

## 26. Progress payments and advances on contract work in progress

This item, included in “Current liabilities”, amounts to €1,884.1 million, up €21.3 million on the figure at 31 December 2015. It comprises:

(€'000)	30 June 2016	31 December 2015	Variation
Contract work in progress	(4,695,342)	(4,099,585)	(595,757)
Progress payments and advances received (on approved work)	4,901,335	4,211,995	689,340
<b>Negative work in progress</b>	<b>205,993</b>	<b>112,410</b>	<b>93,583</b>
Contractual advances	1,678,115	1,750,349	(72,234)
<b>Total</b>	<b>1,884,108</b>	<b>1,862,759</b>	<b>21,349</b>

Work in progress recognised under liabilities (negative WIP) of €206.0 million is the negative net balance, for each contract, of work performed to date and progress billings and advances.

The following table shows the contribution by geographical segment of negative WIP and contractual advances:

(€'000)	30 June 2016			31 December 2015			Variation
	Negative WIP	Advances	Total	Negative WIP	Advances	Total	
Italy	6,019	135,065	141,084	13,862	100,576	114,438	26,646
EU (excluding Italy)	39,108	153,942	193,050	48,426	147,413	195,839	(2,789)
Non-EU	5,774	50,146	55,920	2,523	42,509	45,032	10,888
Asia	470	25,329	25,799	-	23,768	23,768	2,031
Middle East	17,856	509,244	527,100	10,839	594,991	605,830	(78,730)
Africa	2,097	661,024	663,121	9,900	725,901	735,801	(72,680)
North America	96,609	-	96,609	17,870	-	17,870	78,739
Latin America	23,118	112,518	135,636	8,990	112,640	121,630	14,006
Oceania	14,942	30,847	45,789	-	2,551	2,551	43,238
<b>Total</b>	<b>205,993</b>	<b>1,678,115</b>	<b>1,884,108</b>	<b>112,410</b>	<b>1,750,349</b>	<b>1,862,759</b>	<b>21,349</b>

The contracts that contributed the most to the negative WIP were those in the US (€96.6 million, including € 77.1 million for Lane), Austria (€25.7 million), Denmark (€13.4 million), Peru (€22.6 million) and Italy (€ 6.0 million).

The most significant changes, compared to 31 December 2015, in terms of increases, relate to work in the US, while in terms of decreases, they relate to the work in Nigeria, Italy, Denmark and Austria.

The most significant contractual advances relate to the following contracts: the Grand Ethiopian Renaissance Dam Project in Ethiopia (€280.0 million), the Copenhagen Cityringen Metro in Denmark (€108.8 million), contracts in Libya (€188.3 million), the Riyadh Metro Line 3 in Saudi Arabia (€401.4 million), projects in Nigeria (€93.8 million), construction of the Ruta del Sol motorway in Colombia (€56.5 million), design and construction of the Red Line North Underground in Doha (€38.6 million) and construction of the Al Bayt Stadium in Al Khor in Qatar (€68.2 million).

The Directors' report provides more information about the performance of these contracts and their progress.

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