

### 13. Trade receivables

At 30 June 2016, trade receivables amount to €2,066.7 million, a net increase of €506.0 million compared to 31 December 2015. The item includes receivables of €157.7 million from unconsolidated group companies and other related parties.

It is analysed in the following table:

(€'000)	30 June 2016	31 December 2015	Variation
Third parties	1,908,989	1,380,098	528,891
Unconsolidated group companies and other related parties	157,673	180,586	(22,913)
<b>Total</b>	<b>2,066,662</b>	<b>1,560,684</b>	<b>505,978</b>

“Third parties” may be broken down as follows:

(€'000)	30 June 2016	31 December 2015	Variation
Trade receivables	2,010,892	1,479,741	531,151
Allowance for impairment	(101,903)	(99,643)	(2,260)
<b>Total</b>	<b>1,908,989</b>	<b>1,380,098</b>	<b>528,891</b>

The balance relates to amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced. The net increase is a result of the change in the consolidation scope following Lane’s acquisition (€194.4 million) and the rise in the Ethiopian branch’s trade receivables for work performed by subcontractors (€255.5 million) as well as advances to be collected (€42.5 million). The Ethiopian branch recorded a related increase in trade payables for works performed (€250 million) and payables from customers for advances. Settlement of the trade receivables and trade payables takes place on the basis of the agreements between the parties.

The item also includes €229.2 million due to FIBE by the Campania municipalities for its management services provided under contract until 15 December 2005 and the subsequent transition period (reference should be made to the “Main risk factors and uncertainties” section in the Directors’ report for more information about this complicated situation and the directors’ related assessments).

Retentions amount to €140.3 million at the reporting date compared to €87.3 million at 31 December 2015.

The allowance for impairment increased by €2.3 million to €101.9 million at the reporting date and includes impairment losses on trade receivables of €47.1 million (mostly for the Venezuelan, Sierra Leone and Kazakhstani branches) and on default interest of €54.8 million (mainly related to FIBE, Fisia Ambiente and the Nepalese branch). Accruals of approximately €4.5 million for the period principally refer to the Kazakhstani branch.

Changes in the provision for bad debts and default interest are analysed below:

(€'000)	31 December 2015	Accruals	Utilisations	Reversals	Change in consolidation scope	Exchange rate gains (losses)	30 June 2016
Trade receivables	43,817	4,470	(258)	(3,563)	2,696	(22)	47,140
Default interest	55,826			(1,073)		10	54,763
<b>Total</b>	<b>99,643</b>	<b>4,470</b>	<b>(258)</b>	<b>(4,636)</b>	<b>2,696</b>	<b>(12)</b>	<b>101,903</b>

Trade receivables from unconsolidated group companies and other related parties decreased by €22.9 million to €157.7 million at 30 June 2016.

The item mainly comprises trade receivables from unconsolidated SPEs for work carried out by them under contracts with Italian and foreign public administrations.

The balance includes €3.6 million equal to the Group's share of the SPEs' cash and cash equivalents. It is shown in the item "Net financial position with unconsolidated SPEs" in the schedule of the Group's net financial indebtedness.

The decrease is mainly due to the collection of receivables due from Pedelombarda S.c.p.A., the consortium company which built the motorway stretch with the same name.