

## 12. Contract work in progress

Contract work in progress totals €2,148.8 million at the reporting date, up €373.0 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)	30 June 2016	31 December 2015	Variation
Contract work in progress	29,700,763	27,960,191	1,740,572
Progress payments and advances received (on approved work)	(27,551,938)	(26,184,400)	(1,367,538)
<b>Total</b>	<b>2,148,825</b>	<b>1,775,791</b>	<b>373,034</b>

The most significant work in progress relates to railway work in Venezuela (€255.6 million), the hydroelectric plants in Ethiopia (€126.6 million), the high speed/capacity railway work in Italy (€156.9 million), the hydroelectric, road and civil building works in Nigeria (€65.3 million), the Copenhagen Cityringen Metro in Denmark (€229.6 million), the Doha Metro and the Al Bayt Stadium in Al Khor, Qatar (€190.1 million), the design and construction of motorways in Romania (€87.5 million) and work in progress in Libya (€144.6 million). With respect to the works in Libya, the subsidiary Lidco collected contractual advances in previous years amounting to €179.7 million at the reporting date, recognised as "Advances for contract work in progress" under liabilities in the statement of financial position.

The item shows an increase over 31 December 2015 mainly due to continuation of production on the contracts in Denmark (€84.6 million, due to the Copenhagen Cityringen Metro contract), in Qatar (€120.0 million, mainly referred to construction of the Al Bayt Stadium in Al Khor and the Red Line North Underground), in Australia (€54.2 million, to build the Sydney Metro Northwest Project - Design and Construction of Surface and Viaduct Civil Works) and the in US (€38.9 million, as a result of the work carried out by Lane).

A breakdown of contract work in progress by geographical segment is as follows:

(€'000)	30 June 2016	31 December 2015	Variation
Italy	417,387	399,625	17,762
EU (excluding Italy)	367,426	247,378	120,048
Non-EU	135,038	106,464	28,574
Asia	34,315	16,310	18,005
Middle East	210,266	115,991	94,275
Africa	508,910	546,857	(37,947)
North America	38,855	613	38,242
Latin America	368,079	328,251	39,828
Oceania	68,549	14,302	54,247
<b>Total</b>	<b>2,148,825</b>	<b>1,775,791</b>	<b>373,034</b>

The section on the “Main risk factors and uncertainties” in the Directors’ report provides information on pending disputes and assets exposed to country risk.

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.