

34.1 Financial income

Financial income totalled € 20.4 million for 2013 (€ 40.9 million for 2012) and is made up as follows:

(Values in €/000)	2013	2012	Change
Bank interest income	11,197	10,270	927
Interest income on securities	4	4	–
Interest income on intragroup transactions	1,300	1,297	3
Interest income on other items of net invested capital:			
– Interest income on tax assets	715	612	103
– Default interest income	1,283	22,849	(21,566)
– Other interest income	5,639	5,494	145
Total interest income on other items of net invested capital	7,637	28,955	(21,318)
Financial discounts and allowances	273	399	(126)
Total	20,411	40,925	(20,514)

The € 20.5 million decrease is mainly due to the recognition, in the previous year, of default interest of € 20.3 million attributable to the Construction segment and the consequent payment, by certain South African

construction clients, of the charges contractually due to Impregilo for delays in settling duly-approved progress billings.

34.2 Financial expense

Financial expense for 2013 totalled € 70.5 million (€ 75.0 million for 2012) and is made up as follows:

(Values in €/000)	2013	2012	Change
Bank interest expense	(28,764)	(40,608)	11,844
Interest expense on bonds	(11,449)	(16,437)	4,988
Interest expense on other loans	(2,511)	(2,386)	(125)
Lease interest expense	(4,012)	(5,750)	1,738
Interest expense on intragroup transactions	(44)	(120)	76
Interest expense on other items of net invested capital			
– Interest expense on tax liabilities	(1,875)	(850)	(1,025)
– Default interest expense	(15,218)	(88)	(15,130)
– Other interest expense	(2,313)	(4,810)	2,497
Total interest expense on other items of net invested capital	(19,406)	(5,748)	(13,658)
Impairment losses on loans, net of utilisation of allowance	87	–	87
Bank charges and commissions	(2,363)	(2,873)	510
Commissions on sureties	(1,835)	(664)	(1,171)
Financial discounts and allowances	(209)	(446)	237
Total	(70,506)	(75,032)	4,526

Financial expense decreased by € 4.5 million over 2012, mainly as a result of the € 11.8 million decrease in bank interest expense and the € 5.0 million reduction in interest expense on bonds due to the decrease in the debt, as well as the timing and currency changes in the debt.

Default interest increased by € 15.2 million due to the resolution in 2013 of a number of disputes with client administrations regarding the return of advances received.

Interest expense on other loans mainly relates to the factoring of tax receivables.

34.3 Exchange rate gains (losses)

In 2013 there were net exchange rate gains of € 50.8 million (€ 3.4 million in the previous year).

Net exchange rate gains amounted to € 50.8 million (€ 3.4 million for the previous year). It should be noted that again in 2013 there was a benefit from the positive effects resulting from asymmetries in the foreign exchange market in relation to certain currencies for which the official exchange rates are artificially fixed.

To this effect, moreover, is added the benefit resulting from the release to the income statement of the reserve for exchange rate fluctuations relating to the company Shanghai Pucheng Thermal Power Energy, which was sold at the end of 2013 and previously recorded in a separate item of consolidated shareholders' equity.