (Guinea)	-	-	208,953	-	208,953
Grupo Empresas Italianas - GEI	-	-	503,252	-	503,252
GUP CANAL	32,084,522	-	-	-	32,084,522
IGL Arabia	393,721	-	-	323,035	716,756
Imprese Riunite Genova Irg S.c.r.l.	69,401	-	-	-	69,401
Imprese Riunite Genova Seconda S.c.r.l.	128,442	-	-	-	128,442
Irina Srl in liquidation	62,400	-	-	-	62,400
Isarco S.c.r.l.	2,406,606	-	-	-	2,406,606
J.V.Salini Necso	88,004	-	-	-	88,004
Joint Venture Aktor Ate - Impregilo S.p.A.	12,063	-	-	-	12,063
Joint Venture Aktor S.A. - Impregilo S.p.A.	-	-	332	-	332
Joint Venture Impregilo S.p.A. - Empedos S.A. - Ak	1,498,407	-	529,413	489,324	2,517,144
Joint Venture Salini-Acciona (Ethiopia)	1,550,856	-	-	-	1,550,856
KAYI - Salini - Samsung - JV	418,239	-	320	-	418,559
La Quado S.c.a.r.l.	519,479	-	-	-	519,479
Lambro Scrl	169,664	-	134	-	169,798
Line 3 Metro Stations	285,377	-	-	-	285,377

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
15,976	-	-	-	15,976	(15,976)
302	-	-	-	302	2,742
15,782,905	-	-	-	15,782,905	(11,904,059)
22,867	-	-	-	22,867	21,773
6,951	-	-	-	6,951	(6,951)
1,117,569	-	-	-	1,117,569	(713,703)
22,464	-	-	-	22,464	1,139,296
36,077	-	-	-	36,077	(36,077)
259,316	-	-	-	259,316	213,417
93,456	-	-	-	93,456	17,926
167,753	-	-	-	167,753	1,533,518
-	-	-	-	-	631,873
35,859	-	-	-	35,859	(35,859)
41,024	-	-	-	41,024	(33,475)
13,501	-	-	-	13,501	(13,501)
-	-	-	-	-	1,014,190
-	-	-	-	-	37,363
-	-	-	-	-	180,631
-	-	-	-	-	48,454
13,383	-	138,440	936,779	1,088,602	450,138
175,505	-	-	-	175,505	47,557
601,132	-	-	-	601,132	(601,132)
29,595	-	-	-	29,595	304,943
-	-	-	-	-	23,201
-	-	-	-	-	29,045
-	-	-	3,615	3,615	(3,615)
59,878	-	-	9,559,007	9,618,885	5,555,412
47,610	-	-	-	47,610	285,906
-	-	-	-	-	1,974
17,268,288	-	-	-	17,268,288	(6,852,840)
-	-	-	-	-	8,181
-	-	8,329	-	8,329	5,528
-	-	-	-	-	11,854
98,238	-	-	-	98,238	199,393
112,476	-	-	-	112,476	22,161
-	-	-	-	-	315,000
-	-	-	-	-	208,953
-	-	-	-	-	503,252
367	-	-	-	367	32,084,155
477,188	-	-	-	477,188	239,568
396,285	-	-	-	396,285	(326,884)
-	-	-	-	-	128,442
-	-	4,161	-	4,161	58,239
4,729,260	-	-	-	4,729,260	(2,322,654)
-	-	-	-	-	88,004
-	-	-	-	-	12,063
-	-	-	-	-	332
-	-	-	-	-	2,517,144
1,304,310	-	-	-	1,304,310	246,546
-	-	-	-	-	418,559
2,084,803	-	-	-	2,084,803	(1,565,324)
5,667	-	-	-	5,667	164,131
-	-	-	175,434	175,434	109,943

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
M.N. 6 S.c.r.l.	455,204	-	-	-	455,204
Marmore Commessa	-	-	-	14,871	14,871
Metro Blu	20,436,704	-	-	-	20,436,704
Metro de Lima Linea 2 S.A.	276,246	-	-	-	276,246
Metrogenova S.c.r.l.	9,495	-	-	-	9,495
Metropolitana di Napoli S.p.A.	85,245	-	-	-	85,245
Nobiallo in liquidation	(1,825)	-	-	245	(1,580)
Ochre Holding	-	12,011,461	-	-	12,011,461
Ochre Solutions Ltd	221,760	-	-	-	221,760
Olbia 90 S.c.r.l.	117,471	-	-	-	117,471
Pantano S.c.r.l.	-	-	-	-	-
Passante di Mestre S.c.p.A.	2,214,057	-	-	-	2,214,057
Passante Dorico S.p.A.	71,686	-	36,643	-	108,329
Pedelombarda S.c.p.A.	21,233,516	-	-	-	21,233,516
Pedemontana Veneta S.p.A.	75,130	-	197,738	-	272,868
Puentes	9,610,414	-	-	-	9,610,414
RCCF Nodo di Torino S.c.p.a.	103,231	-	39,452	-	142,683
Risalto S.r.l. RM in liquidation	200	-	-	-	200
Risalto srl	8,694	-	-	-	8,694
Riviera S.c.r.l.	306,286	-	-	-	306,286
Rupe di Orvieto scarl in liquidation	49,551	-	-	-	49,551
S. Anna Palermo S.c.r.l.	-	-	-	-	-
S.I.MA. GEST 3 S.c.r.l.	-	-	-	-	-
S.Ruffillo S.c.a.r.l.	-	-	-	-	-
Saces S.r.l.	-	-	-	-	-
San Benedetto S.c.r.l.	-	-	-	-	-
San Giorgio Caltagirone S.c.r.l.	127,530	-	-	-	127,530
Sarmento S.c.r.l.	7,800	-	490,703	-	498,503
Scat 5 scarl in liquidation	54,374	-	-	-	54,374
Sclafani S.c.r.l.	388,966	-	-	-	388,966
Sedi scarl	61,462	35,127	-	-	96,589
SFI leasing	-	-	-	-	-
SHIMMICK	133,328	-	-	7,165,339	7,298,667
Sirjo S.c.p.A.	1,723,739	-	-	-	1,723,739
Sistranyac S.A.	7,424	-	5,040	-	12,464
Sivicica 2	50,760	-	-	-	50,760
SO.C.E.T. Societa' Costruttori Edili Toscani	-	-	-	-	-
Società di Progetto Consortile per Azioni M4	1,921,266	-	-	-	1,921,266
Soingit S.c.r.l.	230,631	-	-	-	230,631
SPV Linea M4 Spa	153,401	-	-	-	153,401
Strade e Depuratori Palermo S.c.r.l.	-	-	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	3,188	-	1,184,272	616,940	1,804,400
Thessaloniki Metro	2,871,364	-	-	-	2,871,364
Thessaloniki Metro CW	2,025,034	-	-	965,587	2,990,621
Todedil scarl	407	-	-	-	407
Trasimeno scarl in liquidation	4,434	-	-	-	4,434
Variante di Valico scarl in liquidation	1,926	-	-	-	1,926
VE.CO. S.c.r.l.	-	-	-	-	-
Wolverhampton	1,668,304	800,854	-	-	2,469,158
Yacilec	3,593	-	-	-	3,593
Yuma	7,959,050	-	-	-	7,959,050

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
842,532	-	-	-	842,532	(387,328)
-	-	-	-	-	14,871
13,232,719	-	-	-	13,232,719	7,203,985
-	-	-	-	-	276,246
36,465	-	-	-	36,465	(26,970)
67,970	-	-	-	67,970	17,275
-	-	-	-	-	(1,580)
-	-	-	-	-	12,011,461
-	-	-	-	-	221,760
86,106	-	-	-	86,106	31,365
1,001	-	-	-	1,001	(1,001)
754,690	-	-	-	754,690	1,459,367
-	-	-	-	-	108,329
14,601,028	-	-	-	14,601,028	6,632,488
-	-	-	-	-	272,868
2,305	-	-	10,491	12,796	9,597,618
-	-	-	-	-	142,683
-	-	-	-	-	200
16,095	-	11,718	-	27,813	(19,119)
828,655	-	-	-	828,655	(522,369)
-	-	-	-	-	49,551
92,333	-	-	-	92,333	(92,333)
162,355	-	-	-	162,355	(162,355)
17,942,551	-	-	-	17,942,551	(17,942,551)
-	-	1,071,339	-	1,071,339	(1,071,339)
45,520	-	-	26	45,546	(45,546)
-	-	-	-	-	127,530
-	-	-	-	-	498,503
-	-	876	-	876	53,498
-	-	-	-	-	388,966
8,106	-	-	-	8,106	88,483
-	-	-	230,856	230,856	(230,856)
2,736,118	-	-	-	2,736,118	4,562,549
9,941,862	-	-	-	9,941,862	(8,218,123)
-	-	-	-	-	12,464
-	-	-	-	-	50,760
106,287	-	-	-	106,287	(106,287)
1,344,059	-	-	-	1,344,059	577,207
88,609	-	96,929	-	185,538	45,093
-	-	-	-	-	153,401
184,950	-	-	-	184,950	(184,950)
-	-	-	-	-	1,804,400
-	-	-	1,262,701	1,262,701	1,608,663
2,922	-	-	-	2,922	2,987,699
2,015	-	-	-	2,015	(1,608)
-	-	-	-	-	4,434
201	-	-	-	201	1,725
138,527	-	-	-	138,527	(138,527)
-	-	-	-	-	2,469,158
-	-	-	-	-	3,593
-	-	-	-	-	7,959,050

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
Total unconsolidated group companies	**176,897,895**	**16,741,905**	**129,271,704**	**20,181,982**	**343,093,486**
C. Tiburtino	4,164	-	-	-	4,164
CEDIV SPA	649,324	3,244,141	-	-	3,893,465
Dirlan	72,513	-	-	-	72,513
G.A.B.I.RE. Srl	1,111,958	-	18,001,297	-	19,113,255
Imm. Agricola San Vittorino	43,920	-	-	-	43,920
Infernetto S.r.l.	5,174	-	-	-	5,174
Iniziative Immobiliari Italiane S.p.A.	16,693				16,693
Madonna dei Monti Srl	-	-	77,751	-	77,751
Nores	22,277	-	-	-	22,277
Plus	149,015	-	-	-	149,015
Salini Costruttori	84,997	-	14,502,885	13,700,084	28,287,966
Salini Saudi Arabia Company Ltd	12,702	-	-	-	12,702
Todini Finanziaria	1,505,673				1,505,673
Zeis	9,257	-	609,114	-	618,371
Total other related parties	**3,687,667**	**3,244,141**	**33,191,047**	**13,700,084**	**53,822,939**
Total	**180,585,562**	**19,986,046**	**162,462,751**	**33,882,066**	**396,916,425**

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
128,374,550	**-**	**2,229,071**	**13,060,818**	**143,664,439**	**199,429,047**
-	-	-	-	-	4,164
-	-	-	-	-	3,893,465
-	-	-	-	-	72,513
-	-	-	-	-	19,113,255
-	-	-	-	-	43,920
16,050	-	-	-	16,050	(10,876)
266,464				266,464	(249,771)
61,394	-	-	-	61,394	16,357
-	-	-	-	-	22,277
-	-	-	-	-	149,015
1	-	7,595,952	-	7,595,953	20,692,013
-	-	-	-	-	12,702
				-	1,505,673
38,556	-	-	-	38,556	579,815
382,465	**-**	**7,595,952**	**-**	**7,978,417**	**45,844,522**
128,757,015	**-**	**9,825,023**	**13,060,818**	**151,642,856**	**245,273,569**

Revenue and costs for 2015

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
A.Constructor J.V Kallidromo	-	407	-	-	-
Agua AZ	276,403	7,600	-	-	-
Agua BA	32,749	-	-	-	2,221
ANM	-	314,092	-	-	7,296,853
Arge Haupttunnel Eyholz	16,340,024	-	-	-	12,474,517
Arge Sisto N8	14,895,424	-	-	-	13,613,527
Barnard	6,160,281	-	-	-	5,505,077
Bata	3,443	-	-	-	-
Carvalho Pinto	2,944,546	-	-	-	2,559,714
CE.S.I.F. S.c.p.a.	-	-	-	-	22,330
CGMR Gestione materiale Roveredo	246,859	-	-	-	226,997
Churchill Consortium	16,532	-	-	-	-
Churchill Hospital J.V.	-	-	-	-	1,253,492
Civil Work	-	7,159,193	-	-	-
CMC Consorzio Monte Ceneri lotto 851	12,166	-	-	-	391,693
CMC-Mavundla-IGL JV	-	3,996,049	-	-	-
Consorcio Cigla-Sade	174,896	-	-	-	440,841
Consorcio Contuy Medio	-	-	-	-	216
Consorcio Federici/Impresit/Ice Cochabamba	-	-	-	-	-
Consorcio Grupo Contuy-Proyectos y Ob. De F.	1,422	-	-	-	88,013
Consorcio OIV-TOCOMA	282,990,214	3,800	-	-	283,545,919
Consorcio Serra do Mar	4,079,878	66,454	-	-	3,607,110
Consorcio VIT Tocoma	-	-	-	-	2,644
Consorzio 201 Quintai	2,999,796	3,800	-	-	2,331,773
Consorzio Biaschina	556,170	-	-	-	151,508
Consorzio Casale Nei	-	-	-	-	491
Consorzio Coltun JV	6,587,298	-	-	-	5,331,238
Consorzio Costral in liquidation	11,309	-	-	-	28,755
Consorzio Costruttori TEEM	-	-	-	-	3,880
Consorzio CPR 3	-	-	-	-	894
Consorzio CPR 2	-	-	-	-	38,667
Consorzio CRS9	68,976	-	-	-	45,886
Consorzio EPC	-	523,108	-	-	-
Consorzio Felce BP	387,420	-	-	-	46,701
Consorzio Ferroviario Milanese	-	-	-	-	8,060
Consorzio Galliera Roveredo	2,093,590	-	-	-	982,107
Consorzio Iricav Due	-	458,528	-	-	10,047,143
Consorzio Miteco	-	-	-	-	6,951
Consorzio MM4	55,426	172,618	-	-	1,190,858
Consorzio MPC	2,761,036	-	-	-	1,845,285
Consorzio Pedelombarda 2	-	3,800	-	-	185,466
Consorzio Portale Vezia	4,967,432	-	-	-	3,949,967
Consorzio Probin	2,726,717	-	-	-	2,064,883
Consorzio SI.VI.CI.CA.	60,583	-	-	-	94,395
Consorzio Sivicica 4	384,777	-	-	-	170,903
Consorzio TAT-Tunnel Alp Transit Ticino	8,651,012	-	-	-	819,339
Consorzio Trevi - S.G.F. INC per Napoli	-	23,954	-	-	-
Consorzio VIT Caroni Tocoma	3,292	-	-	-	-
E.R. Impregilo/Dumez y Asociados para Yaciretê	98,960	-	-	-	3,992,372
Edilfi scarl in liquidation	-	-	-	-	649
Enecor	13,450	-	-	-	-

Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	65,418	-
-	-	-	-	-
-	-	500,000	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	157	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,396	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	630,593	-
-	-	-	-	-
-	-	-	-	-

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
Eurolink S.c.p.a.	60,000	214,437	-	-	548,021
Galileo scarl	11,309	-	-	-	34,622
Ghazil JV	-	9,106	-	-	-
Groupment Todini Hamila'	-	-	-	-	-
Grupo Empresas Italianas - GEI	351,247	-	-	-	17,387
GUP CANAL	8,213,734	375,375	-	-	-
Healy Parsons	-	3,598,375	-	-	-
IGL Arabia	102,611	16,843	-	810,891	-
Isarco S.c.r.l.	1,062,500	1,252,504	-	-	5,635,400
JV Todini - Samtredia	-	-	-	-	-
KAYI - Salini - Samsung - JV	409,965	-	-	-	-
La Quado S.c.a.r.l.	270,724	148,002	-	-	3,007,778
Lambro Scrl	-	-	-	-	12,945
Line 3 Metro Stations	61,445	-	-	-	182,454
M.N. 6 S.c.r.l.	-	-	-	-	180,000
M2 LIMA	-	1,364,271	-	-	-
Metro Blu	46,500	726,915	-	-	33,631,351
Metrogenova S.c.r.l.	35,415	-	-	-	1,455,174
Ochre Holding	-	-	-	-	-
Ochre Solutions Ltd	-	78,156	-	-	-
Passante di Mestre S.c.p.A.	16,984	103,338	-	-	1,666,275
Passante Dorico S.p.A.	-	128,499	-	-	-
Pedelombarda S.c.p.A.	50,000	449,059	-	-	25,200,649
Puentes	11,696	-	-	-	-
Riviera S.c.r.l.	-	-	-	-	65,000
S.Ruffillo S.c.a.r.l.	-	-	-	-	22,187
San Giorgio Caltagirone S.c.r.l.	-	2,582	-	-	-
Sarmento S.c.r.l.	-	-	-	-	-
Sclafani S.c.r.l.	-	2,582	-	-	-
SFI leasing	2,600,514	-	-	-	2,704,779
SHIMMICK	36,969,217	-	-	-	32,365,087
Sirjo S.c.p.A.	-	178,388	-	-	1,001,201
Sistranyac S.A.	7,018	-	-	-	-
Sivicica 2	112,234	-	-	-	164,348
Società di Progetto Consortile per Azioni M4	147,780	218,941	-	-	761,037
SPV Linea M4 Spa	160	245,480	-	-	-
Stazione Tribunale	-	-	-	-	11,727
Tangenziale Esterna di Milano S.p.A.	-	16,790	-	-	-
TB Metro in liquidation	-	-	-	-	-
TCA - Almaty - Ust' Karemogosk Km 77-118	-	-	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	-	-	-	-	80,570
Thessaloniki Metro CW	8,622,436	-	-	-	4,889,470
Todedil scarl	-	-	-	-	2,015
Trasimeno scarl in liquidation	-	-	-	-	734
Valico scarl in liquidation	-	-	-	-	-
Wolverhampton	5,534,502	25,269	-	-	8,266
Yacilec	17,313	-	-	-	-
Yuma	54,404,135	-	-	-	-
Total unconsolidated group companies	**479,721,520**	**21,888,315**	**-**	**810,891**	**478,017,812**
CEDIV SPA	11,309	-	-	-	-
Dirlan	11,309	-	-	-	-
G.A.B.I.RE. Srl	11,309	-	-	-	-

Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
-	-	-	-	-
-	4,146	-	-	-
-	-	-	-	-
-	-	113,658	-	-
-	-	-	-	-
-	-	-	6,516,943	-
-	-	-	-	30,212
-	-	-	-	-
-	-	-	-	-
-	-	1,595,557	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,051,799	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	111,754	-	-
-	-	-	570	-
-	-	-	-	-
-	-	-	-	-
-	-	-	21,785	-
-	-	-	3,857	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	351,998	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(107,837)	-	-
-	-	621	-	-
-	-	(80,570)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	14,736	-	-	-
-	-	-	18,660	-
-	-	-	-	-
-	-	-	-	-
-	18,882	2,133,183	8,663,176	30,212
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
Imm. Agricola San Vittorino	12,000	-	-	-	-
Infernetto S.r.l.	5,655	-	-	-	-
Madonna dei Monti Srl	8,000	-	-	-	-
Nores	5,655	-	-	-	-
Plus	11,000	-	-	-	-
Salini Costruttori	70,000	5,815	-	-	2,334
Zeis	150,000	96,870	-	-	-
Total other related parties	**296,237**	**102,685**	**-**	**-**	**2,334**
Total	**480,017,757**	**21,991,000**	**-**	**810,891**	**478,020,146**

	Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	3,191	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	45,243	158,533
	-	-	-	17,418	-
	-	**-**	**-**	**65,852**	**158,533**
	-	**18,882**	**2,133,183**	**8,729,028**	**188,745**

Consolidated financial statements of Salini Impregilo Group Equity investments

Salini Impregilo Group - Equity investments with positive carrying amounts at 31 December 2015

	31 December 2014	Change in consolidation method	Acquisitions	Share/quota capital transactions	(Disinvestments and liquidiations)	Share of profit or loss of equity-accounted investees
A. Constructor J.V. Kallidromo	6,277					
Acqua Campania S.p.A.	9,607					
B.O.B.A.C. S.c.a.r.l.	5,100					
CAAF Interregionale	129				(129)	
Calpark S.c.p.A.	4,664					
CE.S.I.F. S.c.p.a.	63,460					
Co.Ge.Fin s.r.l. (quotaholder agreements)	9,095,319	(9,095,320)				
Consorzio A.F.T. (in liquidation)	-					
Consorzio Astaldi Federici Todini Kramis	-					
Consorcio Agua Azul S.A.	6,780,284					1,094,346
Consorcio Federici/Impresit/Ice Cochabamba	15,818					
Consorzio.Kallidromo	8,441					
Consorzio Casale Nei	775					
Consorzio CON.SI	516					
Consorzio Consavia S.c.n.c.	1,714					
Consorzio Costral	14,000					
Consorzio CPR 3	1,747					
Consorzio CPR 2	2,741					
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	35,000				(35,000)	
Consorzio del Sinni	12,395					
Consorzio Ferrofir	182,569					
Consorzio Ferroviario Milanese	28,276					
Consorzio IECAF	-					
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	5,165					
Consorzio infrastruttura area metropolitana - Metro Cagliari	-					
Consorzio Iniziative Ferroviarie - INFER	14,461					
Consorzio Iricav Due	70,339		34,782			
Consorzio Iricav Due	70,445					
Consorzio Libyan Expressway Contractor	5,800					
Consorzio MARC - Monitoraggio Ambientale Regione Campania	2,582					
Consorzio MITECO	4,416					
Consorzio MM4	62,100					
Consorzio Nazionale Imballaggi - CO.NA.I.	5					
Consorzio NOG.MA	84,000					
Consorzio Pedelombarda 2	4,000					
Consorzio Pizzarotti Todini Keft-Eddir	-					
Consorzio Sarda Costruzioni Generali - SACOGEN	2,582					
Consorzio Sardo d'Imprese	1,078					

	Share of profit or loss of equity-accounted investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Reclassifications	31 December 2015
						(6,277)	-
							9,607
							5,100
							-
							4,664
							63,460
							(1)
						15,494	15,494
						(5)	(5)
		(767,402)		(101,720)		93	7,005,601
							15,818
						(8,440)	1
							775
							516
							1,714
	(4,474)						9,526
	(1,000)						747
	(2,704)						37
							-
							12,395
							182,569
							28,276
						129	129
							5,165
						5,257	5,257
							14,461
						70,939	176,060
						(70,445)	-
							5,800
							2,582
							4,416
							62,100
							5
							84,000
							4,000
						50,000	50,000
							2,582
							1,078

	31 December 2014	Change in consolidation method	Acquisitions	Share/quota capital transactions	(Disinvestments and liquidiations)	Share of profit or loss of equity-accounted investees
Consorzio TRA.DE.CI.V.	12,533					
Consorzio Trevi - S.G.F. INC per Napoli	4,500					
Consorzio Umbria Sanità	3,202					
Constuctora Embalse Casa de Piedra S.A.	1					
Depurazione Palermo S.c.r.l.	3,616					
Emittenti Titoli S.p.A.	10,832					
Empresa Constructora Lo Saldes L.t.d.a.	5,341					
Eurolink S.c.p.a.	16,875,002					
FE.LO.VI. S.c.n.c.	8,392					
Forum S.c. a r.l.	10,329					
G.T.B. S.c.r.l.	5					
Galileo scarl	4,000					
Gaziantep Hastane Saglik	1,529,032			2,115,959		(496,453)
Grassetto S.p.A.	7,747					
Group. d'entreprises Salini Strabag (Guinea)	5,165				(5,165)	
Groupment Sci Sonatro	1					
Grupo Unidos Por El Canal S.A.	10,729,253			12,174,888		(103,477)
Healy-Yonkers-Atlas-Gest J.V.	13,272					
I.S.V.E.U.R.-SPA (1%)	34,086					
I_Faber S.p.A.	583,317					
Immobiliare Golf Club Castel D'Aviano S.r.l.	62,909					
Impregilo Arabia Ltd	3,373,161			2,631,617		(3,209,057)
Impregilo Wolverhampton Ltd	3,874,486					(79,962)
Interstate Healy Equipment J.V.	12,274					
Irina Srl in liquidation	746,061					
Isarco S.c.r.l.	41,000					
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A.	22,750					
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	330					
Italsagi SP. ZO.O	1					
Joint Venture Salini-Acciona (Ethiopia)	9,430					
La Quado S.c.a.r.l.	3,500					
Lambro S.c.r.l.	20					
M.N. 6 S.c.r.l.	510					
Manifesto S.p.A.	10,846					
Markland S.r.l.	1,269					
Metro Blu S.c.r.l.	5,000					
Metro de Lima Linea 2 S.A.	8,566,176			9,915,452		1,377,247
Metrogenova S.c.r.l.	8,257					
Metropolitana di Napoli S.p.A.	313,652					
Milano Sviluppo S.r.l.	(1)					
Nomisma spa	27,015					
Ochre Solutions Holdings Ltd	7,158,162					(1,767,697)
Olbia 90 S.c.r.l.	2,531					
Pantano S.c.r.l. (10.5%)	4,338					

Share of profit or loss of equity-accounted investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Reclassifications	31 December 2015
						12,533
						4,500
						3,202
					(1)	-
					(1)	3,615
						10,832
						5,341
					(2)	16,875,000
						8,392
						10,329
						5
(4,000)						-
				(479,130)		2,669,408
						7,747
						-
						1
						22,800,664
				1,528		14,800
						34,086
						583,317
					1	62,910
			329,371		(22)	3,125,070
	(157,143)	261,529		(76,561)	(16,415)	3,805,934
					(12,274)	-
(437,717)						308,344
						41,000
						22,750
						330
					(1)	-
						9,430
						3,500
						20
						510
						10,846
						1,269
					(5,000)	-
				1,687,759		21,546,634
						8,257
						313,652
					1	-
						27,015
				(60,148)		5,330,317
						2,531
						4,338

	31 December 2014	Change in consolidation method	Acquisitions	Share/quota capital transactions	(Disinvestments and liquidiations)	Share of profit or loss of equity-accounted investees
Parco Scientifico e Tecnologico della Sicilia S.c.p.a.	5,165					
Passante di Mestre S.c.p.A.	4,200,000					
Passante Dorico S.p.A.	2,820,000					
Pedelombarda S.c.p.A.	9,400,000					
Pedemontana Veneta S.p.A.	1,213,500			67,200		
Quattro Venti S.c.r.l.	20,658				(20,658)	
RCCF Nodo di Torino S.c.p.a.	26,856					
Rimini Fiera S.p.A.	3,193,670					
Risalto S.r.l. RM	23,328					
Risalto S.r.l. RM	79,639					
Riviera S.c.r.l.	6,470					
S. Anna Palermo S.c.r.l.	18,592					
S.Ruffillo S.c.a.r.l.	21,000					
Salini Canada Inc.	7,490				(7,490)	
Salini Impregilo - Duha Joint Venture	100					
Salini Saudi Arabia Company Ltd	10,727					
San Benedetto S.c.r.l.	9,622					
Sarmento S.c.r.l.	1					
Scat 5 scarl	6,455					
Seveso S.c.a.r.l.	400					
Sirjo S.c.p.A.	3,000,000					
Sistranyac S.A.	149,965					
Skiarea Valchiavenna S.p.A.	99,740					
Società di Progetto Consortile per Azioni M4	104,040					
Società Italiana per l'Ecologia Marina Castalia Ecolmar S.c.p.a.	1					
SPV Linea M4 S.p.A.	116,000			9,825,200		
Stazione Tibunale	-			8,600		
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	3,944					
Todedil scarl	6,588					
Trasimeno scarl	3,060					
Variante di Valico scrl (in liquidation)	30,000					
Variante di Valico scrl (in liquidation)	37,500					
VE.CO. S.c.r.l.	2,582					
Yacylec S.A.	257,391					(153,272)
Yuma Concessionaria S.A.	8,867,923		705,871			3,870,543
	104,421,515	**(9,095,320)**	**740,653**	**36,738,916**	**(68,442)**	**532,218**

Share of profit or loss of equity-accounted investees	Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Reclassifications	31 December 2015
						5,165
						4,200,000
						2,820,000
						9,400,000
						1,280,700
						-
						26,856
						3,193,670
					9	23,337
					(2,176)	77,463
						6,470
						18,592
						21,000
						-
						100
						10,727
						9,622
					(1)	-
						6,455
						400
						3,000,000
						149,965
						99,740
						104,040
					(1)	-
						9,941,200
						8,600
						3,944
2,192						8,780
						3,060
(3,761)						26,239
					(4,672)	32,828
						2,582
				(28,057)		76,062
				(2,189,808)		11,254,529
(451,464)	**(924,545)**	**261,529**	**227,651**	**(1,144,417)**	**16,190**	**131,254,183**

Salini Impregilo Group - Equity investments with negative carrying amounts at 31 December 2015

Investee	31 December 2014	Change in consolidation method	Acquisitions	Share/quota capital transactions	(Disinvestments and liquidations)	Share of profit or loss of equity-accounted investees
Ancipa S.c.r.l.	(2,334,794)	2,334,794				
Cagliari 89 S.c.r.l.	(132,850)					
Con.Sal. S.c.n.c.	(12,428)					
Consorzio Aree Industriali Potentine	(666)					
Consorzio Astaldi Federici Todini Kramis	-					
Consorzio Edilizia Sociale Industralizzata Lazio - CESIL	(116,927)					
Consorzio infrastruttura area metropolitana - Metro Cagliari	5,307					
Corso Malta S.c.r.l.	(41,512)				41,512	
Diga Ancipa S.c.r.l.	(84,500)	84,500				
Edificatrice Sarda S.r.l.	(393,574)				393,574	
Edilfi scarl in liquidation	(236,121)					
Galileo Scrl	-					
Interstate Healy Equipment J.V.	-					(119,547)
Imprese Riunite Genova Irg S.c.r.l.	(13,209)					
Ital.Sa.Gi. Sp.Z.O.O. (Poland)	(222,489)					
Monte Vesuvio S.c.r.l.	(267,311)				267,311	
Pietrarossa S.c.r.l.	(2,426,197)	2,426,197				
Risalto srl	(2,176)					
S. Leonardo S.c.r.l.	(1)					
Saces S.r.l.	(116,600)					
San Giorgio Caltagirone S.c.r.l.	(87,001)					
Sclafani S.c.r.l.	(155,000)					
Soingit S.c.r.l.	(50,000)					
Strade e Depuratori Palermo S.c.r.l.	(1,653)				1,653	
Variante di Valico Scarl	(4,672)					
Total equity investments with negative carrying amounts	**(6,694,374)**	**4,845,491**	**-**	**-**	**704,050**	**(119,547)**

Other gains (losses) in profit or loss	Dividends from equity-accounted investees	Change in hedging reserve	Change in ROC of equity-accounted investees	Change in ROC of investee recognised in investor's financial statements	Reclassifications	31 December 2015
						-
						(132,850)
						(12,428)
						(666)
					(953,496)	(953,496)
						(116,927)
					(5,307)	-
						-
						-
						-
						(236,121)
(4,110)						(4,110)
			(872)		12,274	(108,145)
						(13,209)
						(222,489)
						-
						-
					2,176	-
						(1)
						(116,600)
						(87,001)
19,134						(135,866)
						(50,000)
						-
					4,672	-
15,024	**-**	**-**	**(872)**	**-**	**(939,681)**	**(2,189,909)**

List of companies included in the consolidation scope

List of companies included in the consolidation scope

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Salini Impregilo S.p.A.	Italy	Euro	544,740,000	100		100		line-by-line
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	Poland	PLN		100	90	5 5	Todini Costr. Generali S.p.A. Salini Polska L.t.d. Liability Co	line-by-line
Alia S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	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
CIS Divisione Prefabbricati Vibrocesa Scac - C.V.S. Srl (in liq.)	Italy	Euro	10,000	100		100	INCAVE Srl	line-by-line
CO. MAR. S.c.r.l. (in liq.)	Italy	Euro	10,200	84.99		84.99	Imprepar S.p.A.	line-by-line
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy			85	85			line-by-line
Compagnia Gestione Finanziarie - Co.Ge.Fin Srl	Italy	Euro	100,000	100	100			line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	1,032,000	100	100			line-by-line
Congressi 91 S.c.r.l. (in liq.)	Italy	Euro	25,000	100		80 20	Impresa Castelli Srl Bocoge S.p.A.	line-by-line
Consorcio Acueducto Oriental	Dom. Republic			67	67			line-by-line
Consorcio Impregilo - OHL	Colombia			70		70	Impregilo Colombia SAS	line-by-line
Consorcio Impregilo Yarull	Dom. Republic			70	70			line-by-line
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			line-by-line
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.98	75.98			line-by-line
Consorzio Caserma Donati	Italy	Euro	300,000	84.2	84.2			line-by-line
Consorzio Cociv	Italy	Euro	516,457	68.25	64	4.25	C.I.V. S.p.A.	line-by-line
Consorzio FAT	Italy	Euro	46,000	100		99 1	Imprepar S.p.A. CO.GE.MA. S.p.A.	line-by-line
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	58	58			line-by-line
Consorzio Pielle (in liq.)	Italy	Euro	15,493	100		33.33	Imprepar S.p.A.	line-by-line
						66.67	Incave Srl	line-by-line
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51	51			line-by-line
Consorzio Torre (in liq.)	Italy	Euro	5,000,000	94.6	94.6			line-by-line
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	Italy	Euro	51,129	96.97	96.97			line-by-line
Consorzio/Vianini lavori/Impresit/Dal Canton/Icis/Siderbeton - VIDIS (in liq.)	Italy	Euro	25,822	60		60	Imprepar S.p.A.	line-by-line

	Country	Currency	Share/quota capital subscribed	Investment %	% direct	% indirect	Investment held by	Method 31.12.2015
Constructora Ariguani SAS	Colombia	COP	100,000,000	58.22	58.22			line-by-line
Constructora Mazar Impregilo-Herdoiza Crespo	Ecuador			70	70			line-by-line
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	7,641,014	100	100			line-by-line
Copenaghen Metro Team I/S	Denmark			99.99	99.99			line-by-line
Corso del Popolo Engineering S.c.r.l.	Italy	Euro	10,000	64.71		64.71	Todini Costr. Generali S.p.A.	line-by-line
Corso del Popolo S.p.A.	Italy	Euro	1,200,000	55		55	Todini Costr. Generali S.p.A.	line-by-line
Costruzioni Ferroviarie Torinesi Duemila S.c.r.l. (in liq.)	Italy	Euro	10,328	100		100	INCAVE Srl	line-by-line
CSC Impresa Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100			line-by-line
Diga Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Effepi - Finanza e Progetti Srl (in liq.)	Italy	Euro	78,000	100		100	SGF INC S.p.A.	line-by-line
Empresa Constructora Angostura Ltda	Chile	CLP	22,422,000,000	65	65			line-by-line
Empresa Constructora Metro 6 L.t.d.a.	Chile	CLP	25,000,000	100	99.9	0.1	Cigla S.A.	line-by-line
Engeco France S.a.r.l.	France	Euro	15,470	100		99.67 0.33	Imprepar S.p.A. Incave Srl	line-by-line
EURL Todini Algerie	Algeria	DZD	5,000,000	100		100	Todini Costr. Generali S.p.A.	line-by-line
Eurotechno Srl (in liq.)	Italy	Euro	26,245	100		100	Imprepar S.p.A.	line-by-line
FIBE S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003 0.006	Impregilo Intern. Infrastruc. N.V. Fisia Ambiente S.p.A.	line-by-line
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Fisia Italimpianti S.p.A.	Italy	Euro	7,000,000	100	100			line-by-line
Galfar - Salini Impregilo - Cimolai J.V.	Qatar			40	40			line-by-line
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	Poland			66.68	33.34	33.34	Salini Polska Limited Liability Company	line-by-line
Gestione Napoli Srl (in liq.)	Italy	Euro	10,000	99	24	75	Fisia Ambiente S.p.A.	line-by-line
Groupe Mediterraneen di Travaux d'Infrastructures (in liq.)	Algeria	DZD	1,000,000	100		100	Todini Costr. Generali S.p.A.	line-by-line
Groupement Todini - Enaler Autoroute Algeria	Algeria	DZD	1,000,000	84		84	Todini Costr. Generali S.p.A.	line-by-line
Grupo ICT II SAS	Colombia	COP	1,000,000,000	100	100			line-by-line
I.L.IM. - Iniziative Lombarde Immobiliari Srl (in liq.)	Italy	Euro	10,000	100	100			line-by-line
IGLYS S.A.	Argentina	ARS	10,000,000	100		98 2	Impregilo Intern. Infrastruc. N.V. INCAVE Srl	line-by-line
Imprefeal Srl	Italy	Euro	20,000	100		100	Imprepar S.p.A.	line-by-line
Impregilo Colombia SAS	Colombia	COP	6,455,000,000	100	100			line-by-line
Impregilo International Infrastructures N.V.	Netherlands	Euro	50,000,000	100	100			line-by-line
Impregilo Lidco Libya Co	Libya	DL	5,000,000	60	60			line-by-line

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
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 S.p.A. - S.A. Healy Company UTE	Argentina	ARS	10,000	100	98	2	Healy S.A.	line-by-line
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			line-by-line
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			line-by-line
Imprepar-Impregilo Partecipazioni S.p.A.	Italy	Euro	3,100,000	100	100			line-by-line
Impresa Castelli Srl (in liq.)	Italy	Euro	10,000	100		100	Imprepar S.p.A.	line-by-line
Impresit del Pacifico S.A.	Peru	PEN	35,000	100		100	Imprepar S.p.A.	line-by-line
INC - Algerie S.a.r.l.	Algeria	DZD	301,172,000	99.98		99.98	SGF INC S.p.A.	line-by-line
INCAVE Srl (in liq.)	Italy	Euro	90,000	100		100	Imprepar S.p.A.	line-by-line
IS Joint Ventures	Australia			100	50	50	Salini Australia PTY L.t.d.	line-by-line
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece			100	99	1	SGF INC S.p.A.	line-by-line
Librino S.c.r.l. (in liq.)	Italy	Euro	45,900	66		66	Imprepar S.p.A.	line-by-line
Melito S.c.r.l. (in liq.)	Italy	Euro	77,400	66.67		66.67	Imprepar S.p.A.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infrastruc. N.V.	line-by-line
Metro B Srl	Italy	Euro	20,000,000	52.52	52.52			line-by-line
Metro B1 S.c.a.r.l.	Italy	Euro	100,000	80.7	80.7			line-by-line
Montenero S.c.r.l. (in liq.)	Italy	Euro	10,400	61.11		61.11	Imprepar S.p.A.	line-by-line
Perugia 219 S.c.r.l.	Italy	Euro	10,000	55		55	Imprepar S.p.A.	line-by-line
PGH Ltd	Nigeria	NGN	52,000,000	100	100			line-by-line
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Piscine dello Stadio Srl	Italy	Euro	1,100,000	70		70	Todini Costr. Generali S.p.A.	line-by-line
Piscine S.c.r.l.	Italy	Euro	10,000	70		70	Todini Costr. Generali S.p.A.	line-by-line
Reggio Calabria - Scilla S.c.p.a.	Italy	Euro	35,000,000	51	51			line-by-line
RI.MA.TI. S.c.a.r.l.	Italy	Euro	100,000	83.42	83.42			line-by-line
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	100,000,000	70		70	PGH Ltd	line-by-line
S. Leonardo Due S.c.r.l. (in liq.)	Italy	Euro	40,800	60		60	Imprepar S.p.A.	line-by-line
S. Leonardo S.c.r.l. (in liq.)	Italy	Euro	25,500	99.99		99.99	Imprepar S.p.A.	line-by-line
S.A. Healy Company	USA	USD	11,320,863	100	100			line-by-line
S.G.F. - I.N.C. S.p.A.	Italy	Euro	3,859,680	100	100			line-by-line
SA.CO.LAV. S.c.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
SA.MA. S.c.a.r.l. (in liq.)	Italy	Euro	40,800	99	99			line-by-line
Salerno-Reggio Calabria S.c.p.a.	Italy	Euro	50,000,000	51	51			line-by-line
Salini - Impregilo Joint Venture for Mukorsi	Zimbabwe			100	99.9	0.1	Imprepar S.p.A.	line-by-line
Salini Rus L.t.d. Liability Company.	Russia	RUB	3,000,000	99	99			line-by-line
Salini Australia PTY L.t.d.	Australia			100	100			line-by-line
Salini Bulgaria A.D.	Bulgaria			100	100			line-by-line
Salini Hydro L.t.d.	Ireland	Euro	20,000	100	100			line-by-line
Salini Impregilo - Duha Joint Venture	Slovakia			75	75			line-by-line

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Salini Impregilo - Healy J.V. (Cleveland)	USA			100	60	40	Healy S.A.	line-by-line
Salini Impregilo - Salini Insaat - NTF J.V.	Turkey			85	55	30	Salini Insaat T.S.V.T.A.S.	line-by-line
Salini Impregilo Bin Omran J.V.	Qatar			50	50			line-by-line
Salini India Private L.t.d.	India	INR	93,500,000	100	95	5	CO.GE.MA. S.p.A.	line-by-line
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	TRY	50,000	100	100			line-by-line
Salini Malaysia SDN BHD	Malaysia	MYR	1,100,000	100	90	10	CO.GE.MA. S.p.A.	line-by-line
Salini Namibia Proprietary L.t.d.	Namibia	NAD	100	100	100			line-by-line
Salini Nigeria L.t.d.	Nigeria	NGN	10,000,000	100	99	1	CO.GE.MA. S.p.A.	line-by-line
Salini Polska - Todini - Salini Impregilo - S7 JV	Poland	PLN		100	50	25 25	Todini Costr. Generali S.p.A Salini Polska L.t.d. Liability Co.	line-by-line
Salini Polska - Todini - Salini Impregilo - Pribex - S3 JV	Poland	PLN		95	47.5	23.75 23.75	Todini Costr. Generali S.p.A. Salini Polska L.t.d. Liability Co	line-by-line
Salini Polska - Todini - Salini Impregilo - Pribex - S8 JV	Poland	PLN		95	47.5	23.75 23.75	Todini Costr. Generali S.p.A. Salini Polska L.t.d. Liability Co	line-by-line
Salini Polska L.t.d. Liability Co	Poland	PLN	393,000	100	100			line-by-line
Salini USA Inc	USA	USD	20,000	100	100			line-by-line
Salini-Kolin-GCF Joint Venture	Turkey	Euro	4,000	38	38			line-by-line
San Martino Prefabbricati S.p.A. (in liq.)	Italy	Euro	10,000	100		100	Impresa Castelli Srl	line-by-line
Savico S.c.r.l. (in liq.)	Italy	Euro	10,200	100		81 19	Imprepar S.p.A. Sapin Srl	line-by-line
Seli Tunneling Denmark A.p.s.	Denmark	DKK	130,000	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	28,902,600	60	60			line-by-line
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
Sti Abwicklungs Gmbh (ex Steinmuller International Gmbh)	Germany	Euro	25,000	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
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 Srl (in liq.)	Italy	Euro	51,480	100		100	Imprepar S.p.A.	line-by-line
TB Metro Srl (in liq.)	Italy	Euro	100,000	51	51			line-by-line
Todini - Hamila	Tunisia			100		100	Todini Costr. Generali S.p.A.	line-by-line
Todini - Takenaka Joint Venture	Azerbaijan			60		60	Todini Costr. Generali S.p.A.	line-by-line
Todini Akkord Salini	Ukraine			100	25	75	Todini Costr. Generali S.p.A.	line-by-line

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Todini Central Asia	Kazakhstan			100		100	Todini Costr. Generali S.p.A.	line-by-line
Todini Costruzioni Generali S.p.A.	Italy	Euro	56,907,000	100	100			line-by-line
Todini-Impregilo Almaty Khorgos J.V.	Kazakhstan			100	50	50	Todini Costr. Generali S.p.A.	line-by-line
Trincerone Ferroviario S.c.r.l. (in liq.)	Italy	Euro	45,900	60		60	Imprepar S.p.A.	line-by-line
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.	line-by-line
Western Station J.V,	Arabia			51	51			line-by-line
Arge Tulfes Pfons	Austria	Euro	1,000	49	49			joint oper.
Arriyad New Mobility Consortium	Arabia			33.48	33.48			joint oper.
Civil Works Joint Ventures	Arabia			66	66			
CMC - Mavundla - Impregilo J.V.	South Africa			39.2	39.2			joint oper.
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela			36.4	36.4			joint oper.
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Ghazi-Barotha Contractors J.V.	Switzerland			57.8	57.8			joint oper.
Impregilo-Healy-Parsons J.V.	USA	USD		65	45	20	Healy S.A.	joint oper.
Kayi Salini Samsung Joint Venture	Turkey	Euro		33		33	Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	joint oper.
Nathpa Jhakri J.V.	India	USD	1,000,000	60	60			joint oper.
Riyadh Metro Line 3	Arabia	SAD	10,000,000	66	66			joint oper.
Tristar Salini Joint Venture	United Arab Emirates			40	40			joint oper.
Aegek-Impregilo-Aslom J.V.	Greece			45.8	45.8			equity
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.58	16.5	23.72 2.36	Impregilo Intern. Infrastruc. N.V. Iglys. S.A.	equity
Aguas del Oeste S.A.	Argentina	ARS	170,000	33.33		33.33	Iglys S.A.	equity
ANBAFER S.c.r.l. (in liq.)	Italy	Euro	25,500	50		50	Imprepar S.p.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC S.A.	equity
Arge Sisto N8	Switzerland			50		50	CSC S.A.	equity
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.82		19.82	Impregilo Intern. Infrastruc. N.V.	equity
Barnard Impregilo Healy J.V.	USA			45	25	20	Healy S.A.	equity
C.P.R.2	Italy	Euro	2,066	35.97		35.97	Imprepar S.p.A.	equity
C.P.R.3	Italy	Euro	2,066	35.97		35.97	Imprepar S.p.A.	equity
C.U.S. Consorzio Umbria Sanità (in liq.)	Italy	Euro	10,000	31		31	Imprepar S.p.A.	equity
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49		49	Sapin Srl	equity
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
CMC - Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC S.A.	equity

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Coincar S.A.	Argentina	ARS	40,465,122	35	26.25	8.75	Iglys S.A.	equity
Con. Sal S.c.n.c. (in liq.)	Italy	Euro	15,494	30	30			equity
Consorcio Agua Azul S.A.	Peru	PEN	69,001,000	25.5		25.5	Impregilo Intern. Infrastruc. N.V.	equity
Consorcio Carvalho Pinto	Brazil			40	20	20	Cigla S.A.	equity
Consorcio Cigla-Sade	Brazil			50		50	Cigla S.A.	equity
Consorcio Contuy Medio	Venezuela			29.04	29.04			equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25		25	Imprepar S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela			33.33	33.33			equity
Consorcio Normetro	Portugal			13.18	13.18			equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio Serra do Mar	Brazil			40	20	20	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 201 Quintai	Switzerland			60		60	CSC S.A.	equity
Consorzio Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	33.34		33.34	Todini Costr. Generali S.p.A.	equity
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	50		50	Todini Costr. Generali S.p.A.	equity
Consorzio Biaschina	Switzerland			33.34		33.34	CSC S.A.	equity
Consorzio CEMS	Switzerland			33.4		33.4	CSC S.A.	equity
Consorzio CGMR	Switzerland			40		40	CSC S.A.	equity
Consorzio Coltum	Switzerland			50		50	CSC S.A.	equity
Consorzio Consavia S.c.n.c. (in liq.)	Italy	Euro	20,658	50		50	Imprepar S.p.A.	equity
Consorzio Costruttori Strade Lazio - COSTRAL (in liq.)	Italy	Euro	20,000	70		70	Imprepar S.p.A.	equity
Consorzio CRS 9	Switzerland			33.33		33.33	CSC S.A.	equity
Consorzio del Sinni	Italy	Euro	51,646	43.16		43.16	Imprepar S.p.A.	equity
Consorzio di Riconversione Industriale Apuano - CO.RI.A. S.c.r.l.	Italy	Euro	46,481	10		10	Imprepar S.p.A.	equity
Consorzio Edilizia Sociale Industralizzata Lazio - CESIL (in liq.)	Italy	Euro	49,993	19.79		19.79	Imprepar S.p.A.	equity
Consorzio EPC	Peru			18.25	18.25			equity
Consorzio Felce BP	Switzerland			33.34		33.34	CSC S.A.	equity
Consorzio Felce lotto 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 Ferroviario Milanese	Italy	Euro	154,937	18.26		18.26	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 Iricav Due	Italy	Euro	510,000	34.09	34.09			equity
Consorzio Kallidromo	Greece	Euro	8,804	23		23	Todini Costr. Generali S.p.A.	equity
Consorzio MARC - Monitoraggio Ambientale Regione Campania (in liq.)	Italy	Euro	25,822	10		10	Effepi Srl	equity

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Consorzio MITECO (in liq.)	Italy	Euro	10,000	44.16	44.16			equity
Consorzio MM4	Italy	Euro	200,000	32.1	32.1			equity
Consorzio MPC	Switzerland			33		33	CSC S.A.	equity
Consorzio NOG.MA (in liq.)	Italy	Euro	600,000	14	14			equity
Consorzio Pedelombarda 2	Italy	Euro	10,000	40	40			equity
Consorzio Piottino	Switzerland			25		25	CSC S.A.	equity
Consorzio Pizzarotti Todini-Kef-Eddir.	Italy	Euro	100,000	50		50	Todini Costr. Generali S.p.A.	equity
Consorzio Portale Vezia (CVP Lotto 854)	Switzerland			60		60	CSC S.A.	equity
Consorzio Probin	Switzerland			50		50	CSC S.A.	equity
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy	Lit	20,000,000	25		25	Sapin Srl	equity
Consorzio Sardo d'Imprese (in liq.)	Italy	Euro	103,291	34.38		34.38	Sapin Srl	equity
Consorzio SI.VI.CI.CA.	Switzerland			25		25	CSC S.A.	equity
Consorzio SIVICICA 3	Switzerland			25		25	CSC S.A.	equity
Consorzio SIVICICA 4	Switzerland			25		25	CSC S.A.	equity
Consorzio Stazione Mendrisio	Switzerland			25		25	CSC S.A.	equity
Consorzio TAT-Tunnel Alp Transit Ticino, Arge	Switzerland			25	17.5	7.5	CSC S.A.	equity
Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45		45	SGF INC S.p.A.	equity
Constuctora Embalse Casa de Piedra S.A. (in liq.)	Argentina	ARS	821	72.93		72.93	Imprepar S.p.A.	equity
CSLN Consorzio	Switzerland			28		28	CSC S.A.	equity
Depurazione Palermo S.c.r.l. (in liq.)	Italy	Euro	10,200	50		50	Imprepar S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
EDIL.CRO S.c.r.l. (in liq.)	Italy	Euro	10,200	16.65		16.65	Bocoge S.p.A.	equity
Edil.Gi. S.c.r.l. (in liq.)	Italy	Lit	20,000,000	50		50	Imprepar S.p.A.	equity
EDILFI S.c.r.l. (in liq.)	Italy	Euro	10,000	100		100	Imprepar S.p.A.	equity
Empresa Constructora Lo Saldes L.t.d.a.	Chile	CLP	10,000,000	35	35			equity
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infrastruc. N.V.	equity
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45	45			equity
Executive J.V. Impregilo S.p.A. Terna S.A. - Alte S.A. (in liq.)	Greece			33.33	33.33			equity
FE.LO.VI. S.c.n.c. (in liq.)	Italy	Euro	25,822	32.5		32.5	Imprepar S.p.A.	equity
Forum S.c.r.l. (in liq.)	Italy	Euro	51,000	20	20			equity
Galileo S.c.r.l. (in liq.)	Italy	Euro	10,000	40		40	Imprepar S.p.A.	equity
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	Turkey	TRY	10,000,000	35.5	35.5			equity
Grupo Empresas Italianas - GEI	Venezuela	VEB	10,000,000	33.33	33.33			equity
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			equity
Healy-Yonkers-Atlas-Gest J.V.	USA			45		45	Healy S.A.	equity
Kallidromo Joint Venture	Greece	Euro	29,347	23		20.7 2.3	Todini Costr. Generali S.p.A. Consorzio Kallidromo	equity
Impregilo - Rizzani de Eccher J.V.	Switzerland			67	67			equity

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
Impregilo Arabia Ltd	Arabia	SAD	40,000,000	50	50			equity
Impregilo Wolverhampton Ltd	GB	GBP	1,000	20		20	Impregilo Intern. Infrastruc. N.V.	equity
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	Italy	Euro	25,500	26.3		26.3	Imprepar S.p.A.	equity
Imprese Riunite Genova Seconda S.c.r.l. (in liq.)	Italy	Euro	25,000	26.3		26.3	Imprepar S.p.A.	equity
Impresit Bakolori Plc	Nigeria	NGN	100,800,000	50.71	50.71			equity
Interstate Healy Equipment J.V.	USA			45		45	Healy S.A.	equity
IRINA Srl (in liq.)	Italy	Euro	103,000	36		36	Imprepar S.p.A.	equity
Isarco S.c.r.l.	Italy	Euro	10,000	41	41			equity
Isibari S.c.r.l.	Italy	Euro	15,300	55		55	Bocoge S.p.A.	equity
Italsagi SP. ZO.O	Poland	PLN	10,000	66	33	33	Imprepar S.p.A.	equity
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda	Greece			26.71	26.71			equity
Joint Venture Aktor Ate - Impregilo S.p.A. (Constantinos)	Greece			40	40			equity
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E.	Greece			66	66			equity
Joint Venture Terna - Impregilo	Greece			45	45			equity
La Quado S.c.a.r.l.	Italy	Euro	10,000	35	35			equity
Line 3 Metro Stations	Greece			50	50			equity
Metro Blu S.c.r.l.	Italy	Euro	10,000	50	50			equity
Metro de Lima Linea 2 S.A.	Peru	PEN	368,808,060	18.25	18.25			equity
Metrogenova S.c.r.l.	Italy	Euro	25,500	35.63	35.63			equity
Ochre Solutions Holdings Ltd	GB	GBP	20,000	40		40	Impregilo Intern. Infrastruc. N.V.	equity
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5		24.5	Sapin Srl	equity
Pantano S.c.r.l. (in liq.)	Italy	Euro	40,800	10.5	10.5			equity
Passante di Mestre S.c.p.A.	Italy	Euro	10,000,000	42	42			equity
Passante Dorico S.p.A.	Italy	Euro	24,000,000	47	47			equity
Pedelombarda S.c.p.a.	Italy	Euro	80,000,000	47	47			equity
Pedemontana Veneta S.p.A. (in liq.)	Italy	Euro	6,000,000	20.23	20.23			equity
Puentes del Litoral S.A. (in liq.)	Argentina	ARS	43,650,000	26	22	4	Iglys S.A.	equity
RCCF Nodo di Torino S.c.p.a. (in liq.)	Italy	Euro	102,000	26		26	INCAVE Srl	equity
Risalto Srl (in liq.)	Italy	Euro	89,000	100	66.67	33.33	Imprepar S.p.A.	equity
Riviera S.c.r.l.	Italy	Euro	50,000	12.94	12.94			equity
S. Anna Palermo S.c.r.l. (in liq.)	Italy	Euro	40,800	71.6	71.6			equity
S. Ruffillo S.c.r.l.	Italy	Euro	60,000	35	35			equity
Saces Srl (in liq.)	Italy	Euro	26,000	37		37	Imprepar S.p.A.	equity
Salini Acciona Joint Venture	Etiopia	Euro	20,000	50	50			equity
Salini Impregilo - US Holdings Inc.	USA	USD	1,000	100	100			equity
Salini Strabag Joint Ventures	Guinea	Euro	10,000	50	50			equity
San Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57		57	Imprepar S.p.A.	equity

	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	Investment held by	Method 31.12.2015
San Giorgio Caltagirone S.c.r.l. (in liq.)	Italy	Euro	25,500	33		33	Imprepar S.p.A.	equity
SCAT 5 S.c.r.l. (in liq.)	Italy	Euro	25,500	25		25	Imprepar S.p.A.	equity
Sclafani S.c.r.l. (in liq.)	Italy	Euro	10,400	41		41	Imprepar S.p.A.	equity
SEDI S.c.r.l.	Italy	Euro	10,000	34		34	Todini Costr. Generali S.p.A.	equity
SFI Leasing Company	USA			30	30			equity
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A. -J.V.	USA			30	30			equity
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
Sistranyac S.A.	Argentina	ARS	3,000,000	20.1		20.1	Impregilo Intern. Infrastruc. N.V.	equity
Società di Progetto Consortile per Azioni M4	Italy	Euro	360,000	29	29			equity
Soingit S.c.r.l. (in liq.)	Italy	Lit	80,000,000	29.49		29.49	Imprepar S.p.A.	equity
SPV Linea M4 S.p.A.	Italy	Euro	26,700,000	9.63	9.63			equity
Stazione Tribunale S.c.r.l.	Italy	Euro	20,000	43	43			equity
Strade e Depuratori Palermo S.c.r.l. (in liq.)	Italy	Euro	10,200	16		16	Imprepar S.p.A.	equity
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina			35	26.25	8.75	Iglys S.A.	equity
Thessaloniki Metro CW J.V.	Greece			42.5	42.5			equity
TM-Salini Consortium	Malaysia			90	90			equity
Todedil S.c.r.l. (in liq.)	Italy	Euro	10,200	85		85	Imprepar S.p.A.	equity
Trasimeno S.c.r.l. (in liq.)	Italy	Euro	10,000	30		30	Imprepar S.p.A.	equity
Variante di Valico S.c.r.l. (in liq.)	Italy	Euro	90,000	100	66.67	33.33	Imprepar S.p.A.	equity
VE.CO. S.c.r.l.	Italy	Euro	10,200	25	25			equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18.67	Impregilo Intern. Infrastruc. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	48.33	40	8.33	Impregilo Intern. Infrastruc. N.V.	equity

Entered the consolidation scope in 2015

Name	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	% of held by	Method
Line-by-line - first-time consolidation in 2015								
Seli Tunneling Denmark A.p.s.	Denmark	DKK	130,000	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Salini Impregilo Bin Omran J.V.	Qatar			50	50			line-by-line
Galfar - Salini Impregilo - Cimolai J.V.	Qatar			40	40			line-by-line
Western Station J.V,	Arabia			51	51			line-by-line
Salini Impregilo - Healy J.V. (Cleveland)	USA			100	60	40	Healy S.A.	line-by-line
Compagnia Gestione Finanziarie - Co.Ge.Fin Srl	Italy	Euro	100,000	100	100			line-by-line
Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Diga Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
Consorzio FAT	Italy	Euro	46,000	100		99	Imprepar S.p.A.	line-by-line
						1	CO.GE.MA. S.p.A.	
Perugia 219 S.c.r.l.	Italy	Euro	10,000	55		55	Imprepar S.p.A.	line-by-line
Salini Polska - Todini - Salini Impregilo - S7 JV	Poland	PLN		100	50	25	Todini Costr. Generali S.p.A.	line-by-line
						25	Salini Polska L.t.d. Liability Co.	
A1 Motorway Tuszyn-Pyrzowice lot F Joint Venture	Poland	PLN		100	90	5	Todini Costr. Generali S.p.A.	line-by-line
						5	Salini Polska L.t.d. Liability Co.	
Line-by-line - consolidation percentage changed								
Constructora Ariguani SAS	Colombia	COP	100,000,000	58.22	58.22			line-by-line
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	28,902,600	60	60			line-by-line
Line-by-line - demerger of Fisia								
Fisia Ambiente S.p.A.	Italy	Euro	3,000,000	100	100			line-by-line
Fisia Italimpianti S.p.A.	Italy	Euro	7,000,000	100	100			line-by-line
Line-by-line - consolidation percentage changed (Todini)								
Todini Akkord Salini	Ukraine			100	25	75	Todini Costr. Generali S.p.A.	line-by-line
Joint operations - first year of inclusion in the consolidation scope								
Consorzio Constructor M2 Lima	Peru			25.5	25.5			joint oper.
Riyadh Metro Line 3	Arabia	SAD	10,000,000	66	66			joint oper.
Kayi Salini Samsung Joint Venture	Turkey	Euro		33		33	Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	joint oper.

Name	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	% of held by	Method
Equity - first year of inclusion in the consolidation scope								
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	Turkey	TRY	10,000,000	35.5	35.5			equity
Equity - consolidation percentage changed								
Yuma Concessionaria S.A.	Colombia	COP	26,000,100,000	48.33	40	8.33	Impregilo Intern. Infrastruc. N.V.	equity

Excluded from the consolidation scope in 2015

Name	Country	Currency	Share/quota capital subscribed	Invest-ment %	% direct	% indirect	% of held by	Method
Line-by-line - excluded in 2015								
Aquilgest S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	Imprepar S.p.A.	line-by-line
BATA Srl (in liq.)	Italy	Euro	102,000	78.24		50.69	Imprepar S.p.A.	line-by-line
						27.55	Todini Costr. Generali S.p.A.	
Consorzio CCTE (in liq.)	Italy	Euro	41,315	100	60	40	ILIM Srl	line-by-line
Aquilpark S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	Imprepar S.p.A.	line-by-line
Campione S.c.r.l. (in liq.)	Italy	Euro	11,000	99.9	99.9			line-by-line
Line-by-line excluded in 2015 (Todini)								
Aktor A.T.E. - Todini Costruzioni Generali S.p.A.	Greece			55		55	Todini Costr. Generali S.p.A.	line-by-line
M.A.VER S.c.a.r.l. (in liq.)	Italy	Euro	10,000	100		100	Todini Costr. Generali S.p.A.	line-by-line

Statement on the consolidated financial statements

Statement on the consolidated financial statements

pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1. Pietro Salini, as chief executive officer, and Massimo Ferrari, as manager in charge of financial reporting, of Salini 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 2015 to prepare the consolidated financial statements.

2. No significant issues arose.

3. Moreover, they state that:

3.1 the consolidated financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to EC regulation 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 31 December 2015 and the results of operations and cash flows for the year then ended of the Issuer and its consolidated companies;

3.2 The Directors' report includes a reliable analysis of the financial position and results of operatons of the Issuer and the consolidated companies, together with information about the key risks and uncertainties to which they are exposed.

Milan, 16 March 2016

Chief Executive Officer

Pietro Salini

Manager in charge of financial reporting

Massimo Ferrari

Separate financial statements of Salini Impregilo S.p.A. as at and for the year ended 31 December 2015

Statement of financial position

ASSETS (€'000)	**Note**	**31 December 2015**	of which: related parties	**31 December 2014**	of which: related parties
Non-current assets					
Property, plant and equipment	4	288,955,389		268,804,647	
Intangible assets	5	118,065,769		84,058,391	
Equity investments	6	679,599,450		702,626,149	
Non-current financial assets	7	17,630,234		39,082,762	81,250
Deferred tax assets	8	35,760,220		57,527,009	
Total non-current assets		**1,140,011,062**		**1,152,098,957**	
Current assets					
Inventories	9	198,255,365		192,129,842	
Contract work in progress	10	938,856,064		765,791,590	
Trade receivables	11	1,044,914,133	610,473,289	1,052,390,881	611,390,991
Derivatives and other current financial assets	12	483,347,299	437,643,125	435,926,391	405,309,543
Current tax assets	13	83,055,835		46,581,218	
Other current tax assets	13	54,809,550		47,091,234	
Other current assets	14	215,530,064	47,028,504	318,956,545	121,271,260
Cash and cash equivalents	15	763,933,169		380,866,790	
Total current assets		**3,782,701,480**		**3,239,734,491**	
Total assets		**4,922,712,542**		**4,391,833,448**	

EQUITY AND LIABILITIES (€'000)	**Note**	**31 December 2015**	of which: related parties	**31 December 2014**	of which: related parties
Equity					
Share capital		544,740,000		544,740,000	
Share premium reserve		120,798,000		120,798,000	
Other reserves		236,838,700		235,165,559	
Other comprehensive income (expense)		(11,826,217)		8,934,232	
Retained earnings		11,080,964		2,656,099	
Profit for the year		35,730,602		30,692,695	
Total equity	**16**	**937,362,049**		**942,986,584**	
Non-current liabilities					
Bank and other loans	17	675,988,866		405,086,250	
Bonds	18	396,211,387		394,326,127	
Finance lease liabilities	19	67,001,708		88,673,550	
Post-employment benefits and employee benefits	21	12,089,646		11,321,972	
Deferred tax liabilities	8	34,569,609		97,871,789	
Provisions for risks	22	29,884,216		36,951,690	
Total non-current liabilities		**1,215,745,433**		**1,034,231,377**	
Current liabilities					
Current portion of bank loans and current account facilities	17	606,594,809	236,182,337	529,102,255	410,869,151
Current portion of bonds	18	10,202,740		10,202,740	
Current portion of finance lease liabilities	19	42,081,174		36,742,324	
Derivatives and other current financial liabilities	20	10,685,476		293,459	
Progress payments and advances on contract work in progress	23	1,003,417,880		803,169,372	
Trade payables	24	899,898,375	520,479,246	863,254,817	547,685,603
Current tax liabilities	25	47,775,377		27,292,014	
Other current tax liabilities	25	30,781,650		7,406,328	
Other current liabilities	26	118,167,579	21,975,604	137,152,177	51,586,741
Total current liabilities		**2,769,605,060**		**2,414,615,487**	
Liabilities directly associated with non-current assets held for sale					
Total equity and liabilities		**4,922,712,542**		**4,391,833,448**	

Income statement

(€'000)	Note	2015	of which: related parties	2014	of which: related parties
Revenue					
Revenue	29	2,913,416,846	423,616,410	2,247,515,717	207,417,278
Other income	29	113,771,584	70,105,966	94,345,095	43,299,107
Total revenue		**3,027,188,430**		**2,341,860,812**	
Costs					
Purchases	30.1	(340,250,868)	(212,587)	(256,510,766)	(6,520)
Subcontracts	30.2	(491,807,126)	(2,087,670)	(529,325,428)	(708,838)
Services	30.3	(1,497,050,126)	(754,402,456)	(1,020,438,022)	(507,159,335)
Personnel expenses	30.4	(275,492,809)	(1,622,377)	(251,124,246)	(1,177,658)
Other operating expenses	30.5	(69,915,862)	(40,303)	(53,281,192)	(80,468)
Amortisation, depreciation, provisions and impairment losses	30.6	(146,068,235)	(5,970,342)	(105,250,702)	(1,888,828)
Total costs		**(2,820,585,026)**		**(2,215,930,356)**	
Operating profit		**206,603,404**		**125,930,456**	
Financing income (costs) and gains (losses) on investments					
Financial income	31.1	29,667,421	19,845,483	39,128,395	22,223,876
Financial expense	31.2	(99,392,862)	(21,206,101)	(117,215,802)	(15,690,704)
Net exchange rate gains (losses)	31.3	16,092,163		(35,227,694)	
Net financing costs		(53,633,278)		(113,315,101)	
Net gains (losses) on equity investments	32	(114,937,598)		28,790,975	
Net financing costs and net gains (losses) on equity investments		**(168,570,876)**		**(84,524,126)**	
Profit before tax		**38,032,528**		**41,406,330**	
Income tax expense	33	(2,301,926)		(10,713,634)	
Profit for the year		**35,730,602**		**30,692,696**	

Statement of comprehensive income

(€'000)	Note	2015	2014
Profit for the year (a)		**35,731**	**30,693**
- items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Change in the translation reserve		(10,937)	5,580
Net losses on cash flow hedges, net of the tax effect	16	(10,667)	(13)
- items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	16	843	(304)
Other comprehensive income (expense) (b)		**(20,761)**	**5,263**
Comprehensive income (a) + (b)		**14,970**	**35,956**

Statement of cash flows

(€'000)	Note	2015	2014
Cash and cash equivalents	15	380,867	310,442
Current account facilities	17	(11,436)	(85,174)
Total opening cash and cash equivalents		**369,431**	**225,268**
Operating activities			
Profit for the year		**35,731**	**30,693**
Amortisation of intangible assets	30	17,473	22,954
Depreciation of property, plant and equipment	30	94,681	77,005
Net impairment losses and provisions	30	33,914	5,292
Accrual for post-employment benefits and employee benefits	21	8,901	7,616
Net losses on the sale of assets	29 - 30	(4,919)	(8,424)
Deferred taxes	33	32,593	(18,829)
Impairment losses on equity investments	32	123,437	95,064
Income taxes		(30,291)	29,543
Net interest paid during the year		60,001	27,980
Other non-monetary items *of which: non-recurring*		6,979	(23,060)
Cash flows generated by operating activities		**378,500**	**245,834**
Increase in inventories		(179,190)	(99,120)
Increase in trade receivables		(19,292)	(11,810)
Increase in progress payments and advances from customers		200,249	47,087
Increase in trade payables		42,231	61,503
Decrease (increase) in other assets/liabilities		116,984	(135,674)
Total changes in working capital		**160,982**	**(138,014)**
Increase in other items not included in working capital		(73,840)	(14,433)
Interest expense paid		(44,635)	(5,772)
Income taxes		(17,600)	(1,494)
Cash flows generated by operating activities		**403,407**	**86,120**
Investing activities			
Net investments in intangible assets		(51,480)	(33,233)
Investments in property, plant and equipment	4	(119,646)	(108,776)
Proceeds from the sale or reimbursement value of property, plant and equipment		15,455	17,711
Investments in non-current financial assets		(101,618)	(178,360)
Dividends distributed by subsidiaries		-	123,227
Proceeds from the sale or reimbursement value of non-current financial assets		(5,541)	1,228

(€'000)	Note	2015	2014
Cash flows used in investing activities		**(262,830)**	**(178,203)**
Financing activities			
Share capital increase		-	161,568
Dividend distribution	16	(19,982)	(420)
Repurchase of treasury shares			(7,677)
Assignment of shares under LTI plan		138	-
Increase in bank and other loans		1,231,062	193,838
Decrease in bank and other loans		(742,633)	(401,093)
Change in other financial assets/liabilities		(231,411)	158,309
Other changes		(5,511)	32,310
Cash flows generated by financing activities		**231,663**	**136,835**
Net exchange rate gains (losses) on cash and cash equivalents		**(16,653)**	**99,411**
Increase in cash and cash equivalents		**355,587**	**144,163**
Cash and cash equivalents	15	763,933	380,867
Current account facilities	17	(38,915)	(11,436)
Total closing cash and cash equivalents		**725,018**	**369,431**

Statement of changes in equity

(€'000)	Note	Share capital	Share premium reserve	Other reserves: Legal reserve	Share capital increase related charges	Extraordinary and other reserves	Treasury shares	LTI reserve	Total other reserves
As at 1 January 2014	**16**	**718,364**	**1,222**	**58,447**	**-**	**-**	**-**		**58,477**
Merger - Equity contributed by Salini S.p.A. and allocation of Impregilo equity	16	(218,364)	(1,222)	41,553	-	5,766	-		47,319
Merger - Cancellation of carrying amount of Impregilo S.p.A.	16								-
Merger - Alignment of carrying amounts in financial statements	16					141,047			141,047
Dividend distribution	16								-
Capital increase	16	44,740	120,798		(3,970)				(3,970)
Repurchase of treasury shares	16						(7,677)		(7,677)
Profit for the year	*16*								-
Other comprehensive income	*16*								-
Comprehensive income	**16**				**-**				**-**
31 December 2014	**16**	**544,740**	**120,798**	**100,000**	**(3,970)**	**146,813**	**(7,677)**		**235,166**
As at 1 January 2015	**16**	**544,740**	**120,798**	**100,000**	**(3,970)**	**146,813**	**(7,677)**		**235,166**
Allocation of profit and reserves	16			1,534					1,534
Dividend distribution	16								-
Repurchase of treasury shares	16							139	139
Other changes	16								
Profit for the year	*16*								
Other comprehensive expense	*16*								
Comprehensive income	**16**								
31 December 2015	**16**	**544,740**	**120,798**	**101,534**	**(3,970)**	**146,813**	**(7,677)**	**139**	**236,839**

Other comprehensive income (expense)						
Translation reserve	**Hedging reserve**	**Actuarial reserve**	**Total other comprehensive income (expense)**	**Retained earnings**	**Profit for the year**	**Equity**
(2,657)		**(451)**	**(3,108)**	**302,413**	**116,486**	**1,193,824**
7,225	(5)	(441)	6,779	953,980	(116,486)	672,006
			-	(1,253,317)		(1,253,317)
			-			141,047
			-	(420)		(420)
			-			161,568
			-			(7,677)
			-		*30,693*	*30,693*
5,580	*(13)*	*(304)*	*5,263*			*5,263*
5,580	**(13)**	**(304)**	**5,263**	**-**	**30,693**	**35,956**
10,148	**(18)**	**(1,196)**	**8,934**	**2,656**	**30,693**	**942,987**
10,148	**(18)**	**(1,196)**	**8,934**	**2,656**	**30,693**	**942,987**
			-	29,158	(30,693)	(1)
			-	(19,982)		(19,982)
			-			139
			-	(751)		(751)
			-		35,731	35,731
(10,937)	*(10,667)*	*843*	*(20,761)*			*(20,761)*
(10,937)	**(10,667)**	**843**	**(20,761)**	**-**		**14,970**
(789)	**(10,685)**	**(353)**	**(11,827)**	**11,081**	**35,731**	**937,362**

Notes to the separate financial statements

1. Basis of preparation

Salini Impregilo S.p.A. has prepared its 2015 separate financial statements on a going concern basis. As required by Regulation 1606/2002 issued by the European Parliament and Council, implemented in Italy by Legislative decree no. 38/2005, these separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union at 31 December 2015. They comprise a statement of financial position, an income statement, a statement of comprehensive income, a statement of cash flows, a statement of changes in equity and these notes.

The separate financial statements have been prepared using the historical cost principle, except for those items which are recognised at fair value in accordance with IFRS, as described in the section on "Accounting policies". The carrying amounts of assets and liabilities, hedged with transactions which qualify for hedge accounting, are adjusted to reflect changes in fair value related to the hedged risks.

The statement of financial position and the income statement are presented in Euros, whereas the amounts in the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and these notes are shown in thousands of Euros, unless stated otherwise.

Translation of the assets and liabilities in foreign currency related to Venezuela

At the end of the first half of 2014, the company had to update the estimates for its industrial operations in Venezuela. In line with the previous financial reports, made available to the public as required by the current legal provisions, the deterioration in the country's economic conditions seen since early 2014 were such that it became necessary to review the time and financial parameters according to which the Group's net assets can be realised in reference to this area. However, in light of the current general framework of the local currency/financial market situation, stemming from the conditions of the above-mentioned local economic system, and consistently with the changes to the currency regulations of the country during 2014, the Group considered it reasonable, inter alia, to adopt, with effect from 30 June 2014, a new reference exchange rate for the translation of both the present values of working capital denominated in the Venezuelan currency and the prospective assets/liabilities over the entire estimated life of the railway contract work in progress.

The "Convenio Cambiario No. 33" was published with the Extraordinary Official Journal no. 6.171 of 10 February 2015, written jointly by the Venezuelan Ministry of Communal Economy, Finance and Public Bank (MPPEFBP) and the Venezuelan Central Bank (BCV), replacing the SICAD II exchange rate with three different rates:

1. CENCOEX for food staples;
2. SICAD for specific business sectors and public sector entities;
3. SIMADI where currency transactions are based on demand and offer at a variable exchange rate which is published daily.

The Group decided that the SIMADI is the appropriate exchange rate to translate Bolivar balances as it best represents the rate at which future cash flows, expressed in the local currency, may be settled assuming that they are still valid at the measurement date, also considering the possibility to access the local currency market and the Group's need to obtain a currency other than its functional currency.

As a result of adoption of the SIMADI rate in the first half of 2015, the Group recorded a decrease of approximately €4 million in the carrying amount of its assets in local currency. Adoption of SICAD II had a negative effect of € 55 million on the Group's income statement for the first half of 2014.

2. Changes in standards

Amendments applicable in 2015
The standards and amendments set out below became applicable from 1 January 2015. The adoption of these new standards, interpretations and amendments did not have significant effects on the company's separate financial statements.

Amendment to IAS 19 - Employee benefits (revised in 2011) - the amendment introduces a simplification whereby employees' or third parties' contributions linked to pension plans may be accounted for as a reduction in service costs in the period in which the service is rendered rather than over the entire vesting period.

Annual improvements to IFRSs - cycle 2010 - 2012 covering IFRS 2 - Share-based payment, IFRS 3 - Business combinations, IFRS 8 - Operating segments, IFRS 13 - Fair value, IAS 16 - Property, plant and equipment, IAS 38 - Intangible assets and IAS 24 - Related party transactions. Issues applicable to the Group included in particular:

- **IFRS 2**: no significant amendments were introduced. Appendix A clarifies the definition of "vesting condition" as "The conditions that determine whether the entity receives the services that entitle the counterparty to receive cash, other assets or equity instruments of the entity, under a share-based payment arrangement" and introduces the definitions of a "service condition" and a "performance condition";
- **IFRS 3**: this standard was amended to clarify that the obligation to pay a contingent consideration is part of the definition of a financial instrument and shall be classified as a financial liability or under equity based on the guidance provided in IAS 32. The amendment also clarified that the non-equity contingent consideration liability shall be measured at fair value through profit or loss at each reporting date;
- **IFRS 8**: the amendment contains a requirement to describe the judgements made by management in aggregating operating segments, including the financial indicators that management has assessed to conclude that operating segments have similar economic characteristics. It also requires a reconciliation of the total of the reportable segments' assets to the entity's assets be presented, if that amount is regularly provided to the chief operating decision maker;
- **IFRS 13**: the Basis for Conclusions of IFRS 13 was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts when the time value of money is immaterial;
- **IAS 16 and IAS 38:** these standards were amended to clarify how the historical cost and accumulated amortisation/depreciation of a non-current asset shall be measured when the entity adopts the revalued cost method;
- **IAS 24**: the amendment sets out the disclosure requirements when a third party provides key management personnel services to the reporting entity.

Annual improvements to IFRSs - cycle 2011-2013 related to IFRS 3 - Business combinations, IFRS 13 - Fair value measurement and IAS 40 - Investment property.

- **IFRS 1**: the Basis for Conclusions of IFRS 1 was amended to clarify that when adoption of a revised standard is not yet mandatory, but early adoption is permitted, a first-time adopter may apply the old or new version as long as it applies the same standard to all the periods presented;
- **IFRS 3**: the amendment clarifies that IFRS 3 is not applicable to recognise the accounting effects of the formation of a joint venture or a joint operation (as defined by IFRS 11) in the financial statements of the joint venture or the joint operation;

- **IFRS 13**: the amendment clarifies that the provision of IFRS 13 for the measurement of the fair value of a group of financial assets and liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of IAS 39 (or IFRS 9) regardless of whether they meet the definitions of financial assets or liabilities as per IAS 32;

- **IAS 40**: the amendment clarifies that reference shall be made to IFRS 3 to determine whether the acquisition of investment property is a business combination.

Standards and interpretations issued by the IASB/IFRIC and not yet endorsed
This section sets out information useful to assess the potential impact of applying the new standards and interpretations issued but not yet applicable or not yet endorsed by the EU and, hence, not applicable to the financial statements at 31 December 2015.

Amendment to IAS 1 - Presentation of financial statements - the amendment encourages entities to apply professional judgement in determining what information to disclose in their financial statements and provides additional guidance about how to provide and present such information. It also explicitly requires that the entity's share of other comprehensive income of associates and joint ventures accounted for using the equity method be indicated, including the related amounts that will be or will not be subsequently reclassified to profit or loss. It also provides new guidance about the general disclosures such as, for example, the systematic presentation of the notes, the accounting policies, etc.

Amendment to IAS 27 "Equity method in separate financial statements" - the amendment allows entities to use the equity method to measure investments in subsidiaries, joint ventures and associates in their separate financial statements.

Amendment to IFRS 11 "Accounting for acquisitions of interests in joint operations" - the amendment requires an entity to adopt the principles of IFRS 3 to account for the acquisition of an interest in a joint operation that is a business. This is applicable both to the acquisition of an initial interest and the subsequent acquisitions of additional interests. An entity does not remeasure a previously held interest when the acquisition of an additional interest is made to maintain joint control (i.e., the additional acquisition does not lead to control).

Amendment to IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets on amortisation, depreciation and impairment losses - the amendment to both standards provides that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. According to the IASB, revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits arising of the asset.

The amendments included in the 2012-2014 cycle include:

IFRS 5 - Non-current assets held for sale and discontinued operations - the amendment clarifies that when an entity reclassifies a non-current asset (or a disposal group) from "held for sale" (IFRS 5.7-9) to "held for distribution" (IFRS 5.12A) or vice versa, this reclassification is not a modification of a sales or distribution plan and shall not be treated as such. Therefore, a non-current asset (or disposal group) shall not be represented as if it had never been classified as "held for sale" or "held for distribution" simply because there has been a change in the sale/distribution. The amendment also clarifies that the provisions of IFRS 5 about changes to a sales plan are applicable to an asset (or disposal group) that ceases to be "held for distribution" but is not reclassified as "held for sale";

IFRS 7 - Financial instruments on servicing agreements - the amendment clarifies that if an entity transfers a financial asset to third parties and the derecognition conditions of IAS 39 are met, the entity shall disclose its continuing involvement in the transferred asset and explain what is meant by "continuing involvement".

IAS 19 - Employee benefits - the amendment requires that the rate used to discount post-employment benefit obligations be determined by reference to market yields on high quality corporate bonds and, in countries where there is no deep market for HQCB, the market yields for government bonds shall be used.

No new standard or amendment is expected to be effective from 1 January 2017. The standards with an application date after 1 January 2018 (the IASB effective date, which may differ from the EU endorsement date) are set out below:

Standard, amendment or interpretation	Status
IFRS 15 - Revenue from contracts with customers	Endorsement expected by the second quarter of 2016
IFRS 9 - Financial instruments	Endorsement expected by the second quarter of 2016

IFRS 15 - Revenue from contracts with customers - replaces IAS 18 - Revenue, IAS 11 - Construction contracts and the interpretations IFRIC 13 - Customer loyalty programmes, IFRIC 15 - Agreements for the construction of real estate, IFRIC 18 - Transfers of assets by customers and SIC 31 - Revenue: Barter transactions involving advertising services. This standard is applicable to all contracts with customers except for those within the scope of IAS 17 - Leases, IFRS 4 - Insurance contracts and IAS 39/IFRS 9 - Financial instruments. The paragraphs of IFRS 15 on the recognition and measurement of revenue introduce a five-step model: i) identify the contract with a customer; ii) identify the performance obligations (distinct elements that are part of a single contract but are separated for accounting purposes) in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; v) recognise revenue when (or as) the entity satisfies a performance obligation. IFRS 15 integrates the financial statements disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 9 - Financial instruments and related amendments - this replaces IAS 39 - Financial instruments and includes a model to measure financial statements based on three categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. The standard also introduces a new impairment model which differs from that currently provided for in IAS 39 and is mainly based on expected losses.

The standards with an application date after 1 January 2019 (the IASB effective date, which may differ from the EU endorsement date) are set out below:

Standard, amendment or interpretation	Status
IFRS 16 "Leases"	No known date for endorsement

IFRS 16 - Leases - this standard replaces IAS 17 - Leases and the interpretations IFRIC 4 - Determining whether an arrangement contains a lease, SIC 15 - Operating leases - incentives and SIC 27 - Evaluating the substance of transactions in the legal form of a lease. IFRS 16 eliminates the difference between operating and finance leases from the lessee's viewpoint. However, IFRS 16's approach to lessor accounting is substantially unchanged from IAS 17. Leases continue to be recognised as a right-of-use asset with a balancing lease liability. Partial exemption to this rule is allowed only when the lease term is 12 months or less or the underlying asset has a low value (e.g., personal computers).

3. Basis of presentation

Separate financial statements

Salini Impregilo S.p.A. opted to present its separate financial statements at 31 December 2015 as follows:

- Current and non-current assets and current and non-current liabilities are presented separately in the statement of financial position. Current assets and liabilities are those expected to be realised, sold, used or settled in the company's normal operating cycle, which usually exceeds 12 months. Non-current assets and liabilities include non-current assets, deferred tax assets, employee benefits, deferred tax liabilities and other balances expected to be realised, sold, used or settled after the company's normal operating cycle, i.e., more than twelve months after the reporting date.

- The income statement gives a classification of costs by nature and shows the profit or loss before "Financing income (costs) and gains (losses) on investments" and income taxes. The statement of comprehensive income shows all non-owner changes in equity.

- The cash flow statement presents the cash flows from operating, investing and financing activities separately. The indirect method is used.

Accounting policies

The accounting policies adopted to draw up the company's separate financial statements at 31 December 2015 comply with the IFRS and are consistent with those used to prepare the 2014 separate financial statements, except for the standards enacted after 1 January 2014, summarised in the section on the "Changes in standards".

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, net of accumulated depreciation and any impairment losses. Depreciation is calculated on a straight-line basis using rates determined based on the assets' residual possible use. The annual rates are as follows:

Category	Depreciation rate
Land	-
Buildings	3
Plant and machinery	from 10% to 20%
Industrial and commercial equipment	from 25% to 40%
Other assets	from 12% to 25%

Land and buildings, plant and machinery with a carrying amount to be recovered mainly through their sale (rather than the asset's continuing use) are measured at the lower of their carrying amount and fair value less costs to sell. Assets held for sale shall be available for immediate sale and their sale shall be highly probable (i.e., the related commitments already exist). Their price shall be reasonable compared to their fair value.

The carrying amount of property, plant and equipment is tested for impairment whenever events or changes in circumstances take place indicating that the carrying amount may not be recovered. Reference should be made to the section on "Impairment of non-financial assets" for details on impairment testing.

Borrowing costs directly related to the acquisition or construction of an asset are capitalised as part of the cost of the asset, to the extent of its recoverable amount. As established by IAS 23 - Borrowing costs, the company has applied this method to all qualifying assets.

Borrowing costs are capitalised when the costs of the acquisition of the asset and borrowing costs are incurred, and the activities necessary to bring the asset into a condition for its use have been started.

The costs provided for but not yet paid related to qualifying assets are excluded from the amount to be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

Subsequent expenditure is only capitalised if it increases the future economic benefits of the related asset. All other expenditure is expensed when incurred.

Ordinary maintenance costs are fully expensed when incurred. Costs that increase the carrying amount of assets are allocated thereto and depreciated over their residual economic lives.

Dismantlement and restoration costs of assets used for contract work in progress are added to the cost of the related asset and depreciated in line with the depreciation pattern of the asset to which they refer when they are foreseeable and objectively determinable.

Leasehold improvements are classified in the different items of property, plant and equipment on the basis of their nature. They are depreciated over the shorter of the estimated useful life of the relevant asset and the residual term of the lease.

Leased property, plant and equipment

Assets held under finance leases whereby all the risks and rewards of ownership are substantially transferred to the company are recognised as company assets and classified as property, plant and equipment. The related liability to the lessor is shown under financial liabilities. The lease payment is split into the interest expense, taken to the income statement, and the principal repayment, offset against the financial liability. The carrying amount of the leased asset is determined considering its fair value or, if lower, the present value of the minimum future lease payments.

The depreciation method and subsequent measurement are consistent with those applied to non-leased assets.

Leases where the lessor retains all the risks and rewards of ownership are treated as operating leases. The initial negotiation costs incurred for this type of lease increase the value of the related lease and are recognised over the lease term in order to match the revenue generated by the leased asset. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Other intangible assets

Other intangible assets acquired or generated internally are recognised under assets in accordance with IAS 38 - Intangible assets when it is probable that the use of the asset will generate future economic benefits and the cost of the asset can be measured reliably. Those assets with finite useful lives are measured at acquisition or development cost and amortised on a straight-line basis over their estimated useful lives. Recoverability of their carrying amount is checked by using the criteria set out in the section on "Impairment of non-financial assets".

The excess of the purchase cost compared to the company's share of the net fair value of the high capacity business units acquired in the past is classified as intangible assets and mainly refers to acquisition costs of the business units purchased. The related amortisation is calculated in line with the stage of completion and duration of the work.

Equity investments

Investments in subsidiaries and associates and interests in joint ventures are measured at cost and tested regularly for impairment. This test is carried out whenever there is an indication that the investment may be impaired. The method used is described in the section on "Impairment of non-financial assets". When an impairment loss is required, this is recognised immediately in profit or loss. When the reasons for a previous impairment loss no longer exist, the carrying amount of the investment is restated to the extent of its original cost. Reversals of impairment losses are recognised in profit or loss.

Impairment of non-financial assets

If there is any indication that an intangible asset or an item of property, plant and equipment is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. Goodwill and other intangible assets with an indefinite life are tested at least annually for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If a binding sales agreement does not exist, fair value is estimated using the observable prices of an active market, recent transactions or the best information available to reflect the amount the entity could obtain by disposing of the asset.

Value in use is determined by discounting the estimated future cash flows expected to arise from the continuing use of an asset, net of taxes, and, if reasonably determinable, from its disposal at the end of its useful life. Discounting is applied by using a post-tax discount rate which reflects the current market assessments of the time value of money and the risks specific to the asset.

The assessment is made for individual assets or the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets from its continuing use (cash-generating unit). An impairment loss is recognised when the recoverable amount is lower than the carrying amount. If the reasons for the impairment loss are no longer valid, the impairment loss (except in the case of goodwill) is reversed and the adjustment is taken to profit or loss as a reversal of impairment losses. A reversal of impairment losses is recognised to the extent of the lower of the recoverable amount and original carrying amount less depreciation/amortisation that would have been recognised had the impairment loss not been recognised.

Inventories of goods

Inventories of goods are measured at the lower of average purchase cost and net realisable value. Cost includes the directly related costs and estimated realisable value is determined using the replacement cost of the assets or similar assets. Any write-downs are eliminated in subsequent years when the reasons therefor are no longer valid.

Contract work in progress and revenue from construction contracts

Contract work in progress consists of work performed net of progress billings issued to customers. When final payment of the consideration is made, the related progress billings and advances are recognised under "Operating revenue" in the income statement, with the related variation in inventories. The provision for contractual risks directly offsets inventories and is set up to cover possible charges and losses on contracts performed either directly by the company or as part of a joint venture.

Contract work in progress is measured considering the consideration agreed with the customer and the stage of completion of the work.

Revenue related to contract work in progress is recognised using the stage of completion method.

The stage of completion is determined using the cost to cost method whereby the percentage of completion (the ratio between costs incurred and total estimated costs) is applied to the total estimated revenue.

Given the technical complexity, size and length of time involved in completing contracts, the additional considerations are measured before an agreement is reached with the customer. Claims for additional considerations are considered when measuring contract work in progress if they have been substantially approved by the customer, or, if not yet approved by the customer, are supported by appraisals made by third party consultants and/or documentation prepared by contractual bodies (arbitration tribunals, dispute review boards, dispute adjudication boards, etc.).

In the case of events that take place after the reporting date but before the separate financial statements are approved, which provide additional information about expected profits or losses on the contract, this additional information is considered when determining the contractual revenue or costs to be incurred to complete the contract and for the recognition of any profits or losses.

When total contract costs exceed total contract revenue, the loss to complete the contract is recognised as an expense immediately.

The contract costs, included in the cost to cost calculation, may be classified as:

- pre-operating costs, which include costs incurred during the start-up stage of the contract, before construction starts, such as the costs of design and specific studies carried out for the contract; organisation and production start-up costs and building site start-up costs. These pre-operating costs are included in the stage of completion calculation and in the cost to cost calculation once they have been incurred. During the initial stage of the contract, they are included in the carrying amount of contract work in progress, if recoverable, without recognising any contract output when the contract profit or loss cannot be reliably estimated;

- contract operating costs, which include those directly attributable to the contract (e.g., materials, subcontracting, labour, amortisation and depreciation, compulsory purchases, any directly attributable borrowing costs, etc.). They are recognised on an accruals basis and included in the calculation of the stage of completion;

- post-operating costs, which include site dismantlement costs generally incurred after the contract has been closed to remove the installations (or entire sites) and to return the machinery or plant to the company's premises or transfer them to another site. This category also includes losses on materials no longer usable and the related transport costs. They are included in the contract estimate and, therefore, if incurred during the contract term, they are comprised in the calculation of the progress billings. Therefore, no specific accruals are made to the income statement;

- costs for services to be rendered after completion of the contract, which mainly relate to services rendered after the contract has been completed. They may include assistance and supervision provided in the early stages of use of the plant or scheduled maintenance, etc.. If the contract does not include specific additional considerations for these services and the contract may be "closed" for accounting purposes (contracts are usually closed once work is completed and the customer has accepted the end result), the costs to be incurred to render these services when the contract is closed in the accounting records should be estimated and provided for in the specific items. These costs are included in the calculation to determine the contract revenue.

Real estate projects
Closing inventories of real estate projects are those real estate areas developed with a view to selling them. They are measured at the lower of cost and estimated realisable value. Costs incurred consist of the consideration paid for purchasing the areas and related charges, construction costs and borrowing costs related to the project up to and not exceeding its completion.

Financial assets and liabilities
Measurement and presentation of financial instruments are covered by IAS 39 and IAS 32, respectively. The company introduced the disclosure required by IFRS 7 in 2007.

The financial instruments used by the company are classified as follows: financial assets or financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets or financial liabilities at fair value through profit or loss
This category includes derivatives that do not meet hedge accounting requirements.

Fair value gains or losses on derivatives in this category are recognised as “Financing income (costs)” in profit or loss when they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are measured at amortised cost, as detailed further on, and any gains or losses arising therefrom are recognised as “Financing income (costs)” in profit or loss.

This category includes the following items:

- Trade receivables and payables and other assets and liabilities
  Trade receivables and other assets are recognised at amortised cost, net of impairment losses determined on the basis of their estimated recoverable amount calculated by analysing each position and the total non-collection risk.

  If the collection date is postponed and exceeds normal collection times for the sector, these receivables are discounted.

  All factored receivables that do not meet the requirements for derecognition under IAS 39 continue to be recognised in the company’s separate financial statements even when they have been legally transferred. They are thus included as assets and a financial liability of the same amount is recognised.

  Trade payables and other liabilities are recognised at amortised cost, allocating interest to the income statement based on the effective interest rate, being the rate that exactly discounts estimated future cash payments through to the carrying amount of the related asset.

- Cash and cash equivalents
  Cash and cash equivalents comprise cash on hand, demand deposits and other short-term, highly liquid investments with a term of less than three months. This item is shown in the statement of cash flows net of bank borrowings at the reporting date.

- Loans and borrowings and bonds
  Loans and borrowings and bonds are initially recognised at cost, being the fair value of the consideration received less transaction costs.

  After initial recognition, loans are measured at amortised cost, whereby repayments are determined using the effective interest method with a rate which matches, at initial recognition, the expected cash flows with the initial carrying amount.

  Loan transaction costs are classified under liabilities decreasing the loan; amortised cost is calculated considering these costs and any discounts or premiums expected at settlement.

  The effects arising from the recognition at amortised cost are taken to “Financing income (costs)”.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has the positive intention and ability to hold to maturity. They are recognised at amortised cost and interest accrued thereon is taken to profit or loss under "Financial income" using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial instruments that are not classified in the other categories. They mainly relate to consortia and consortium companies of which the company holds less than 20%. In accordance with IAS 39, such investments are stated as non-current assets measured at cost, adjusted for impairment, since their fair value cannot be determined. Dividend income from such financial instruments is recognised in profit or loss under financial income when the company is given the right to such dividend.

Fair value of financial instruments
The fair value of financial instruments has been estimated as follows:

- The fair value of financial instruments traded on an active market is based on the market price at the reporting date. This method has been applied especially to listed financial instruments classified as "Available-for-sale financial assets" and financial instruments classified as "Held-to-maturity investments".

- The fair value of the derivatives classified as "Hedging derivatives" and "Financial assets and financial liabilities at fair value through profit or loss" is measured using the Discounted Cash Flow Model. With respect to interest rate swaps, future cash flows are estimated using the implicit forward rate of the market Euro curve at 31 December 2013 and 2012, while the forward exchange rate market prices at the relevant reporting date are used for currency forward transactions.

- The fair value of loans and receivables is determined, for disclosure purposes in the notes, on the basis of the present value of their future cash flows discounted at a rate equal to the current interest rates applicable in the relevant markets and the average spread agreed by the company.

Derecognition of financial assets and liabilities

(a) Financial assets
A financial asset (or, where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognised when:

(i) the contractual rights to the cash flows from the financial asset expire;

(ii) the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in full and immediately;

(iii) the company transfers the contractual rights to receive the cash flows of the asset and has transferred substantially all the risks and rewards of ownership of the financial asset and the related control.

When the company has transferred the contractual rights to receive the cash flows of the financial asset and has neither transferred nor retained substantially all the risks and rewards or has retained control, it continues to recognise the asset to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of guaranteeing the transferred asset is measured at the lower of the initial carrying amount of the asset and the maximum amount of the consideration that the company could be required to pay.

(b) Financial liabilities
Financial liabilities are derecognised when the underlying obligation is extinguished, cancelled or settled.

When an existing financial liability is exchanged with another by the same lender at substantially different terms, or the terms of an existing liability are substantially modified, this exchange or modification is treated as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amounts is recognised in profit or loss.

Impairment of financial assets

If there is any indication that a financial asset is impaired, the recoverable amount of the asset is estimated to determine the amount of the impairment loss.

Derivatives and hedging transactions

Salini Impregilo S.p.A. has derivatives recognised at fair value when the related agreement is signed and for subsequent fair value changes. The treatment of the related fair value gains or losses changes depending on whether the conditions for hedge accounting are met, as described below.

The company has derivatives to hedge currency and financial risks. At the inception of the transaction, it documents the hedging relationship, its risk management and strategy objectives in entering into the transaction, the hedging instrument and hedged item or transaction and the nature of the hedged risk. Moreover, at the inception of the transaction, and thereafter on an ongoing basis, the company documents whether or not the hedge meets the effectiveness requirements to offset its exposure to changes in the fair value of the hedged item or cash flows attributable to the hedged risk.

Based on the above-mentioned documentation, derivatives used for specific hedging purposes are classified and recognised as follows:

(a) ***Fair value hedge*** - If a derivative is designated as a hedge of exposure to changes in the fair value of an asset or liability due to a specific risk that may affect profit or loss, the gain or loss deriving from the subsequent measurement of the fair value of the hedging instrument is recognised in profit or loss. The gain or loss on the hedged item, related to the hedged risk, changes the carrying amount of this item and is recognised in profit or loss.

(b) ***Cash flow hedge*** - If a derivative is designated as a hedge of exposure to changes in cash flows of an asset or liability or a highly probable transaction that could affect profit or loss, the effective part of the gains or losses on the financial instrument is recognised in equity. The cumulative gain or loss is reclassified from equity to profit or loss in the same period in which the hedged transaction is recognised. The gain or loss related to a hedge or part of a hedge which has become ineffective is taken to profit or loss immediately. If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, the cumulative gains and losses, recognised in equity up to then, are reclassified to profit or loss when the transaction takes place. If it is unlikely the hedged transaction will take place, the unrealised gains and losses recognised in equity are immediately reclassified to profit or loss.

“Hedging purposes” are assessed in strategic terms. When they do not meet the requirements of IAS 39 for hedge accounting, the derivatives are classified as “Financial assets or financial liabilities at fair value through profit or loss”.

Employee benefits

Post-employment benefits

Post-employment benefits are recognised at the present value of the company’s liability determined in line with ruling legislation and national and in-house labour agreements. The valuation, based on demographic, financial and turnover assumptions, is carried out by independent actuaries. The gains and losses resulting from the actuarial calculation are recognised in profit or loss if related to service costs and interest expense or in comprehensive income if relating to assets and liabilities.

The 2007 Finance Act and related implementing decrees introduced significant changes to legislation governing Italian post-employment benefits, effective as from 1 January 2007. These include the option given to employees, to be exercised before 30 June 2007, of where to allocate their future benefits. Specifically, employees can opt to allocate them to selected pension funds or maintain them with the company, in which case, the latter shall pay the contributions to the treasury fund of INPS (the Italian social security institution).

Following these changes, the Italian post-employment benefits accruing after the date of the employees' decision and, in any case, after 30 June 2007, are considered part of a defined contribution plan and treated like all other social security contributions.

Share-based payments

The company has adhered to the guidelines of IFRS 2 - Share-based payments.

Share-based payments are measured at fair value of the option at the grant date. This amount is recognised in the income statement on a straight-line basis over the vesting period. This treatment is based on an assessment of the stock options that will effectively vest in favour of the qualifying employees. Fair value is determined using the Black-Scholes model.

Income taxes

Current taxes are provided for using the enacted tax rates and laws ruling in Italy and other countries in which the company operates, including through its branches, based on the best estimate of the taxable profit for the year.

Beginning from 2004, the company has joined the national tax consolidation system, as the consolidating party, which is regulated by the conditions set out in agreements drawn up by the participating companies.

The agreements provide that tax losses transferred by the subsidiaries give rise to a benefit for them to the extent to which they would have been able to offset them even if the national tax consolidation system had not existed. Otherwise, the parent benefits, except for a partial payment to the companies transferring the losses, in proportion to the effective use in the national tax consolidation system. Moreover, the smaller taxes paid by Salini Impregilo as a result of its participation in the national tax consolidation system are prudently provided for when it is probable that a benefit for the used tax losses will be paid in the future to the subsidiaries that transferred them.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between the tax base of an asset or liability and their carrying amount in the balance sheet. Deferred tax assets are recognised when the company holds their recovery to be probable.

The carrying amount of deferred tax assets is reviewed at each reporting date and, to the extent necessary, is decreased when it is no longer probable that sufficient taxable profits will be available in the future to use all or part of the related benefit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

In the case of transactions recognised directly in equity, the related deferred tax asset or liability also affects equity.

Provisions for risks and charges

In accordance with IAS 37, the company makes accruals to provisions for risks and charges when the following conditions exist:

- the company has a present obligation (legal or constructive) at the reporting date as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation;

- it is probable that the obligation (through an outflow of resources) will have to be settled;
- a reliable estimate can be made of the amount of the obligation.

When the time value is material and the obligation payment dates can be estimated reliably, the amount recognised as the provision equals the pre-tax future cash flows (i.e., forecast outflows) discounted at a rate that reflects the present market value and risks specific to the liability.

The increase in the provision due to discounting is recognised as a financial expense.

When the expected cash flows are included in an estimate range with the same probability of occurrence, the median value is discounted to measure the liability.

Provision for restructuring costs is recognised when the company has approved a detailed formal plan that has been implemented and communicated to the third parties involved.

Translation criteria for foreign currency items
The translation criteria for foreign currency items adopted by the company are as follows:

- foreign currency monetary assets and liabilities, excluding property, plant and equipment, intangible assets and equity investments measured at cost, are retranslated at the closing spot rate with any exchange rate gains or losses taken to the income statement;
- property, plant and equipment, intangible assets and equity investments (non-monetary assets) are recognised at historical cost denominated in the foreign currency and translated using the historical exchange rate;
- revenue and costs related to foreign currency transactions are recognised in profit or loss at the exchange rate ruling on the date of the transaction;
- any material effects deriving from changes in exchange rates after the reporting date are disclosed in the notes.

The foreign branches' functional currency is the Euro, as it is the primary currency they use in their operations.

Non-current assets held for sale and discontinued operations
Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are recognised as such when the following events take place:

- signing of a binding sales agreement;
- approval and communication of a formal sales plan by directors.

In order to be correctly measured, the assets shall be:

- available for immediate sale in their present condition,
- subject only to terms that are usual and customary for sales of such assets, and
- the sale must be highly probable and expected to take place within twelve months.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria: i) it represents a separate major line of business or geographical area of operations; ii) it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations;

or iii) it is a subsidiary acquired exclusively with a plan to resell.

The profit or loss from discontinued operations is disclosed separately in the income statement. As required by paragraph 34 of IFRS 5 - Non-current assets held for sale and discontinued operations, the corresponding prior year figures are reclassified accordingly.

Revenue recognition
Revenue is measured to the extent it is probable that the economic benefits will flow to the company and the related amount can be determined reliably.

Revenue from the sale of goods is recognised when the company has shipped the goods and has transferred all the material risks and rewards of ownership to the buyer. Revenue from construction contracts is recognised as provided for in the related Standard, described below.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised by reference to the stage of completion of the contract activity at the reporting date based on the ratio of the costs incurred up to the reporting date to the total estimated contract costs, unless this is held to not represent the stage of completion of the contract.

Changes in the contract and price revisions are recognised to the extent that they are reasonably certain.

Revenue is recognised only to the extent of contract costs incurred that it is probable will be recovered. Contract costs are recognised as an expense in the year in which they are incurred.

Interest income
Interest income is recognised on an accruals basis, considering the principal and applicable effective interest rate, i.e., the rate that discounts the estimated future inflows over the expected life of the financial asset to return it to its carrying amount.

Dividends
Dividends are recognised when the investors' right to receive payment arises in line with local ruling legislation.

Significant accounting estimates
Preparation of financial statements and the related notes in accordance with the IFRS requires management to make judgments and estimates that affect the carrying amount of assets and liabilities and financial statements disclosures. The estimates are used to:

- determine amortisation and depreciation (see the "Property, plant and machinery", "Leased property, plant and equipment", and "Other intangible assets" paragraphs of the " Accounting policies" section);
- recognise impairment losses (see the "Impairment of non-financial assets" paragraph of the "Accounting policies" section);
- recognise employee benefits (see the "Employee benefits" paragraph of the "Accounting policies" section);
- recognise taxes (see the "Income taxes" paragraph of the " Accounting policies" section);
- recognise provisions for risks and charges (see the "Provisions for risks and charges" paragraph of the " Accounting policies" section);
- determine total contract costs and the related stage of completion (see the "Contract work in progress and revenue from construction contracts" paragraph of the "Accounting policies" section). A significant part of the company's activities is typically performed on the basis of contracts which provide that a specific consideration is agreed when the contract is awarded. This implies that the profits on these contracts may undergo change compared to the original estimates depending on the recoverability of greater expenses and/or costs the company may incur during performance of such contracts.

The actual results may differ from those estimated due to uncertainties underlying the assumptions and the conditions on which the estimates are based.

Fundamental assumptions about the future and other reasons for uncertainty when making the estimates at the balance sheet date that may lead to material adjustments to the carrying amount of the assets and liabilities are described in the specific section of the Directors' report which gives an analysis of the risk areas of each segment.

2015 income statement of Salini Impregilo S.p.A. by geographical segment

(€'000)	Italy	Abroad	Total
Revenue	445,524	2,467,893	2,913,417
Other income	51,721	62,050	113,771
Total revenue	**497,245**	**2,529,943**	**3,027,188**

2014 income statement of Salini Impregilo S.p.A. by geographical segment

(€'000)	Italy	Abroad	Total
Revenue	498,602	1,748,914	2,247,516
Other income	30,404	63,941	94,345
Total revenue	**529,006**	**1,812,855**	**2,341,861**

Statement of financial position of Salini Impregilo S.p.A. as at 31 December 2015 by geographical segment

(€'000)	Italy	Abroad	Total
Net non-current assets	845,394	241,227	1,086,621
Provision for risks	(18,267)	(11,617)	(29,884)
Post-employment benefits and employee benefits	(9,211)	(2,879)	(12,090)
Net tax assets (liabilities)	88,347	(27,849)	60,498
Working capital	**1,010,337**	**(651,777)**	**358,560**
Net invested capital	**1,916,600**	**(452,895)**	**1,463,705**
Equity			937,362
Net financial position			526,343
Total financial resources			**1,463,705**

Statement of financial position of Salini Impregilo S.p.A. as at 31 December 2014 by geographical segment

(€'000)	Italy	Abroad	Total
Net non-current assets	836,512	218,977	1,055,489
Provision for risks	(34,494)	(2,458)	(36,952)
Post-employment benefits and employee benefits	(10,367)	(955)	(11,322)
Net tax assets (liabilities)	20,233	(1,604)	18,629
Working capital	**775,445**	**(315,706)**	**459,739**
Net invested capital	**1,587,329**	**(101,746)**	**1,485,583**
Equity			942,987
Net financial position			542,596
Total financial resources			**1,485,583**

Statement of financial position

4. Property, plant and equipment

Property, plant and equipment amount to €289.0 million, up from the 31 December 2014 figure by €20.2 million. The historical cost and carrying amount are given in the following table:

(€'000)	31 December 2015 Cost	31 December 2015 Acc. depreciation	31 December 2015 Carrying amount	31 December 2014 Cost	31 December 2014 Acc. depreciation	31 December 2014 Carrying amount
Land	244	-	244	245	-	245
Buildings	44,987	(21,075)	23,912	36,488	(16,221)	20,267
Plant and machinery	571,532	(329,904)	241,628	516,682	(292,769)	223,913
Industrial and commercial equipment	80,154	(70,719)	9,435	75,739	(61,806)	13,933
Other assets	20,212	(12,794)	7,418	17,854	(10,995)	6,859
Assets under const. and payments on account	6,318	-	6,318	3,588	-	3,588
Total	**723,447**	**(434,492)**	**288,955**	**650,595**	**(381,790)**	**268,805**

Changes during the year are summarised below:

(€'000)	31 December 2014	Increases	Depreciation	Imp. losses/ Reversals of imp. losses	Reclass. and other changes	Disposals	Exchange rate gains (losses)	Change in consolid. scope	31 December 2015
Land	245	-	-	-	-	-	(1)	-	244
Buildings	20,267	5,150	(3,130)	-	(407)	(80)	1,599	513	23,912
Plant and machinery	223,913	93,476	(79,204)	(157)	4,962	(3,809)	316	2,131	241,628
Industrial and commercial equipment	13,933	9,758	(9,891)	-	(4,455)	87	3	-	9,435
Other assets	6,859	2,706	(2,456)	(1)	(100)	(186)	121	475	7,418
Assets under const. and payments on account	3,588	2,008	-	-	-	-	50	672	6,318
Total	**268,805**	**113,098**	**(94,681)**	**(158)**	**-**	**(3,988)**	**2,088**	**3,791**	**288,955**

The most significant changes include:

- increases of roughly €113.1 million, mainly due to the investments made for the contracts in the UAE, Qatar and Ethiopia;
- depreciation for the year of €94.7 million, calculated as described in the "Accounting policies" section;
- disposals of €4.0 million, mainly referring to sales to third parties and the disposal of assets related to foreign contracts;
- the balance of €3.8 million in the "Change in consolidation scope" column relates to the joint operation set up for the Riyadh Metro Line 3 contract in Saudi Arabia, which started in 2015.

The closing balance at 31 December 2015 includes leased assets of €127.3 million recognised under "Plant and machinery" (€ 124.9 million), "Industrial and commercial equipment" (€ 1.5 million) and "Other assets" (€ 0.9 million).

Prior year changes are as follows:

(€'000)	31 December 2013	Mergers	Increases	Amortisation and depreciation	Imp. losses / Reversals of imp. losses	Reclass. and other changes	Disposals	Exchange rate gains (losses)	31 December 2014
Land	258	-	-	-	-	-	-	(13)	245
Buildings	5,423	17,080	1,849	(2,744)	(5)	(95)	(2,793)	1,552	20,267
Plant and machinery	12,898	186,730	90,362	(60,391)	(40)	89	(5,967)	232	223,913
Industrial and commercial equipment	593	13,615	11,695	(11,676)	-	15	(313)	4	13,933
Other assets	802	5,266	3,218	(2,194)	(4)	(9)	(184)	(36)	6,859
Assets under const. and payments on account	1	1,944	1,653	-	-	-	(30)	20	3,588
Total	**19,975**	**224,635**	**108,777**	**(77,005)**	**(49)**	**-**	**(9,287)**	**1,759**	**268,805**

5. Intangible assets

Intangible assets amount to €118.1 million, up €34.0 million from the 31 December 2014 figure.

The historical cost and carrying amount of the other intangible assets are given in the following table:

	31 December 2015			31 December 2014		
(€'000)	**Cost**	**Acc. amortisation**	**Carrying amount**	**Cost**	**Acc. amortisation**	**Carrying amount**
Software	683	(193)	490	493	(177)	316
Contract acquisition costs	174,657	(57,082)	117,575	123,398	(39,655)	83,743
Total	**175,340**	**(57,275)**	**118,065**	**123,891**	**(39,832)**	**84,059**

Changes during the year are set out below:

(€'000)	31 December 2014	Increases	Amortisation	Reclassific-ations	Disposals	Exchange rate gains (losses)	Other changes	31 December 2015
Software	316	222	(47)	-	-	(1)	-	490
Contract acquisition costs	83,743	51,258	(17,426)	-	-	-	-	117,575
Total	**84,059**	**51,480**	**(17,473)**	**-**	**-**	**(1)**	**-**	**118,066**

Changes during the previous year are set out below:

(€'000)	31 December 2013	Increases	Amortisation	Reclassific-ations	Disposals	Exchange rate gains (losses)	Other changes	31 December 2014
Concessions, licences, trademarks and similar rights	-	-	-	-	(72)	-	72	-
Software	-	312	(86)	-	-	-	90	316
Contract acquisition costs	44,948	61,663	(22,868)	-	-	-	-	83,743
Total	**44,948**	**61,975**	**(22,954)**	**-**	**(72)**	**-**	**162**	**84,059**

The other changes show the balances at 1 January 2014 of Salini S.p.A. following the reverse merger.

Contract acquisition costs amount to €117.6 million and refer to considerations paid in 2015 and previous years to purchase the railway high speed/capacity business units and stakes in projects/contracts representing intangible assets with a finite useful life, which are amortised in line with the stage of completion of the related contracts. They may be analysed as follows:

(€'000)	31 December 2014	Increases	Amortisation	31 December 2015
Cociv (Milan - Genoa railway section)	41,847	-	(3,596)	38,251
Riyadh Metro - Saudi Arabia	25,394	38,748	(7,591)	56,551
Thessalonica Metro	1,202	-	(72)	1,130
Yarull - Dom. Republic	3,083	-	(46)	3,037
Vegas Tunnel - USA	1,875	-	(1,752)	123
Gerald Desmond Bridge - USA	7,234	-	(1,971)	5,263
Stavros Niarchos - Greece	3,108	-	(2,398)	710
Iricav Due (Verona - Padua railway section)	-	12,510	-	12,510
Total	**83,743**	**51,258**	**(17,426)**	**117,575**

The increases include acquisition of another share in the contract to construct the entire Line 3 of the Riyadh Metro (Saudi Arabia) and in Consorzio Iricav Due held by Lamaro Appalti S.p.A. (6.81%), set up to construct the high speed Verona - Padua railway section. There are no indicators of impairment for the contracts to which the acquisition costs refer.
Amortisation of the contract acquisition costs is calculated using the stage of completion method of the contracts based on the cost to cost method and considering the related purchase dates.
With respect to the Verona-Padua section, amortisation of the acquisition cost will commence when work starts.

Prior year changes are given below for comparative purposes:

(€'000)	31 December 2013	Increases	Amortisation	31 December 2014
Cociv (Milan - Genoa railway section)	44,948	6,333	(9,434)	41,847
Riyadh Metro - Saudi Arabia	-	25,394	-	25,394
United Arab Emirates	-	8,323	(8,323)	-
Thessalonica Metro	-	1,386	(184)	1,202
Yarull - Dom. Republic	-	3,109	(26)	3,083
Vegas Tunnel - USA	-	3,770	(1,895)	1,875
Gerald Desmond Bridge - USA	-	8,153	(919)	7,234
Stavros Niarchos - Greece	-	5,195	(2,087)	3,108
Total	**44,948**	**61,663**	**(22,868)**	**83,743**

6. Equity investments

Equity investments decreased by €23.0 million to €679.6 million.

(€'000)	31 December 2015	31 December 2014	Variation
Investments in subsidiaries	555,940	609,802	(53,862)
Investments in associates	75,365	64,351	11,014
Other investments	48,294	28,473	19,821
Total	**679,599**	**702,626**	**(23,027)**

Changes during the year are summarised below:

(€'000)	31 December 2015	31 December 2014
Merger	-	154,971
Capital transactions	92,601	159,760
Acquisitions and capital injections	9,121	23,558
Disinvestments and liquidations	(441)	(78)
Reversals of impairment losses	-	12,230
Impairment losses	(127,442)	(83,806)
Exchange rate gains (losses)	19,555	-
Reclassifications	(16,419)	(48,259)
Total	**(23,025)**	**218,376**

The increase in "Capital transactions" mainly refers to the injections of €30.0 million made to cover the losses accumulated by Todini Costruzioni Generali. It also includes capital injections for Empresa Costructora Angostura Ltda (€20.4 million), the SPE M4 (€9.8 million), the Peruvian company Metro de Lima 2 (€9.9 million) and the SPE Grupo Unido por el Canal (Panama (€12.2 million). The latter injection is net of the provision for the investment in Grupo Unido por el Canal.

The item "Acquisitions and capital injections" refers to the acquisition of control of Co.Ge.Fin. S.p.A. (€9.1 million).
The item "Reclassifications" mainly relates to the offsetting of the provision relating to the investment in the subsidiary Empresa Costructora Angostura Ltda.

"Impairment losses" mainly refer to the investments in Todini Costruzioni Generali S.p.A. and Grupo Unidos Por El Canal S.A. (€96.4 million and €19.7 million, respectively).

The impairment test of the item "Equity investments", carried out also to assess the need for any reversals of previously recognised impairment losses, has been performed on an individual basis, considering each investee's specific operating objectives.

Based on such approach, the item can be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Investments in SPEs	246,505	202,563	43,942
Other investments	433,095	500,063	(66,968)
Total	**679,600**	**702,626**	**(23,026)**

Special purpose entities (SPEs) are legal entities set up specifically and solely to carry out construction contracts that Salini Impregilo is not expected to carry out directly and in which it has an interest equal to its share of the tender. These entities have a corporate structure compliant with the customers' requirements as communicated during the tender procedure and considering the specific legal context of the country in which the contract will be performed. They are classified depending on whether they are: (i) SPEs, the profit or loss of which are allocated to their venturers in line with their interests as provided for by law (i.e., Italian-based consortia and consortium companies which operate on a "recharges of costs" basis), and (ii) other SPEs for which this allocation is not provided for by law.

Due to the periodic allocation of the contract profit or loss to the venturers, the SPEs in item (i) always substantially reach breakeven point. Any losses recorded in the contracts performed by these entities are recognised by the venturers upon allocation of the contract profits and losses. For the SPEs in item (ii), the existence of any losses should be considered in the separate financial statements of Salini Impregilo S.p.A. as their contract profit or loss is included in the consolidated financial statements only. The contracts performed by these SPEs are therefore considered when testing the company's investment for impairment. Specifically, the SPEs' financial statements, which include the estimated contract profit or loss and are prepared in accordance with the IFRS as interpreted by the Group's accounting policies, are considered as they show the entity's estimated cash flows.

The impairment losses recognised in 2015 in the provision for risks on equity investments adjusted the existing provisions by a modest amount and referred to the SPEs performing the Metro 6 Ltda (Chile) contract (€8.1 million) and the works on the Rio Sogamosa hydroelectric plant in Colombia (€5.2 million).

Salini Impregilo S.p.A. and Prime System KZ Ltd signed a preliminary share purchase agreement on 14 January 2016 for 100% of Todini Costruzioni Generali S.p.A., including its assets and liabilities for the projects and branch in Georgia, Azerbaijan, Belarus and Kazakhstan, its investments in the subsidiaries JV Todini Takenaka and Todini Central Asia as well as certain operating assets, both owned by the company and leased. The related consideration is €50.1 million. The assets and liabilities, not of interest to the buyer, related to the Italian contracts, completed and/or ongoing, the branches in Albania, Argentina, Romania, Tunisia, Algeria, Greece, Dubai, Ukraine and Poland will be contributed to HCE Costruzioni S.p.A. before the closing date expected before 31 March 2016, which will then sell them to Salini Impregilo or another group company. An independent third party (Ms. Simona Ardiuni) appraised these assets and liabilities and estimated their value to be not less than €2.2 million, using the simple equity method with an income adjustment. The preliminary share purchase agreement's initial valuation approximates the investment's fair value as it is based on a transaction between independent third parties.

No significant sales costs are expected to be incurred to perform the agreement.

The appraisal made for the contribution is a prudent estimate of the recoverable amount of the net assets of the business units that will remain within the Group.

Accordingly, the recoverable amount of the investment in Todini Costruzioni Generali S.p.A. at 31 December 2015, to which its carrying amount has been aligned, is the sum of the amounts included in the preliminary share purchase agreement and the appraisal, i.e,., €52.3 million, including the loss for 2015 and the expected loss for the first quarter of 2016.

Fisia Italimpianti recorded a substantial break-even result for 2015 and recognised equity of €7 million while the the investment's carrying amount is €40.2 million.

The company tested its investment in FISIA Italimpianti for impairment on the basis of the 2016-2020 business plan (the "Plan") approved by the subsidiary's board of directors. No indicators of impairment were found.

Salini Impregilo used the unlevered version of the discounted cash flow method to calculate the investment's value in use. The main valuation parameters used were:

- Long-term growth rate: 0% (0% in 2014);
- Discount rate (WACC): 10.9% (9.4% in 2014).

The company also performed sensitivity analyses considering the possible effect of changes in the discount rate (+/-0.5%). They did not identify any elements that would have required recognition of an impairment loss.

SCF Inc. recorded a loss of €2.0 million for 2015 and a deficit of €1.9 million while the investment's carrying amount is €10.1 million.
The company used the subsidiary's 2016-2020 business plan to calculate the investment's value in use.

In order to calculate value in use, the relevant cash flows have been discounted using the following rates:

- Growth rate: 0% (0% in 2014);
- Discount rate (WACC) 9.1% (10.5% Ke in 2014).

The investment's resulting equity value of €6.6 million is lower than its carrying amount and the company recognised an impairment loss of €3.5 million in profit or loss.

FIBE recorded a loss of €3.3 million for 2015 and equity of €39.8 million while the investment's carrying amount is €43.2 million.

Given that the subsidiary is inactive and only manages the outstanding disputes related to the USW Campania projects, its assets and liabilities are the main drivers of the value generation process. Accordingly, Salini Impregilo adjusted the investment's carrying amount to the subsidiary's equity at the reporting date.

As regards the other investments in smaller companies, their carrying amount has been adjusted to Salini Impregilo's share of the investees' net assets as recognised in their financial statements at 31 December 2015. These impairment losses, totalling €5.9 million, specifically affected Salini Hydro and Salini India.

7. Non-current financial assets

This item includes loans and receivables with third parties. Changes on 31 December 2014 are as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Other financial assets	17,412	18,739	(1,327)
Loans and receivables - group companies	-	81	(81)
Loans and receivables - third parties	218	20,263	(20,045)
Total	**17,630**	**39,083**	**(21,453)**

Other financial assets of €17.4 million decreased by €1.3 million over 31 December 2014. They include investments in unlisted guaranteed-return mutual funds which mature after one year. The decrease is a result of new payments of €11.7 million made during the year net of fair value adjustments of €13.0 million, mainly due to exchange rate differences.

Loans and receivables - third parties decreased by €20.0 million from €20.3 million at 31 December 2014, mainly due to the reclassification of the receivable from Itinera to current after the sale of the investment in TE to third parties. At 31 December 2014, this receivable amounted to €17.9 million, including interest. It bears interest and will be collected before 31 October 2016.

8. Deferred tax assets and liabilities

Deferred tax assets and liabilities amount to €35.8 million and €34.6 million, respectively.

(€'000)	31 December 2015	31 December 2014	Variation
Deferred tax assets	35,760	57,527	(21,767)
Deferred tax liabilities	(34,570)	(97,872)	63,302

Deferred tax liabilities of €35.6 million include €23.5 million for the provision for the national tax consolidation scheme.

The provision represents the company's potential liability with its subsidiaries that have transferred their losses as part of the IRES national tax consolidation scheme as per article 117 and subsequent articles of the Consolidated Income Tax Act as per the regulations signed when they joined the scheme. Changes in the provision during the year are a result of the normal variations in the scheme and, especially, the calculation of the loss attributable to Fisia Ambiente.

Changes in deferred tax assets and liabilities and the related impact on profit or loss are set out below:

(€'000)	31 December 2014	Increases	Decreases	Change in tax rate	Reclass.	Other	31 December 2015
Deferred tax assets:							
Amortisation and depreciation exceeding tax rates	9,116			(177)	(7,727)		1,212
Provisions for risks and impairment losses	42,931	4,715	(8,686)	(4,646)	4,312		38,626
Capital increase	1,205		(301)	(115)			789
Maintenance	6,373				(6,373)		
Unrealised exchange rate gains and losses	640				(640)		
Other	72,339	142,033	(67,578)	(918)	12,694		158,570
Total	**132,604**	**146,748**	**(76,565)**	**(5,856)**	**2,266**		**199,197**
Offsetting	(75,077)	621			(621)	(88,360)	(163,437)
Net deferred tax assets (a)	**57,527**	**147,369**	**(76,565)**	**(5,856)**	**1,645**	**(88,360)**	**35,760**
Deferred tax liabilities:							
Default interest	(6,053)			771			(5,282)
Contract acquisition costs	(5,959)		1,837	525			(3,597)
Gains on the disposal of assets	(459)				459		
Other	(62,876)	(148,108)	46,400	1,034	(2,113)		(165,663)
Total	**(75,347)**	**(148,108)**	**48,237**	**2,330**	**(1,654)**		**(174,542)**
Offsetting	75,077					88,360	163,437
Net deferred tax liabilities (b)	**(270)**	**(148,108)**	**48,237**	**2,330**	**(1,654)**	**88,360**	**(11,105)**
Net deferred tax (income) expense (a+b)		**(739)**	**(28,328)**	**(3,526)**			**(32,593)**

"Other" mainly reflects temporary differences related to unrealised exchange rate gains or losses and ordinary maintenance costs for the company's assets.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively, and are netted at company level when this is allowed. Changes in 2014 were as follows:

(€'000)	31 December 2013	Increases	Decreases	Effects recognised in equity	Merger	Other	31 December 2014
Deferred tax assets:							
Amortisation and depreciation exceeding tax rates	1,389				7,727		9,116
Provisions for risks and impairment losses	42,295	1,421	(6,307)		5,522		42,931
Capital increase			(301)	1,506			1,205
Maintenance					6,373		6,373
Unrealised exchange rate gains and losses					640		640
Other	91	75,217	(4,217)	106	1,142		72,339
Total	**43,775**	**76,638**	**(10,825)**	**1,612**	**21,404**		**132,604**
Offsetting	(7,341)					(67,736)	(75,077)
Net deferred tax assets (a)	**36,434**	**76,638**	**(10,825)**	**1,612**	**21,404**	**(67,736)**	**57,527**
Deferred tax liabilities:							
Default interest	(5,530)				(523)		(6,053)
Contract acquisition costs			4,015		(9,974)		(5,959)
Gains on the disposal of assets					(459)		(459)
Other	(1,811)	(51,660)	662		(10,029)	(38)	(62,876)
Total	**(7,341)**	**(51,660)**	**4,677**		**(20,985)**	**(38)**	**(75,347)**
Offsetting	7,341					67,736	75,077
Net deferred tax liabilities (b)		**(51,660)**	**4,677**			**67,698**	**(270)**
Net deferred tax (income) expense (a+b)		**24,978**	**(6,148)**				**18,830**

9. Inventories

This item is analysed in the following table:

	31 December 2015			31 December 2014			
(€'000)	Gross carrying amount	Allowance	Carrying amount	Gross carrying amount	Allowance	Carrying amount	Variation
Real estate projects	19,334	(7,772)	11,562	19,508	(7,772)	11,736	(174)
Finished products and goods	23	-	23	426	-	426	(403)
Raw materials, consumables and supplies	187,297	(627)	186,670	180,716	(748)	179,968	6,702
Total	**206,654**	**(8,399)**	**198,255**	**200,650**	**(8,520)**	**192,130**	**6,125**

Real estate projects

Real estate projects amount to €11.6 million, substantially unchanged from the previous year end. They relate to the real estate project of €11.6 million (net of the related allowance of €7.8 million) for the construction of a trade point in Lombardy for which a dispute is pending about the zoning provisions of the area on which the property stands.

Based also on its legal advisors' opinion, the company deems that the carrying amount can be recovered through the real estate project or, alternatively, through recognition of the damage incurred due to non-authorisation of the zoning of the area by the competent authorities.

Finished products and goods and Raw materials, consumables and supplies

These captions of €186.7 million (31 December 2014: €180.4 million) mainly comprise goods to be used at foreign work sites, principally in Ethiopia (€149.4 million), Sierra Leone (€7.2 million), Venezuela (€14.5 million) and Saudi Arabia (€7.0 million for the Riyadh Metro Line 3).

10. Contract work in progress

Contract work in progress amounts to €938.9 million at year end, up on the previous year-end figure of €765.8 million. The following table shows contract work in progress calculated using the stage of completion method, net of losses realised or estimated at the reporting date and progress billings:

(€'000)	31 December 2015	31 December 2014	Variation
Contract work in progress	19,507,918	12,262,213	7,245,705
Progress payments and advances received (on approved work)	(18,569,061)	(11,496,422)	(7,072,639)
Total	**938,857**	**765,791**	**173,066**

The item shows a total increase of €173.1 million over 31 December 2014.

This increase mainly refers to continuation of the industrial activities for the contracts in Saudi Arabia by the joint operation that carries out the works for the Riyadh Metro Line 3 contract in Saudi Arabia, the Ethiopian and Romanian branches for foreign contracts and the high speed/capacity contracts in Italy. It is partly offset by the decrease related to some contracts in Italy and the UAE.

The key contracts making up contract work in progress at year end are summarised below:

	Contract work in progress		
(€'000)	31 December 2015	31 December 2014	Variation
Venezuela	251,285	241,922	9,363
High speed/capacity	149,547	89,721	59,826
Gibe III Hydroelectric Project	99,619	49,877	49,742
Romania	75,739	44,992	30,747
Metro B1 Bologna/Conca d'Oro and Conca d'Oro/Ionio	61,967	66,931	(4,964)
Mill. Hydro Elect. Project (5250 MW)	49,481	44,664	4,817
South Africa Mavundla	46,237	48,876	(2,639)
Arabia Civil Work	35,289	21,664	13,625
Salerno - Reggio Calabria Lots 5-6	35,101	50,902	(15,801)
Messina Bridge	23,757	22,722	1,035
Highway 36	23,392	25,244	(1,852)
P2000 Gibe IV	14,932		14,932
Other	72,511	58,276	14,235
Total	**938,857**	**765,791**	**173,066**

The section on the "Performance by geographical segment" in the Directors' report provides more details about the contracts and the progress made on the main contracts.

A description of the contracts for which the company has pending disputes and the activities in Libya, Venezuela, Nigeria, Ukraine and Turkey is provided in the section on the "Main risk factors and uncertainties" in the Directors' report.

11. Trade receivables

Trade receivables amount to €1,044.9 million (31 December 2014: €1,052.4 million), of which €610.5 million (31 December 2014: €611.4 million) from group companies and other related parties.

Trade receivables from third parties of €434.4 million, net of the allowance for impairment (€21.2 million) show a net decrease of €5.5 million. The balance includes amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced. The decrease is mainly due to the branches in Romania, Qatar, Venezuela and UAE. The increase in receivables relating to Venezuela reflects the temporary delays in payments by customers, also as a consequence of the situation recently observed in this country and described in the section on the "Main risk factors and uncertainties" in the Directors' report.

(€'000)	31 December 2015	31 December 2014	Variation
Trade receivables - third parties	434,441	439,898	(5,457)
Trade receivables - group companies and other related parties	610,473	612,493	(2,020)
Total	**1,044,914**	**1,052,391**	**(7,477)**

The following table shows trade receivables from third party customers:

(€'000)	31 December 2015	31 December 2014	Variation
Trade receivables - third parties	455,613	456,806	(1,193)
Allowance for impairment	(21,172)	(16,908)	(4,264)
Total	**434,441**	**439,898**	**(5,457)**

Changes in the allowance for impairment are shown in the following table:

(€'000)	31 December 2014	Impairment losses	Utilisations	Other changes	Exchange rate gains (losses)	31 December 2015
Trade receivables	16,606	4,478	(2,842)	273	2,234	20,749
Default interest	302	86			35	423
Total	**16,908**	**4,564**	**(2,842)**	**273**	**2,269**	**21,172**

Changes in the previous year are as follows:

(€'000)	31 December 2013	Impairment losses	Utilisat.	Reversals	Change in consolid. scope	Other changes	Exchange rate gains (losses)	31 December 2014
Trade receivables	12,664	5,993	3,676	(5,717)	(124)		114	16,606
Default interest			302					302
Total	**12,664**	**5,993**	**3,978**	**(5,717)**	**(124)**	-	114	**16,908**

Current trade receivables - group companies and other related parties amount to €610.5 million at the reporting date compared to €612.5 million at 31 December 2015. They mainly refer to commercial transactions.
The following table shows the main group companies to which these receivables refer:

(€'000)	31 December 2015	31 December 2014	Variation
Salerno-Reggio Calabria	94,689	74,238	20,451
Cociv	90,316	88,491	1,825
Consorzio Cavtomi	86,654	86,390	264
Grupo Unidos por el Canal	31,985	22,474	9,511
Rc Scilla	27,523	9,451	18,072
Pedelombarda	21,233	48,213	(26,980)
Metro Blu	19,920	81,956	(62,036)
Salini Namibia	19,085	14,530	4,555
Eriday	14,384	11,557	2,827
Eurolink	10,415	11,000	(585)
Enaler	7,263	14,007	(6,744)
Passante di Mestre	2,214	8,620	(6,406)
FISIA Italimpianti	1,713	1,460	253
Other	183,079	140,106	42,973
Total	**610,473**	**612,493**	**(2,020)**

12. Derivatives and other current financial assets

Derivatives and other current financial assets amount to €483.3 million compared to €435.9 million at 31 December 2014. This item is broken down as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Government bonds and insurance shares	638	99	539
Current loans and receivables	482,709	435,827	46,882
Total	**483,347**	**435,926**	**47,421**

Current loans and receivables include loans given to group companies and other related parties.

The balance comprises correspondence current accounts and loans and receivables with group companies and other related parties. A complete list of the transactions is given in the annex "Intragroup transactions" at the end of these notes. They are regulated by contracts. The caption includes a loan of €12.5 million given to Salini Costruttori, which bears interest at the 3-month EURIBOR plus a spread of 5% and increased by €2.5 million compared to 31 December 2014.

The caption also includes loans and receivables with third parties of €49.3 million, of which €29.9 million for the surety enforced during the year due to the delays on the Metro 6 contract. The Group is confident it will recover this amount, based also on the opinion of its legal advisors assisting it with the dispute. The section on the "Main risk factors and uncertainties" in the Directors' report provides more information about this.

The balance increased due to the reclassification from non-current financial assets of €18.3 million, including interest, due from Itinera S.p.A. which arose after the sale of TEEM and is due in 2016.

13. Current tax assets and other current tax assets

Current tax assets amount to €83.1 million as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Direct taxes	44,753	28,388	16,365
IRAP	23	2,390	(2,367)
Foreign direct taxes	38,280	15,803	22,477
Total	**83,056**	**46,581**	**36,475**

Direct taxes show the taxes already claimed for reimbursement. The foreign direct taxes mainly relate to the South African branch (€1.4 million), the US branch (€7.8 million) and the Ghazi Barotha joint operation (€1.1 million). The other current tax assets amount to €54.8 million as follows:

(€'000)	31 December 2015	31 December 2014	Variation
VAT	39,576	31,094	8,482
Other indirect taxes	15,234	15,997	(763)
Total	**54,810**	**47,091**	**7,719**

The other indirect taxes include withholdings of €8.7 million paid by the Islandic branch on the remuneration paid to foreign temporary workers involved in the work site. More information is available in note 27.

14. Other current assets

Other current assets of €215.5 million are down €103.4 million on 31 December 2014, mainly due to the reduction in amounts due from group companies and other related parties. The item may be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Other	57,086	88,472	(31,386)
Advances to suppliers	52,608	57,341	(4,733)
Other - group companies and other related parties	47,029	121,271	(74,242)
Prepayments and accrued income	58,807	51,873	6,934
Total	**215,530**	**318,957**	**(103,427)**

"Other" of €57.1 million decreased by €31.4 million over 31 December 2014. It includes:

- €34.0 million due from the Argentine Republic as compensation for the favourable award issued on 21 June 2011 and confirmed by the Buenos Aires Arbitration Tribunal on 24 January 2014. This award settled the proceedings commenced by the shareholders of the investee Aguas del Buenos Aires S.A. in liquidation (operator) against the Argentine Republic;
- €8.3 million due from some of the company's partners of joint ventures around the world, mainly for the works on Line 3 of the Riyadh Metro in the Middle East.

Advances to suppliers decreased by €4.7 million to €52.6 million due to absorption of advances made in previous years for the contracts in Kazakhstan and Romania, partly offset by advances made for the Lima metro in Peru and the hydroelectric plants in Turkey and Georgia.

Other - group companies and other related parties decreased by €74.2 million to €47.0 million at the reporting date, mainly as a result of the reduction in amounts due from Consorzio OIV Tocoma and the partial settlement of the amounts due from Groupment Todini Enaler.

Prepayments and accrued income of €58.8 million show an increase of €6.9 million on 31 December 2014. The item mainly consists of insurance premiums, 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 largest decrease in "Other contract costs" includes, inter alia, consultancy fees of €8.9 million to be charged to Salini Impregilo US Holding Inc., used to acquire the US company Lane in January 2016, and the borrowing costs for the loan taken out on 4 February 2016 for that acquisition.

They are broken down in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Accrued income:			
Total accrued income	**-**	**3**	**(3)**
Prepayments:			
- Insurance	19,921	20,373	(452)
- Sureties	3,798	5,796	(1,998)
- Other contract costs	35,088	25,701	9,387
Total prepayments	**58,807**	**51,870**	**6,937**
Total	**58,807**	**51,873**	**6,934**

15. Cash and cash equivalents

At 31 December 2015, cash and cash equivalents amount to €763.9 million, up by €383.1 million, as shown below:

(€'000)	31 December 2015	31 December 2014	Variation
Cash and cash equivalents	**763,933**	**380,867**	**383,066**

The balance includes credit bank account balances at the end of the year and the amounts of cash, cheques and valuables at the registered offices, work sites and foreign subsidiaries. Liquidity management is designed to ensure the financial independence of ongoing contracts, considering the structure of the consortia and SPEs, which may limit the availability of financial resources to achievement of the related projects. Liquidity management also considers the existence of constraints to the transfer of currency imposed by certain countries. The statement of cash flows shows the reason for the increase in the item and changes in current account facilities (note 17).

A breakdown of this item by geographical segment is as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Italy	54,082	64,631	(10,550)
EU (excluding Italy)	8,570	26,028	(17,458)
Non-EU	2,877	144	2,733
Asia	3,172	1,277	1,895
Middle East	606,854	228,680	378,174
Africa	45,499	23,908	21,591
North America	9,379	8,847	532
Latin America	18,236	19,820	(1,584)
Oceania	15,265	7,532	7,734
Total	**763,933**	**380,867**	**383,066**

16. Equity

Equity amounts to €937,362.0 million at 31 December 2015 compared to €943.0 million at the end of 2014. Changes of the year in the different equity items are summarised in the schedule attached to the separate financial statements.

(€'000)	31 December 2015	31 December 2014	Variation
Share capital	544,740	544,740	-
Share premium reserve	120,798	120,798	-
- Legal reserve	101,534	100,000	1,534
- Reserve for treasury shares	(7,677)	(7,677)	-
- Reserve for share capital increase related charges	(3,970)	(3,970)	-
- LTI reserve	139	-	139
- Extraordinary and other reserves	146,813	146,813	-
Total other reserves	236,839	235,166	1,673
- Actuarial reserve	(353)	(1,196)	843
- Translation reserve	(789)	10,148	(10,937)
- Hedging reserve	(10,685)	(18)	(10,667)
Total other comprehensive income (expense)	(11,827)	8,934	(20,761)
Retained earnings	11,081	2,656	8,425
Profit for the year	35,731	30,693	5,038
Total	**937,362**	**942,987**	**(5,625)**

In their meeting held on 30 April 2015, the company's shareholders resolved to allocate the profit for 2014 as follows:

- €1,534,634.74, equal to 5% of the profit for the year, to the legal reserve;
- €19,562,732.56 as a dividend to the shareholders, equal to €0.04 per share;
- €420,027.66 as a dividend to the holders of savings shares, equal to € 0.26 per share, as per article 33.b) of the by-laws;
- €9,175,299.76 to retained earnings.

Disclosures about the individual items are set out below.

Share capital

At 31 December 2015, the company's fully paid-up share capital amounts to €544,740.000. It comprises 493,798,182 shares, including 492,172,691 ordinary shares and 1,615,491 savings shares, all without a nominal amount.

Savings shares issued pursuant to the law do not carry voting rights, have preference dividend and capital repayment rights and can be bearer shares, subject to the provisions of article 2354.2 of the Italian Civil Code. Upon the shareholder's requests and at his/her own expense, they can be converted into registered shares and vice versa. Savings shares held by directors, statutory auditors and CEOs are registered. Except when the company's by-laws or relevant legislation provide for otherwise, savings shares give the holders the same rights as those of ordinary shares.

Holders of savings shares do not have the right to attend the company's shareholders' meetings or to request that they are called. The special savings shareholders' meeting is regulated by law. When reserves are distributed, the savings shares have the same rights as ordinary shares.

Upon dissolution of the company, savings shares bear preference rights to capital repayment, up to €5.2 per share. When shares are grouped or split (as well as when capital transactions are carried out and as necessary in order to protect the savings shareholders' rights in the case the shares have nominal value), the above fixed amount shall be adjusted accordingly.

Profit for the year as per the financial statements is allocated as follows:

a) 5% to the legal reserve, up to the legally-required amount;

b) to savings shares, to the extent of 5% of €5.2 per share (i.e., €0.26 per share). If a dividend lower than 5% of €5.2 per share (i.e., €0.26 per share) is paid one year, the difference is taken as an increase in the preferred dividend of the following two years;

c) the residual amount, to all shareholders in such a way as to allocate to savings shares a total dividend which is 2% of €5.2 per share (i.e., €0.104 per share) greater than that distributed to ordinary shares, except when the shareholders decide to allocate an amount to the extraordinary reserves or for other uses.

Details on the possible use of equity items and uses in prior years are summarised below:

	Amount	Possible use (A, B, C)	Available portion	Summary of use in the previous three years: To cover losses	Summary of use in the previous three years: Other
Share capital	**544,740**				
Income-related reserves:					
Share premium reserve	120,798	A, B	120,798	-	
Other reserves:					
Legal reserve	101,534	B	101,534	-	
Reserve for treasury shares	(7,677)			-	
Share capital increase related charges	(3,970)				
Unavailable hedging reserve	(10,685)			-	
Unavailable actuarial reserve	(353)				
Unavailable LTI reserve	139				
Translation reserve	(789)				
Negative goodwill	146,813	A, B, C	146,813		
Total other reserves	**225,012**		**248,347**	**-**	
Retained earnings	**11,081**	**A, B, C**	**11,081**		**-**
Total	**901,631**		**380,226**	**-**	**-**
Non-distributable portion			**277,873**		
Residual distributable portion			**102,353**		

A: capital increase
B: to cover losses
C: dividends

The share premium reserve cannot be distributed until the legal reserve reaches 20% of the share capital.

Other reserves

This item is broken down as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Legal reserve	101,534	100,000	1,534
Negative goodwill	146,813	146,813	-
Reserve for treasury shares	(7,677)	(7,677)	-
LTI reserve	139	-	139
Reserve for share capital increase related charges	(3,970)	(3,970)	-
Total other reserves	**236,839**	**235,166**	**1,673**

Legal reserve

This reserve underwent the following changes:

(€'000)	
31 December 2014	100,000
Allocation of profit	1,534
31 December 2015	**101,534**

Changes during 2014 are shown in the following table:

(€'000)	
31 December 2013	58,447
Merger effects	41,553
Allocation of profit	
31 December 2014	**100,000**

Reserve for treasury shares

The company launched its own share repurchase programme on 6 October 2014 and it had bought back 3,014,377 shares for €7,676,914.377 at the reporting date, unchanged from 31 December 2014.

LTI reserve

The LTI (long-term incentive plan) reserve shows the fair value of this plan rolled out in 2015 calculated using an actuarial valuation to be €0.1 million. The section on the accounting policies describes how the reserve is treated. The following table provides a breakdown of this reserve:

(Euro)	No. of shares	Amount	Start date	End date	Average price	Fair value
Chief executive officer	569,573.00	2,198,551.78	17,12,2015	30,04,2018	3.86	35,583.50
Key management personnel	983,286.00	3,795,483.96	17,12,2015	30,04,2018	3.86	61,429.80
Other managers	1,025,050.00	3,964,893.40	22,12,2015	30,04,2018	3.87	41,493.07
Total	**2,577,909.00**	**9,958,929.14**				**138,506.37**

Other comprehensive income (expense)

The main variation in other comprehensive income (expense) items relates to the effect of fluctuations in exchange rates as shown below:

(€'000)	
31 December 2014	10,148
Decrease	(10,936)
Total changes	(10,936)
31 December 2015	**(788)**

(€'000)	
31 December 2013	(2,657)
Merger	7,225
Increase	5,580
Total changes	12,805
31 December 2014	**10,148**

The actuarial reserve underwent the following changes:

(€'000)	
31 December 2014	(1,196)
Reclassifications	843
31 December 2015	**(353)**

This reserve includes the actuarial gains and losses as required by IAS 19.

Changes during 2015 are shown in the following table:

(€'000)	
31 December 2013	(451)
Merger effects	(441)
Net actuarial losses recognised in comprehensive income	(304)
31 December 2014	**(1,196)**

The hedging reserve underwent the following changes:

(€'000)	
31 December 2014	(18)
Fair value losses	(10,667)
31 December 2015	**(10,685)**

This reserve includes the fair value gains and losses on financial instruments.

Changes during 2015 are shown in the following table:

(€'000)	
Merger effects	(5)
Fair value losses	(13)
31 December 2014	**(18)**

17. Bank and other loans, current portion of bank loans and current account facilities

Bank and other loans and borrowings and factoring liabilities decreased by €348.4 million to €1,282.6 million at the reporting date.

(€'000)	31 December 2015	31 December 2014	Variation
Bank and other loans and borrowings	675,989	405,086	270,903
Current account facilities and other loans	606,595	529,102	77,493
Total	**1,282,584**	**934,188**	**348,396**

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

	31 December 2015			31 December 2014		
(€'000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	667,328	202,733	870,061	389,775	64,058	453,833
Bank project financing	777	16,162	16,939	-	5,975	5,975
Other financing	6,938	47,172	54,110	11,937	32,761	44,698
Current account facilities	-	38,915	38,915	-	11,436	11,436
Loans and borrowings - group companies	-	242,850	242,850	-	410,923	410,923
Factoring liabilities for receivables factored with recourse	944	58,763	59,707	3,374	3,949	7,323
Total	**675,989**	**606,595**	**1,282,584**	**405,086**	**529,102**	**934,188**

Bank loans

They are broken down in the following table:

			31 December 2015			31 December 2014		
(€'000)	Company	Country	Total loans	Current portion	Non-current portion	Total loans	Current portion	Non-current portion
BPER	Head office	Italy	70,434	32,934	37,500	-	-	-
Monte dei Paschi	Head office	Italy	49,735	27	49,708	-	-	-
Banca IMI	Head office	Italy	148,260	463	147,798	-	-	-
Banca Popolare di Bergamo	Head office	Italy	40,001	40,001	-	-	-	-
Banco do Brasil	Head office	Italy	60,060	46,727	13,333	28,215	28,215	-
Banca IMI (agent)	Head office	Italy	-	-	-	66,701	168	66,533
Intesa SanPaolo	Head office	Italy	-	-	-	42,485	25,000	17,485
Banca IMI Refinancing (Facility A)	Head office	Italy	249,603	3,145	246,458	285,899	785	285,114
Banca IMI Refinancing (Facility B)	Head office	Italy	163,645	1,657	161,988	-	-	-
Credie Agricole	Head office	Italy	9,291	9,291	-	-	-	-
Banca Popolare di Lodi	Head office	Italy	9,020	9,020	-	-	-	-
Banca Popolare di Bari	Head office	Italy	15,048	15,048	-	-	-	-
Banca Popolare del Lazio	Head office	Italy	14,002	14,002	-	-	-	-
Revolving	Head office	Italy	20,167	20,167	-	-	-	-
Banca del Mezzogiorno	Head office	Italy	20,794	10,250	10,543	30,533	9,890	20,643
Total bank corporate loans			**870,061**	**202,733**	**667,328**	**453,833**	**64,058**	**389,775**
UNB	United Arab Emirates branch	United Arab Emirates	10,259	10,259	-	-	-	-
BMCE	Moroccan branch	Morocco	5,903	5,903	-	5,975	5,975	-
Vari Istituti	Venezuelan branch	Venezuela	777	-	777	-	-	-
Total bank project financing			**16,939**	**16,162**	**777**	**5,975**	**5,975**	**-**

The main conditions of the bank loans in place at 31 December 2015 are as follows:

	Company	Interest rate	Expiry date	Note
Banco do Brasil (20 MLN)	Salini Impregilo	Euribor	2018	
Banca IMI Refinancing (Facility A)	Salini Impregilo	Euribor	2019	(1)
Banca IMI Refinancing (Facility B)	Salini Impregilo	Euribor	2020	(1)
Banca IMI	Salini Impregilo	Euribor	2020	
Monte dei Paschi	Salini Impregilo	Fixed rate	2019	(1)
BPER	Salini Impregilo	Euribor	2019	
Banca del Mezzogiorno	Salini Impregilo	Euribor	2017	

(1) The loans are backed by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios, which at the date of this Annual Report are fully respected

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing. The decision to apply the Euribor (1, 2, 3 or 6 months) has been contractually provided for to the benefit of Salini Impregilo.

The non-current portion of the above loans will be repaid at their contractual maturity, based on the following time bands:

(€'000)	Company	Country	Total non-current portion	Due after 13 months but within 24 months	Due after 25 months but within 60 months	Due after 60 months
Banca IMI (agent)	Salini Impregilo	Italy	147,798	-	147,798	-
BPER	Salini Impregilo	Italy	37,500	25,000	12,500	-
Monte dei Paschi di Siena	Salini Impregilo	Italy	49,708	49,708	-	-
Banca IMI Refinancing (Facility B)	Salini Impregilo	Italy	161,988	-	161,988	-
Banca IMI Refinancing (Facility A)	Salini Impregilo	Italy	246,458	243,370	3,088	-
Banco do Brasil	Salini Impregilo	Italy	13,333	13,333	-	-
Banca del Mezzogiorno	Salini Impregilo	Italy	10,543	10,543	-	-
Total bank corporate loans			**667,328**	**341,955**	**325,374**	**-**
Various banks	Venezuelan branch	Italy	777	777	-	-
Total bank project financing			**777**	**777**	**-**	**-**

The fair value of the bank loans, measured as set out in the “Accounting policies” section, is €884.1 million.

Current account facilities

Current account facilities totalled €38.9 million. This item refers to the Romanian branch and head office for €18.7 million and €14.0 million, respectively.

Other financing

Other financing at 31 December 2015 totals €53.3 million, €12.0 million of which payable to Caterpillar Financial for the purchase of plant and machinery for the foreign branches. The fair value of this liability, measured as set out in the “Accounting policies” section, is €12.1 million.

The remainder of €41.3 million, falling due within one year, refers to the liability for the purchase of the additional 15% in the investee Riyadh Metro Line 3 (Saudi Arabia). Its fair value is substantially in line with its carrying amount.

Factoring liabilities

Factoring liabilities amount to €59.7 million at the reporting date and refer to the factoring of invoices by foreign branches in Ethiopia, Venezuela and Sierra Leone.

Net financial indebtedness of Salini Impregilo S.p.A.

(€'000)	Note (*)	31 December 2015	31 December 2014	Variation
Non-current financial assets	7	17,630	39,083	(21,453)
Current financial assets	12	483,347	435,927	47,420
Cash and cash equivalents	15	763,933	380,867	383,066
Total cash and cash equivalents and other financial assets		**1,264,910**	**855,877**	**409,033**
Bank and other loans and borrowings	17	(675,989)	(405,086)	(270,903)
Bonds	18	(396,211)	(394,326)	(1,885)
Finance lease liabilities	19	(67,002)	(88,673)	21,671
Total non-current indebtedness		**(1,139,202)**	**(888,085)**	**(251,117)**
Current portion of bank loans and borrowings and current account facilities	17	(606,595)	(529,102)	(77,493)
Current portion of bonds	18	(10,203)	(10,203)	-
Current portion of finance lease liabilities	19	(42,081)	(36,742)	(5,339)
Total current indebtedness		**(658,879)**	**(576,047)**	**(82,832)**
Derivative liabilities	20	(10,685)	(294)	(10,391)
Net financial assets of SPEs (**)		17,512	65,953	(48,441)
Total other financial assets		**6,827**	**65,659**	**(58,832)**
Net financial indebtedness including discontinued operations		**(526,344)**	**(542,596)**	**16,252**

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

(**) This item shows the company's net amounts due from/to consortia and/or consortium companies operating under a cost recharging system. The balance reflects the company's share of cash and cash equivalents or debt of the SPEs. The balances are presented under trade receivables in the separate financial statements

18. Bonds

The outstanding bond issues at 31 December 2015 amount to €406.4 million. They are analysed in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current portion	396,211	394,326	1,885
Current portion	10,203	10,203	-
Total	**406,414**	**404,529**	**1,885**

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

	31 December 2015			31 December 2014		
(€'000)	Total bonds	Current	Non-current	Total bonds	Current	Non-current
Salini Impregilo S.p.A.	406,414	10,203	396,211	404,529	10,203	394,326
Total	**406,414**	**10,203**	**396,211**	**404,529**	**10,203**	**394,326**

The company's (formerly Salini S.p.A.) senior unsecured bonds were issued on 23 July 2013 for a nominal amount of €400 million to be redeemed on 1 August 2018, intended for international institutional investors. The bonds, which have a minimum denomination of €100,000 and an annual gross coupon of 6.125%, were placed with primary international institutional investors at a price of €99.477.

The fair value of the bonds at the reporting date, measured as set out in the "Accounting policies" section, is €556.2 million.

19. Finance lease liabilities

Finance lease liabilities may be broken down as follows at 31 December 2015:

(€'000)	31 December 2015	31 December 2014	Variation
Non-current portion	67,002	88,673	(21,671)
Current portion	42,081	36,742	5,339
Total	**109,083**	**125,415**	**(16,332)**

This item includes the principal of future lease payments of contracts existing at the reporting date. Liabilities for these leases are guaranteed to the lessor via rights to the leased assets.

The present value of the minimum future lease payments is €109.1 million (31 December 2014: €125.4 million) as follows:

(€'000)	31 December 2015	31 December 2014
Minimum lease payments:		
Due within one year	47,932	42,020
Due between one and five years	68,256	94,617
Due after five years	-	14
Total	**116,188**	**136,651**
Future interest expense	(7,106)	(11,235)
Net present value	**109,082**	**125,416**
The net present value is as follows:		
Due within one year	44,185	36,734
Due between one and five years	64,897	88,668
Due after five years	-	14
Total	**109,082**	**125,416**

20. Derivatives and other current financial liabilities

Derivative liabilities amount to €10.7 million. They relate to currency hedges.

(€'000)	31 December 2015 Liabilities	31 December 2014 Liabilities
Interest rate swaps - Cash flow hedges	10,685	293
Total derivatives presented in net financial indebtedness	**10,685**	**293**

INTEREST RATE SWAP - Cash flow hedge: fair value Liabilities

Company	Agreement date	Expiry date	Currency	Notional amount	Fair value (€)
Goldman Sachs	16/11/2015	04/01/2016	USD	400,000,000	(9,920,088)
Banca Intesa	12/11/2015	24/02/2016	EUR	75,000,000	(382,694)
Unicredit	12/11/2015	24/02/2016	EUR	75,000,000	(382,694)
Total					**(10,685,476)**

This category includes derivatives that have been entered into to hedge the company against currency risks but that do not meet (or no longer meet and the situation has not been currently resolved) hedge accounting requirements for cash flows hedges.

21. Post-employment benefits and employee benefits

At 31 December 2015, the company's liability due to all its employees determined using the criteria set out in IAS 19 is €12.1 million.

The balance mainly consists of the Italian post-employment benefits (TFR).

At 31 December 2015 and 2014, the liability for post-employment benefits is the outstanding amount 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: 1.49%;
- advance payment rate: 3%;
- inflation rate: 2%.

The company has used the Iboxx AA Corporate index for the Eurozone, which has an average financial duration in line with the fund being valued, to calculate the discount rate.

Changes in the item are as follows:

(€'000)	31 December 2014	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes and change in consolidation scope	31 December 2015
Post-employment benefits and employee benefits	11,322	8,890	(5,835)	(5,295)	(843)	3,851	12,090

(€'000)	31 December 2013	Accruals	Payments	Contributions paid to INPS treasury and other funds	Net actuarial losses	Other changes and change in consolidation scope	31 December 2014
Post-employment benefits and employee benefits	11,690	7,616	(5,091)	(5,061)	745	1,423	11,322

The net decrease in post-employment benefits in 2015 is due to both payments made during the year and contributions transferred to the INPS treasury and other funds, as well as the accrual for the year and the actuarial gains and losses recognised in the specific equity reserve, as required by revised IAS 19. Other change are mainly due to exchange rate differences.

An increase or decrease of 0.25% in the discount rate used to calculate the liability at 31 December 2015 would have had a negative or positive effect of €0.1 million. A similar increase or decrease at 31 December 2014 would have had a negative or positive effect of €0.1 million, respectively.

22. Provisions for risks

At 31 December 2015, these provisions amount to €29.9 million. Changes of the year are as follows:

(€'000)	31 December 2014	Accruals	Utilisations / Releases	Reversals	Other changes	31 December 2015
Provisions for risks on equity investments	27,359	15,653	-	-	(25,019)	17,993
Other provisions	9,593	2,949	(405)	(21)	(225)	11,891
Total	**36,952**	**18,602**	**(405)**	**(21)**	**(25,244)**	**29,884**

Prior year changes are given below for comparative purposes:

(€'000)	31 December 2013	Merger	Accruals	Utilisations / Releases	Reversals	Reclass.	31 December 2014
Provisions for risks on equity investments	125,207	1,787	23,489	(1,151)	-	(121,973)	27,359
Other provisions	9,021	5,073	756	(242)	(4,884)	(130)	9,593
Total	**134,228**	**6,860**	**24,245**	**(1,393)**	**(4,884)**	**(122,103)**	**36,952**

The provision for risks on equity investments may be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Equity investments in SPEs with negative carrying amounts	15,243	25,572	(10,329)
Investments in associates and other companies with negative carrying amounts	2,750	1,786	964
Total	**17,993**	**27,358**	**(9,365)**

As disclosed in note 3 (to which reference should be made), the provision for risks on equity investments includes the impairment losses on investments in certain SPEs for the part exceeding their carrying amounts.

Changes in the provision during the year were due to:

- reclassifications of approximately €25 million, mainly related to the Chilean subsidiary Angostura (€19 million) and the subsidiary ICT II Sas Colombia (€5.8 million);
- accruals of €15.7 million, mostly for Empresa Costructora Metro (€8.1 million) and ICT II Sas (Colombia (€5.2 million).

Other provisions increased by €2.3 million to €11.9 million. Changes of the year comprise:

(i) accruals of €2.9 million for disputes involving the company related to arbitration hearings about concessions and labour disputes (€1.4 million), the Kazakhstan branch for a tax audit (€1 million) and the Sierra Leone branch (€0.5 million);

(ii) utilisations/releases of €0.4 million, as the events for which the accruals were made took place;

(iii) exchange rate differences of €0.2 million, mainly relating to the Brazilian branch.

Other provisions include the following:

(€'000)	31 December 2015	31 December 2014	Variation
Ongoing litigation	9,287	8,267	1,020
Building segment litigation	795	795	-
Tax and social security litigation	1,500	-	1,500
Other	310	530	(220)
Total	**11,892**	**9,592**	**2,300**

The provision for ongoing litigation mainly relates to foreign contracts completed in previous years.

The provision for building segment litigation was originally set up by Impregilo Edilizia e Servizi, merged into Salini Impregilo S.p.A. (then Impregilo S.p.A.) in previous years.

The €2.3 million increase on the previous year is mainly due to the accrual of €1.5 million to the provision for tax litigation on behalf of the Kazakhstan branch for probable assessed taxes related to 2013 and the Moroccan branch. The company also accrued €1.3 million for disputes about arbitration hearings on concessions and labour disputes and used €0.4 million.

More information is available in the section on the “Main risk factors and uncertainties” in the Directors’ report.

23. Progress payments and advances on contract work in progress

The item “Advances on contract work in progress” included in “Current liabilities”, amounts to €1,003.4 million, up €200.2 million on the figure at 31 December 2014. It comprises:

(€'000)	31 December 2015	31 December 2014	Variation
Contract work in progress	(1,276,255)	(6,782,720)	5,506,465
Progress payments and advances received (on approved work)	1,332,678	6,858,694	(5,526,016)
Contractual advances	946,995	727,195	219,800
Total	**1,003,418**	**803,169**	**200,249**

Work in progress recognised under liabilities (negative WIP) is the negative net balance, for each contract, of work performed to date, the provision for contractual risks and progress billings and advances.
Contractual advances received include the amounts paid by customers as per the related contract and recovered over the contract term.

The following table shows the contribution by key contract:

	31 December 2015			31 December 2014			
(€'000)	Negative WIP	Advances	Total	Negative WIP	Advances	Total	Variation
Qatar	6,274	1,658	7,932	15,821	5,524	21,345	(13,413)
Arabia	-	472,505	472,505	-	218,594	218,594	253,911
Venezuela	592	3,382	3,974	6,354	-	6,354	(2,380)
Ethiopia	-	335,625	335,625	-	451,719	451,719	(116,094)
Romania	-	14,314	14,314	-	-	-	14,314
Georgia	-	14,181	14,181	-	-	-	14,181
Peru	8,398	-	8,398	-	-	-	8,398
Austria	32,190	-	32,190	12,829	-	12,829	19,361
South Africa Mavundla	-	32,509	32,509	-	-	-	32,509
High speed/ capacity	-	-	-	6,429	-	6,429	(6,429)
Metro Blu	6,203	-	6,203	20,113	-	20,113	(13,910)
Other	2,766	72,821	75,587	14,428	51,358	65,786	9,801
Total	**56,423**	**946,995**	**1,003,418**	**75,974**	**727,195**	**803,169**	**200,249**

The item shows a total increase of €200.2 million over 31 December 2014.

The most significant contractual advances at the reporting date related to: increases for the Riyadh Metro Line 3 in Saudi Arabia (€253.9 million); decreases for the Grand Ethiopian Renaissance Dam Project and the Gibe III Hydroelectric Project in Ethiopia (€92.3 million and €23.8 million, respectively).

The Directors’ report provides more information about the performance of these contracts and their progress.

24. Trade payables

Trade payables amount to €899.9 million (31 December 2014: €863.3 million) and include payables of €520.5 million (down €27.2 million on 31 December 2014) to group companies and other related parties. The increase of €36.6 million in this caption is analysed in the following table:

(€'000)	31 December 2015	31 December 2014	Variation
Third parties	379,419	320,256	59,163
Group companies and other related parties	520,479	542,999	(22,520)
Total	**899,898**	**863,255**	**36,643**

The €59.2 million increase is principally the sum of:

- an increase of €83.7 million through the joint operation working on the Riyadh Metro Line 3 contract in Saudi Arabia;
- an increase of €17 million related to the Slovakian branch;
- a decrease of €36.1 million related to the Ethiopian branch;
- a decrease of €10.4 million related to the Kazakhstan branch.

Trade payables to group companies and other related parties decreased by €22.5 million to €520.5 million.

The most significant variations are due to:

- a decrease of €46.6 million in the payable to Metro Blue following the offsetting of payables for certified work by the receivables for the recharge of costs;
- an increase of €26.4 million in the payable to Western Station JV as a result of its inclusion in the Group in 2015.

25. Current tax liabilities and other current tax liabilities

Current tax liabilities amount to €47.8 million as follows:

(€'000)	31 December 2015	31 December 2014	Variation
IRES	302	5,383	(5,081)
Foreign taxes	47,473	21,909	25,564
Total	**47,775**	**27,292**	**20,483**

Other current tax liabilities of €30.8 million increased by €23.4 million over 31 December 2014. They may be analysed as follows:

(€'000)	31 December 2015	31 December 2014	Variation
VAT	17,901	3,838	14,063
Other indirect taxes	12,881	3,568	9,313
Total	**30,782**	**7,406**	**23,376**

26. Other current liabilities

Other current liabilities of €118.2 million (31 December 2014: €137.2 million) decreased by €19.0 million, mainly due to the reduction in liabilities with group companies and other related parties. They comprise:

(€'000)	31 December 2015	31 December 2014	Variation
Social security institutions	8,427	7,496	931
Employees	34,683	28,493	6,190
Other	32,220	29,074	3,146
Group companies and other related parties	21,976	51,587	(29,611)
Accrued expenses and deferred income	20,862	20,502	360
Total	**118,168**	**137,152**	**(18,984)**

These liabilities include:

- accrued accounts due to social security institutions and personnel, amounting to €8.4 million and €34.7 million respectively. The increase mainly relates to the new projects in Saudi Arabia;
- "Other" of €32.3 million (31 December 2014: €29.1 million); the €3.1 million increase is a result of the rise in the liability with the company's partners in joint ventures in South Africa, offset by the decrease caused by the adjustment of the balances in the Venezuelan currency to the new official SIMADI exchange rate adopted by the company in the first half of 2015, which was considerably lower than the previous official exchange rate (Bolivar Fuerte or VEF);
- liabilities with group companies and related parties amounted to €22.0 million, a decrease of €29.6 million compared to the previous year end. This reduction was mainly a result of the settlement of €22.4 million due to Todini Costruzioni Generali S.p.A. through the correspondence current account for the national tax consolidation system and the decrease in liabilities with joint venturers in Greece and Switzerland;
- accrued expenses and deferred income of €20.9 million, as follows:

(€'000)	31 December 2015	31 December 2014	Variation
Accrued expenses:			
- Other	9,839	9,290	549
Total accrued expenses	**9,839**	**9,290**	**549**
Deferred income:			
- Provision of services	11,023	11,212	(189)
Total deferred income	**11,023**	**11,212**	**(189)**
Total	**20,862**	**20,502**	**360**

The other accrued expenses are in line with the previous year end and mainly comprise costs not yet paid for contract work in progress and the ten-year post-contract guarantee of €3.8 million.

27. Guarantees, commitments, risks and contingent liabilities

Guarantees and commitments

The key guarantees given by the company are set out below:

- Contractual sureties: these total €7,048.7 million and are given to customers as performance bonds, to guarantee advances, withholdings and involvement in tenders for all ongoing contracts. In turn, the company has guarantees given by its subcontractors.

- Sureties for credit: they amount to €893.2 million and relate to subsidiaries (€335.0 million), associates (€302.6 million) and other group companies (€217.7 million). The residual amount of €37.8 million relates to sureties granted on behalf of Salini Impregilo S.p.A..

- Sureties granted for export credit of €160.3 million.

- Other personal guarantees of €68.5 million consisting of guarantees related to customs and tax obligations and other commitments (€759.4 million).

- Collateral related to a lien on the remaining shares of Tangenziale Esterna S.p.A. given to guarantee a loan (€17.4 million) and a lien on the shares of the SPE M4 (€1.9 million).

Litigation and contingent liabilities

The company is involved in civil and administrative proceedings that are not expected to have a significant negative effect on its separate financial statements, based on the information currently available and the existing provisions for risks. The section on the "Main risk factors and uncertainties" in the Directors' report provides information about the main disputes.

Tax disputes

With respect to the principal dispute with the tax authorities:

- the dispute about the assessment notice challenging the tax treatment of impairment losses and losses on the sale of assets recognised by the company in 2003 is currently before the Supreme Court, following the tax authorities' appeal. As noted in previous reports, the main issue about the sale by Impregilo S.p.A. of its investment in the Chilean operator Costanera Norte SA to Impregilo International NV was cancelled by the Milan Regional Tax Commission on 11 September 2009 (higher assessed tax base of €70 million);

- the company's appeal about reimbursement of tax assets with a nominal amount of €12.3 million acquired from third parties as part of previous non-recurring transactions is still pending before the Supreme Court;

- a dispute about the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86 (greater assessed tax base of €4.2 million) is still pending before the first level court;

- with respect to another dispute again related to 2005 and the costs of a joint venture set up in Venezuela for which the greater assessed tax base is €6.6 million, the Regional Tax Commission filed its ruling entirely in the company's favour on 19 May 2015; the tax authorities appealed to the Supreme Court on 28 December 2015 challenging the procedure while stating that the findings do not relate to the appeal. The company has filed its defence brief;

- the company was notified of: (i) a payment order from the tax authorities for Islandic taxes of €4.6 million, which was cancelled after the company's appeal with the ruling filed on 30 November 2015; and (ii) a payment bill for the same taxes which the company appealed. It won both at first and second level. On 18 January 2016, the tax authorities presented their appeal to the Supreme Court and the company filed its defence brief;

With respect to the above pending disputes, after consulting its legal advisors, the company believes that it has acted correctly and deems that the risk of an adverse ruling is not probable.

Finally, the Milan unit of the tax police is currently performing a tax audit of the IRES, IRAP and VAT paid in 2011 and 2012. It has extended this audit to 2010 and issued its preliminary assessment report on 8 July 2015 finding a higher tax base for IRES and IRAP purposes of approximately €1.0 million and approximately €0.8 million, respectively. The company decided to communicate its intention to join the mutually-agreed settlement procedure to the tax authorities pursuant to article 5-bis of Legislative decree no. 218 of 19 June 1997. This procedure was finalised in 2015. Settlement entailed paying higher IRES and IRAP of €0.8 million for 2009.

Islandic branch

With respect to the completed contract for the construction of a hydroelectric plant in Karanjukar (Iceland), 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. Salini 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 € 6.9 million (at the original exchange rate). After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on 22 June 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on 23 June 2010) as it deems that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements regulating 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 take steps to comply with these regulations. Accordingly, the company requested the case be re-examined and is assessing whether to take additional action at international level. Based on the above, Salini Impregilo does not believe objective reasons currently exist to change the valuations made about this dispute.

28. Financial instruments and risk management

Classes of financial instruments

The company's financial instruments are broken down by class in the following table, which also shows their fair value:

31 December 2015 (€'000)	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair value
Financial assets								
Non-current financial assets	7	218			17,412		17,630	17,630
Trade receivables	11	1,044,914					1,044,914	1,044,914
Other current financial assets	12	482,709			638		483,347	483,347
Cash and cash equivalents	15	763,933					763,933	763,933
Total		**2,291,774**			**18,050**		**2,309,824**	**2,309,824**

31 December 2015 (€'000)	Note	Other liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total	Fair value
Financial liabilities						
Bank and other loans and borrowings	17	1,282,584			1,282,584	1,301,018
Bonds	18	406,414			406,414	556,160
Finance lease liabilities	19	109,083			109,083	109,083
Derivatives	12			10,685	10,685	10,685
Trade payables	24	899,898			899,898	899,898
Total		**2,697,979**		**10,685**	**2,708,664**	**2,876,844**

31 December 2014 (€'000)	Note	Loans and receivables	Financial assets at fair value through profit or loss	Hedging derivatives	Held-to-maturity investments	Available-for-sale financial assets	Total	Fair value
Financial assets								
Non-current financial assets	7	20,344			18,739		39,083	39,083
Trade receivables	11	1,052,391					1,052,391	1,052,391
Other current financial assets	12	435,827			99		435,926	435,926
Derivatives	12							
Cash and cash equivalents	15	380,867					380,867	380,867
Total		**1,889,429**			**18,838**		**1,908,267**	**1,908,267**

31 December 2014 (€'000)	**Note**	**Other liabilities at amortised cost**	**Financial liabilities at fair value through profit or loss**	**Hedging derivatives**	**Total**	**Fair value**
Financial liabilities						
Bank and other loans and borrowings	17	934,188			934,188	961,512
Bonds	18	404,529			404,529	427,120
Finance lease liabilities	19	125,415			125,415	125,415
Derivatives	20			293	293	293
Trade payables	24	863,255			863,255	863,255
Total		**2,327,387**		**293**	**2,327,680**	**2,377,595**

The note column gives the section in which the relevant item is described.

Reference should be made to the section on accounting policies for information on the fair value measurement of these items. Specifically, the fair value of the items is based on the present value of estimated future cash flows.

Risk management

Salini Impregilo is exposed to financial risks, including the following:

- ***market risk*** deriving from the company's exposure to interest rate fluctuations and exchange rate fluctuations;
- ***credit risk*** deriving from the company's exposure to potential losses arising from the customers' non-compliance with their obligations;
- ***liquidity risk*** deriving from the risk that the financial resources necessary to meet obligations may not be available at the agreed terms and deadlines.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk and interest rate risk.

Currency risk

Salini Impregilo's international presence entails its exposure to the risk of fluctuations in exchange rates of the Euro and the currencies of the various countries in which it operates. Currency risk at 31 December 2014 mainly related to the following currencies:

- US dollar (United States)
- SIMADI (Venezuela)
- Dirham (United Arab Emirates)
- Riyal (Qatar)
- Tenge (Kazakhstan)
- Namibian dollar (Namibia)
- Birr (Ethiopia)

The company's currency risk management strategy is essentially based on the following policies:

- agreement of contractual considerations for works and projects in countries with weak currencies using a primarily multi-currency format, in which only a portion of the consideration is expressed in local currency;
- use of portions of the contractual considerations in local currency mainly to cover project expenses to be incurred in that currency;
- analysis of exposure in US dollars on a cumulative and prospective basis with consistent deadlines

and setting up forward transactions in the same currency to hedge the company's net exposure at those deadlines.

Adoption of the above-mentioned policies has contained the company's exposure to currency risk with respect to the US dollar, the SIMADI, the Dirham, the Riyal, the Tenge, the Namibian dollar and the Birr.

Had the Euro appreciated or depreciated by 5% against the US dollar at year end, the profit before tax for the year would have been respectively lower or greater by €12.4 million, assuming that all other variables remained constant, mainly due to exchange rate gains (losses) arising from the adjustment of net assets in US dollars. A similar change at the end of the previous year would have lead to a €6.2 million decrease (increase in the case of depreciation) in the profit before tax for the year, mainly due to the exchange rate gains (losses) arising from the adjustment of net assets in US dollars.

Had the Euro appreciated or depreciated by 15% against the SIMADI at year end, the profit before tax for the year would have been respectively lower or greater by €0.6 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the Venezuelan SIMADI. A similar change at the end of the previous year would have led to a €1.7 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the UAE Dirham at year end, the profit before tax for the year would have been respectively greater or lower by €0.1 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in the UAE Dirham. A similar change at the end of the previous year would have led to a €2.5 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Qatari Riyal at year end, the profit before tax for the year would have been respectively lower or greater by €1.5 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the Qatari Riyal. A similar change at the end of the previous year would have led to a €1.0 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Kazakhstani Tenge at year end, the profit before tax for the year would have been respectively greater or lower by €0.3 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in the Kazakhstani Tenge. A similar change at the end of the previous year would have led to a €13.9 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Had the Euro appreciated or depreciated by 5% against the Namibian dollar at year end, the profit before tax for the year would have been respectively greater or lower by €10.4 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net liabilities in the Namibian dollar.

Had the Euro appreciated or depreciated by 5% against the Ethiopian Birr at year end, the profit before tax for the year would have been respectively lower or greater by €0.9 million, assuming that all other variables remained constant, mainly due to exchange rate losses (gains) arising from the adjustment of net assets in the Ethiopian Birr. A similar change at the end of the previous year would have led to a €1.0 million decrease (increase in the case of depreciation) in the profit before tax for the year.

Interest rate risk

Salini Impregilo has adopted a combined strategy of streamlining operations by disposing of non-strategic assets, containing debt and hedging interest rate risks on a portion of the non-current structured loans through interest rate swaps (IRSs).

The financial risks arising from market interest rate fluctuations to which the company is potentially exposed and which are monitored by the relevant company personnel relate to medium/long-term floating rate loans. Such risk is mitigated by interest accrued on short-term investments of liquidity available at the Italian-based consortia and consortium companies and foreign subsidiaries, which are used to support the company's operations.

Had interest rates increased (or decreased) by 75 basis points at year end, the pre-tax profit for the year would have been respectively lower or greater by €9.8 million, assuming that all other variables remained constant and without considering cash and cash equivalents. A similar change at the end of the previous year would have led to a €9.0 million decrease (or increase) in the pre-tax profit for the year, assuming that all other variables remained constant.

Credit risk

Credit risk is that deriving from the company's exposure to potential losses arising from the customers' (which are mostly governments or state bodies) non-compliance with their obligations.

Management of this risk is complex, starting as early as the assessment of offers, through a careful analysis of the characteristics of the countries in which the company's activities should be carried out and the customers, which are usually state or similar bodies, requesting an offer.

Therefore, this risk can be essentially assimilated to the country risk. An analysis of this risk based on the age of the outstanding amounts is not very meaningful, since the receivables (mostly due from state bodies) should be assessed together with the related working capital items, especially those reflecting the net exposure to customers (positive and negative work in progress, advances and payments on account) in relation to contract work in progress as a whole.

A breakdown of working capital by geographical segment is set out below:

(€'000)	31 December 2015	31 December 2014
Italy	1,010,337	775,445
Other EU countries	(11,490)	(44,850)
Other non-EU countries	(8,926)	(1,826)
America	(150,687)	(62,638)
Asia/Middle East	(385,729)	(223,446)
Rest of the world	150,957	118,642
Australia	(40,526)	(14,545)
Eliminations	(205,376)	(87,043)
Total	**358,560**	**459,739**

The reconciliation of the reclassified statement of financial position details the items included in working capital.

Salini Impregilo's exposure to customers, broken down by contract location, is analysed below:

	Trade receivables	Positive WIP	Negative WIP and advances	Total	Allowances
31 December 2015					
Italy	550,826	323,665	(242,041)	632,450	
Other EU countries	27,959	85,145	(28,495)	84,609	
Other non-EU countries	1,539	-	-	1,539	
America	250,038	244,794	(11,780)	483,052	
Asia/Middle East	75,470	61,544	(309,467)	(172,453)	
Rest of the world	132,768	223,708	(379,445)	(22,969)	
Australia	6,309	-	(32,190)	(25,881)	
Total	**1,044,909**	**938,856**	**(1,003,418)**	**980,347**	**-**
31 December 2014					
Italy	454,285	280,370	(31,006)	703,649	
Other EU countries	9,463	44,992	(34,755)	19,700	
Other non-EU countries	117	-	-	117	
America	233,196	241,922	(14,203)	460,915	
Asia/Middle East	63,544	43,366	(242,291)	(135,381)	
Rest of the world	221,489	155,141	(480,914)	(104,284)	
Australia	4,344	-	-	4,344	
Total	**986,438**	**765,791**	**(803,169)**	**949,060**	**-**

The section on the "Main risk factors and uncertainties" of the Directors' report provides information about country risk for Libya, Venezuela, Nigeria, Ukraine and Turkey.

Liquidity risk

Liquidity risk derives from the risk that the financial resources necessary to meet obligations may not be available to the company at the agreed terms and deadlines. The company's strategy aims at ensuring that each ongoing contract is financially independent. This strategy is strictly monitored centrally.

A breakdown of financial liabilities by composition and due date (based on undiscounted future cash flows) is set out below:

(€'000)	31 December 2015	31 December 2016	31 December 2019	After	Total
Current account facilities	38,916				38,916
Bonds	24,567	24,500	412,216		461,284
Bank and other loans and borrowings	437,641	193,246	341,006	90,313	1,062,205
Finance lease liabilities	42,081	18,652	46,245		106,978
Interest rate derivatives	10,685				10,685
Gross financial liabilities	**553,890**	**236,398**	**799,467**	**90,313**	**1,680,068**
Trade payables	899,898				899,898
Total	**1,453,788**	**236,398**	**799,467**	**90,313**	**2,579,966**

Future interest has been estimated based on the market interest rates at the date of preparation of these separate financial statements, summarised in the notes. The prior year figures are given below for comparative purposes:

(€'000)	31 December 2014	31 December 2015	31 December 2018	After	Total
Current account facilities	11,436				11,436
Bonds	24,500	24,567	438,797		487,864
Bank and other loans and borrowings	593,101	378,281	18,164	-	989,546
Finance lease liabilities	36,742	36,317	52,343	14	125,416
Interest rate derivatives	293				293
Gross financial liabilities	**666,072**	**439,165**	**509,304**	**14**	**1,614,555**
Trade payables	863,255				863,255
Total	**1,529,327**	**439,165**	**509,304**	**14**	**2,477,810**

Liquidity risk management is mainly based on containing debt and maintaining a balanced financial position. Loans and borrowings (principal) and trade payables (net of advances) falling due before 31 March 2016 are compared with the cash and cash equivalents that can be used to meet such obligations in the table below.

(€'000)	
Total current financial commitments	*739,476*
of which: due before 31 March 2016	419,366
Cash and cash equivalents	762,383
Difference	**343,017**

Fair value measurement hierarchy

IFRS 7 requires that the fair value of financial instruments recognised in the statement of financial position be classified using a fair value hierarchy that reflects the significance of the inputs used to determine fair value. There are three different levels:

- Level 1 - Fair values measured using quoted prices in active markets;
- Level 2 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on observable market data;
- Level 3 - Fair values measured using valuation techniques for which inputs significant to the fair value measurement are based on unobservable market data.

Financial instruments recognised by the company at fair value are classified as follows:

(€'000)	Note	Level 1	Level 2	Level 3
Derivative assets	9		-	
Derivative liabilities	17		(10,685)	
Total		**-**	**(10,685)**	**-**

There were no movements from Level 1 to Level 2 during the year or vice versa.

Income statement

29. Revenue

Revenue for 2015 amounts to €3,027.2 million, up on the previous year as follows:

(€'000)	2015	2014	Variation
Revenue	2,913,416	2,247,516	665,900
Other income	113,772	94,345	19,427
Total	**3,027,188**	**2,341,861**	**685,327**

The rise in revenue is mainly due to several large foreign contracts such as the Red Line North project in Qatar, the Riyadh Metro in Saudia Arabia and the hydroelectric plants Gibe III and GERD in Ethiopia as well as the high capacity/speed Milan-Genoa railway section.

A breakdown of revenue is as follows:

(€'000)	2015	2014	Variation
Works invoiced to customers	2,803,181	2,105,088	698,093
Services	98,006	136,012	(38,006)
Sales	12,229	6,416	5,813
Total	**2,913,416**	**2,247,516**	**665,900**

Works invoiced to customers include contractual revenue deriving from production carried out during the year, measured using the stage of completion method.

Services mainly relate to sponsorship fees and services provided to support group companies.
A breakdown of other income is given in the following table:

(€'000)	2015	2014	Variation
Other	28,501	22,784	5,717
Rent and leases	2,804	188	2,616
Staff services	7	2,339	(2,332)
Recharged costs	70,774	46,602	24,172
Insurance compensation	-	6,417	(6,417)
Gains on the disposal of non-current assets and equity investments	5,003	9,275	(4,272)
Prior year income	6,683	6,740	(57)
Total	**113,772**	**94,345**	**19,427**

30. Costs

Costs for the year amount to €2,820.6 million compared to €2,215.9 million for 2014.

They account for 93.2% of total revenue compared to 94.6% in 2014.
The item may be broken down as follows:

(€'000)	2015	2014	Variation
Purchases	340,251	256,511	83,740
Subcontracts	491,807	529,325	(37,518)
Services	1,497,050	1,020,438	476,612
Personnel expenses	275,493	251,124	24,369
Other operating expenses	69,916	53,281	16,635
Amortisation, depreciation, provisions and impairment losses	146,068	105,251	40,817
Total	**2,820,585**	**2,215,930**	**604,655**

The difference in the individual items compared to 2014 is mainly due to the different cost structures that vary from contract to contract and may, in some cases, entail changes in the industrial operating model from one year to another. Moreover, as these are large-scale infrastructural works that take several years to complete, resort to normal production factors depends on the stage of completion of each contract in any given year. These changes may generate significant variations in the percentage of the related cost categories depending on the contract and the year, while not affecting the total percentage of operating costs of total revenue.

30.1 Purchases

The cost of raw materials and consumables incurred in 2015 increased by €83.7 million to €340.3 million compared to the corresponding figure of the previous year:

(€'000)	2015	2014	Variation
Purchases of raw materials and consumables	343,964	281,774	62,190
Change in raw materials and consumables	(3,713)	(25,263)	21,550
Total	**340,251**	**256,511**	**83,740**

30.2 Subcontracts

Costs of subcontracts decreased to €491.8 million, down €37.5 million on 2014 as summarised in the following table:

(€'000)	2015	2014	Variation
Subcontracts	491,807	529,325	(37,518)
Total	**491,807**	**529,325**	**(37,518)**

30.3 Services

This item increased to €1,497.0 million, up €476.6 million on the previous year, as shown in the following table:

(€'000)	2015	2014	Variation
Consultancy and technical services	207,356	129,102	78,254
Fees to directors, statutory auditors and independent auditors	9,748	11,529	(1,781)
Employee travel costs	1,335	11,404	(10,069)
Maintenance and testing	4,422	6,448	(2,026)
Transport and customs	82,707	96,863	(14,156)
Insurance	36,216	20,180	16,036
Recharging of costs by consortia	1,039,064	656,128	382,936
Rent and leases	73,757	40,596	33,161
Charge backs	-	401	(401)
Lease payments and expenses	305	280	25
Commercial expenses	-	5,620	(5,620)
Other	42,140	41,887	253
Total	**1,497,050**	**1,020,438**	**476,612**

"Recharging of costs by consortia" increased by €383.0 million, mainly due to the variation in costs recharged by consortia and joint ventures.

The item includes Consorzio OIV Tocoma's Venezuelan contract (€233. million) and the contracts for costs recharged by the Qatari branch (€65.9 million), the Australian branch (€57.8 million) and the Saudi Arabian branch (€16.3 million).

"Consultancy and technical services" increased by €78.3 million and mainly consist of the design and construction costs incurred by the SPEs and legal and administrative consultancy fees.
A breakdown of this item is as follows:

(€'000)	2015	2014	Variation
Design and engineering services	179,376	102,266	77,110
Legal, administrative and other services	18,776	23,458	(4,682)
Testing	183	1,037	(854)
Construction	9,021	2,341	6,680
Total	**207,356**	**129,102**	**78,254**

Fees to the independent auditors, KPMG, and other companies of its network for services provided from 30 April 2015 (when the shareholders appointed them) are detailed as follows:

		Fees (€'000)
Audit	Salini Impregilo S.p.A.	1,337
	Subsidiaries	964
Total Audit		**2,301**
Other services	Salini Impregilo S.p.A.	1,370
	Subsidiaries	95
Total Other services		**1,465**
Total Salini Impregilo Group		**3,766**

For greater disclosure purposes, it should be noted that the KPMG network entities provided the Group with non-audit services for €439 thousand in the period from 1 January to 30 April 2015.

30.4 Personnel expenses

Personnel expenses for the year amount to €275.5 million, up by €24.4 million on 2014. The item is made up as follows:

(€'000)	2015	2014	Variation
Wages and salaries	199,835	193,083	6,752
Social security and pension contributions	31,680	28,129	3,551
Post-employment benefits	8,901	7,616	1,285
Other	35,077	22,296	12,781
Total	**275,493**	**251,124**	**24,369**

"Other" mainly relates to termination benefits and reimbursements of travel expenses.

The following table shows the workforce at year end and the related average number:

No.	31 December 2015	31 December 2014	2015 average
Managers	231	210	221
White collars	2,705	3,095	2,900
Blue collars	13,810	14,489	14,150
Total	**16,746**	**17,794**	**17,271**

30.5 Other operating expenses

Other operating expenses amount to €69.9 million, up €16.6 million on 2014 as follows:

(€'000)	2015	2014	Variation
Other	64,385	32,935	31,450
Non-recurring costs	5,531	20,346	(14,815)
Total	**69,916**	**53,281**	**16,635**

The increase in "Other" is mainly due to the Ethiopian branch (€17.6 million), CMI (Project Ingula) (€7.3 million) and the head office (€4.7 million).

30.6 Amortisation, depreciation, provisions and impairment losses

This item of €146.1 million shows an increase on the previous year figure of €105.3 million. It may be analysed as follows:

(€'000)	2015	2014	Variation
Impairment losses	30,965	4,778	26,187
Provisions	2,949	514	2,435
Total	**33,914**	**5,292**	**28,622**
Amortisation of intangible assets	47	86	(39)
Depreciation of property, plant and equipment	94,681	77,005	17,676
Amortisation of contract acquisition costs	17,426	22,868	(5,442)
Total amortisation and depreciation	**112,154**	**99,959**	**12,195**
Total	**146,068**	**105,251**	**40,817**

Impairment losses include €23.0 million recognised in the allowance for impairment for the amounts due from Todini Costruzioni Generali S.p.A., in line with the terms agreed in the preliminary share purchase agreement for the Todini business units signed on 14 January 2016, and the discounting of receivables from the Venezuelan branch's customers for €8.4 million given the usual late payments. The item also includes reversals of impairment losses recognised in previous years of €2.8 million following partial collection from the customer N.E.A. in Nepal.

The accrual of €2.9 million to the provision for risks and other provisions mainly refers to the head office (€1.4 million) for disputes about concessions, the Libyan branch (€1 million) for the well-known political events affecting this country and the Kazakhstan branch (approximately €0.5 million) for tax risks.

Amortisation and depreciation of €112.2 million includes depreciation of €94.7 million, up €17.7 million on the previous year, and amortisation of €17.5 million of contract acquisition costs.

31. Net financing costs

Net financing costs amount to €53.6 million compared to €113.3 million for the previous year. The item may be broken down as follows:

(€'000)	2015	2014	Variation
Financial income	29,668	39,129	(9,461)
Financial expense	(99,393)	(117,216)	17,823
Net exchange rate gains (losses)	16,092	(35,228)	51,320
Net financing costs	**(53,633)**	**(113,315)**	**59,682**

31.1 Financial income

Financial income totalled €29.7 million
(2014: €39.1 million) and is made up as follows:

(€'000)	2015	2014	Variation
Interest income on loans and receivables	**2,374**	**2,564**	**(190)**
Gains on securities	**-**	**272**	**(272)**
Interest and other income from group companies	**19,845**	**30,282**	**(10,437)**
Interest and other financial income	**7,449**	**6,011**	**1,438**
- Interest on financing	2	941	(939)
- Bank interest	3,501	1,662	1,839
- Default interest	2,664	2,205	459
- Financial discounts and allowances	38	222	(184)
- Other	1,244	981	263
Total	**29,668**	**39,129**	**(9,461)**

The decrease on the previous year is mainly due to:

- increase of €1.8 million in bank interest, mainly related to a joint venture active in the Middle East;
- decrease of €10.4 million in interest from group companies, namely:

(€'000)	2015	2014	Variation
Todini Costruzioni Generali S.p.A.	6,571	9,872	(3,301)
Consorzio C.A.V.TO.MI.	204	1,352	(1,148)
Consorzio C.A.V.E.T.	23	424	(401)
Salini Nigeria Ltd	530	4,802	(4,272)
SGF-INC S.p.A.	453	657	(204)
Salini Malaysia	1,684	4,149	(2,465)
Salini Polska	37	247	(210)
Salini Costruttori S.p.A.	84	1,499	(1,415)
Metro B1	225	151	74
Todini-Impregilo Almaty Khorgos J.V.	-	192	(192)
Gupc	6,517	4,884	1,633
Eriday	582	516	66
Co.Ge.Fin. Srl	1,143	-	1,143
Salini Namibia	721	86	635
Other	1,071	1,451	(380)
Total	**19,845**	**30,282**	**(10,437)**

31.2 Financial expense

2015 financial expense decreased by €17.8 million to €99.4 million as follows:

(€'000)	2015	2014	Variation
Intragroup interest and other expense	**(21,247)**	**(15,691)**	**(5,556)**
Interest and other financial expense	**(78,146)**	**(101,525)**	**23,379**
- Interest on bank loans and credit account facilities	(35,044)	(60,478)	25,434
- Interest on bonds	(25,965)	(25,819)	(146)
- Interest on tax liabilities	(1,188)	(1,693)	505
- Default interest	-	(155)	155
- Discounting	(131)	56	(187)
- Bank fees	(2,747)	(5,275)	2,528
- Charges on sureties	-	(74)	74
- Other loans and borrowings	(1,155)	(883)	(272)
- Factoring and leases	(5,366)	(5,969)	603
- Other	(6,550)	(1,235)	(5,315)
Total	**(99,393)**	**(117,216)**	**17,823**

Financial expense decreased by €17.8 million, mainly due to the reduction of €25.4 million in interest expense on loans and credit account facilities as a result of the lower interest rates and the renegotiation of the term loan facility, agreed in previous years to refinance the liability incurred for the takeover bid. Interest expense on the bank loans and credit account facilities of €35.0 million includes €10.7 million (2014: €16.9 million) arising from the application of the amortised cost method, which did not entail cash outflows during the year, as it was paid in full in previous years.

Interest on bonds of €26.0 million (in line with the previous year) comprises €6.9 million (2014: €6.1 million) arising from the application of the amortised cost method and the release of the PPA effects on bonds that did give rise to cash outflows.

"Other" includes €4.9 million arising form application of the amortised cost method to securities related to the operator in Colombia.

Intragroup interest and other expense (€21.2 million) on intragroup transactions relate to the following companies:

(€'000)	2015	2014	Variation
Consorzio C.A.V.TO.MI	(71)	(583)	512
Consorzio C.A.V.E.T.	-	(73)	73
Impregilo International Infrastructures N.V.	(18,066)	(10,416)	(7,650)
Healy S.A.	(112)	(56)	(56)
Impregilo Lydco	(18)	(140)	122
Co.Ge.Ma.	(16)	(138)	122
Copenaghen Metro Team I/S	(2,120)	(3,513)	1,393
Salini Namibia Proprietary L.t.d.	(494)	(598)	104
Other	(350)	(174)	(176)
Total	**(21,247)**	**(15,691)**	**(5,556)**

31.3 Net exchange rate gains

The net exchange rate gains amount to €16.1 million, a considerable improvement of €51.3 million on the previous year.

The increase is due to the Group's adoption of the official exchange rate SIMADI in the first half of 2015 replacing the SICAD II exchange rate used in the second six months of 2014 to translate its net financial assets expressed in the Venezuelan currency (the bolivar fuerte or VEF).

The Group determined that the SIMADI is the best exchange rate to translate its balances in the local currency into Euros and, hence, has adopted this exchange rate starting from the first half of 2015.

(€'000)	2015	2014	Variation
Realised exchange rate gains (losses)	(79,059)	23,608	(102,667)
Unrealised exchange rate gains (losses)	96,546	(57,476)	154,022
Net currency hedging losses	(1,395)	(1,360)	(35)
Total	**16,092**	**(35,228)**	**51,320**

32. Net losses on equity investments

Net losses on equity investments came to €114.9 million compared to €28.8 million for the previous year. They are made up as follows:

(€'000)	2015	2014	Variation
Reversals of impairment losses	-	12,230	(12,230)
- Reversals of impairment losses	-	12,230	(12,230)
Impairment losses/Provisions for investments	**(143,095)**	**(107,294)**	**(35,801)**
- Impairment losses/Provisions for investments	(143,095)	(107,294)	(35,801)
Income from investments	**28,157**	**123,855**	**(95,698)**
- Dividends	28,152	123,227	(95,075)
- Other income	21	628	(607)
Total	**(114,938)**	**28,791**	**(143,729)**

Net losses on equity investments mainly reflect the following effects:

- the dividend distribution authorised in 2015 by the subsidiaries Impregilo International Infrastructures NV, Salini Hidro and CSC SA (€27.8 million);
- the impairment losses of €143.1 million, mainly related to the subsidiaries FIBE S.p.A., Todini Costruzioni Generali S.p.A., Empresa Costrutora Metro 6 Ltda, Società Generali Fondazioni S.p.A., Grupo Unidos por el Canal and Grupo ICT II.

Note 6 provides more information about changes in the carrying amounts of the above equity investments.

33. Income tax expense

The company's income tax expense for the year is €2.3 million as follows:

(€'000)	2015	2014	Variation
Current taxes (income taxes)	29,979	39,043	(9,064)
Net deferred tax (income) expense	32,593	(18,830)	51,423
Utilisation of the provision for the national tax consolidation scheme	(67,182)	(8,031)	(59,151)
Prior year taxes	3,552	(5,050)	8,602
Total income taxes	**(1,058)**	**7,132**	**(8,190)**
IRAP	3,360	3,582	(222)
Total	**2,302**	**10,714**	**(8,412)**

An analysis and reconciliation of the theoretical income tax rate, calculated under Italian tax legislation, and the effective tax rate are set out below:

	Income tax expense €m	%
Profit before tax	**38.0**	
Theoretical tax expense	10.4	27.3%
Effect of permanent differences	31.8	83.6%
Net effect of foreign taxes	10.5	27.6%
Utilisation of the provision for the national tax consolidation scheme	(60.0)	(157.8%)
Adjustment to deferred taxes for reduction in IRES rate	3.5	9.2%
Prior year and other taxes	2.8	7.4%
Total	**(1.0)**	**(2.6%)**

The tax expense for the year is affected by the following:

- permanent differences;
- the tax asset for taxes paid abroad by the branches to the extent the company believes the conditions exist for its recovery in Italy in 2015 or subsequent years;
- net income from the national IRES consolidation agreement with other group companies;
- the adjustment to deferred tax assets to consider the new IRES rate, which will decrease to 24% on 1 January 2017 as per Law no. 208/2015.

An analysis and reconciliation of the theoretical IRAP tax rate and the effective tax rate are set out below:

	IRAP	
	€m	%
Operating profit	206.6	
Personnel expenses	275.5	
Revenue	**482.1**	
Theoretical tax expense	18.8	3.9%
Tax effect of foreign production	(14.5)	(3.0%)
Tax effect of permanent differences	(0.9)	(0.2%)
Total	**3.4**	**0.7%**

The net deferred tax expense contributes positively to the company's profit for €32.6 million, specifically for the following items:

(€'000)	
Deferred tax expense for the year	148,108
Reversal of deferred tax liabilities recognised in previous years	(50,567)
Deferred tax income for the year	(147,369)
Reversal of deferred tax assets recognised in previous years	82,421
Total	**32,593**

34. Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature.

Salini Impregilo S.p.A. has been managed and coordinated by Salini Costruttori S.p.A. since 1 January 2014.

Related party transactions carried out during the year involved 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 subcontracting;
  - services (technical, organisational, legal and administrative), carried out at centralised level;
  - financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of group companies.

  Transactions are carried out with associates in the interests of Salini 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 Costruttori S.p.A., are summarised below:

Related party (€'000)	Loans and receivables	Financial assets	Other assets	Trade payables	Financial liabilities	Total revenue	Total costs	Financing income (costs)
C.Tiburtino	4							
CEDIV S.p.A.	649					11		
Dirlan	73					11		
G.A.B.I.RE Srl	43					11		
Imm. Agricola San Vittorino	44					12		
Infernetto	5			16		6		
Iniziative Immobiliari Italiane S.p.A.	17			267				
Madonna dei Monti S.r.l		78		61		8		3
Nores	22					6		
Plus	149					11		
Salini Costruttori S.p.A.	6	12,538				76		(29)
Salini Saudi Arabia Co. L.t.d.	13							
Zeis	9	609		31		247		17
Total	**1,034**	**13,225**	**-**	**375**	**-**	**399**	**-**	**(9)**

Most of the Group's production is carried out through SPEs, set up with other partners that have participated with Salini 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 income statement are shown together with the related contract, when appropriate.

Transactions with directors, statutory auditors and key management personnel are shown below:

	2015			2014		
(€'000)	Fees and remuneration	Termination benefits and post-employment benefits	Total	Fees and remuneration	Termination benefits and post-employment benefits	Totale
Directors and statutory auditors	10,781		10,781	6,264		6,264
Key management personnel	5,114		5,114	4,389		4,389
Total	**15,895**	**-**	**15,895**	**10,653**	**-**	**10,653**

The company's production is carried out mainly through special purpose entities, which, depending on Salini Impregilo's share in their contracts, qualify as subsidiaries or associates. In many cases, they have corporate structures that directly and continuously allocate the profits and losses on contracts to their investors, including by "reallocating costs and fees". They can be considered to be "transparent" considering the original contractual relationship whereby Salini Impregilo, together with the other investors, depending on the type of organisation selected during the tender stage, is the direct counterparty of the customer and the SPE acts in its own name but on behalf of its investors, including vis-à-vis third party suppliers. Accordingly, transactions between Salini Impregilo and the SPEs, in which it has an investment, are not presented in this section but are summarised with other transactions with subsidiaries and associates in the annex "Intragroup transactions - Salini Impregilo S.p.A.".

The next table shows the impact of transactions with the above companies on the statement of financial position and the income statement (including as a percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

31 December 2015 (€'000)	**Non-current loans and receivables (1)**	**Current loans and receivables (2)**	**Current liabilities (3)**	**Revenue**	**Costs**	**Financial income**	**Financial expense**
Total - group companies	-	1,095,145	778,637	493,722	764,336	19,845	21,206
Total financial statements item	1,140,011	3,782,702	2,769,605	3,027,189	2,820,585	29,668	99,393
% of financial statements item	0.00%	29.0%	28.1%	16.3%	27.1%	66.9%	21.3%

31 December 2014 (€'000)	**Non-current loans and receivables (1)**	**Current loans and receivables (2)**	**Current liabilities (3)**	**Revenue**	**Costs**	**Financial income**	**Financial expense**
Total - group companies	81,250	1,137,972	1,010,142	250,716	511,022	22,224	15,691
Total financial statements item	1,152,099	3,239,734	2,414,615	2,341,861	2,215,930	39,128	117,216
% of financial statements item	7.05%	35.1%	41.8%	10.7%	23.1%	56.8%	13.4%

(1) The percentage of non-current loans and receivables is calculated considering total non-current
(2) The percentage of current loans and receivables is calculated considering total current assets
(3) The percentage of current liabilities is calculated considering total current

Management and coordination

In relation to the requirements of article 2.6.2.11 of the Rules of the Markets organised and managed by Borsa Italiana S.p.A., the company states that all requirements listed in article 37.1 of the Consob Regulation on Markets, have been met, as regards the quotation of shares of subsidiaries managed and coordinated by other companies. In accordance with article 2497-bis of the Italian Civil Code, the key figures from the financial statements of Salini Costruttori S.p.A. at 31 December 2014, the most recently approved financial statements, are presented below. These financial statements have been prepared in accordance with the IFRS.

2014 highlights

(€'000)	
Income statement	
Revenue	307,359
Operating profit	259,425
Profit before tax	248,300
Profit for the year	254,804
Statement of financial position	
Property, plant and equipment	449
Non-current financial assets	217,385
Total non-current assets	**217,834**
Current assets	194,031
Prepayments and accrued income	44
Total assets	**411,909**
Equity	369,924
Provisions for risks and charges	2,132
Post-employment benefits	
Liabilities	39,849
Accrued expenses and deferred income	4
Total liabilities	**41,985**
Workforce	
Managers	
White collars	
Blue collars	
Total employees at 31 December 2014	Salini Costruttori S.p.A. did not have any employees at 31 December 2014

35. Events after the reporting date

This section sets out the main events that have taken place since the reporting date and not commented on earlier in this report.

Lane Industries Incorporated
On 4 January 2016, the acquisition of 100% of Lane Industries Incorporated was finalised.

The consideration is roughly USD460 million. Salini Impregilo financed the acquisition with a bridge financing of €400 million, to be repaid in May 2017, obtained from a syndicate of five major international banks.

Lane is the top highway contractor and top private asphalt producer in the United States. It is a family-owned business with more than 100 years of history specialized in heavy civil construction and in the transportation infrastructure sector with approximately USD1.5 billion turnover, 53 active projects in more than 50 states in the US and roughly 5,000 employees.

The company has three divisions: asphalt production, road projects and other infrastructure projects, in both domestic and international markets. Thanks to its strong track record, technical experience and the strategic location of its materials plants, Lane is participating in some of the largest and most complex projects in the US, such as the highway construction in Florida, the I-4 Ultimate, a USD2.3 billion contract, in which Lane has a 30% stake.

The acquisition of Lane represents a further step by Salini Impregilo to expand in the US infrastructure market. The US construction sector will become a core market for the company, contributing roughly 21% of its total revenue.

With Lane, Salini Impregilo will be able to access a much larger pool of projects. The US transportation infrastructure market is expected to grow above GDP on the back of a recovering economy, a positive demographic trend and the pent-up demand for significant upgrades and expansions of existing infrastructure after years of underinvestment. The entry of Lane into the Group will bring significant growth opportunities, while increasing the diversification of the portfolio and improving the balance of its exposure between developed and developing markets. In March 2016, the Purple Line Transit Partners consortium, which includes Lane Construction, was selected as the best bidder for the design and construction of the Purple Line transit system worth USD2 billion.

The contract includes the construction of 21 stations along a 16-mile alignment through Montgomer and Prince George's counties in Maryland. The consortium, in which Lane has a 30% share (for USD600 million), includes Flour Enterprises Inc. and Traylor Bros Inc. and will begin construction work before the end of 2016 for a slated completion date in 2022.

High-speed/capacity Verona-Padua Railway Project
With its communication of 28 January 2016, Ansaldo STS S.p.A. informed its consortium partners of its intention to transfer its entire investment in Consorzio Iricav Due to Salini Impregilo S.p.A. and Astaldi S.p.A..

The transaction, which will allow Salini Impregilo to increase its share by 8.12%, is subject to the approval of the consortium's members and the issue of the required authorisation by the customer, R.F.I. S.p.A., without prejudice to the other consortium members' right of first option at the same conditions and in line with their current investments in the consortium.

Contribution of the Todini Costruzioni Generali S.p.A. business unit
On 3 February 2016, the consultation as per article 47 of Law no. 428/90 as subsequently amended, commenced with the company's letter dated 27 January 2016 informing the trade unions of the imminent contribution of the business unit by Todini Costruzioni Generali S.p.A. to its subsidiary HCE Costruzioni S.p.A., was completed. The contribution is part of the sale of the Todini shares to Prime System KZ Ltd, described in the previous section on "Introductory comments on the compatibility of data".

S7 Expressway - Poland
On 16 January 2016, the Group was awarded a €117 million contract to build a section of S7 Expressway south of Krakow near the border with Slovakia.

The project, which will take 22 months, includes roughly 6 kilometres of asphalt road, two interchanges with roundabouts and 21 engineering structures, among which a 992-metre bridge and a 400-metre viaduct with multiple spans. The customer is the General Directorate of National Roads and Motorways (GDDKiA).

This new contract increases the value of Salini Impregilo's order backlog in the country to over €650 million and consolidates the Group's leadership in the infrastructure sector in which the following roads are under construction: the S3 Nowa Sol - Legnica, the S8 Warsaw Bypass, the S7 Chęciny - Jędrzejów section and the A1 lot F, near Katowice.

36. Significant non-recurring events and transactions

The company's financial position, performance and cash flows were not affected by significant non-recurring events and transactions in 2015.

37. Balances or transactions arising from atypical and/or unusual transactions

Salini Impregilo did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/2015[3] during the year.

On behalf of the board of directors

Chairman

3. Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the company's assets and non-controlling interests.

Separate financial statements of Salini Impregilo S.p.A. as at and for the year ended 31 December 2015

Separate financial statements of Salini Impregilo Intragroup transactions

Assets and liabilities at 31 December 2015

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
A.Constructor J.V Kallidromo	-	-	950	-	950
Agua AZ	26,888	-	-	-	26,888
Agua BA	21,624	-	-	-	21,624
Alia	7,230	-	263,522	-	270,752
Ancipa S.c.r.l.	9,183		-	-	9,183
Angostura	115,293	-	-	-	115,293
Ariguani	285,146	-	-	-	285,146
Aurelia 98 S.c.r.l.	-	-	-	-	-
Azerb. Alat-Masalli SecT. 1C e Sect. 2	-	-	-	229,950	229,950
Barnard	-	-	-	2,406,992	2,406,992
Bocoge	-	-	-	-	-
CAO	-	-	-	1,353,788	1,353,788
Carvalho Pinto			-	-	-
Castelli	-	-	-	-	-
CAVET	141,021	-	14,359,019	-	14,500,040
CAVTOMI	86,654,419	-	-	-	86,654,419
CE.S.I.F. S.c.p.a.	-	-	-	-	-
CFT 2000	-	-	214,038	-	214,038
Cigla	-	-	-	-	-
CIV	121,872	-	445,014	-	566,886
CMT IS	86,218	-	-	-	86,218
Co.Ge.Fin. Srl	75,325		17,049,760	-	17,125,085
Co.Ge.Ma.	16,724	-	262,038	-	278,762
COCIV	90,316,216	-	-	-	90,316,216
COMAR	-	-	38,195	-	38,195
Con.Sal. S.c.n.c. in liquidation	-	-	-	-	-
Congr 91	-	-	-	-	-
CONS. OHL	3,230,324	-	-	-	3,230,324
Consorcio Cigla-Sade	160,373	-	1,473,533	-	1,633,906
Consorcio Contuy Medio	-	-	601,875	-	601,875
Consorcio Grupo Contuy-Proyectos y Ob. De F.	-	-	76,665	-	76,665
Consorcio OIV-TOCOMA	387,889	-	119,316,993	6,799,621	126,504,503
Consorcio Serra do Mar	2,302	-	-	358,888	361,190
Consorcio V.S.T. Tocoma	-	-	6,145	-	6,145
Consorcio VIT Tocoma	-	-	3,057,484	-	3,057,484
Consorzio 201 Quintai	3,800	-	-	-	3,800
Consorzio Casertano	263	-	-	-	263
Consorzio Costral in liquidation	71,633	-	-	-	71,633
Consorzio Costruttori TEEM	419	-	-	-	419
Consorzio EPC	602,435	-	755,202	-	1,357,637
Consorzio FAT	73,851	-	-	-	73,851
Consorzio Iricav Due	3,782,569	-	-	-	3,782,569
Consorzio Miteco	-	-	-	-	-
Consorzio MM4	403,866	-	-	-	403,866
Consorzio NOG.MA	-	-	-	-	-
Consorzio Pedelombarda 2	472,733	-	-	-	472,733
Consorzio San Cristoforo	-	-	-	-	-
Consorzio TAT-Tunnel Alp Transit Ticino	44,214	-	271,866	856,022	1,172,102
Consorzio TRA.DE.CI.V.	223,062	-	-	-	223,062

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
-	-	-	-	-	950
-	-	-	-	-	26,888
38,451	-	-	-	38,451	(16,827)
-	-	-	-	-	270,752
-	-	-	-	-	9,183
-	-	313,700	-	313,700	(198,407)
-	-	-	-	-	285,146
16,121	-	-	-	16,121	(16,121)
-	-	-	-	-	229,950
-	-	-	-	-	2,406,992
-	-	2,584,399	-	2,584,399	(2,584,399)
-	-	355,148	-	355,148	998,640
	-	-	310,252	310,252	(310,252)
-	-	29,538	-	29,538	(29,538)
931,704	-	-	-	931,704	13,568,336
13,595,578	-	8,215,744	60,441	21,871,763	64,782,656
22,749	-	-	-	22,749	(22,749)
-	-	-	-	-	214,038
2,935	-	507,526	-	510,461	(510,461)
-	-	-	-	-	566,886
-	-	28,023,485	-	28,023,485	(27,937,267)
-	-	-	-	-	17,125,085
1,772,249	-	-	-	1,772,249	(1,493,487)
129,330,890	-	-	-	129,330,890	(39,014,674)
-	-	-	-	-	38,195
-	-	109,277	-	109,277	(109,277)
-	-	6,314	-	6,314	(6,314)
-	-	1,447	-	1,447	3,228,877
-	-	-	-	-	1,633,906
-	-	-	-	-	601,875
-	-	-	-	-	76,665
183,660	-	-	-	183,660	126,320,843
-	-	221,765	-	221,765	139,425
-	-	-	-	-	6,145
-	-	-	-	-	3,057,484
-	-	-	-	-	3,800
-	-	-	-	-	263
-	-	-	-	-	71,633
418	-	-	-	418	1
-	-	-	-	-	1,357,637
-	-	-	-	-	73,851
15,782,905	-	-	-	15,782,905	(12,000,336)
6,951	-	-	-	6,951	(6,951)
1,113,808	-	-	-	1,113,808	(709,942)
36,077	-	-	-	36,077	(36,077)
259,316	-	-	-	259,316	213,417
35,609	-	-	-	35,609	(35,609)
-	-	-	936,779	936,779	235,323
175,505	-	-	-	175,505	47,557

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
Consorzio Tre Esse	-	-	-	-	-
Consorzio VIT Caroni Tocoma	-	-	29,045	-	29,045
Corav	-	-	-	-	-
Corso del Popolo	52,451	-	-	-	52,451
Corso del Popolo Engineering	674,582	-	-	-	674,582
CSC	21,500	-	-	-	21,500
Diga Ancipa S.c.r.l.	4,132	-	-	-	4,132
Donati	215,258	-	-	-	215,258
E.R. Impregilo/Dumez y Asociados para Yaciretê	14,384,358	-	-	-	14,384,358
Eurolink S.c.p.a.	10,415,448		-	-	10,415,448
Eurotech	-	-	27,710	-	27,710
Executive J.V. Impregilo S.p.A. Terna S.A.	-	-	8,181	-	8,181
FIBE	984,310	-	12,998,030	-	13,982,340
Fisia Ambiente S.P.A	1,713,248	-	-	-	1,713,248
Fisia Italimpianti S.p.A	198,070		-	-	198,070
G.T.B. S.c.r.l.	297,631	-	-	-	297,631
Galfar Salimp Cimolai JV	2,123,293		-	-	2,123,293
Galileo S.c.a.r.l.	39,536	-	-	-	39,536
Gaziantep Hastane Saglik	-		315,000	-	315,000
Gestione Napoli	-	-	17,520	-	17,520
Group. d'entreprises Salini Strabag (Guinea)	-	-	208,953	-	208,953
Groupment Todini Enaler	7,263,421	-	-	-	7,263,421
Grupo Empresas Italianas - GEI	-	-	503,252	-	503,252
GUP Canal	31,985,229	-	-	-	31,985,229
Healy	302,716	-	1,353,465	-	1,656,181
I INT IN	125,853	-	-	-	125,853
ICT II	2,928,232	-	9,967,000	-	12,895,232
IGL Arabia	393,721	-	-	323,035	716,756
IGL-SK-GALFAR	13,993,153	-	10,364,684	10,160,532	34,518,369
Iglys	432	-	529	-	961
ILIM	-	-	-	-	-
Imprefeal	-	-	205,024	-	205,024
Impregilo-Healy UTE	466,957	-	871,773	1,903,582	3,242,312
Imprepar	46,156	-	11,290,274	-	11,336,430
INC Algeria	-	-	-	-	-
Incave	7	-	-	-	7
IS JV	781,219	-	-	365,823	1,147,042
Isarco S.c.r.l.	1,507,910	-	-	-	1,507,910
J.V.Salini Necso	88,004	-	-	-	88,004
Joint Venture Aktor Ate - Impregilo S.p.A.	12,063	-	-	-	12,063
Joint Venture Aktor S.A. - Impregilo S.p.A.	-	-	332	-	332
Joint Venture Impregilo S.p.A. - Empedos S.A. - Ak	1,498,407	-	529,413	-	2,027,820
Joint Venture Salini-Acciona (Ethiopia)	1,550,856	-	-	-	1,550,856
JV Todini - Kutaisi	-	-	3,091	-	3,091
JV Todini - Akkord - Salini	6,859,726	-	-	-	6,859,726
JV_IGL_SGF	1,227,313	-	7,962,536	-	9,189,849
KAYI - Salini - Samsung - JV	624,238	-	-	-	624,238
La Quado S.c.a.r.l.	519,479	-	-	-	519,479
Lambro Scrl	169,664	-	134	-	169,798
Librino	1,808	-	-	-	1,808
LIBYAN LEC	687,876	-	264,744	-	952,620
Lidco	269,174	-	372,759	-	641,933
Line 3 Metro Stations	285,377	-	-	-	285,377

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
260,695	-	-	-	260,695	(260,695)
-	-	-	-	-	29,045
82,696	-	-	-	82,696	(82,696)
-	-	-	-	-	52,451
-	-	-	-	-	674,582
10,571	-	-	-	10,571	10,929
-	-	-	-	-	4,132
174,472	-	7,478	-	181,950	33,308
59,878	-	-	8,680,019	8,739,897	5,644,461
17,252,895	-	-	-	17,252,895	(6,837,447)
-	-	-	-	-	27,710
-	-	-	-	-	8,181
-	-	-	-	-	13,982,340
18,245	-	4,973,475	-	4,991,720	(3,278,472)
-	-	8,031,174	-	8,031,174	(7,833,104)
98,238	-	-	-	98,238	199,393
-	-	-	100,243	100,243	2,023,050
-	-	-	-	-	39,536
-	-	-	-	-	315,000
-	-	-	-	-	17,520
-	-	-	-	-	208,953
-	-	-	-	-	7,263,421
-	-	-	-	-	503,252
367	-	-	-	367	31,984,862
13,450,047	-	14,409,538	-	27,859,585	(26,203,404)
-	-	114,925,391	-	114,925,391	(114,799,538)
688,187	-	231,481	-	919,668	11,975,564
475,964	-	-	-	475,964	240,792
1,160,705	-	-	-	1,160,705	33,357,664
48,047	-	-	-	48,047	(47,086)
-	-	3,803,361	-	3,803,361	(3,803,361)
-	-	-	-	-	205,024
-	-	-	191,662	191,662	3,050,650
-	-	478,171	-	478,171	10,858,259
122,238	-	-	-	122,238	(122,238)
-	-	16,116	-	16,116	(16,109)
-	-	2,707,240	-	2,707,240	(1,560,198)
4,714,444	-	-	-	4,714,444	(3,206,534)
-	-	-	-	-	88,004
-	-	-	-	-	12,063
-	-	-	-	-	332
-	-	-	-	-	2,027,820
1,304,310	-	-	-	1,304,310	246,546
-	-	-	-	-	3,091
-	-	-	-	-	6,859,726
4,840	-	-	2,138,377	2,143,217	7,046,632
-	-	-		-	624,238
2,084,803	-	-	-	2,084,803	(1,565,324)
5,667	-	-	-	5,667	164,131
-	-	-	-	-	1,808
680,641	-	-	-	680,641	271,979
212,235	-	18,313,328	-	18,525,563	(17,883,630)
-	-	-	175,434	175,434	109,943

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
M.N. 6 S.c.r.l.	455,204	-	-	-	455,204
Mazar	-	-	-	171,702	171,702
Metro 6	2,794,009	-	33,729,080	-	36,523,089
Metro B Srl	-	-	-	-	-
Metro B1	6,638,508	-	3,821,359	-	10,459,867
Metro Blu	19,920,693	-	-	-	19,920,693
Metro de Lima Linea 2 S.A.	276,246		-	-	276,246
Metrogenova S.c.r.l.	9,495	-	-	-	9,495
Metropolitana di Napoli S.p.A.	85,245	-	-	-	85,245
New Cros	3,200	-	1,464,677	-	1,467,877
Pantano S.c.r.l. (10,5%)	-	-	-	-	-
Passante di Mestre S.c.p.A.	2,214,057		-	-	2,214,057
Passante Dorico S.p.A.	71,686	-	36,643	-	108,329
Pedelombarda S.c.p.a.	21,232,517		-	-	21,232,517
Pedemontana Veneta S.p.A.	75,130	-	197,738	-	272,868
Perugia 219	73,851	-	-	-	73,851
PGH Ltd	73,019	-	3,918,729	-	3,991,748
Pietrarossa S.c.r.l.	4,132		-	-	4,132
Piscine dello Stadio	81,683	-	-	-	81,683
Puentes	9,599,930	-	-	-	9,599,930
RC Scilla	27,523,065	-	761,123	-	28,284,188
Rimati	40,484	-	-	-	40,484
Risalto Srl RM in liquidation	200	-	-	-	200
Risalto Srl	440	-	-	-	440
Riviera S.c.r.l.	306,286	-	-	-	306,286
Rivigo	141,396	-	-	-	141,396
Romania Sibiu	-	-	-	-	-
S Leonardo Due	-	-	1,066	-	1,066
S Leonardo Due	6,197	-	-	-	6,197
S Martino	8,013	-	-	-	8,013
S. Anna Palermo S.c.r.l.	-	-	-	-	-
S.I.MA. GEST 3 S.c.r.l.	-	-	-	-	-
S.Ruffillo S.c.a.r.l.	-	-	-	-	-
Sa.Co.Lav. S.c.a.r.l.	-	-	-	-	-
SA_RC	94,689,218	-	-	-	94,689,218
Sabrom	44,633	-	-	-	44,633
Salimp Cleveland	120,990	-	4,133,370	-	4,254,360
Salini Australia	71,714	-	3,452,836	-	3,524,550
Salini Bulgaria AD	1,236,728	-	1,085,787	-	2,322,515
Salini Impregilo - Salini Insaat - NTF J.V - Branch	1,630,919	-	10,394,000	-	12,024,919
Salini India Private	518,117	-	-	-	518,117
Salini Ins.Taah.San.Ve Tik. Anonim Sirketi	315	-	660,573	-	660,888
Salini Kolin Cgf Joint Venture	-	-	-	-	-
Salini Malaysia Head Office	147,652	-	9,649,131	-	9,796,783
Salini Namibia	19,194,132	-	106,176	-	19,300,308
Salini Nigeria Ltd	11,840,226	-	17,174,827	-	29,015,053
Salini Polska Sp.	6,441,057	-	37,160	-	6,478,217
SAMA Scarl in liquidation	-	-	-	-	-
San Giorgio Caltagirone S.c.r.l.	2,582	-	-	-	2,582
Sapin	-	-	-	-	-
Sarmento S.c.r.l.	4,200	-	490,703	-	494,903
Scilla	-	-	-	-	-

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
842,532	-	-	-	842,532	(387,328)
-	-	-	-	-	171,702
-	-	-	-	-	36,523,089
-	-	-	7,878,000	7,878,000	(7,878,000)
32,467,172	-	-	-	32,467,172	(22,007,305)
11,064,934	-	-	-	11,064,934	8,855,759
-	-	-	-	-	276,246
36,465	-	-	-	36,465	(26,970)
67,970	-	-	-	67,970	17,275
112,407	-	-	-	112,407	1,355,470
1,001	-	-	-	1,001	(1,001)
754,690	-	-	-	754,690	1,459,367
-	-	-	-	-	108,329
14,222,736	-	-	-	14,222,736	7,009,781
-	-	-	-	-	272,868
-	-	-	-	-	73,851
18,274	-	-	-	18,274	3,973,474
-	-	-	-	-	4,132
-	-	-	-	-	81,683
2,305	-	-	10,491	12,796	9,587,134
44,739,300	-	-	-	44,739,300	(16,455,112)
2,977,732	-	-	-	2,977,732	(2,937,248)
-	-	-	-	-	200
-	-	-	-	-	440
828,655	-	-	-	828,655	(522,369)
-	-	-	-	-	141,396
3,263	-	-	-	3,263	(3,263)
-	-	-	-	-	1,066
-	-	-	-	-	6,197
-	-	-	-	-	8,013
92,333	-	-	-	92,333	(92,333)
162,355	-	-	-	162,355	(162,355)
17,942,551	-	-	-	17,942,551	(17,942,551)
-	-	38,040	-	38,040	(38,040)
112,685,779	-	-	-	112,685,779	(17,996,561)
-	-	161,740	-	161,740	(117,107)
-	-	47,808	-	47,808	4,206,552
46,505	-	-	-	46,505	3,478,045
-	-	-	-	-	2,322,515
-	-	-	-	-	12,024,919
-	-	-	-	-	518,117
-	-	-	-	-	660,888
-	-	4,294,000	-	4,294,000	(4,294,000)
128,488	-	-	-	128,488	9,668,295
-	-	359,000	349	359,349	18,940,959
1,138,160	-	-	-	1,138,160	27,876,893
7,853,634	-	-	-	7,853,634	(1,375,417)
-	-	58,571	-	58,571	(58,571)
-	-	-	-	-	2,582
-	-	8,755	-	8,755	(8,755)
-	-	-	-	-	494,903
3,938,969	-	-	-	3,938,969	(3,938,969)

	Trade receivables	Non-current financial assets	Current financial assets	Other current assets	Total assets
Sclafani S.c.r.l.	2,582	-	-	-	2,582
SFI leasing	-	-	-	-	-
SGF INC	67,544	-	9,238,585	-	9,306,129
SGF-FL VEN	2,555	-	-	-	2,555
SHIMMICK	133,328	-	-	7,165,339	7,298,667
Sipem	-	-	500,532	-	500,532
Sirjo S.c.p.A.	1,652,686	-	-	-	1,652,686
Sistranyac S.A.	-	-	50	-	50
SNFCC	2,342,368	-	-	8,001,158	10,343,526
SO.C.E.T. Società Costruttori Edili Toscani	-	-	-	-	-
Società di progetto consortile per azioni M4	1,921,266	-	-	-	1,921,266
SPV Linea M4 S.p.A.	153,401	-	-	-	153,401
Suropca	-	-	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	-	-	1,184,272	168,804	1,353,076
Thessaloniki Metro	2,871,364	-	-	-	2,871,364
Thessaloniki Metro CW	2,025,034	-	-	965,587	2,990,621
Todini Filiale Dubai	7,291,225	-	-	-	7,291,225
Todini Filiale Tunisia	32,121	-	-	-	32,121
Todini Sede	10,021,735	-	106,889,979	-	116,911,714
Tokwe Mukorsi Dam	61,137,644	-	-	-	61,137,644
Torre	19,783	-	-	-	19,783
Trincerone Ferroviario	-	-	4,097	-	4,097
Ucraina Kiev-chop	76,124	-	-	-	76,124
VE.CO. S.c.r.l.	-	-	-	-	-
Vegas	35,996	-	-	2,200,720	2,236,716
Vittoria	1,808	-	-	-	1,808
Western Station JV	-	-	-	1,884,182	1,884,182
Yarull	24,240	-	-	1,712,779	1,737,019
Total Group companies	**609,439,673**	**-**	**424,418,241**	**47,028,504**	**1,080,886,418**
C. Tiburtino	4,164	-	-	-	4,164
CEDIV SPA	649,324	-	-	-	649,324
Dirlan	72,513	-	-	-	72,513
G.A.B.I.RE. Srl	42,762	-	-	-	42,762
Imm. Agricola San Vittorino	43,920	-	-	-	43,920
Infernetto Srl	5,174	-	-	-	5,174
Iniziative Immobiliari Italiane S.p.A.	16,693				16,693
Madonna dei Monti Srl	-	-	77,751	-	77,751
Nores	22,277	-	-	-	22,277
Plus	149,015	-	-	-	149,015
Salini Costruttori	5,815	-	12,538,019	-	12,543,834
Salini Saudi Arabia Company Ltd	12,702	-	-	-	12,702
Zeis	9,257	-	609,114	-	618,371
Total other related parties	**1,033,616**	**-**	**13,224,884**	**-**	**14,258,500**
Total	**610,473,289**	**-**	**437,643,125**	**47,028,504**	**1,095,144,918**

Trade payables	Bank and other loans	Current portion of bank loans and current account facilities	Other current liabilities	Total liabilities	Net balance
-	-	-	-	-	2,582
-	-	-	230,856	230,856	(230,856)
157,703	-	-	-	157,703	9,148,426
1,568,537	-	-	-	1,568,537	(1,565,982)
2,736,118	-	-	-	2,736,118	4,562,549
-	-	-	-	-	500,532
9,941,862	-	-	-	9,941,862	(8,289,176)
-	-	-	-	-	50
-	-	-	-	-	10,343,526
106,287	-	-	-	106,287	(106,287)
1,332,774	-	-	-	1,332,774	588,492
-	-	-	-	-	153,401
-	-	808,597	-	808,597	(808,597)
-	-	-	-	-	1,353,076
-	-	-	1,262,701	1,262,701	1,608,663
2,922	-	-	-	2,922	2,987,699
-	-	-	-	-	7,291,225
-	-	-	-	-	32,121
1,675,447	-	-	-	1,675,447	115,236,267
11,980,555	-	21,925,951	-	33,906,506	27,231,138
5,215,941	-	-	-	5,215,941	(5,196,158)
-	-	-	-	-	4,097
-	-	-	-	-	76,124
138,527	-	-	-	138,527	(138,527)
504,287	-	-	-	504,287	1,732,429
-	-	-	-	-	1,808
26,399,764	-	-	-	26,399,764	(24,515,582)
-	-	214,779	-	214,779	1,522,240
520,104,045	**-**	**236,182,337**	**21,975,604**	**778,261,986**	**302,624,432**
-	-	-	-	-	4,164
-	-	-	-	-	649,324
-	-	-	-	-	72,513
-	-	-	-	-	42,762
-	-	-	-	-	43,920
16,050	-	-	-	16,050	(10,876)
266,464				266,464	(249,771)
61,394	-	-	-	61,394	16,357
-	-	-	-	-	22,277
-	-	-	-	-	149,015
-	-	-	-	-	12,543,834
-	-	-	-	-	12,702
31,293	-	-	-	31,293	587,078
375,201	**-**	**-**	**-**	**375,201**	**13,883,299**
520,479,246	**-**	**236,182,337**	**21,975,604**	**778,637,187**	**316,507,731**

Revenue and costs for 2015

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
A.Constructor J.V Kallidromo	-	407	-	-	-
Adiyan Water Treatment Plant	2,524	13,443	-	-	-
Agua AZ	276,403	7,600	-	-	-
Alia	-	1,808	-	-	-
Ancipa S.c.r.l.	-	11,584	-	-	-
Angostura	33,037	8,000	-	-	-
ANM	-	314,092	-	-	7,296,853
Ariguani	1,889,029	38,760	-	-	-
Azerb. Alat-Masalli SecT. 1C e Sect. 2	677	-	-	-	-
Bernard	3,316,036	-	-	-	3,083,235
Bocoge	30,000	-	-	-	-
Carvalho Pinto	1,360,016	-	-	-	1,182,280
Castelli	-	-	-	-	-
CAVET	19,881	200,601	-	-	2,907,262
CAVTOMI	90	94,243	-	-	4,471,239
CE.S.I.F. S.c.p.a.	-	-	-	-	22,330
CFT 2000	-	-	-	-	-
Cigla	-	-	-	-	-
CIV	56,200	11,364	-	-	-
Civil Work	-	7,118,889	-	-	-
CMC-Mavundla-IGL JV	-	3,996,049	-	-	-
CMT IS	-	2,328,173	-	-	-
Co.Ge.Fin s.r.l.	11,309	-	-	-	-
Co.Ge.Ma.	284,000	191,060	-	-	2,584,716
COCIV	367,009	1,895,374	-	-	190,026,101
COMAR	-	-	-	-	-
Congr 91	-	-	-	-	-
CONS. OHL	191,941	180,647	-	-	-
Consorcio Cigla-Sade	-	-	-	-	-
Consorcio Contuy Medio	-	-	-	-	216
Consorcio Grupo Contuy-Proyectos y Ob. De F.	1,422	-	-	-	88,013
Consorcio OIV-TOCOMA	282,990,214	3,800	-	-	283,545,919
Consorcio Serra do Mar	1,884,948	66,454	-	-	1,666,598
Consorcio VIT Tocoma	-	-	-	-	2,644
Consorzio 201 Quintai	-	3,800	-	-	-
Consorzio Costral in liquidation	11,309	-	-	-	-
Consorzio Costruttori TEEM	-	-	-	-	3,880
Consorzio EPC	-	523,108	-	-	-
Consorzio FAT	11,309	-	-	-	-
Consorzio Iricav Due	-	362,903	-	-	10,047,143
Consorzio Miteco	-	-	-	-	6,951
Consorzio MM4	55,426	172,618	-	-	1,190,858
Consorzio Pedelombarda 2	-	3,800	-	-	185,466
Consorzio TAT-Tunnel Alp Transit Ticino	4,382,001	-	-	-	-
Consorzio VIT Caroni Tocoma	3,292	-	-	-	-
Constr. of Inn. Sout. Expre. (ISEX)	5,220	2,130	-	-	-
Corav	-	-	-	-	49,350
Corso del Popolo	11,309	-	-	-	-

	Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
	-	-	-	-	-
	-	-	-	1,358	-
	-	-	-	-	-
	-	-	-	11,699	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	719	-
	-	-	229,950	-	-
	-	-	-	-	-
	-	-	-	-	2,173
	-	-	-	-	-
	-	-	-	-	18
	-	-	-	22,793	-
	-	-	-	204,258	70,726
	-	-	-	-	-
	-	-	-	9,518	-
	-	-	-	-	16,468
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	2,120,249
	-	-	-	1,143,045	-
	-	-	-	39,034	16,242
	-	-	-	-	-
	-	-	-	1,696	-
	-	-	-	-	5
	-	-	-	-	-
	-	-	-	65,418	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	157	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	1,396	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	441	-
	-	-	-	-	-
	-	-	-	-	-

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
CSC	87,263	43,000	-	-	-
Dev. Engin. infras. to Idu ind. area and Kar res. dist. Ab	9,702	2,146	-	-	-
Diga Ancipa S.c.r.l.	-	4,132	-	-	-
District 1 Development	1,069	2,816	-	-	-
Donati	-	-	-	-	2,826
E.R. Impregilo/Dumez y Asociados para Yaciretê	-	-	-	-	3,504,725
Eurolink S.c.p.a.	60,000	214,437	-	-	548,021
Eurotech	-	-	-	-	-
FIBE	50,000	331,164	-	-	-
Filiale Bielorussia	-	-	-	-	-
Fisia Ambiente S.P.A	66,748	171,973	-	-	-
Fisia Italimpianti S.p.A	66,475	118,070	-	-	-
G. W. Trans. to Fed. Cap. Ter. Lot A Dam and Aa. W.	-	14,194	-	-	-
Galfar Salimp Cimolai JV	-	834,867	-	-	-
Galileo scarl	11,309	-	-	-	-
Georgia Zestaponi	256,668	-	-	-	-
Ghazil JV	-	9,106	-	-	-
Grupo Empresas Italianas - GEI	351,247	-	-	-	17,387
GUP CANAL	8,212,772	375,266	-	-	-
Healy	-	1,142,046	845	-	6,651,791
I INT IN	-	454,237	-	-	-
ICT II	1,479	189,045	-	-	-
IGL Arabia	102,611	16,843	-	810,891	-
IGL-SK-Galfar	2,071,033	14,590,476	26,597	-	43,217
Iglys	-	-	-	-	163,743
Impregilo-Healy UTE	650,036	53,200	-	-	-
Imprepar	125,000	583,942	-	-	-
Incave	-	-	-	-	-
IS JV	-	8,096,813	-	-	-
Isarco S.c.r.l.	186,405	1,018,890	-	-	5,635,400
JV Todini - Kutaisi	-	2,992	-	-	-
JV Todini - Samtredia	263,025	15,593	-	-	-
JV Todini - Akkord - Salini	-	64,857	-	-	-
JV_IGL_SGF	20,129	-	-	-	-
KAYI - Salini - Samsung - JV	611,888	-	-	-	-
Kazakhstan Almaty Khorgos	43,380,756	2,113,825	-	-	36,069,672
Kazakistan kyzylorda I 9-14	7,542	-	59,707	-	-
La Quado S.c.a.r.l.	270,724	148,002	-	-	3,007,778
Lambro Scrl	-	-	-	-	12,945
Librino	-	1,808	-	-	-
LIBYAN LEC	225,817	-	-	-	162,795
Lidco	594	6,400	-	-	-
Line 3 Metro Stations	61,445	-	-	-	182,454
M.N. 6 S.c.r.l.	-	-	-	-	180,000
M2 Lima	-	1,364,271	-	-	-
Metro 6	508	14,700	-	-	-
Metro B1	-	232,652	-	-	8,146,296
Metro Blu	46,500	695,965	-	-	33,631,351
Metrogenova S.c.r.l.	35,415	-	-	-	1,455,174
Millennium Park	497	497	-	-	-
Napoli Alifana	-	2,959	-	-	-
New Cros	-	6,400	-	-	192,260
Nigeria Cultural Centre and Mill. Tower	3,531	12,828	-	-	-

	Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
	-	-	-	-	-
	-	-	-	617	-
	-	-	-	-	-
	-	-	-	269	-
	-	-	-	-	6
	-	-	-	582,467	-
	-	-	-	-	-
	-	-	-	1,230	-
	-	-	-	-	595
	-	-	57,000	-	-
	-	-	-	-	4,612
	-	-	-	-	2,884
	-	-	-	741	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	6,516,943	-
	1,577,309	40,303	-	38,846	111,616
	-	-	-	-	18,065,754
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	75,690	-
	-	-	-	-	-
	-	-	-	-	17
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	99	-
	-	-	1,595,557	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	4,037,270	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	18,047
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	224,974	10,735
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	47	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	6,127	-

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
Passante di Mestre S.c.p.A.	16,984	103,338	-	-	1,666,275
Passante Dorico S.p.A.	-	128,499	-	-	-
Pedelombarda S.c.p.a.	50,000	449,059	-	-	25,200,649
Perugia 219	11,309	-	-	-	-
PGH Ltd	296	3,211	-	-	-
Pietrarossa S.c.r.l.	-	4,132	-	-	-
Piscine dello Stadio	11,309	-	-	-	-
Puentes	-	-	-	-	-
RC Scilla	10,000	209,894	-	-	15,828,032
Rimati	-	-	-	-	1,408,552
Riviera S.c.r.l.	-	-	-	-	65,000
Rivigo	1,592	14,294	-	-	-
S Leonardo due	-	-	-	-	-
S Leonardo due	-	6,197	-	-	-
S.Ruffillo S.c.a.r.l.	-	-	-	-	22,187
Sa.Co.Lav. S.c.a r.l.	-	-	-	-	-
SA_RC	10,000	189,923	-	-	18,717,457
Sabrom	40,000	36,500	-	-	-
Salimp Cleveland	-	282,884	-	-	-
Salini Australia	-	8,488	971	-	-
Salini Bulgaria	-	-	-	-	-
Salini Hydro Sede	-	-	-	-	-
Salini Impregilo - Salini Insaat - NTF J.V - Branch	-	1,376,580	-	-	-
Salini India Private	462	32,778	-	-	-
Salini Ins.Taah.San.Ve Tik. Anonim Sirketi	-	-	-	-	-
Salini Malaysia Head Office	2,755,414	2,119,786	-	-	34,209
Salini Namibia	3,078,395	5,094,129	-	-	-
Salini Nigeria Ltd	1,722,348	4,709,428	-	-	-
Salini Polska Sp.	-	2,173,363	-	-	13,296,547
Salini Russia 00	-	-	-	-	-
Salini Usa Inc	-	-	-	-	-
SAMA Scarl in liquidation	-	-	-	-	-
San Giorgio Caltagirone S.c.r.l.	-	2,582	-	-	-
Sarmento S.c.r.l.	-	-	-	-	-
SCILLA	-	-	-	-	12,327
Sclafani S.c.r.l.	-	2,582	-	-	-
SFI leasing	2,600,514	-	-	-	2,704,779
SGF INC	225,631	351,935	-	601,548	-
SGF-FL VEN	-	26	-	675,231	-
SHIMMICK	36,969,217	-	-	-	32,365,087
Sirjo S.c.p.A.	-	178,388	-	-	1,001,201
SNFCC	2,078,980	65,710	-	-	-
Società di progetto consortile per azioni M4	147,780	218,941	-	-	761,037
SPV Linea M4 S.p.A.	160	245,480	-	-	-
Stazione Tribunale	-	-	-	-	11,727
Suleja Minna Dualisation	5,765	167	-	-	-
Suropca	-	-	-	-	-
Tangenziale Esterna di Milano S.p.A.	-	16,790	-	-	-
TB Metro in liquidation	-	-	-	-	-
TCA - Almaty - Ust' Karemogosk Km 77-118	-	621	-	-	-
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A	-	-	-	-	80,570
Thessaloniki Metro CW	8,622,436	-	-	-	4,889,470
Todini Filiale Dubai	214,882	-	-	-	-

Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	15,288	-
-	-	-	-	-
-	-	-	-	-
-	-	111,754	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	570	-
-	-	-	-	-
-	-	-	47	-
-	-	-	-	7
-	-	-	-	-
-	-	-	-	1,803
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	150,823	-
-	-	-	50,790	-
-	-	-	47,662	25,489
-	-	-	-	-
-	-	-	5,449	-
-	-	-	9,425	-
-	-	-	1,683,935	339
-	-	-	720,677	494,452
-	-	-	529,877	-
-	-	-	37,160	-
-	-	-	42,301	-
-	-	-	32,297	-
-	-	-	-	3,152
-	-	-	-	-
-	-	-	21,785	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	453,901	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	351,998	-
-	-	-	-	-
-	-	-	-	-
-	-	-	261	-
-	-	-	-	7,309
-	-	-	-	-
-	-	18,760	24,870	-
-	-	621	-	-
-	-	(80,570)	-	-
-	-	-	-	-
-	-	-	-	-

	Revenue	Other revenue and income	Purchases	Subcontracts	Services
Todini Italia Altre	1,673,744	59,232	-	-	-
Todini Sede	226,256	238,796	-	-	2,198,000
Tokwe Mukorsi Dam	5,665,676	124,056	-	-	-
Torre	-	-	-	-	111,539
Trincerone Ferroviario	-	-	-	-	-
Tunisia - Autoroute Sfax - Gabes	130,173	-	-	-	-
Tunisia Oued-Zarga	13,921	-	-	-	-
Ucraina Karkiv	2,344,221	-	-	-	-
Variante di valico	-	96,083	-	-	-
Vegas	259,365	942,482	124,467	-	139,801
Vittoria	-	1,808	-	-	-
Western Station JV	-	-	-	-	25,919,121
Yarull	553	14,000	-	-	-
Total group companies	**423,320,173**	**70,003,281**	**212,587**	**2,087,670**	**754,402,456**
CEDIV SPA	11,309	-	-	-	-
Dirlan	11,309	-	-	-	-
G.A.B.I.RE. Srl	11,309	-	-	-	-
Imm. Agricola San Vittorino	12,000	-	-	-	-
Infernetto Srl	5,655	-	-	-	-
Madonna dei Monti Srl	8,000	-	-	-	-
Nores	5,655	-	-	-	-
Plus	11,000	-	-	-	-
Salini Costruttori	70,000	5,815	-	-	-
Zeis	150,000	96,870	-	-	-
Total other related parties	**296,237**	**102,685**	**-**	**-**	**-**
Total	**423,616,410**	**70,105,966**	**212,587**	**2,087,670**	**754,402,456**

Personnel expense	Other operating expenses	Amortisation, depreciation, provisions and impairment losses	Financial income	Financial expense
-	-	-	-	-
-	-	-	6,571,048	9,582
-	-	-	78,731	149,706
-	-	-	972	-
-	-	-	182	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,068	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,622,377	**40,303**	**5,970,342**	**19,779,631**	**21,131,986**
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,191	-
-	-	-	-	-
-	-	-	-	-
-	-	-	45,243	74,115
-	-	-	17,418	-
-	**-**	**-**	**65,852**	**74,115**
1,622,377	**40,303**	**5,970,342**	**19,845,483**	**21,206,101**

Financial statements
of Salini Impregilo S.p.A.
Equity investments

Equity investments at 31 December 2015 Salini Impregilo S.p.A.

Name	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES					
Arriyadh New Mobility Consortium (Saudi Arabia)	33.480	S. Arabia	-	-	
Camaiore Impianti Consorzio	55.000	Cavriago	-	-	
Cao - Consorcio Acueducto Oriental (Dom. Republic)	67.000	Santo Domingo	-	-	
Carvalho Pinto Consorzio	20.000	Brazil	-	-	
Caserma Donati Consorzio	84.200	Milan	240,000	-	
Cavet Consorzio	75.983	Pianor	4,106,666	13,738	B
CavToMi Consorzio	74.690	Milan	3,699,395	36,019	B
CCT Consorzio Costruttori TEEM	0.001	Milan	-	-	
CCTE Consorzio in liq	60.000	Milan	24,790	-	
Cesif Scpa in liq	24.175	Cavriago	63,460	-	
Cigla Constructora Sa (Brasile)	100.000	Sao Paolo	738,778	-	
Civ Spa	85.000	Milan	18,040,477	-	
Civil Works Jv (Arabia)	66.000	S. Arabia	-	-	
Cociv Consorzio	64.000	Genoa	330,532	-	
Coincar Sa (Argentina)	26.250	Argentina	-	-	
Conai Consorzio Nazionale Imballaggi	1.000	Milan	5	-	
Consi Consorzio	2.273	Pordenone	516	-	
Consorzio EPC	18.250	Italy	-	-	
Constructora Ariguani Sas (Colombia)	58.220	Colombia	19,849	-	
Constructora Mazar Consorcio (Ecuador)	70.000	Ecuador	-	-	
Contuy Ferrocarriles Consorcio (Venezuela)	33.329	Venezuela	-	-	
Contuy Medio Consorcio (Venezuela)	29.040	Venezuela	-	-	
Corav Consorzio	96.970	Milan	51,563	-	
CPS Consorzio Pedemontana Veneta	35.000	Verona	35,000	-	
Empresa Constructora Metro 6 Ltda (Chile)	100.000	Chile	20,924	(20,924)	C
Eriday Ute (Impregilo - Dumez) (Argentina)	8.875	Argentina	-	-	
Eurolink Scpa	45.000	Rome	16,875,000	-	
Gestione Naples Srl in liq	24.000	Genoa	-	-	
Ghazi Barotha Contractors Jv (Pakistan)	57.800	Pakistan	-	-	
GTB Scarl	0.010	Naples	5	-	
Impregilo Civilcad Ingco (Dom. Republic)	70.000	Dom. Republic	-	-	
Impregilo Rizzani de Eccher Jv (Switzerland)	67.000	Switzerland	-	-	
Impregilo Salini Sa (Panama)	50.000	Panama	-	-	
Impregilo Yarul Consorcio (Dom. Republic)	70.000	Dom. Republic	-	-	
Impresit Bakolori Plc (Nigeria)	50.707	Nigeria	-	-	
Iricav Due Consorzio	34.090	Rome	140,784	34,782	A

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equlty	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		-	-	(0)	31/12/2014
-		-	14,203	14,203	
-		-	1,106,868	1,106,868	31/12/2014
-		-	-	-	
-		240,000	252,600	12,600	31/12/2015
(6,941)	N	4,113,464	4,113,464	(0)	31/12/2015
(46,793)	N	3,688,621	3,687,707	(914)	31/12/2015
-		-	-	(0)	
(24,790)	I	-	24,788	24,788	31/5/2015
-		63,460	-	(63,460)	
-		738,778	700,853	(37,925)	31/12/2014
-		18,040,477	12,145,224	(5,895,253)	31/12/2014
-		-	5,314,826	5,314,826	31/12/2014
-		330,532	330,532	-	31/12/2015
-		-	-	(0)	
-		5	-	(5)	
-		516	-	(516)	
-		-		-	
-		19,849	231,044	211,194	31/12/2014
-		-	10,364,803	10,364,803	31/12/2014
-		-	-	(0)	
-		-	-	(0)	
-		51,563	49,580	(1,984)	31/12/2015
(35,000)	I	-	-	(35,000)	
-		-	254,687	233,763	31/12/2014
-		-	-	(0)	
-		16,875,000	16,875,000	-	31/12/2014
-		-	(10,700)	(10,700)	31/12/2014
-		-	(1,316,880)	(1,316,880)	31/12/2014
-		5	-	(5)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	-	
-		-	1,047,935	1,047,935	31/12/2014
-		-	-	(0)	
-		175,566	140,889	(34,676)	31/12/2014

Name	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
Isarco Scarl	41.000	Bressanone	41,000	-	
La Quado Scarl	35.000	Milan	3,500	-	
Lambro Scarl	0.010	Milan	20	-	
LEC Libyan Expressway Contractors Consorzio	58.000	Milan	5,800	-	
Markland Srl in liq	1.900	Milan	1,269	-	
Metroblu Scarl	50.000	Milan	5,000	(5,000)	C
Metro de Lima Linea 2 Sa (Peru)	18.250	Peru	8,566,176	9,915,452	B
Metro Riyadh Line 3	66.000	S. Arabia	-	-	
Metrogenova Scarl	35.627	Genoa	8,257	-	
Miteco Consorzio	44.160	Castelnovo (RE)	4,416	-	
MM4 Consorzio	32.100	Milan	62,100	-	
MN - Metropolitana di Naples Spa	5.176	Naples	313,652	-	
MN 6 Scarl	1.000	Naples	510	-	
Mohale Dam Contractors Jv (Lesotho)	50.000	Lesotho	-	-	
Mohale Tunnel Contractors Jv (Lesotho)	35.000	Lesotho	-	-	
Nogma Consorzio	14.000	Venice	84,000	-	
Normetro Ace (Portugal)	2.120	Portugal	-	-	
Normetro Consorcio (Portugal)	13.180	Portugal	-	-	
Nuovo Dolonne Scarl in liquidation	100.000	Milan	-	-	
Passante di Mestre Scpa	42.000	Venice	4,200,000	-	
Passante Dorico Spa	47.000	Milan	2,820,000	-	
Pedelombarda 2 Consorzio (CP2)	40.000	Milan	4,000	-	
Pedelombarda Scpa	47.000	Milan	9,400,000	-	
Pedemontana Veneta Spa in liq	21.345	Verona	1,213,500	67,200	B
PGH Ltd (Nigeria)	100.000	Nigeria	2,082,611	-	
Puentes del Litoral Sa in concorso prev (Argentina)	22.000	Argentina	-	-	
Quattro Venti Scarl in liq	40.000	Rome	20,658	-	
Reggio Calabria Scilla Scpa	51.000	Rome	17,850,000	-	
Riviera Scarl	12.940	Naples	6,470	-	
S8 Jv (Polonia)	47.500	Poland	-	-	
S3 Jv (Polonia)	47.500	Poland	-	-	
Sabrom - Soc Autostrada Broni Mortara Spa	60.002	Milan	17,342,000	-	
Salerno Reggio Calabria Scpa	51.000	Rome	25,500,000	-	
Salini Australia Pty Ltd (Australia)	100.000	Australia	2,820,463	-	
Salini Impregilo Duha Jv (Slovakia)	75.000	Slovakia	-	-	
Salini Insaat Ntf Jv (Turkey)	55.000	Turkey	-	-	
Salini Namibia Proprietary Ltd (Namibia)	100.000	Namibia	358	-	
Sant'Anna Palermo Scarl in liq	71.600	Palermo	18,592	-	
Scilla Consorzio in liq	51.000	Palmi	510	-	
Sima Gest 3 Scarl in liq	0.010	Zola Pedrosa	5	-	
Sipem - Soc Ind Prefabbr Edilizia Medit Srl in liq	100.000	Assoro	-	-	
Sirjo Scpa	40.000	Rome	3,000,000	-	
SP M4 - Soc di Progetto M4 Scpa	28.900	Milan	104,040	-	
SPV Linea M4 Spa	9.634	Milan	116,000	9,825,200	B
Stazione Tribunale	43.000	Italy	-	8,600	A
Salini Impregilo Bin Omran Jv	50.000	Qatar	-	-	

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		41,000	41,000	-	31/12/2014
-		3,500	3,500	-	31/12/2014
-		20	-	(20)	
-		5,800	5,800	-	31/12/2015
-		1,269	-	(1,269)	
-		-	1,250	(3,750)	31/12/2014
-		18,481,628	-	(8,566,176)	
-		-	-	-	
-		8,257	9,200	943	31/12/2014
-		4,416	4,416	-	31/12/2015
-		62,100	62,100	-	31/12/2015
-		313,652	1,664,660	1,351,008	31/12/2013
-		510	-	(510)	
-		-	-	-	
-		-	-	-	
-		84,000	-	(84,000)	
-		-	-	(0)	
-		-	-	(0)	
-		-	578,538	578,538	
-		4,200,000	4,200,000	-	31/12/2014
-		2,820,000	11,280,000	8,460,000	31/12/2014
-		4,000	4,000	-	31/12/2015
-		9,400,000	9,400,000	-	31/12/2014
-		1,280,700	1,211,640	(1,860)	31/12/2013
-		2,082,611	2,150,588	67,977	31/12/2014
-		-	-	(0)	
(20,658)	I	-	-	(20,658)	
-		17,850,000	17,850,000	-	31/12/2014
-		6,470	-	(6,470)	
-		-	-	(0)	
-		-	-	(0)	
-		17,342,000	16,437,877	(904,123)	31/12/2014
-		25,500,000	25,465,591	(34,409)	31/12/2014
-		2,820,463	429,334	(2,391,129)	31/12/2014
-		-	-	(0)	
-		-	-	(0)	
-		358	2,534,830	2,534,472	31/12/2014
-		18,592	-	(18,592)	
-		510	510	-	31/12/2015
-		5	-	(5)	
-		-	(397,308)	(397,308)	31/12/2014
-		3,000,000	3,000,000	-	31/12/2014
-		104,040	104,040	-	31/12/2014
-		9,941,200	-	(116,000)	
-		8,600	-	-	
-		-	-	-	

Name	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
TAT - Tunnel Alp Transit Consorzio (Switzerland)	17.500	Switzerland	-	-	
TE - Tangenziale Esterna Spa (ex STP)	-	Milan	100	-	
TM Salini Consortium	90.000		-	-	
Todini Impregilo Almaty Khorgos Jv (Kazakistan)	49.995	Kazakhstan	-	-	
Torre Consorzio	94.600	Milan	4,730,000	-	
Tradeciv Consorzio	8.058	Naples	12,533	-	
Transmetro Ace (Portugal)	5.000	Portugal	-	-	
Impregilo Healy Parsons Jv	45.000	Argentina	-	-	
Veco Scarl	25.000	Venice	2,582	-	
Yellow River Contractors Jv (China)	36.500	China	-	-	
Yuma Concesionaria Sa (Colombia)	40.000	Colombia	6,351,551	-	
Metro B S.r.l.	52.520	Rome	10,504,000	-	
Metro B1 S.c.a.r.l.	80.700	Rome	1,952,940	-	
RI.MA.TI. S.c.a.r.l.	83.420	Rome	699,420	-	
Copenaghen Metro Team I/S	99.990	Denmark	16,929,306	(6,854)	C
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	100.000	Turkey	378,432	494,176	B
Salini Impregilo - Salini Insaat - NTF J.V - Legal	55.000	Turkey	-	-	
Salini-Kolin-GCF Joint Venture	38.000	Turkey	-	-	
Todini Akkord Salini	25.000	Ukraine	2,054,820	-	
Forum S.c.r.l. (in liq.)	51.000	Rome	10,329	-	
Risalto S.r.l. (in liq.)	66.670	Rome	77,463	-	
Variante di Valico S.c.r.l. (in liq.)	66,670	Roma	32,828	-	
Compagnia Gestione Finanziarie - Co.Ge.Fin S.r.l.	51,000	Roma	5,773,157	9,077,348	A
San Ruffillo s.c.a.r.l.	35,000	Roma	21,000	-	
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	35,000	Turkey	1,529,032	2,115,959	B
Salini Acciona Joint Venture	50,000	Etiopia	9,430	-	
Salini Strabag Joint Ventures	50,000	Guinea	5,165	(5,165)	C
Grupo Unidos Por El Canal S.A.	48,000	Panama	10,729,253	31,729,178	B
GR. ITALGISAS	30.000	Morocco	-	-	
I.S.V.E.U.R. Spa	1.000	Rome	34,086	-	
PANTANO SCRL	10.500	Rome	4,338	-	
Consorzio Mina De Cobre	100.000	Milan	-	-	
Equity investments - SPEs			**201,824,422**	**63,279,708**	
CSC Impresa Costruzioni Sa (ex Magnenat) (Switzerland)	100.000	Switzerland	25,727,553	-	
Emittenti Titoli Spa	0.244	Milan	10,832	-	
Fibe Spa (impegno ripian 100%)	99.989	Naples	43,180,269	-	
Fisia Italimpianti Spa	100.000	Genoa	-	40,219,435	C
Fisia Ambiente Spa (ex Fisia Italimpianti)	100.000	Genoa	61,800,000	(40,219,435)	C
Healy Company Sa (Chicago)	100.000	USA	39,998,486	-	
I Faber Spa	8.000	Milan	583,317	-	
Ilim Iniziative Lombarde Immobiliari Srl in liq	100.000	Milan	3,834,610	-	
Immobiliare Golf Club Castel d'Aviano Spa	0.444	Aviano	62,910	-	
Impregilo Arabia Ltd	50.000	S. Arabia	3,373,162	2,631,617	C
Impregilo Colombia Sas	100.000	Colombia	12,094,597	-	
Impregilo International Infrastructures Nv (Netherlands)	100.000	Netherlands	170,000,000	-	

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		-	-	(0)	
-		100	-	(100)	
-		-	-	(0)	
-		-	-	-	
-		4,730,000	4,730,000	-	31/12/2015
-		12,533	-	(12,533)	
-		-	-	(0)	
-		-	-	-	
-		2,582	-	(2,582)	
-		-	-	-	
-		6,351,551	8,867,659	2,516,108	31/12/2014
-		10,504,000	1,592,499	(1,033,501)	31/12/2014
-		1,952,940	1,951,516	(1,424)	31/12/2014
-		699,420	697,420	(2,000)	31/12/2014
-		16,922,452	61,579,337	44,656,885	31/12/2014
-		872,608	(53,816)	(432,248)	31/12/2014
-		-	10,570	10,570	31/12/2014
-		-	4,471,310	4,471,310	31/12/2014
-		2,054,820	3,834,327	1,779,507	31/12/2014
-		10,329	26,339	16,010	31/12/2013
-		77,463	47,296	(30,167)	31/12/2013
-		32,828	52,874	20,046	31/12/2013
-		14,850,505	9,095,317	3,322,160	31/12/2014
-		21,000	21,000	-	31/12/2013
-		3,644,991	-	(1,367,542)	31/12/2014
-		9,430	-	(9,430)	
-		-	-	-	
(19,657,767)	N	22,800,664	-	-	
-		-	(847,500)	(847,500)	
-		34,086	-	(34,086)	
-		4,338	4,338	-	31/12/2014
-		-	-	-	
(19,791,949)		**245,312,181**	**247,449,476**	**64,399,801**	
-		25,727,553	24,152,261	(1,575,292)	31/12/2014
-		10,832	-	(10,832)	
(3,339,489)	N	39,840,780	43,180,269	-	31/12/2014
-		40,219,435	30,127,069	(31,672,931)	31/12/2014
-		21,580,565			
-		39,998,486	33,261,624	(6,736,862)	31/12/2014
-		583,317	1,333,107	749,790	31/12/2014
-		3,834,610	3,655,737	(178,873)	31/12/2014
-		62,910	-	(62,910)	
-		6,004,779	3,373,162	-	31/12/2014
-		12,094,597	12,094,597	-	31/12/2014
-		170,000,000	216,803,109	46,803,109	31/12/2014

Name	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
Impregilo Lidco Co	60.000	Libya	1,785,000	-	
Imprepar - Impregilo Partecipazioni Spa	100.000	Milan	45,941,191	-	
Rimini Fiera Spa	2.089	Rimini	3,193,670	-	
SGF - INC Spa	100.000	Milan	5,900,000	4,200,000	B
Skiarea Valchiavenna Spa	0.977	Madesimo	99,740	-	
Suropca - Suramericana de Obras Ca (Venezuela)	99.000	Venezuela	1,311,051	-	
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	100.000	Rome	2,059,428	-	
SA.CO.LAV. S.c.r.l. (in liq.)	100.000	Rome	10,329	-	
SA.MA. S.c.a.r.l. (in liq.)	99.000	Rome	40,904	-	
TB Metro S.r.l. (in liq.)	51.000	Rome	35,754	-	
Todini Costruzioni Generali S.p.A.	100.000	Rome	75,301,440	30,000,000	B
Hemus Motorway A.D. (in liq.)	51.000	Bulgaria	337,688	-	
Salini Hydro L.t.d.	100.000	Ireland	2,692,078	-	
Salini Polska L.t.d. Liability Co	100.000	Poland	55,476	2,184,104	B
Salini Rus L.t.d. Liability Company.	99.000	Russia	-	1,236,399	B
Salini India Private L.t.d.	95.000	India	-	-	
Salini Malaysia SDN BHD	90.000	Malaysia	610,468	-	
Salini Nigeria L.t.d.	99.000	Nigeria	-	-	
Salini Canada Inc.	100.000	Canada	7,490	-	
Salini Singapore Ltd.	100.000	Singapore	-	-	
Salini USA Inc	100.000	USA	15,469	-	
Equity investments - other			**500,062,911**	**40,252,121**	
Abu Dhabi - Tristar Salini Jv	40.000	Abu Dhabi	-	-	
Argent - Eriday Ute (Impregilo - Dumez)	9.875	Argentina	-	-	
Argent - Impregilo Healy Ute	98.000	Argentina	678,530	-	
Argent - Impregilo Iglys Techint Ezeiza Ute (Carceles)	26.250	Argentina	3,944	-	
Australia - IS Jv	50.000	Australia	-	-	
Austria - Arge Tulfes Pfons	49.000	Austria	-	-	
Brasile - Serra do Mar Consorcio	25.000	Brazil	-	-	
Cile - Empresa Angostura Ltda (valore carico in Sede)	65.000	Chile	-	1,307,889	B,C
Cile - Empresa Constructora Lo Saldes Ltda	35.000	Chile	5,341	-	
Cile - Empresa Constructora Metro 6 Ltda	99.900	Chile	-	17,131	C
Grecia - Aegek Igl Altom Transport Jv	45.800	Greece	-	-	
Grecia - Aktor Impregilo Jv (Agios Constantinos) (Strada)	40.000	Greece	-	-	
Grecia - Aktor Impregilo Jv (Metropolitana)	0.100	Greece	-	-	
Grecia - Executive Impregilo Terna Iris Jv in liq	33.333	Greece	-	-	
Grecia - Igl Sgf Jv (ex Empedos - ex Gnomon Tcgc) (Canale/Tunnel)	99.000	Greece	-	-	
Grecia - Igl Terna SNFCC Jv (Centro Niarchos)	51.000	Greece	51,000	-	
Grecia - Impregilo Empedos Aktor Jv	66.000	Greece	-	-	
Grecia - Line 3 Metro Stations Jv	50.000	Greece	-	-	
Grecia - Terna Impregilo Jv (Tram)	45.000	Greece	-	-	
Grecia - Thessaloniki Metro CW Jv	42.500	Greece	-	-	
Grecia - Thessaloniki Metro Jv (Aegek)	26.710	Greece	-	-	
India - Nathpa Jhakri Jv	60.000	India	-	-	
Perù - Consorcio Constructor M2 Lima	25.500	Peru	-	-	
Polonia - Al Motorway Tuszyn Pyrzowice Lot F Jv	90.000	Poland	-	-	

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		1,785,000	1,250,098	(534,902)	31/12/2014
-		45,941,191	47,344,434	1,403,243	31/12/2014
-		3,193,670	3,221,670	28,000	31/12/2013
(3,500,000)	N	6,600,000	(322,762)	(6,222,762)	31/12/2014
-		99,740	-	(99,740)	
-		1,311,051	1,311,051	-	31/12/2014
-		2,059,428	940,182	(1,119,246)	31/12/2014
-		10,329	12,248	1,919	31/12/2014
-		40,904	53,668	12,764	31/12/2014
-		35,754	(749,076)	(784,830)	31/12/2014
(96,394,139)	N	8,907,301	23,667,376	(51,634,064)	31/12/2014
(337,688)	I	-	335,511	(2,177)	31/12/2014
(2,389,925)	N	302,153	1,603,509	(1,088,569)	31/12/2014
-		2,239,580	(726,523)	(781,999)	31/12/2014
(1,236,399)	N	-	(863,996)	(863,996)	31/12/2014
-		-	(1,108,063)	(1,108,063)	31/12/2014
-		610,468	15,695,108	15,084,640	31/12/2014
-		-	46,563,855	46,563,855	31/12/2014
(7,490)	I	-	-	-	
-		-	-	-	
(15,469)	I	-	(327,098)	(342,567)	31/12/2014
(107,220,599)		**433,094,432**	**505,882,127**	**5,826,706**	
-		-	-	(0)	
-		-	-	(0)	
-		678,530	1,121,675	443,144	13/12/2014
-		3,944	-	(3,944)	
-		-	748,493	748,493	31/12/2014
-		-	(46,980)	(46,980)	31/12/2014
-		-	-	(0)	
(870,999)	N	436,890	-	-	Valore in Sede
-		5,341	-	(5,341)	
-		17,131			
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	(4,017,544)	(4,017,544)	31/12/2014
-		51,000	4,048,984	3,997,984	31/12/2014
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	1,096,407	1,096,407	31/12/2014
-		-	-	(0)	
-		-			

Name	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
Polonia - Salini Polska Impregilo Todini S7 jv	50.000	Poland	-	-	
Polonia - Generalny Wykonawca Salini Impregilo Kobylarnia Jv	33.340	Poland	-	-	
Qatar - Impregilo SK Galfar Jv	41.250	Qatar	-	-	
Qatar - Galfar Salini Impregilo Cimolai	40.000	Qatar	-	-	
Sudafrica - CMC Mavundla Impregilo Jv	39.200	South Africa	-	-	
Usa - Barnard Impregilo Healy Jv	25.000	USA	-	-	
Usa - Impregilo Healy Parsons Jv	45.000	USA	-	-	
Usa - Salini Impregilo Healy Jv	30.000	USA	-	-	
Usa - SFI Leasing Company Jv	30.000	USA	-	-	
Usa - Shimmick FCC Impregilo Jv	30.000	USA	-	-	
Usa - Vegas Tunnel Constructors Jv	40.000	USA	-	-	
Venez - Contuy Medio Grupo A Consorcio	36.400	Venezuela	-	-	
Venez - GEI Grupo Empresas Italianas Consorcio	33.333	Venezuela	-	-	
Venez - OIV Tocoma Consorcio	40.000	Venezuela	-	-	
Venez - VIT Caroni Tocoma Consorcio	35.000	Venezuela	-	-	
Venez - VIT Tocoma Consorcio	35.000	Venezuela	-	-	
Venez - VST Tocoma Consorcio	30.000	Venezuela	-	-	
Investments in branches - SPEs			**738,816**	**1,325,020**	
Total			**702,626,149**	**104,856,849**	

Summary of variations in equity investments

(€)	Investment %	Registered office	Amount Salini Impregilo S.p.A. 1.1.2015 (€)	Increases in the year	No.
Incorporations and subscriptions	A			9,120,730	
Acquisition and increases in investments	B			92,600,840	
Transfer	C			(16,419,012)	
Capital increases	D				
Capital injections for capital increases	E				
Reimbursement of share/quota cpaital	F				
Intragroup sales	G				
Sales to third parties	H				
Liquidations	I				
Reclassifications due to change in investment % or other changes	L				
Reversals of impairment losses to the extent of previously recognised impairment losses	M				
Impairment losses	N				
Reconstitution of share/quota capital to cover losses	O				
Revaluations	P				
Exchange rate gains (losses)	Q			19,554,290	
Cancellations due to mergers	R				
Reclassification of investments with a negative carrying amount	S				
PPA valuation	T				
Total				**104,856,848**	

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		-			
-		-	-	(0)	
-		-	9,968,970	9,968,970	
-		-			
-		-	32,153,775	32,153,775	
-		-	3,391,023	3,391,023	
-		-	1,024,451	1,024,451	
-		-	-	(0)	
-		-	(113,516)	(113,516)	
-		-	3,009,626	3,009,626	
-		-	7,554,488	7,554,488	
-		-	273,546	274,573	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
-		-	-	(0)	
(870,999)		**1,192,837**	**54,131,497**	**53,393,709**	
(127,883,548)		**679,599,450**	**807,463,100**	**123,620,215**	

Decreases in the year	No.	Amount Impregilo Salini S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
(441,095)					
(127,442,453)					
(127,883,548)					

Name	Investment %	Registered office	Amount Igl S.p.A. 1.1.2015 (€)	Increases in the year	No.
SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES – CONSOLIDATED, WITH NEGATIVE CARRYING AMOUNT					
Campione Scarl in liq	99,900	Milan	-	-	
Cigla Constructora Sa (Brazil)	100,000	Brazil	-	-	
Empresa Angostura Ltda (Chile)	65,000	Chile	(19,029,816)	19,029,816	C
Grupo ICT II Sas (Colombia)	100,000	Colombia	(6,541,962)	5,033,000	A
Grupo Unidos por el Canal (Panama)	48,000	Panama	-	-	
Impregilo Colombia Sas	100,000	Colombia	-	-	
PGH Ltd (Nigeria)	100,000	Nigeria	-	-	
Salini Bulgaria A.D.	100,000	Bulgaria	(1,424,807)	-	
Salini India Private Ltd	95,000	India	-	949,128	A,D
Salini - Impregilo Joint Venture for Mukorsi	99,900	Zimbabwe	(120,966)	-	
Risalto S.r.l. (in liq.)	66,670	Rome	(2,182)	2,182	C
Variante di Valico S.c.r.l. (in liq.)	66,670	Rome	(4,674)	4,674	C
Con. Sal S.c.n.c. (in liq.)	15,000	Rome	(12,428)	-	
ITALSAGI SPZOO	33,000	Poland	(222,489)	-	
Total investments in subsidiaries, associates and jointly controlled entities - consolidated, with negative carrying amount			**(27,359,324)**	**25,018,800**	**-**

Summary of changes in equity investments

(€)	Investment %	Registered office	Amount Igl S.p.A. 1.1.2015 (€)	Increases in the year	No.
Incorporations and subscriptions	A			5,792,044	
Acquisitions and increases in investments	B				
Transfers	C			19,036,672	
Capital increases	D			190,085	
Capital injections for capital increases	E				
Capital reimbursements	F				
Intragroup sales	G				
Sales to third parties	H				
Liquidations	I				
Reclassifications due to change in investment % or other changes	L				
Reversals of impairment losses to the extent of previously recognised impairment losses	M				
Impairment losses	N				
Reconstitution of share/quota capital to cover losses	O				
Revaluations	P				
Mergers	Q				
Cancellations due to mergers	R				
Reclassifications of investments with a negative carrying amount	S				
PPA valuation	T				
Total				**25,018,801**	

Decreases for the year	No.	Amount Igl S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-		-	(1,083,374)	(1,083,374)	Cancellata
-		-	-	-	Giro in attive
(8,135,821)	O	(8,135,821)	(19,029,816)	-	31/12/2014
(5,241,860)	O	(6,750,822)	(3,921,771)	2,829,051	31/12/2015
-		-	(169,498,499)	-	31/12/2014
-		-	-	-	Giro in attive
-		-	-	-	Giro in attive
(874,788)	O	(2,299,595)	(2,125,048)	(700,241)	31/12/2014
(1,400,252)	O	(451,124)	7,633	128,599	31/12/2014
-		(120,966)	-	-	
-		-	-	-	
-		-	(16,485)	(4,057)	31/12/2013
-		(12,428)	-	222,489	
-		(222,489)	-	-	
(15,652,721)	**-**	**(17,993,244)**	**(195,667,360)**	**1,392,467**	

Decreases for the year	No.	Amount Igl S.p.A. 31.12.2015 (€)	Share of equity	Diff. between investment, net of uncalled-up share/equity capital, and equity	Date of equity
-					
(15,652,721)					
(15,652,721)					

Statement to the Financial Statements

Statement on the separate financial statements

pursuant to article 81-ter of Consob regulation no. 11971 of 14 May 1999 and subsequent amendments and integrations

1. Pietro Salini, as chief executive officer, and Massimo Ferrari, as manager in charge of financial reporting, of Salini Impregilo S.p.A., considering the provisions of article 154-bis.3/4 of Legislative decree no. 58 of 24 February 1998, state:

- that the administrative and accounting procedures are adequate given the company's characteristics; and
- that they were actually applied during 2015 to prepare the separate financial statements.

2. No significant issues areose.

3. Moreover, they state that:

3.1 The separate financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Community pursuant to EC regulation 1606/2002 of the European Parliament and Council of 19 July 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position of the Issuer at 31 December 2015 and its results of operations and cash flows for the year then ended.

3.2 The Directors' report includes a reliable analysis of the financial position and results of operations of the Issuer, together with information about the main risks and uncertainties to which it is exposed.

Milan, 16 March 2016

Chief Executive Officer

Pietro Salini

Manager in charge of financial reporting

Massimo Ferrari

Reports

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

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(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Salini Impregilo S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of the Salini Impregilo Group (the "group"), which comprise the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto.

Directors' responsibility for the consolidated financial statements

The parent's directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11.3 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

KPMG

Salini Impregilo Group
Independent auditors' report
31 December 2015

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Emphasis of matter

Without modifying our opinion, we bring your attention to the following matters:

- the directors have described the significant litigation and exposures to countries with risk and/or uncertainty profiles. Reference should be made to the "Main risk factors and uncertainties" section of the directors' report and the notes to the consolidated financial statements;
- the directors have described the methods used to restate the figures as at and for the year ended 31 December 2014 presented for comparative purposes. Reference should be made to that disclosed in the "Introductory comments of the compatibility of data" section of the directors' report and the notes to the consolidated financial statements.

Other matters

The group's consolidated financial statements as at and for the year ended 31 December 2014 were audited by other auditors who expressed an unmodified opinion thereon on 8 April 2015.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented on the corporate governance and ownership structure report with the consolidated financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the corporate governance and ownership structure report required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the company's directors, with the consolidated financial statements. In our opinion, the directors' report and the information presented in the corporate governance and ownership structure report referred to above are consistent with the consolidated financial statements of the Salini Impregilo Group as at and for the year ended 31 December 2015.

Milan, 6 April 2016

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit

KPMG S.p.A.
Revisione e organizzazione contabile
Via Vittor Pisani, 25
20124 MILANO MI

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PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Salini Impregilo S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of Salini Impregilo S.p.A. (the "company"), which comprise the statement of financial position as at 31 December 2015, the income statement and statements of comprehensive income, cash flows and changes in equity for the year then ended and notes thereto.

Directors' responsibility for the separate financial statements

The company's directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Independent auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing (ISA Italia) promulgated pursuant to article 11.3 of Legislative decree no. 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

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

KPMG

Salini Impregilo S.p.A.
Independent auditors' report
31 December 2015

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

Opinion

In our opinion, the separate financial statements give a true and fair view of the company's financial position as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Emphasis of matter

Without modifying our opinion, we bring your attention to the following matter: the directors have described the significant litigation and exposures to countries with risk and/or uncertainty profiles. Reference should be made to the "Main risk factors and uncertainties" section of the directors' report and the notes to the separate financial statements.

Other matters

The company's separate financial statements as at and for the year ended 31 December 2014 were audited by other auditors who expressed an unmodified opinion thereon on 8 April 2015.

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own separate financial statements. Our opinion on the separate financial statements of Salini Impregilo S.p.A. does not extend to such data.

Report on other legal and regulatory requirements

Opinion on the consistency of the directors' report and certain information presented on the corporate governance and ownership structure report with the separate financial statements

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion, as required by the law, on the consistency of the directors' report and the information presented in the corporate governance and ownership structure report required by article 123-bis.4 of Legislative decree no. 58/98, which are the responsibility of the company's directors, with the separate financial statements. In our opinion, the directors' report and the information presented in the corporate governance and ownership structure report referred to above are consistent with the separate financial statements of Salini Impregilo S.p.A. as at and for the year ended 31 December 2015.

Milan, 6 April 2016

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit

Report of the Board of Statutory Auditors of Salini Impregilo S.p.A pursuant to art. 153 of legislative decree 58/1998

Dear Shareholders,

in accordance with current legislation applicable to joint-stock companies with shares listed on regulated markets and in accordance with the requirements of the by-laws, during the financial year ended 31 December 2015 the Board of Statutory Auditors performed the supervisory activities within its remit. This Report is provided by the Board of Statutory Auditors to the shareholders of Salini Impregilo S.p.A (the "Company"), who are called *inter alia* to approve the Annual Report as at 31 December 2015.

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Having regard to the activities performed during the year, and considering the instructions provided by Consob in its communications, the Board of Statutory Auditors firstly states that it has:

- monitored compliance with the law and the Bylaws;
- attended the Shareholders' Meetings and all meetings of the Board of Directors held during the year, and periodically obtained from the directors the required information on the activities performed and the transactions of greatest significance in economic and financial terms carried out by the Company during the year, including through its Subsidiaries, as described in the Report on Operations;
- monitored, in accordance with article 19, paragraph 1 of Legislative Decree 39/2010, the financial reporting process; the efficacy of the system of internal control, internal auditing and risk management; the independent auditing of the annual and consolidated accounts; and the independence of the independent auditors, especially as regards the provision of non-audit services to the Company;
- obtained, from the independent auditors of the accounts, the report pursuant to article 19, paragraph 3 of Legislative Decree 39/2010 regarding the main issues found during the audit and in particular regarding shortcomings in the internal control and risk management system in relation to the financial reporting process;
- actively participated in meetings of the Executive Committee, the Control and Risk Committee and the Compensation and Nominating Committee (both established pursuant to the Corporate Governance Code), and the Committee for Related-Party Transactions, and collected information, also from the Supervisory Body, about activities performed at subsidiaries;
- acknowledged the production of the Remuneration Report pursuant to article 123-ter of Legislative Decree 58 of 24 February 1998 (the "TUF") and article 84-quater of Consob Regulation 11971/1999, without any particular observations to report, and the Report on Corporate Governance and Ownership Structure pursuant to article 123-bis of the TUF;
- verified compliance with laws and regulations on the formation and format of the financial statements, ascertaining the adequacy, according to the method used, of the impairment process and the compliance of the Directors' Report on Operations for the year 2015.

Among the most significant transactions during the year, the Board of Statutory Auditors notes the activities leading up to the acquisition of Lane Industries Incorporation, the largest road builder and main private producer of asphalt in the United States, which was disclosed to the market on 10 December 2015 and concluded on 4 January 2016. The transaction represents a key step in the process of consolidating the Group's presence in the United States.

The Board of Statutory Auditors notes, in addition, that on 15 January 2016 the market was informed of the signing of the contract to sell Todini Costruzioni Generali; the completion of the transaction was disclosed to the market on 4 April 2016.
As regards specific supervisory and control activities, the Board of Statutory Auditors reports as follows.

1. **Most significant economic and financial transactions.**
The Board of Statutory Auditors has received information from the directors, with the required frequency, on activities performed and the most significant economic and financial transactions performed by the Company and its Subsidiaries. The directors provided information on these transactions in their Report on Operations, to which the reader should refer, also as regards the characteristics of the transactions and their effects on profit and loss.
The Board of Statutory Auditors has obtained adequate information on the above transactions, which give it reasonable grounds to believe that these transactions were compliant with the law, the bylaws and the principles of proper management, and not imprudent, hazardous or in conflict with the resolutions adopted by the Shareholders' Meeting or likely to compromise the integrity of the company's assets.

2. **Atypical and/or unusual corporate transactions with third parties, intragroup transactions or with related parties.**
The Board of Statutory Auditors has not found or received information from the Board of Directors, the Independent Auditors or the Head of Internal Audit regarding the existence of atypical and/or unusual transactions with third parties, related parties or intragroup.
In relation to the share buyback programme authorised by the Shareholders' Meeting of 19 September 2014 (for a maximum of 18 months from the date of the said meeting and therefore until 19 March 2016) and began by the Company on 7 October 2014, no purchases or sales were made in 2015 or 2016 up to the expiry date indicated above.
In light of the above, the Company currently holds 3,104,377 own shares, equal to 0.631% of ordinary share capital and 0.629% of total share capital.

3. **Adequacy of the information provided in the Directors' Report on Operations on atypical and/or unusual transactions, intragroup transactions or with related parties.**
The directors provided information, in the Notes to the Accounts, of ordinary transactions performed during the year with Group companies and related parties, to which the reader should refer, also as regards the characteristics of the transactions and their effect on profit and loss. Their examination did not find any critical issues as regards propriety and compliance with the interests of the Company.
The Board of Directors' meeting of 11 November 2015 approved the update of the procedure on related-party transactions pursuant to and in accordance with Consob Regulation 17221 of 12 March 2010, as amended, which had also been approved by the Committee for Related-Party Transactions. The procedure was first adopted by the Board of Directors on 30 November 2010 and subsequently updated at the meetings of 20 April 2012, 9 July 2012, 13 May 2013 and 17 December 2014.
As regards the adoption of the aforesaid procedure and its subsequent updates, the Board of Statutory Auditors on each occasion verified its compliance with the principles indicated in Consob Regulation 17221 of 12 March 2010.

4. **Observations and proposals on the findings and requests for information contained in the report of the independent auditors.**
On 6 April 2016, the independent auditors KPMG S.p.A. issued the reports pursuant to article 14 of Legislative Decree 39/2010 on the separate and consolidated financial statements at 31 December 2015 of the Company and the Group to which it belongs, which were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The reports of the independent auditors confirm that the separate

and consolidated financial statements as at 31 December 2015 comply with the International Financial Reporting Standards (IFRS) and that they represent truthfully and correctly the finances and assets of the company, profit and loss results, and the cash flows of the Company and the Group to which it belongs.
The reports of the independent auditors are accompanied by requests for information, to which the reader should refer. The Board of Statutory Auditors agrees with the requests for information contained in the reports of the independent auditors.

5. **Reports pursuant to art. 2408 of the Italian Civil Code, initiatives of the Board of Statutory Auditors and results.**
During 2015 no reports pursuant to article 2408 of the Italian Civil Code were received.
In February 2016, the Board of Statutory Auditors received three reports from a shareholder, in regard to which – having undertaken the necessary investigations – there are no significant findings to be reported.

6. **Complaints submitted, initiatives of the Board of Statutory Auditors and results.**
During 2015 no complaints were submitted to the Board of Statutory Auditors.

7. **Engagements of the independent auditors and associated costs.**
The Board of Statutory Auditors has received information from the independent auditors KPMG S.p.A. of the receipt of the following recompense paid to it and to companies within its network for services performed starting 30 April 2015 (date of appointment by the Shareholders' Meeting of Salini, Impregilo) (amounts in euros):

Description of fees	Audit activities	Other activities in 2015	Total
Auditing of the annual financial statements (*)	906,641		906,641
Auditing of the consolidated financial statements	210,000		210,000
Limited audit of the half year condensed consolidated financial statements	220,000		220,000
Periodic checks pursuant to Legislative Decree 58/1998	0		0
Total for normal audit activities	**1,336,641**		**1,336,641**
Other activities			
Audit of Italian investees	405,457		405,457
Other services (agreed certifications and audit procedures, etc.)	1,465,000		1,465,000
Tax services			
Total for other activities	**1,870,457**		**1,870,457**
Grand total	**3,207,098**		**3,207,098**

(*) Includes €286,641 for audit services for foreign branches of Salini Impregilo S.p.A. performed by foreign entities of the KPMG Network.

8. **Additional engagements of entities linked to the independent auditors.**
The Board of Statutory Auditors has received information from the Company on the receipt of the following additional compensation paid to companies or professional firms connected to KPMG S.p.A.'s international network in relation to the engagements specified below (amounts in euros):

Company/Professional firm of the international network	Subject	Amount
KPMG S.p.A. Network	Audit services for foreign associates	558,464
KPMG S.p.A. Network	Other certification services Assistance with administrative procedures and tax services	0
Total		**558,464**

For the purposes of full disclosure, we note that between 1 January 2015 and 30 April 2015, KPMG Network entities provided the Salini Impregilo Group with professional services other than auditing worth a total amount of €439,000.
The Board of Statutory Auditors has received a declaration from KPMG S.p.A. that the latter has, considering the activities it has performed, maintained its independence and objectivity in relation to the Company and the Group to which it belongs, since its appointment on 30 April 2015 and throughout 2015.

9. **Opinions provided pursuant to law.**
During the year the Board expressed a favourable opinion on the following resolutions of the Board of Directors:
   - formulation of the reasoned proposal pursuant to article 13 of Legislative Decree 39 of 27 January 2010 for the assignment of independent auditing services for the years 2015-2023;
   - remuneration of directors with particular offices pursuant to article 2389, paragraph 3, of the Italian Civil Code;
   - implementation of the Salini Impregilo Performance Share Plan 2015-2017.

10. **Attendance at meetings of the company bodies.**
The Board of Statutory Auditors attended 15 meetings of the Board of Directors, 14 meetings of the Executive Committee, 19 Meetings of the Control and Risk Committee, 7 meetings of the Compensation and Nominating Committee, 2 meetings of the Committee for Related-Party Transactions, and held 13 meetings of the Board of Statutory Auditors.

11. **Observations on compliance with the principles of correct management.**
In light of the supervisory activities performed, the Board of Statutory Auditors has no observations to report on compliance with the principles of correct management.

12. **Observations on the adequacy of the organisational structure.**
The Board of Statutory Auditors considers that the organisational structure of the Company is adequate in relation to the size of the company and the type of activity performed.

13. **Adequacy of the Internal Control and Risk Management System.**
The Board of Statutory Auditors has monitored the adequacy of the Internal Control and Risk Management System of Salini Impregilo S.p.A. through:
   a) the regular collection of information on the activities performed, also at meetings of the Control and Risk Committee, as well as meetings with the Head of Internal Audit, the Head of Compliance and the heads of other functions relevant on each occasion, including obtaining associated documentation;
   b) regular attendance at meetings of the Control and Risk Committee established pursuant to the corporate governance code;
   c) examination of the reports of the Head of Internal Audit, relating to audits of the various areas of the company, both at peripheral and corporate level, regarding the functioning of the Group's Internal Control and Risk Management System and monitoring of the implementation of corrective actions identified subsequent to audit activities;

d) examination of the report of the Head of Internal Audit on the Internal Control and Risk Management System;
e) examination of the reports of the Compliance function, regarding the prevention, monitoring and management of the risk of non-compliance with legislation and anti-corruption requirements;
f) examination of the reports of the Supervisory Body required under Legislative Decree 231/2001, containing an overview of the activities performed over the year, with meetings of the members;

The Board of Statutory Auditors has also:

a) acknowledged the appointment of the Group Risk Officer, at the head of the Risk Management function, to strengthen the risk management system in consideration of the Group's strategic development prospects and growth objectives;
b) acknowledged the positive assessment of the Board of Directors in relation to the adequacy and effective functioning of the Internal Control And Risk Management System for 2015.

During the performance of this activity, the Board of Statutory Auditors did not discover any critical situations or facts that could give it grounds to consider Salini Impregilo S.p.A.'s Internal Control and Risk Management System to be inadequate in 2015.

To the extent of its remit, the Board of Statutory Auditors – also having regard to the information provided by the chairman of the Supervisory Board – further believes that the "Organisation, Management & Control Model" pursuant to Legislative Decree 231/2001 and the "Anti-Corruption Model" adopted by the Company (and periodically updated) are appropriate to prevent the offences set out in the legislation in question.

14. Adequacy of the administrative-accounting system and its reliability.

To the extent of its remit, the Board of Statutory Auditors has monitored the adequacy of the administrative-accounting system and its reliability in providing a true representation of operations, by:

a) obtaining information from the Manager in Charge of Financial Reporting and the heads of other company functions;
b) attending meetings of the Control and Risk Committee;
c) examining the reports prepared by the Internal Audit function on the adequacy of the administrative-accounting procedures pursuant to Law 262/05, drawn up in implementation of the annual mandate of the Manager in Charge of Financial Reporting;
d) holding meetings with the Independent Auditors;
e) examining company documents and analysing the results of the work performed by the Independent Auditors.

During the performance of this activity, the Board of Statutory Auditors did not discover any critical situations or facts that could give it grounds to consider Salini Impregilo S.p.A.'s administrative-accounting system to be inadequate and/or unreliable in 2015.

15. Adequacy of the instructions given to subsidiaries.

The Board of Statutory Auditors considers the instructions imparted by the Company to its subsidiaries pursuant to article 114, paragraph 2, of the TUF to be adequate for the purposes of compliance with communication obligations established by law.

16. Any significant information relative to the meetings with the independent auditors.

During the meetings held with the independent auditors pursuant to article 150 of the TUF, no significant information emerged or information that requires disclosure.

17. Compliance with the Corporate Governance Code of the Listed Companies Governance Committee.

The Board of Statutory Auditors has supervised – pursuant to article 149, paragraph 1, letter c-bis) of the TUF – the arrangements for the practical implementation of the corporate governance rules set out in the Corporate Governance Code prepared by the Committee for the Corporate Governance of Listed

Companies, to which the Company adhered most recently by resolution of the Board of Directors of 17 December 2015, for the purpose of making the adjustments to ensure compliance with the new version of the Code issued in July 2015.
In accordance with the TUF, the Company has prepared and published the Report on Corporate Governance and Ownership Structure.
The Board of Statutory Auditors has verified the correct application of the criteria and procedures adopted by the Board of Directors to check the independence of its members.
The Board of Statutory Auditors has also assessed continued compliance in 2015 with the independence requirements set by the Corporate Governance Code for each statutory auditor.

18. Final assessments on the supervisory activities performed.
As part of its supervisory activities, as described above, no acts of misconduct, omissions or irregularities were found that required reporting to the competent bodies.

19. Proposals of the Board of Statutory Auditors to the Shareholders' Meeting.
Based on the supervisory activities performed during the course of the year, the Board of Statutory Auditors finds no impediments to the approval of the financial statements at 31 December 2015, the Report on Operations as presented by the Board of Directors, and the proposal for the distribution of profit contained therein.

Milan, 6 April 2016

The Board of Statutory Auditors

Mr Alessandro Trotter – Chairman
Ms Teresa Cristiana Naddeo – Statutory auditor
Mr Gabriele Villa – Statutory auditor

This document is available at:
www.salini-impregilo.com

Salini Impregilo S.p.A.

Salini Impregilo S.p.A., a company subject to management and coordination by Salini Costruttori S.p.A.

Salini Impregilo S.p.A.
Share capital € 544,740,000

Registered office in Milan, Via dei Missaglia 97
Tax code and Milan Company Registration no
00830660155
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