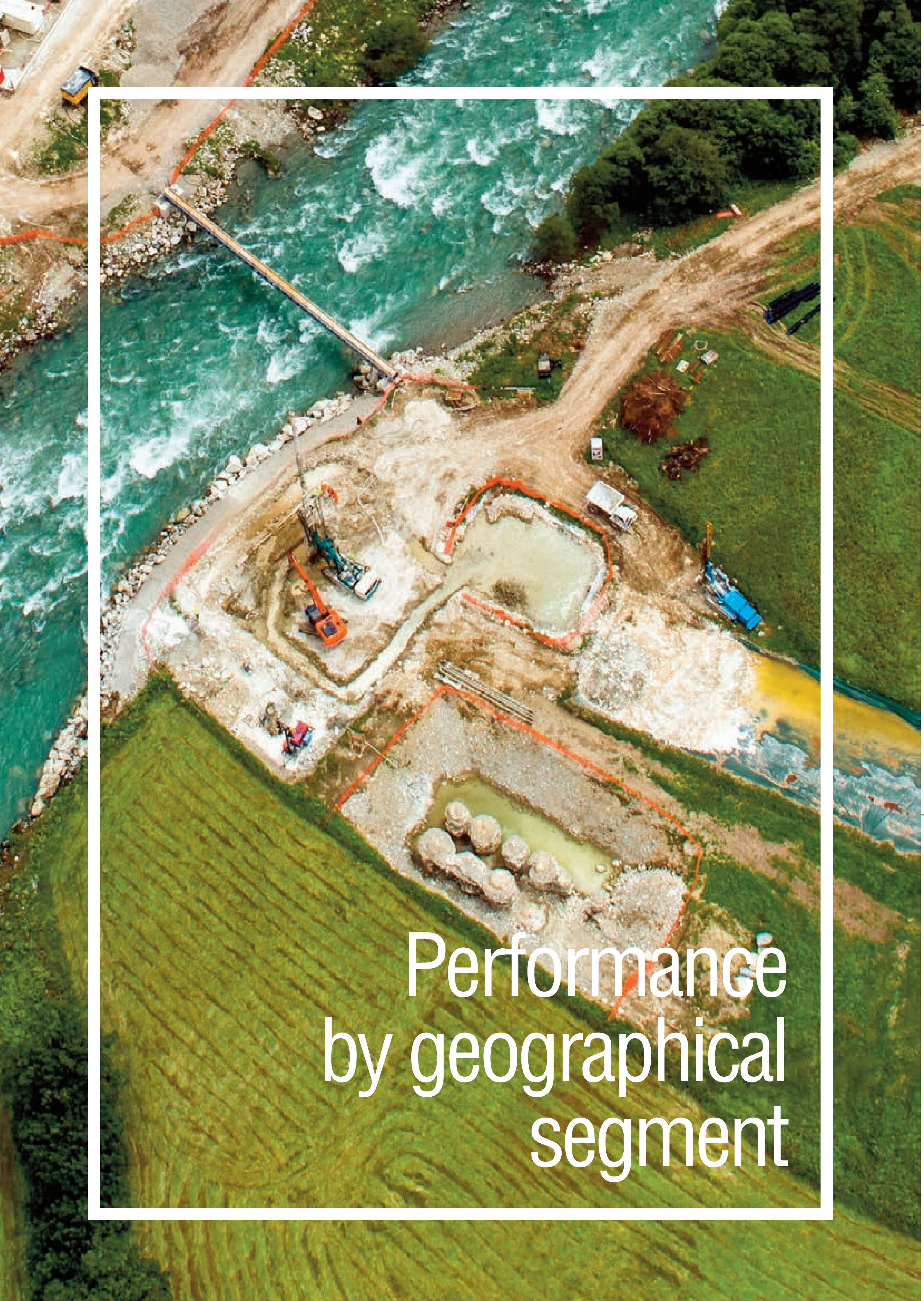


Performance by geographical segment

Italy

The Group operates in the construction and concessions sectors in Italy.

Macroeconomic scenario

2016 was characterised by global instability and uncertainty. The key underlying factors were i) Brexit, ii) the constitutional referendum in Italy and subsequent change of its executive branch, iii) concerns about the European banking system's health, iv) the Chinese economy's slowdown, v) consistently lower inflation levels in the advanced economies and vi) limits to the central banks' room for manoeuvre.

This situation was also affected by the numerous geopolitical risk factors in the Middle East and the uncertainty about the outcome of the important elections in the US and Western Europe.

According to the most recent data published by ISTAT (the Italian national institute for statistics) in March 2017, Italian GDP should have grown by 0.9% in 2016, showing an improvement on the 0.8% growth rate of 2015, thus confirming the steady, ongoing progress of the last few years.

The budget deficit is expected to decrease by 0.2% on 2015 while the 2017 budget includes a number of incentives to boost innovation and investment as well as a reduction in the corporate income tax rate from 27.5% to 24%.

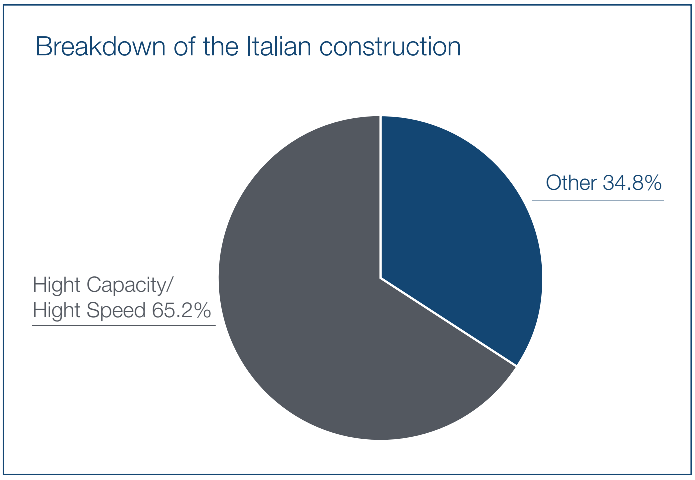
The reduction in rates to historical lows has led to a large decrease in interest expense, generating significant fiscal space. The effective interest rate on public debt of around 3% and the cut in interest payments of approximately 20% should allow the government to recommence public investments. Greater public spending would speed up growth and push down debt levels. However, any delay in the introduction of the ambitious public investment programme will slow down recovery.

Construction

The order backlog for the Italian construction segment is as follows:

Project (Share in millions of Euros)	**Residual order backlog at 31 December 2016**	**Percentage of total**
High speed/capacity	5,652.8	65.2%
Other projects	3,019.2	34.8%
Total	**8,672.0**	**100.0%**

The following chart provides a breakdown of the order backlog by type of business:



Project (Share in millions of Euros)	**Residual order backlog at 31 December 2016**	**Percentage of completion**
COCIV LOT 1-6	3,552.3	21.7%
IRICAV 2	2,096.0	0.1%
OTHER	4.5	
High speed/capacity	**5,652.8**	
Broni-Mortara	981,5	0,0%
Metro B	898.5	0.1%
Milan Metro Line 4	373.3	26.4%
Jonica state highway 106	336.9	2.8%
Other	429.0	
Other work in Italy	**3,019.2**	
Total	**8,672.0**	

High-speed/capacity Milan-Genoa Railway Project

The project for the construction of this railway line was assigned to COCIV Consortium as general contractor by RFI S.p.A. (Rete Ferroviaria Italia, formerly TAV S.p.A. - as Ferrovie dello Stato's operator) with the agreement of 16 March 1992. The project's pre-contractual stage was complicated and difficult, with developments from 1992 to 2011 on various fronts.

On 11 November 2011, a rider to the agreement was signed for the assignment to the consortium of the design and construction of the Giovi third railway crossing of the high speed/capacity Milan - Genoa railway line.

Salini Impregilo is the consortium leader with a percentage of 68.25%.

The works began on 2 April 2012 and the contract is worth approximately €4,400 million.

It is split into six non-functional construction lots for a total of roughly 120 months including the pre-operating/inspection phase.

During the first half of the year, RFI commenced the third construction lot 21 months behind schedule, increasing the total value of the works and activities financed and under construction to €1,634 million, €537 million higher than the active lots (1 and 2).

In addition, the Interministerial Committee for Economic Planning (CIPE) approved financing of the fourth construction lot with resolution no. 42/16 of 10 August 2016, sending the documentation to the Court of Auditors for its examination. Communication of the effectiveness of the fourth lot is scheduled for 17 March 2017. This fourth construction lot will increase the amount of financed works by €1,125 million to €2,759 million.

On 26 October, the Rome and Genoa Public Prosecutors issued orders which, inter alia, involved certain parties related to the consortium. More information is available in the "Main risk factors and uncertainties" section.

High-speed/capacity Verona-Padua Railway Project

The IRICAV DUE consortium is RFI's general contractor for the design and construction of the high speed/capacity Verona-Padua section as per the agreement of 15 October 1991. Its role was confirmed by the arbitration award of 23-26 May 2012, which has become definitive. Salini Impregilo's current involvement in the consortium is 34.09%. During the first half of this year and together with its partner Astaldi, Salini Impregilo communicated their interest in acquiring the stakes of Ansaldo STS of 8.12% and 8.93%, respectively. Should this acquisition go ahead (RFI's approval is conditional upon Ansaldo STA continuing to hold a nominal stake of 0.001%), Salini Impregilo's share of the consortium fund would increase to 42.209%.

In 2015, the consortium provided the customer with the definitive project drawings for the Verona-Vicenza sub-section with the bid. It also delivered the definitive project, inclusive of the related bid, for the first functional lot, the Verona-Vicenza junction.

On 23 March 2016, the Services Conference took place in the presence of the Directorate General for Railway Transport and Railway Infrastructure of the Ministry of Infrastructure and Transport (MIT), attended by the bodies involved in the project.

Once it has obtained the environmental compatibility opinions and the opinion of the Superior Council of Public Works, the MIT will send the design for the first functional lot to CIPE for its definitive approval, which is expected for early 2017.

In the meantime, negotiations with RFI to check the fairness of the consideration are underway.

At present, it can be assumed that the rider for the first functional lot will be signed with RFI during the first six months of 2017, allowing commencement of the works in the second half of the year.

The contract is worth an estimated €5 billion, including roughly €2 billion for the first functional lot, the Verona-Vicenza junction.

Concessions

The Group's portfolio of concession activities in Italy mainly consists of investments in the operators still involved in developing projects and constructing the related infrastructure.

These concessions principally relate to the transport sector (motorways, metros and car parks).

The following tables show the key figures of the Italian concessions at the reporting date, broken down by business segment:

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy	SaBroM-Broni Mortara	60	50	not yet active	2010	2057
Italy (Ancona)	Dorico-Porto Ancona bypass	47.0	11	not yet active	2013	2049

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Milan)	Milan Metro Line 4	9.7	15	not yet active	2014	2045

CAR PARKS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Terni)	Corso del Popolo S.p.A.	55.0		not yet active	2016	2046

OTHER

Country	Operator	% of investment	Total km	Stage	Start date	End date
Italy (Terni)	Piscine dello Stadio S.r.l.	70.0		active	2014	2041

Lane operating segment

The Group is active in the US through the subsidiary Lane Industries Incorporated.

Macroeconomic scenario

Salini Impregilo has strengthened its share of the US market considerably with its acquisition of Lane, the top highway contractor. In fact, the US is now the Group's key market, accounting for roughly one quarter of its revenue, after this acquisition.

The US economy is expected to maintain the growth rates achieved in previous years in 2017 and to gain impetus in 2018, mainly thanks to the infrastructure programme and tax incentives promised by the Trump administration.

The growth prospects for the US infrastructure market are very promising for the next few years, boosted by approval of the Fast Act (Fixing America's Surface Transportation Act) in December 2015. Experts believe that reconstruction of the country's infrastructure cannot be put off much longer. Large investments to modernise the current infrastructure and launch new projects have been referred to by President Trump, who has announced an ambitious investment programme to build roads, bridges, tunnels, airports, ports and railways of approximately USD1 trillion over ten years. The American Society of Civil Engineering has estimated infrastructure investment requirements for the US to be USD3.6 trillion by 2020. This market's potential development is an excellent opportunity to be grasped by the Group through its local subsidiary, Lane.

The IMF has confirmed the US economy's favourable trend: 2018 GDP growth has been revised upwards in the most recent estimates of January 2017 to 2.5%, an improvement of 0.4% on the October 2016 forecasts.

The following table shows the amounts involved in the main contracts in portfolio:

Project (Share in millions of Euros)	**Residual order backlog at 31 December 2016**	**Percentage of completion**
Purple Line	526.0	7.7%
I-4 Ultimate	467.4	17.8%
Gerald Desmond Bridge (Healy Project)	91.8	56.5%
Dugway Storage Tunnel Cleveland (Healy Project)	83.1	36.2%
Other	1,345.2	
Total	**2,513.4**	

Lane - Purple Line - Maryland

Purple Line Transit Partners, which includes Lane Construction, was selected as the best bidder for the design and construction of the Purple Line transit system worth USD2 billion in March 2016.

The project includes the construction of 21 stations along a 16-mile alignment, mainly between New Carrollton and Bethesda, north of Washington DC. Lane Construction is involved in the construction work (but not the concession) with a 30% share.

Lane - I-4 Ultimate - Orlando - Florida

In September 2014, the I-4 Mobility Partners joint venture entered into a concession agreement with the Florida Department of Transportation (FDOT) to design, build, finance and operate the USD2.3 billion I-4 Ultimate project. Lane's share of the joint venture is 30%.

The project includes the reconstruction of 21 miles of I-4 from west of Kirkman Road in Orange Country to east of SR 434 in Seminole County, including the addition of four lanes.

Healy Project - Gerald Desmond Bridge - Long Beach - California

The contract, awarded in 2012, consists of the construction of a cable-stayed bridge with the main span of 300 metres and two 150 m-high towers in the harbour of the city of Long Beach (CA). It is worth around USD790 million, of which 30% for the Group.

Healy Project - Dugway Storage Tunnel - Cleveland - Ohio

This USD153 million contract awarded in November 2014 involves the construction of a 4.5 km-long and 8 m-wide tunnel and six shafts. The Group's share is 100%.

In addition, the Group won a number of contracts during the year, including the South Carolina Port Access Road as a joint venture with Flour Enterprises Inc, worth approximately USD220 million.

Outlook for 2017

The acquisition of Lane represents another step by Salini Impregilo to expand in the US infrastructure market. The US construction sector has become a core market for the Group, contributing around 25% to its total revenue. With Lane, Salini Impregilo can compete and participate in a much larger pool of projects, especially in the highway, rail, environment and mobility sectors, including underground works using mechanised excavation machines. This is reflected in the order backlog worth €2.5 billion at year end and the new orders won in the first two months of 2017 for

€850 million. Lane recently won a new design-build contract worth USD336 million to extend the 395 Express Lanes in Virginia. The project consists of an eight-mile extension of the 95 Express Lanes from Edsall Road in Fairfax County to Eads Street in Arlington County. The work will extend the 95 Express Lanes to the Washington, D.C., line and is expected to reduce congestion significantly along the I-395 corridor.

Management accounts presentation of the figures for 2016 and 2015 ("Work Under Management")

For management purposes, the Group monitors the main figures of Lane Group, adjusting the IFRS balances, prepared for consolidation purposes, to consider the results of the joint ventures not controlled by Lane, which are consolidated using the proportionate method. These management account results (works under management) show the progress made on the contracts managed directly by Lane or through its non-controlling investments in the joint ventures.

The following table shows the key figures for 2016 compared to the previous year:

	2016			2015*		
(€'000)	Lane Industries Group	Joint ventures not controlled by Lane	Total WUM	Lane Industries Group (unaudited)	Joint ventures not controlled by Lane	Total WUM
Revenue	1,303,478	240,721	1,544,199	1,270,652	197,149	1,467,801
Gross operating profit (EBITDA)	48,311	24,372	72,683	43,004	24,587	67,591
Operating profit (EBIT)	14,110	24,372	38,482	12,837	24,587	37,424
Profit from continuing operations	30,346	-	30,346	11,755	-	11,755
Profit for the year attributable to the owners of the parent	19,542	-	19,542	3,455	-	3,455

* The figures for 2015 for Lane are the consolidated figures prepared under IFRS.

Abroad

The Group is active in the construction and concessions sectors abroad.

Macroeconomic scenario

The global economy's recovery continued in 2016 albeit at a slower and weaker pace than expected. According to the latest IMF estimates, global growth is expected to be 3.1% for 2016, substantially in line with 2015, to rise to 3.4% and 3.6% in 2017 and 2018, respectively. These forecasts show slower growth for the advanced economies as a result of the Brexit vote.

The economic growth rate of the main advanced economies was steady at 1.6% for 2016, down 0.5% on the previous year. The outlook is more positive, with growth expected to increase to above 2% in 2018.

On the other hand, the emerging markets and developing countries are more dynamic with global growth prospects beyond 2017 for a gradual increase to 3.8% by the end of 2021.

Despite this still quite volatile economic scenario, the general climate has benefited from positive factors, such as more stable oil prices, lower interest rates and higher raw materials prices.

The developing countries will continue to be the main driver of global growth, although their growth pattern will be intermittent and slower than of the last 20 years.

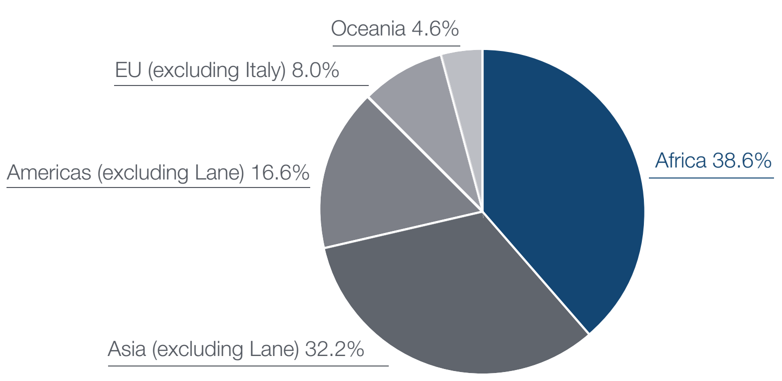
Construction

The order backlog for the foreign construction segment is as follows:

Area (Share in millions of Euros)	**Residual order backlog at 31 December 2016**	**Percentage of completion**
Africa	7,047.5	38.6%
Asia (excluding Lane)	5,883.1	32.2%
Americas (excluding Lane)	3,032.0	16.6%
Europe (excluding Italy)	1,464.2	8.0%
Oceania	832.1	4.6%
Total	**18,259.9**	**100.0%**

The following chart provides a breakdown of the order backlog by area:

Breakdown of the foreign construction order



Australia

Market

The construction sector is a driving force of the Australian industry and contributes roughly 8% to the country's GDP.

The Australian Bureau of Statistics estimates that the population will double by 2075 from the current 23 million residents to 46 million. As the demographic growth rate is one of the factors that positively affects development of the civil engineering and large-scale works sector, the individual state governments and the federal government have confirmed they will support the vigorous development of infrastructure with the dual aim of bolstering the economy, through a public spending plan to reply to the negative performance of the mining industry, and to adequately respond to the existing demand for more infrastructure.

The Group has been active in Australia since 2013 and currently operates through Salini Impregilo Australia Branch, the wholly-owned Salini Australia Pty Ltd, Impregilo Salini Joint Venture and Salini Impregilo - NRW Joint Venture.

In December 2013, Transport for New South Wales awarded Impregilo-Salini Joint Venture the contract, worth approximately AUD624 million at year end, for the Sydney Metro Northwest Project - Design and Construction of Surface and Viaduct Civil Works.

The project is the first stage of the Sydney Metro Project, the largest public transport infrastructure project in Australia, which consists of the construction of the new metro line to serve north-east Sydney.

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Forrestfield Airport Link	777.9	3.8%
NW Rail Link Project	54.2	87.3%
Total	**832.1**	

Forrestfield Airport Link

On 28 April 2016, the joint venture of Salini Impregilo (80%) and NRW Pty Ltd (20%) was awarded the contract to design, construct and maintain the Forrestfield Airport Link by the Public Transport Authority of Western Australia. The project includes construction of a new metro line to connect Forrestfield, and hence the airport, to the existing Perth network through an 8 km underground line. As well as the design and construction of the three new metro stations, the contract also includes 10 years of maintenance of the infrastructure. It is worth approximately AUD1.2 billion.

Outlook for 2017

In November 2016, the Salini Impregilo - Fluor - Lane joint venture presented a bid for the design and construction of the Western Distributor Project worth around €3.6 billion (AUD5.5 billion) in Melbourne. This is one of the most ambitious road infrastructure works for the Victorian government and its objective is to reduce traffic congestion on the existing bridge (West Gate Bridge) and commuting times. It will also create 5,600 new jobs. The works are to be completed by 2022.

On 11 August 2016, the "Moving Melbourne Together" consortium, which includes Salini Impregilo, CBP and Ghella, was short-listed for the Melbourne Metro contract. The Public Private Partnership (PPP) project worth AUD6 billion will be the largest ever in the state of Victoria and will create 4,700 jobs. The contract will include roughly 9 km of tunnels and five metro stations. The formal proposals will be presented at the start of 2017 while the tunnelling work will commence in 2018.

The Group deems that the Australian market is fundamental for its growth, as shown by the above developments.

Tajikistan

Market

This country's economy grew at a rate of 7.5% between 2011 and 2013 and the expected growth rate for 2017 is 4%.

During the same period, the poverty and unemployment rates have improved. The project assigned to the Group is of fundamental importance to boost economic growth over the next few years with the delivery of electrical energy generated by the Rogun hydroelectric power plant.

The following table shows the amounts involved in the contract at the reporting date:

Project (Share in millions of Euros)	**Residual order backlog at 31 December 2016**	**Percentage of completion**
Rogun Hydropower Project	1,713.3	1.9%
Total	**1,713.3**	

Rogun Hydropower Project

On 1 July 2016, Salini Impregilo signed a framework agreement with the Tagikistani government worth approximately USD3.9 billion to build a hydroelectric power plant. The Group, with a 100% share, has also been assigned the first lot of roughly USD1.9 billion to build a 335 metre-high rockfill dam with a clay core, the tallest in the world, on the Vakhsh River in Pamir, one of Central Asia's main mountain ranges. The contract term is 11 years (plus two years warranty). The contract for Lot 2 will be executed by the Group's local branch.

The power plant will have total installed capacity of 3,600 MW generated by six turbines of 600 MW each.

Outlook for 2017

While it is still in an initial phase, the river deviation phase was completed in 2016. Completion of the project will take place in another three lots, included in the framework agreement signed with the customer.

Saudi Arabia

Market

The Saudi market is stagnant due to the falling oil prices and the country's expected deficit. The local currency's depreciation against the US dollar planned at the start of 2016 no longer seems feasible.

The following table shows the amounts involved in the main contracts in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Riyadh Metro Line 3	1,737.0	39.7%
Other	78.9	
Total	**1,816.0**	

Riyadh Metro Line 3

On 29 July 2013, Salini Impregilo, as leader of an international consortium, won a portion of the maxi contract awarded by ArRiyadh Development Authority to design and construct the new Riyadh metro line (41.2 km), the longest line of the challenging project for the metro system of Saudi Arabia's capital.

The lot assigned to ArRiyadh New Mobility Consortium is an important part of the larger construction contract for Riyadh's new metro system, worth approximately USD23.5 billion.

The value of the works to be carried out by the consortium, i.e., the design and construction of the entire Line 3, is roughly USD6.0 billion, including approximately USD4.9 billion for the civil works, of which Salini Impregilo will carry out 66%. It sold 14% of its share to Salini Saudi Arabia Company L.t.d. (51% owned by Salini Impregilo) in 2016.

Outlook for 2017

The Group will continue to pursue any new business opportunities that arise in 2017 in this country.

Qatar

Market

Given current oil prices, the country has held back development of new infrastructure projects and has only continued high priority projects (such as the Doha metro line) for the 2022 FIFA World Cup.

The following table shows the amounts involved in the main contracts in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Al Bayt Stadium	608.0	20.9%
Red Line North	415.7	69.3%
Other	299.8	
Total	**1,323.5**	

Al Bayt Stadium

In July 2015, the Group was awarded the contract to build the Al Bayt stadium in Al Khor, roughly 50 km north of the capital Doha. The Group's share of the contract, which entails the design and construction of one of the sports complexes where the 2022 FIFA World Cup matches will take place, is worth approximately €770 million. The contract was awarded by the Aspire Zone Foundation, which is responsible for the development of Qatar's sports infrastructure. The stadium will be able to accommodate 70,000 spectators with an area of 200 thousand square metres. The profit is an example of an eco-sustainable work, thanks to modern construction techniques and the use of environmentally friendly and low energy impact state-of-the-art materials.
The Group's share of the contract is 40%.

Red Line North Underground, Doha

In 2013, Impregilo, as leader of a joint venture with a 41.25% share, won the tender called by Qatar Railways Company (Qrail) for the design and construction of the Red Line North Underground in Doha. The project, along with three other metro lines, is part of a programme promoted by Qatar to build a new infrastructure mobility system included in the National Development Plan for 2030 ("Qatar National Vision 2030"), which provides for significant investments to ensure sustainable economic growth over time. The contract's value has decreased from the previous QAR8 billion (roughly €2 billion) to the current QAR5.6 billion (approximately €1.4 billion), due to the partial use of the contractually-provided for provisional sum.

Outlook for 2017
The Group will continue to pursue any new business opportunities in arise in 2017 in this country.

Ethiopia

Market
Ethiopia is the fastest growing economy in Africa in the last five years. Its development plans for the next few years include the installation of 17,000 MW power capacity and the GERD and Koysha projects. The latter was won in 2016.

The following table shows the amounts involved in the main contracts in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Koysha	2,321.8	6.5%
Gerd	1,304.8	64.8%
Gibe III	15.2	99.1%
Total	**3,641.8**	

Koysha Hydroelectric Project
This project is on the Omo River, about 370 km south-west of the capital Addis Abeba. It was commissioned by Ethiopian Electric Power (EEP) and includes the construction of a dam with a 6,000 million cubic metre capacity reservoir, annual energy generation of 6,460 Gwh and total installed capacity of 2,200 MW. The project also includes the access roads, a new bridge over the river and a 400 KW transmission line from Koysha to Gibe III. The contract is worth approximately €2.5 billion and the Group's share is 100%.

This important new project, together with GIBE III and GERD (the Grand Renaissance Dam) on the Blue Nile, will enable Ethiopia to become Africa's leader in terms of energy production.

GERD
The GERD project, located approximately 500 km north-west of the capital Addis Abeba, consists of the construction of a hydroelectric plant, Grand Ethiopian Renaissance Dam (GERD), and the largest dam in the African continent (1,800 metres long, 170 metres high). The project also includes the construction of two power stations on the banks of the Blue Nile, equipped with 16 turbines with installed capacity of 375 MW each. The contract is worth approximately €3.7 billion and the Group's share is 100%.

Outlook for 2017
The Group will continue to pursue new business opportunities in 2017 in line with the country's continued growth.

Peru

Market

The country is engaged in strengthening its democratic institutions to encourage private initiative in the economy. To this end, the current government has communicated its intention to stimulate investment in large infrastructural works to modernise Peru.

In 2017, the government plans to call tenders for the Lima L3 Metro worth approximately €5,802 million as well as another two projects of a smaller amount for the ring road around Lima and the Longitudinal de la Sierra road.

The following table shows the amounts involved in the main contracts in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Lima Metro	688.5	6.5%
Total	**688.5**	

Lima M2 - Peru

On 28 March 2014, the consortium comprising Salini Impregilo Group and other international groups won the contract for the construction and operation of the extension to Lima's metro network under concession from P - Agencia de Promociòn de la Inversiòn Privada. The project includes the construction of the works and operation of the infrastructure over the 35-year concession.

The Group's share of the construction work is 25.5% of the civil works. The five-year project includes the development of a 35 km-long underground line and 35 stations. The contract, updated by variations, is worth approximately USD3,042 million (original amount of USD3,004 million plus addenda of USD38 million).

Outlook for 2017

The Group will continue to pursue any new business opportunities that arise in 2017 in this country.

Denmark

Market

Denmark is experiencing a phase of moderate growth. The country's infrastructure development plan entails public and private investment. The Group operates through its subsidiary Copenhagen Metro Team I/S, a company incorporated under Danish law and involved in the construction of Copenhagen Cityringen, one of the world's most modern transport infrastructures.

The following table shows the amounts involved in the contract in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
Cityringen	334.8	84.4%
Total	**334.8**	

Copenhagen Cityringen

The project consists of the design and construction of the new metro line in the centre of Copenhagen, which entails two tunnels of 16 km each, 17 stations and five monitoring shafts. The contract is worth approximately €2,147 million, including riders and price reviews. During the period, work went ahead according to schedule with continuation of the electromechanical works and architectural finishings. The Group's share of the project is 99.9%.

During 2016 and 2015, the Group incurred costs for activities not originally provided for in the contract (more information is available in the section on the "Main risk factors and uncertainties").

Outlook for 2017

The Group is involved in a major tender in the transport sector. It is currently finalising its bid for the southbound extension of the Copenhagen metro line.

Poland

Market

Poland is a dynamic, fast-growing country with its GDP showing strong growth in recent years (+3.1% in 2016 and +3.0% in 2015). This market is very attractive to foreign companies given the large EU funding it receives, the low salaries, highly professional workforce and modest tax regime. Accordingly, Poland is one of the countries with the best development potential in the medium term.

The following table shows the amounts involved in the contracts in place at the reporting date:

Project (Share in millions of Euros)	Residual order backlog at 31 December 2016	Percentage of completion
A1F Tuszyn-Pyrzowice	121.5	6.4%
Expressway S7 Krakow-Rabka Zdroj	101.0	11.2%
Expressway S7 Checiny	63.1	44.3%
Expressway S3 Nowa Sol	55.6	46.8%
Expressway S8 Marki - Radzymin Lot 1	29.7	54.3%
Total	**370.9**	

A1 Motorway
On 22 July 2015, the Group was awarded a contract worth approximately €130 million for the design and construction of a 20 km section of the A1 Motorway south of Warsaw near Katowice. The works are financed with EU and Polish state funds and have a term of 33 months. The Group's share is 100%.

Expressway S7 - South of Krakow
On 20 January 2016, the Group won a €114 million contract, signed on 31 March 2016, to build a section of Expressway S7 south of Krakow near the border with Slovakia. The project, which is EU and Polish state funded, will take 22 months. The Group's share is 100%.

Outlook for 2017
Work on the main motorway projects underway continued in 2016. Production is slated to pick up speed in 2017 as the road projects have a term of between two and three years and the contracts have now reached their peak production time. The Group's outlook for this country is tied to its participation in 23 pre-qualification rounds for tenders worth approximately €3 billion for road works.

At present, Salini Impregilo has qualified for 14 out of the 23 projects and has been invited to present bids for nine road tenders. It is also evaluating whether to participate in railway and hydraulic tenders in order to diversify its business, which is currently focused solely in the fast-growing road infrastructural sector.

Other countries

Argentina

Riachuelo - Buenos Aires
The project has significant environmental and social value as it will clean up the Riachuelo River basin. The initiative is the first part of a larger programme, financed by the World Bank, for sustainable development of the Matanza-Riachuelo catchment basin, aimed at the environmental restoration of the Riachuelo River and the areas it passes through, considered to be among the most polluted in the region.

Following an addendum signed in the second half of 2016, the contract is now worth €414 million (Salini Impregilo's share is 75%) and the project was 21.4% complete at 31 December 2016. Argentina is expected to record growth at around 3% with inflation under 20% (currently around 40%) in 2017. The government has announced a big public works investment plan (17.7% of GDP). Given these premises, the Group has decided to set up a branch office in Buenos Aires to evaluate the many bids presented for calls to tender announced in late 2016 and to be continued in 2017.

Slovakia

D1 Motorway - Lietavská Lúčka - Višňové - Dubná Skala Section
The "D1 Motorway - Lietavská Lúčka – Višňové – Dubná Skala section" project consists of the construction of roughly 13.4 km of the motorway, which includes a

7.5 km twin-tube tunnel, an intersection, a car park, nine bridges, a maintenance centre and sundry related works.

The EU-funded contract is worth approximately €307 million (Salini Impregilo's share is 100%).

According to European Union forecasts (Directorate-General for Economic and Financial Affairs), this country's GDP growth should continue in 2017 and 2018. The growth rate was above 3% in 2016.

In addition, investments in the automotive sector and greater public spending (including for large-scale infrastructure projects) should boost the outlook for solid growth in 2017 and 2018.

The Group will continue to pursue new business opportunities in 2017 in line with the country's continued growth.

Concessions

The Group's portfolio of foreign concessions comprises both investments in the operators, which are fully operational and, hence, provide services for a fee or at rates applied to the infrastructure's users, and operators that are still developing and constructing the related infrastructure and will only provide the related service in future years.

The current concessions are held in Latin America (Argentina, Colombia and Peru), the UK and Turkey. They refer to the transport sector (motorways, metro systems and car parks), hospitals, renewable energy and water treatment sectors.

The two Argentine operators are currently in liquidation and their contracts have been terminated. The following tables show the main figures of the foreign concessions at the reporting date, broken down by business segment:

MOTORWAYS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Argentina	Iglys S.A.	98.0		holding		
Argentina	Autopistas Del Sol	19.8	120	active	1993	2020
Argentina	Puentes del Litoral S.A.	26.0	59,6	in liquidation	1998	
Argentina	Mercovia S.A.	60.0	18	active	1996	2021
Colombia	Yuma Concessionaria S.A.(Ruta del Sol)	48.3	465	active	2011	2036

METROS

Country	Operator	% of investment	Total km	Stage	Start date	End date
Peru	Metro de Lima Linea 2 S.A.	18.3	35	not yet active	2014	2049

ENERGY FROM RENEWABLE SOURCES

Country	Operator	% of investment	Installed voltage	Stage	Start date	End date
Argentina	Yacylec S.A.	18.7	T line	active	1992	2091
Argentina	Enecor S.A.	30.0	T line	active	1995	2094

INTEGRATED WATER CYCLE

Country	Operator	% of	Pop. served	Stage	Start date	End date
Argentina	Aguas del G. Buenos Aires S.A.	42.6	210 k	in liquidation	2000	
Peru	Consorcio Agua Azul S.A.	25.5	740 k	active	2000	2027

HOSPITALS

Country	Operator	% of investment	No. of beds	Stage	Start date	End date
GB	Impregilo Wolverhampton Ltd.	20.0	150 k medical visits	active	2002	2032
GB	Ochre Solutions Ltd-Ospedale di Oxford	40.0	220	active	2005	2038
GB	Impregilo New Cross Ltd.	100.0		holding		
Turkey	Gaziantep Hospital	35.5	1875	not yet active	2016	2044

CAR PARKS

Country	Operator	% of investment	No. of parks	Stage	Start date	End date
GB	Impregilo Parking Glasgow Ltd.	100.0	1400	active	2004	2034

Order backlog

The order backlog shows the amount of the long-term construction contracts awarded to the Group, net of revenue recognised at the reporting date. The Group records the current and outstanding contract outcome in its order backlog. Projects are included when the Group receives official notification that it has been awarded the project by the customer, which may take place before the definitive binding signing of the related contract.

The Group includes projects in its order backlog when it deems that the contract counterparties will comply with their obligations. Moreover, its contracts usually provide for the activation of specific procedures (usually arbitrations) to be followed in the case of either party's contractual default.

The order backlog includes the amount of the projects, including when they are suspended or deferred, pursuant to the contractual conditions, even if their resumption date is unknown.

The value of the order backlog decreases:

- when a contract is cancelled or decreased as agreed with the customer;

- in line with the recognition of contract revenue in profit or loss.

The Group updates the order backlog to reflect amendments to contracts and agreements signed with clients. In the case of contracts that do not have a fixed consideration, the related order backlog reflects any contractual variations agreed with the customer or when the customer requests an extension of the execution times or amendments to the project that had not been provided for in the contract, as long as these variations are agreed with the customer and the related revenue is reasonably certain.

The measurement method used for the order backlog is not a measurement parameter provided for by the IFRS and is not calculated using financial information prepared in accordance with such standards. Therefore, the calculation method used by the Group may differ from that used by other sector operators. Accordingly, it cannot be considered as an alternative indicator to the revenue calculated under the IFRS or other IFRS measurements.

Moreover, although the Group's accounting systems update the related data on a consolidated basis once a month, the order backlog does not necessarily reflect the Group's future results, as the order backlog data may be subject to significant variations.