

3. Business combinations

Purchase of shares of the company Collegamenti Integrati Veloci S.p.A. (C.I.V.)

On May 7, 2014 Salini Impregilo signed a private agreement with the company "Itinera S.p.A.", the consortium company "Società Autostrada Torino-Alessandria-Piacenza" and "Società Iniziative Nazionali Autostradali – SINA". This private agreement was for the purchase of 85% of the shares that they held in the company Collegamenti Integrati Veloci S.p.A. (C.I.V.). which owns 4.25% of Consorzio Cociv.

The purchase price was a total of €18.0 million, paid in full upon signature of the agreement.

The table below shows the values of C.I.V.'s assets and liabilities attributable to Salini Impregilo at the time of acquisition and the corresponding fair value determined at the acquisition date for the Purchase Price Allocation (PPA) process.

<i>(Amounts in €'000)</i>	Carrying amounts	Fair Value
Cash and cash equivalents	12,576	12,576
Other current assets	344	344
Total assets	12,920	12,920
Other current liabilities	(861)	(861)
Total liabilities	(861)	(861)
Net assets acquired	12,059	12,059
Price paid for the acquisition of the stake		18,040
Net assets acquired (net liabilities assumed)		(10,250)
Difference between price and fair value acquired		7,790

The difference between the price and the fair value was recognised, at the date of the transaction, under the item "Contract acquisition costs". The final allocation did not create significant variations compared to the temporary allocation.

The cash used for the acquisition, net of cash acquired, is set out below:

<i>(Amounts in €'000)</i>	
Cash and cash equivalents	12,576
Other assets	344
Other liabilities	(861)
Total	12,059
Net of cash acquired	(12,576)
Cash net of cash used for the acquisition	(517)

The effects on the income statement that would have occurred if the Group had acquired control on January 1, 2014, are shown below:

<i>(Amounts in €'000)</i>	
Revenue	1,004
Operating expenses	(1,707)
Financial income	78
Loss attributable to the owners of the parent	(625)
Loss attributable to the owners of the parent attributable to the Group	(625)

Acquisition of and (equity) investment in the company Co.Ge.Fin S.r.l..

On March 6, 2015 a 49% ownership interest in Co.Ge.Fin S.r.l. was purchased from the related party Todini Finanziaria at a price of € 9,077,348. This transaction completed the acquisition process initiated in December 2014 with the purchase by Todini Costruzioni Generali of a 51% ownership interests at a price of €5,773,157. As a result of the shareholder agreements in place that assigned control of Co.Ge.Fin. S.r.l. to the shareholder Todini Finanziaria, this company was classified under associates up to December 31, 2014.

The following table summarizes the shares possessed by Salini Impregilo with regard to the assets and liabilities of Co.Ge.Fin S.r.l. at the date of acquisition and of the corresponding fair values preliminarily determined at the said date of acquisition for the Purchase Price Allocation (PPA) process:

<i>(Amounts in €/000)</i>	Carrying amounts	Fair Value
Non-current assets		
of which:	188	21
- Intangible assets	167	-
Trade receivables	47,966	47,966
Other current assets	38	38
Total assets	48,192	48,025
Bank loans and borrowings due after one year	(28,168)	(28,001)
Other non-current liabilities		
Bank loans and borrowings due within one year	(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
Price paid for the acquisition of the 49% stake		9,077
Fair Value of the investment held previously (51%)	-	8,585
Fair Value of acquired net assets		(16,834)
Difference between price fair value and fair value of acquired net assets		828
Accounting value of the investment evaluated according to the equity method		9,095
Fair Value of the investment held previously		8,585
Minor accounting value		510

The difference between the fair value and the price for the acquisition and the fair value of the acquired net assets amounts to € 0.8 million, and the adjustment to the fair value of the investment previously held, equal to € 0.5 million have been recognized in the profit and loss accounts under the item "operating costs".

The cash used for the acquisition, net of cash acquired, is set out below:

<i>(Amounts in €/000)</i>	
Total acquired net assets	16,834
Difference between price fair value and fair value of acquired net assets	828
Net of non-controlling interests and fair value held previously	(8,585)
Cash net of cash used for the acquisition	9,077

Co.Ge.Fin was consolidated on January 1, 2015 and its contribution to the consolidated income statement is as follows:

(Amounts in €/000)

Revenue	8,534
Operating expenses	(60)
Operating profit	8,474
Financing income (costs) and gains (losses)	(737)
Earnings before taxes	7,737

Acquisition of Seli Tunneling Denmark ApS

On December 19, 2014, Salini Impregilo S.p.A. and Seli S.p.A. signed a contract for the transfer of the entire Seli Tunneling Denmark ApS ("Seli Denmark") shares held by Seli S.p.A.

Seli Denmark is the owner of a subcontract with CMT, held by Salini Impregilo at 99.989%, for the execution of excavation works and for covering the galleries of the two metro lines of Copenhagen, as part of Cityringen project.

The contract for the purchase of Seli Denmark took effect in June 2015, on the occurrence of the suspensory condition, being acquired in its totality by Impregilo International Infrastructure N.V..

The amount established for the share is € 1, determined considering the financial difficulties of Seli Denmark.

The following table summarizes the shares possessed by Salini Impregilo with regard to the assets and liabilities of Seli Denmark at the date of acquisition and of the corresponding fair values preliminarily determined at the said date of acquisition for the Purchase Price Allocation (PPA) process:

<i>(Amounts in €/000)</i>	Carrying amounts	Fair Value
Non-current assets		
of which:	29,544	35,352
- 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	(45,555)	(45,555)
Other current liabilities	(1,603)	(1,603)
Total liabilities	(62,421)	(62,421)
Net assets acquired	(5,808)	-

The consolidation of the Seli Tunneling started at the end of June 2015. A representation of the contribution of the company to the consolidated income statement as though the consolidation had started from January 1, 2015 follows:

<i>(Amounts in €/000)</i>	
Revenue	33,355
Operating costs	(19,368)
Operating profit	13,987
Financing income (costs) and gains (losses)	(288)
Earnings before taxes	13,699

Seli Denmark's revenue is mainly generated with CMT, a Salini Impregilo Group company.

Other changes to the consolidation scope

Acquisition of an additional share of the Line 3 Riyadh Metro project

On June 28, 2015, Salini Impregilo acquired an additional share in the company that manages the civil works for the construction of Line 3 of the Riyadh Metro in Saudi Arabia.