

31. Operating expenses

Operating expenses for the first half of 2015 totalled € 2,071.0 million (€ 2,022.5 million in first half of 2014).

The item may be broken down as follows:

(Amounts in €/000)	H1 2015	H1 2014	Change
Purchasing costs	367,437	260,809	106,628
Subcontracts	627,700	823,580	(195,880)
Costs for services	662,203	550,694	111,509
Personnel costs	259,269	242,707	16,562
Other operating costs	56,463	59,240	(2,777)
Amortization, depreciation, provisions and impairment losses	97,882	85,475	12,407
Total operating costs	2,070,954	2,022,505	48,449

31.1 Purchasing costs

Costs incurred for raw materials and consumables in the first half of 2015, amount to € 367.4 million, up € 106.6 million compared to the same period of last year:

(Amounts in €/000)	H1 2015	H1 2014	Change
Raw materials and consumables	365,370	276,165	89,205
Change in raw materials and consumables	2,067	(15,356)	17,423
Total	367,437	260,809	106,628

The increase in costs for raw materials and consumables is in line with the general increase of revenue due to the success of some large-scale projects abroad.

31.2 Subcontracts

Subcontracts amount to € 627.7 million, down € 195.9 million compared to the corresponding previous period, as shown in the following table:

	H1 2015	H1 2014	Change
(Amounts in €/000)			
Subcontracts	627,700	823,580	(195,880)
Total Subcontracts	627,700	823,580	(195,880)

The € 195.9 million decrease, compared to June 30, 2014, mainly refers to: the Ethiopian branch for € 123.5 million, to the Qatar branch for € 14.2 million, to Civil Work equal for € 20.2 million, to CMT I/S for € 139.6 million and to Salini Malaysia for € 26.8 million.

31.3 Service costs

Service costs amount to € 662.2 million, up by € 111.5 million compared to the same period of last year, as indicated in the following table:

	H1 2015	H1 2014	Change
(Amounts in €/000)			
Consultancy and technical services	190,963	130,786	60,177
Fees to directors, statutory auditors and independent auditors	6,430	7,057	(627)
Employee travel expenses	3,395	7,059	(3,664)
Maintenance and testing	7,298	8,786	(1,488)
Transport and customs	83,485	56,776	26,709
Insurance	32,517	15,850	16,667
Cost recharges from consortiums	218,682	201,636	17,046
Rent and leases	65,712	42,342	23,370
Charge backs recharges	176	569	(393)
Lease payments and expenses	67	191	(124)
Trade expenses	46	1,529	(1,483)
Other	53,432	78,113	(24,681)
Total cost of services	662,203	550,694	111,509

The item "Other", down by € 24.6 million compared to the first half of 2014, includes for approximately € 5 million, expenses for detached personnel, for € 2.1 million J.O. costs. For the remaining part, the item mainly refers to costs for services, for security and for board expenses.

The item "Consultancy and technical services", increased € 60.2 million compared to June 30, 2014, and mainly includes the planning and laying costs incurred by project companies and costs for legal counsel and administration tasks. Hereunder, the table:

(Amounts in €/000)	H1 2015	H1 2014	Change
Design and engineering consulting	151,119	103,367	47,752
Legal, administrative and other services	29,691	22,549	7,142
Testing	495	1,575	(1,080)
Building	9,658	3,295	6,363
Total	190,963	130,786	60,177

31.4 Personnel costs

Personnel expenses for the period amounted to € 259.3 million, up by € 16.6 million compared to the same period of the previous year. The item is made up as follows:

(Amounts in €/000)	H1 2015	H1 2014	Change
Wages and salaries	215,206	173,070	42,136
Social security and pension contributions	36,609	31,715	4,894
Post-employment benefits and employee benefits	7,374	8,431	(1,057)
Other personnel expenses	80	29,491	(29,411)
Total	259,269	242,707	16,562

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

31.5 Other operating costs

Other operating expenses decreased by € 2.8 million compared to the same period of the previous year, amounting to € 56.5 million in the first half of 2015, as follows: The item is detailed as follows:

	H1 2015	H1 2014	Change
(Amounts in €/000)			
Other management costs	28,236	41,690	(13,454)
Commissions on operating sureties	24,176	13,588	10,588
Operational bank expenses	3,003	2,304	699
Capital loss intangible/tangible	1,047	1,658	(611)
Other operating costs	56,463	59,240	(2,777)

31.6 Amortization, depreciation, provisions and impairment losses

This item came to € 97.9 million, up by € 12.4 million compared to the same period of the previous year, broken down as follows:

	H1 2015	H1 2014	Change
(Amounts in €/000)			
Total provisions and impairment losses net of utilizations	(2,889)	2,250	(5,139)
Amortization of intangible assets	186	12,603	(12,417)
Depreciation of property, plant and equipment	91,659	67,490	24,169
Amortization of rights to infrastructure under concession	752	369	383
Amortization order acquisition costs	8,174	2,763	5,411
Total amortization and depreciation	100,771	83,225	17,546
Total	97,882	85,475	12,407

The item "amortization, depreciation, provisions and impairment losses" for the first half of 2015 has increased for a total of € 12.4 million. The item provisions acknowledges provisions made by Imprepar relating to three ongoing litigations. The item "Provisions", totalling € 100.8 million, is formed by € 91.7 million that refer to property, plant and equipment, increased by approximately € 24.2 million compared to the previous period, and by € 9.1 million of intangible assets of which 0.7 million referred to the rights to infrastructure and € 8,2 million referred to contract acquisition costs as stated in Note 6.