



### 35.2 Financial expense

Financial expense totalled €107.5 million (€135.6 million) and is made up as follows:

(€'000)	2015	2014	Variation
<b>Intragroup interest and other expense</b>	<b>(200)</b>	<b>1,314</b>	<b>(1,514)</b>
<b>Interest and other financial expense</b>	<b>(107,323)</b>	<b>(136,944)</b>	<b>29,621</b>
- 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)
<b>Total</b>	<b>(107,523)</b>	<b>(135,630)</b>	<b>28,107</b>

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).