

## Group performance

**Table 1 - Reclassified consolidated income statement**

(€'000)	Note (*)	2016	2015 (\$)	Variation
Revenue		5,760,358	4,624,066	1,136,292
Other income		123,451	146,229	(22,778)
<b>Total revenue</b>	34	<b>5,883,809</b>	<b>4,770,295</b>	<b>1,113,514</b>
Operating expenses (°)	35	(5,347,475)	(4,287,650)	(1,059,825)
<b>Gross operating profit (EBITDA)</b>		<b>536,334</b>	<b>482,645</b>	<b>53,689</b>
EBITDA %		9.1%	10.1%	
Amortisation and depreciation	35	(260,821)	(215,058)	(45,763)
<b>Operating profit (EBIT)</b>		<b>275,513</b>	<b>267,587</b>	<b>7,926</b>
Return on Sales %		4.7%	5.6%	
<b>Financing income (costs) and gains (losses) on equity investments</b>				
Net financing costs	36	(86,506)	(90,424)	3,918
Net gains on equity investments	37	9,122	335	8,787
<b>Net financing costs and net gains on equity investments</b>		<b>(77,384)</b>	<b>(90,089)</b>	<b>12,705</b>
<b>Profit before tax (EBT)</b>		<b>198,129</b>	<b>177,498</b>	<b>20,631</b>
Income tax expense	38	(77,952)	(84,577)	6,625
<b>Profit from continuing operations</b>		<b>120,177</b>	<b>92,921</b>	<b>27,256</b>
Loss from discontinued operations	20	(20,662)	(10,690)	(9,972)
<b>Profit before non-controlling interests</b>		<b>99,515</b>	<b>82,231</b>	<b>17,284</b>
Non-controlling interests		(39,594)	(21,639)	(17,955)
<b>Profit for the year attributable to the owners of the parent</b>		<b>59,921</b>	<b>60,592</b>	<b>(671)</b>

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

(°) They include provisions and impairment losses of €16,503 thousand in 2016.

(§) The income statement for 2015 was restated to comply with IFRS 5. The figures in this column do not include Lane acquired on 4 January 2016.

### Revenue

Total revenue for the year is €5,883.8 million (€4,770.3 million), including €5,344.2 million earned abroad (€4,028.0 million), of which €1,305.5 million by Lane, and €539.6 million in Italy.

The 23.3% increase on 2015 is mainly due to the inclusion of Lane in the consolidation scope.

“Other income” mostly refers to contract work in progress and specifically industrial activities and related works not directly related to contracts with clients.

## Operating profit (Ebit)

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The gross operating profit (Ebitda) and the operating profit (Ebit) for the year amount to €536.3 million and €275.5 million, respectively, with a gross operating profit margin of 9.1% (10.1%) and a R.o.S. of 4.7% (5.6%). The reduction in the two margins is mainly due to the consolidation of Lane Group.

The central units' costs and other general expenses for the year come to approximately €158.4 million (€143.3 million).

The operating profit generated by the foreign operations amounts to €435.9 million, including €14.1 million by Lane, while the Italian operations, gross of the corporate costs, made an operating loss of €2 million.

## Financing income (costs) and gains (losses) on equity investments

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The Group recorded net financing costs of €86.5 million (net costs of €90.4 million) while net gains on equity investments amount to €9.1 million (net gains of €0.3 million).

Net financing costs include financial income of €44.5 million and financial expense of €146.5 million. The €28.3 million increase in the item is mainly due to the Group's larger gross financial indebtedness as a result of its acquisition of Lane. Moreover, its results are affected by financial expense of €25.4 million (€12.1 million) arising from the application of the amortised cost method during the year, including €9.5 million for the financial debt restructuring that took place during the year.

Net exchange rate gains amount to €15.5 million (net losses of €16.7 million).

## Income tax expense

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The income tax expense for the year is €78.0 million (€84.6 million) calculated using the effective rate of 39.3% (47.6%). The reduction in the tax rate is due to, inter alia, the profit trend of the Group's contracts.

## Loss from discontinued operations

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The loss from discontinued operations amounts to €20.7 million (€10.7 million) and mainly comprises:

- the realisation of exchange rate losses of €13.9 million accumulated in the translation reserve related to the foreign operations of Todini Costruzioni Generali sold on 4 April 2016;
- the cost of €6.6 million for Impregilo International Infrastructures NV's tax assessment concerning transactions, the results of which had been included in the loss from discontinued operations.

## Non-controlling interests

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Non-controlling interests amount to €39.6 million (€21.6 million), mainly related to the subsidiaries working on the contracts for the Al Bayt Stadium and the Red Line North Underground in Qatar (€10 million), some entities following the acquisition of Lane (€11 million) and other entities in Saudi Arabia engaged in the construction of the Riyadh Metro Line 3 (roughly €9 million).