

28.1 Financial income

Financial income totaled €39.1 million in 2014 (€13.5 million in 2013) and is made up as follows:

(Amounts in thousands of euros)	2014	2013	Change
Interest income from receivables	2,564	-	2,564
Financial income from securities	272	2	270
Interest and other income from Group companies	30,282	11,006	19,276
Interest income and other financial income	6,011	2,468	3,543
- Interest on financing	941	739	202
- Bank interest	1,662	718	944
- Default Interest	2,205	303	1,902
- Financial discounts and allowances	222	2	220
- Other	981	706	275
Total	39,129	13,476	25,653

The change compared to the prior year reflected the following situations:

- increase in interest income on loans for €2.6 million;
- increase in default interest of €1.9 million;
- higher interest income overall of €19.3 million accrued on intragroup transactions with the companies listed below.

(Amounts in thousands of euros)	2014	2013	Change
Todini Costruzioni Generali S.p.A.	9,872	-	9,872
Consorzio C.A.V.TO.MI	1,352	925	427
Consorzio C.A.V.E.T.	424	540	(116)
Salini Nigeria Ltd	4,802	-	4,802
SGF-INC S.p.A.	657	670	(13)
Salini Malaysia	4,149	-	4,149
Salini Polska	247	-	247
Salini Costruttori S.p.A.	1,499	-	1,499
Metro B1	151	-	151
Todini-Impregilo Almaty Khorgos J.V.	192	-	192
Gupc	4,884	2,134	2,750
Eriday	516	424	92
Impregilo International Infrastructures N.V.	-	4,022	(4,022)
Fisia Italmimpianti	-	1,283	(1,283)
Other	1,537	1,008	529
Total	30,282	11,006	19,276

Separate financial statements of Salini Impregilo S.p.A. at December 31, 2014

28.2 Financial expense

Financial expense in 2014 amounted to €117.2 million, up €88.8 million over the previous year.

The item is broken down as follows:

(Amounts in thousands of euros)	2014	2013	Change
Interest payable and expenses from Group companies	(15,691)	(5,175)	(10,516)
- Interest payable	(15,691)	(5,175)	(10,516)
Interest payable and other financial expense	(101,525)	(23,221)	(78,304)
- Bank interests on accounts and loans	(60,478)	(19,886)	(40,592)
- Interest on bond issues	(25,819)	-	(25,819)
- Interest on tax payables	(1,693)	(1,649)	(44)
- Default interest	(155)	-	(155)
- Interest payable from discounting to PV	56	(278)	334
- Bank fees	(5,275)	(989)	(4,286)
- Charges on sureties	(74)	-	(74)
- Other loans	(883)	(306)	(577)
- Factoring and Leasing	(5,969)	(8)	(5,961)
- Other	(1,235)	(105)	(1,130)
Total	(117,216)	(28,396)	(88,820)

The €88.8 million change is mainly due to the inclusion, as of January 1, 2014, of financial liabilities from Salini S.p.A. as a result of the merger, which contributed €81.6 million to the income statement 2014 and refer mainly to bank interest expense of €45.2 million, interests on bond issues

totaling €25.8 million and factoring and leasing interest of €6.0 million.

Interest expense (€15.7 million) on intragroup transactions relate to the following companies:

(Amounts in thousands of euros)	2014	2013	Change
Consorzio C.A.V.TO.MI	(583)	(611)	28
Consorzio C.A.V.E.T.	(73)	(148)	75
Impregilo International Infrastructures N.V.	(10,416)	(396)	(10,020)
FISIA Babcock Environment GmbH	-	(3,570)	3,570
Impregilo Lydco	(140)	(302)	162
Co.Ge.Ma.	(138)	-	(138)
Copenhagen Metro Team I/S	(3,513)	-	(3,513)
Salini Namibia Proprietary Ltd.	(598)	-	(598)
Other	(230)	(148)	(82)
Total	(15,691)	(5,175)	(10,516)

28.3 Net exchange rate gains (losses)

Net exchange rate losses amounted to €35.2 million, higher by €77.0 million on the previous year.

The change reflects the non-recurring charge of about €97 million resulting from the adoption by the Group of the new official SICAD 2 exchange rate to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. This situation, described in detail in the Section 'Foreign

currency translation of the assets and liabilities related to Venezuela' in these explanatory notes, was necessary in light of the continuing financial/currency crisis being experienced in the country, for the purpose of achieving a more reliable estimate of the value that these net financial assets will be realized and also in consideration of the regulatory characteristics of the local currency market, which puts significant restrictions on the movement of Venezuelan currency.

(Amounts in thousands of euros)	2014	2013	Change
Realized exchange rate gains (losses)	23,608	80,591	(56,983)
Unrealized exchange rate gains (losses)	(57,476)	(39,345)	(18,131)
Currency hedging gains (losses)	(1,360)	515	(1,875)
Total	(35,228)	41,761	(76,989)