

## 20. Bank and other loans, current portion of bank loans and borrowings and current account facilities

Bank and other loans and borrowings increased by €292.4 million over 31 December 2015 to €1,576.7 million at period end, as summarised below:

(€'000)	30 June 2016	31 December 2015	Variation
<i>Non-current portion</i>			
- Bank and other loans and borrowings	843,318	745,554	97,764
<i>Current portion</i>			
- Current account facilities and other loans	733,418	538,802	194,616
<b>Total</b>	<b>1,576,736</b>	<b>1,284,356</b>	<b>292,380</b>

The Group's financial indebtedness is broken down by loan type in the following table:

(€'000)	30 June 2016			31 December 2015		
	Non-current portion	Current portion	Total	Non-current portion	Current portion	Total
Bank corporate loans	746,673	402,717	1,149,390	667,328	202,733	870,061
Bank project financing	65,794	156,806	222,600	38,954	76,520	115,474
Bank concession financing	23,301	19,451	42,752	24,776	21,301	46,077
Financing and loans of companies in liquidation	2,136	-	2,136	2,136	-	2,136
Other financing	5,059	30,013	35,072	7,782	53,036	60,818
<b>Total bank and other loans and borrowings</b>	<b>842,963</b>	<b>608,987</b>	<b>1,451,950</b>	<b>740,976</b>	<b>353,590</b>	<b>1,094,566</b>
Current account facilities	-	90,771	90,771	-	115,615	115,615
Factoring liabilities	355	20,420	20,775	944	58,763	59,707
Loans and borrowings - unconsolidated group companies	-	13,240	13,240	3,634	10,834	14,468
<b>Total</b>	<b>843,318</b>	<b>733,498</b>	<b>1,576,736</b>	<b>745,554</b>	<b>538,802</b>	<b>1,284,356</b>

### Bank corporate loans

Bank corporate loans amount to €1,149.4 million at the reporting date (31 December 2015: €870.1 million) and refer to the parent.

They have been granted by major banks and have repayment plans which provide for payment of the last instalments in 2021. The interest rates have floating spreads depending on the loan term and conditions. The decision to apply the Euribor (1, 2, 3 or 6 months) has been contractually provided for to the benefit of Salini Impregilo.

The main conditions of the bank corporate loans in place at 30 June 2016 are as follows:

	Company	Interest rate	Expiry date	Note
Bank syndicate - Refinancing Facility A	Salini Impregilo	Euribor	2019	(1)
Bank syndicate - Refinancing Facility B	Salini Impregilo	Euribor	2020	(1)
Banca Popolare dell'Emilia Romagna	Salini Impregilo	Euribor	2019	
Monte dei Paschi di Siena (€50 million)	Salini Impregilo	Fixed	2019	(1)
Monte dei Paschi di Siena (€70 million)	Salini Impregilo	Fixed	2019	(1)
Banca Popolare di Bergamo	Salini Impregilo	Fixed	2019	(1)
Banco do Brasil	Salini Impregilo	Euribor	2018	
Banca Popolare di Bari	Salini Impregilo	Euribor	2021	(1)
Banca IMI (€400 million)	Salini Impregilo	Fixed	2017	(1)
Banca IMI (€150 million)	Salini Impregilo	Euribor	2020	
Banca del Mezzogiorno	Salini Impregilo	Euribor	2017	

(1) The loans are backed by covenants that establish the requirement for the borrower to maintain certain financial and equity ratios, which at the date of this report are fully respected.

During the period, the Group negotiated financing with Monte dei Paschi di Siena (€70.0 million), Banca Popolare di Bergamo (€40.0 million), Banca Popolare di Milano (€50 million) and Banca IMI (€400.0 million). It was taken out to acquire Lane Group and the Group repaid €300 million after the bond issue described in note 21. In July, the Group repaid the remainder of the financing following the additional bond issue described in note 38.

### Bank project financing

Project financing of €222.6 million at 30 June 2016 mainly relates to the contracts in Colombia (€45.8 million), Romania (€22.5 million) and Australia (€23.7 million), the Metro B1 contract (€20.2 million), the contracts in Nigeria (€7.2 million), North America (€43.5 million) and Morocco (€6.0 million). The variation is mostly due to the increase recorded for the Romanian branch's contracts (€22.5 million), those of the Australian branch (€23.7 million) and of Lane, acquired in January 2016 (€43.5 million) and in Colombia (€21.2 million).

The main conditions of the bank project financing in place at 30 June 2016 are as follows:

	Company	Country	Interest rate	Expiry date
Banco de Bogotá	ICT II	Colombia	DTF	2016
Banco de Bogotá	Consorzio OHL	Colombia	DTF	2016
Banco Stato del Ticino	CSC	Switzerland	Fixed	2016
Intesa San Paolo Romania	Romanian branch	Romania	Robor	2016
Garanti Bank S.A.	Romanian branch	Romania	Robor	2016
Unicredit	Lane Industries	USA	Prime	2020
Doha Bank Qatar	Lane Industries	Qatar	Fixed	2017
Santander Bank	Australian branch	Australia	Fixed	2016
Skye Bank	Salini Nigeria	Nigeria	Fixed	2016
Various	Venezuelan branch	Venezuela	Fixed	n.a.
BMCE	Moroccan branch	Morocco	Fixed	(1)
Banca del Mezzogiorno	Metro B1	Italy	Euribor	2017

(1) Project financing agreements have contractual maturities in line with the performance of the relevant contract.

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

## Bank concession financing

At the reporting date, concession financing amounts to €42.8 million and refers to the Piscine dello Stadio, Corso del Popolo and Parking Glasgow concessions and the Broni-Mortara (SA.BRO.M.) motorway concession.

€'000	Company	Currency	Country	30 June 2016			31 December 2015		
				Total concession financing	Current portion	Non-current portion	Total concession financing	Current portion	Non-current portion
	Monte dei Paschi di Siena								
	Corso del Popolo S.p.A.	Euro	Italy	8,828	750	8,078	8,828	491	8,337
	Piscine dello Stadio								
	Credito Sportivo								
	S.r.l.	Euro	Italy	6,707	290	6,417	6,809	285	6,524
	Impregilo Parking								
	Royal Bank of Scotland								
	Glasgow	Sterling	UK	9,218	412	8,806	10,280	364	9,916
	Unicredit								
	S.A.BRO.M	Euro	Italy	18,000	18,000	-	20,160	20,160	-
	<b>Total</b>			<b>42,753</b>	<b>19,452</b>	<b>23,301</b>	<b>46,077</b>	<b>21,300</b>	<b>24,777</b>

The outstanding financing from Royal Bank of Scotland is included in the project financing category and is secured by the revenue flows arising from the activities carried out under the related concessions. An interest rate hedge has been agreed for this financing (see note 23). The financing agreement includes a number of covenants, all of which the operator had complied with at the reporting date.

The main conditions of the bank concession financing in place at 30 June 2016 are as follows:

Company	Country	Interest rate	Expiry date	
Royal Bank of Scotland	Impregilo Parking Glasgow	GB	Libor	2029
Monte dei Paschi di Siena	Corso del Popolo S.p.A.	Italy	Euribor	2028
Credito Sportivo	Piscine dello Stadio	Italy	IRS	2035
Unicredit	SA.BRO.M.	Italy	Euribor	2016

The interest rates shown in the table have floating spreads depending on the term and conditions of the financing.

## Financing and loans of companies in liquidation

This item of €2.1 million is substantially unchanged from 31 December 2015. The related repayment plans are linked to the liquidation procedures of the companies to which the financing and loans refer.

## Other financing

This item may be analysed as follows:

€'000	Company	Country	30 June 2016			31 December 2015		
			Total other financing	Current portion	Non-current portion	Total other financing	Current portion	Non-current portion
Cat Finance	Salini Impregilo	Italy	9,518	5,174	4,344	11,996	5,057	6,938
Nesma Riyadh	Salini Impregilo	Italy	-	-	-	25,076	25,076	-
Bethar Al Amal	Salini Impregilo	Italy	15,006	15,006	-	15,303	15,303	-
Contuy	Salini Impregilo	Brazil	47	47	-	-	-	-
Various	Salini Impregilo - Healy Parsons	USA	3,405	3,405	-	-	-	-
Various	Healy Parsons	USA	1,513	1,513	-	-	-	-
Various	Salini Impregilo	Saudi Arabia	6	6	-	-	-	-
Various	Salini Impregilo	Argentina	15	15	-	-	-	-
Various	Healy UTE	Argentina	18	18	-	-	-	-
Various	HCE	Italy	526	291	235	667	193	475
Various	ANM	Riyadh	730	730	-	948	948	-
Various	Lec Consortium	Libya	113	113	-	150	150	-
Various	Pietrarossa	Italy	343	-	343	343	-	343
Various	Nepalese branch	Nepal	-	-	-	15	15	-
Various	Ariguani	Colombia	2,862	2,862	-	869	869	-
Various	Imprepar	Italy	413	413	-	413	413	-
Sace	Salini Namibia	Namibia	-	-	-	4,112	4,112	-
Various	Lane Industries	USA	226	88	138	-	-	-
AFCO	Salini Impregilo - Healy JV	Cleveland	277	277	-	841	841	-
Cat Finance	Co.Ge.Ma.	Italy	55	55	-	84	59	25
<b>Total</b>			<b>35,073</b>	<b>30,013</b>	<b>5,060</b>	<b>60,818</b>	<b>53,036</b>	<b>7,782</b>

## Current account facilities

Current account facilities decreased by €24.8 million to €90.8 million at the reporting date. The decrease mainly refers to the smaller bank overdrafts of the parent (€30.4 million), the subsidiaries Salini Nigeria (€12.2 million), Corso del Popolo S.p.A. (€4.5 million) and Piscine dello Stadio S.c.a.r.l (€1.9 million) and the larger bank overdrafts of the subsidiary CMT I/S Copenhagen (€25.0 million).

## Factoring liabilities

(€'000)	30 June 2016	31 December 2015	Variation
Salini Impregilo S.p.A. (SACE Factoring S.p.A.)	-	43,776	(43,776)
Venezuelan branch (various)	355	944	(589)
Salini Malaysia (SACE Factoring S.p.A.)	7,636	-	7,636
CMT (SACE Factoring S.p.A.)	69	-	69
Ethiopian branch (Factorit)	12,471	14,553	(2,082)
Sierra Leone branch (Factorit)	236	433	(197)
JV Mukorsi (Factorit)	8	-	8
<b>Total</b>	<b>20,775</b>	<b>59,707</b>	<b>(38,932)</b>

Factoring liabilities related to the factoring of receivables and decreased by €38.9 million, mainly due to the extinguishment of the parent's liability with Sace Factoring S.p.A. (€43.8 million) and the rise in the subsidiary Salini Malaysia's liability of €7.6 million after the factoring of receivables during the period.

## Net financial indebtedness of Salini Impregilo Group

	Note (*)	30 June 2016	31 December 2015	Variation
(€'000)			(\$)	
Non-current financial assets	9	69,988	67,832	2,156
Current financial assets	14	363,417	312,104	51,313
Cash and cash equivalents	17	1,176,680	1,410,775	(234,095)
<b>Total cash and cash equivalents and other financial assets</b>		<b>1,610,085</b>	<b>1,790,711</b>	<b>(180,626)</b>
Bank and other loans and borrowings	20.	(843,318)	(745,554)	(97,764)
Bonds	21	(692,296)	(396,211)	(296,085)
Finance lease liabilities	22	(102,226)	(79,789)	(22,437)
<b>Total non-current indebtedness</b>		<b>(1,637,840)</b>	<b>(1,221,554)</b>	<b>(416,286)</b>
Current portion of bank loans and borrowings and current account facilities	20.	(733,418)	(538,802)	(194,616)
Current portion of bonds	21	(16,084)	(10,203)	(5,881)
Current portion of finance lease liabilities	22	(54,218)	(49,617)	(4,601)
<b>Total current indebtedness</b>		<b>(803,720)</b>	<b>(598,622)</b>	<b>(205,098)</b>
Derivative liabilities	23	(8,104)	(14,798)	6,694
Net financial position with unconsolidated SPEs (**)		3,623	17,512	(13,889)
<b>Total other financial assets (liabilities)</b>		<b>(4,481)</b>	<b>2,714</b>	<b>(7,195)</b>
<b>Net financial indebtedness - continuing operations</b>		<b>(835,956)</b>	<b>(26,751)</b>	<b>(809,205)</b>
Net financial indebtedness - discontinued operations		(18,082)	(18,939)	857
<b>Net financial indebtedness including discontinued operations</b>		<b>(854,038)</b>	<b>(45,690)</b>	<b>(808,348)</b>

(\*) The note numbers refer to the notes to the condensed interim consolidated financial statements where the items are analysed in detail.

(\*\*) This item shows the Group's net amounts due from/to unconsolidated consortia and/or consortium companies operating under a cost recharging system. The balance reflects the Group's share of cash and cash equivalents or debt of the SPEs. The balances are shown under trade receivables and payables in the condensed interim consolidated financial statements.

(\$) The figures in this column do not include Lane acquired on 4 January 2016.