

18. Equity

Equity decreased to € 1,399.0 million at 31 December 2013 from € 1,805.8 million at the end of 2012 as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Equity attributable to the owners of the parent			
Share capital	718,364	718,364	–
Share premium reserve	1,222	1,222	–
– Legal reserve	58,447	21,517	36,930
– Translation reserve	(4,799)	(2,282)	(2,517)
– Hedging reserve	(5,568)	(6,753)	1,185
– Actuarial reserve	(991)	(816)	(175)
Total other reserves	47,089	11,666	35,423
Retained earnings	430,280	466,616	(36,336)
Profit for the year	187,748	603,086	(415,338)
Equity attributable to the owners of the parent	1,384,703	1,800,954	(416,251)
Share capital and reserves attributable to non-controlling interests	13,992	4,511	9,481
Profit for the year attributable to non-controlling interests	318	340	(22)
Share capital and reserves attributable to non-controlling interests	14,310	4,851	9,459
Total equity	1,399,013	1,805,805	(406,792)

Changes of the year in the different equity items are summarised in the relevant schedule of the consolidated financial statements.

In their meeting held on 30 April 2013, the parent's shareholders resolved to allocate the profit for the previous year as follows:

- € 36,930,293.29, equal to 5% of the profit for the year, to the legal reserve;
- € 599,662,326.13 as a dividend to the holders of ordinary shares, equal to € 1.49 per share;
- € 2,575,092.65 as a dividend to the holders of savings shares, equal to € 1.594 per share;
- € 99,438,153.71 to be carried forward.

Disclosures about the individual items are set out below.

Share capital

The parent's share capital of € 718.4 million is unchanged with respect to 31 December 2012 and includes 404,073,428 shares, of which 402,457,937 ordinary shares and 1,615,491 savings shares.

On 1 January 2014, the effective date of the merger of Salini S.p.A. into Impregilo S.p.A., implementing the resolution of the Shareholders' Meeting of 12 September 2013, the share capital of the resulting company from the merger, which has taken on the new company name Salini Impregilo S.p.A., was established in the amount of € 500.0 million. At the same time a legal reserve was established in the amount of € 100.0 million and 44,974,754 new ordinary shares of Salini Impregilo S.p.A. were issued to Salini Costruttori S.p.A. These effects will be reflected in the year 2014.

Share premium reserve

The share premium reserve of € 1.2 million did not change during the year.

Other reserves

This item is broken down in the following table:

(Values in €/000)	31 December 2013	31 December 2012	Change
Legal reserve	58,447	21,517	36,930
Translation reserve	(4,799)	(2,282)	(2,517)
Hedging reserve	(5,568)	(6,753)	1,185
Actuarial (gains) losses reserve	(991)	(816)	(175)
Total other reserves	47,089	11,666	35,423

The change in other reserves is mainly due to allocation of the legally-required amount of the parent's profit to the legal reserve, as described above, and exchange rate differences as detailed in the next table:

(Values in €/000)	2013	2012
Opening balance	(2,282)	18,476
Reclassification from the statement of comprehensive income to the income statement	11,319	4,068
Equity-accounted investees	(1,910)	728
Increase (decrease)	(11,926)	(25,554)
Total changes	(2,517)	(20,758)
Closing balance	(4,799)	(2,282)

The effect of changes in the cash flow hedge reserve due to fair value gains (losses) on financial instruments is detailed below:

(Values in €/000)	2013	2012
Opening balance	(6,753)	(7,022)
Reclassification of fair value gains/losses on settled transactions to profit or loss	536	499
Net fair value losses	191	(384)
Deferred tax effect		137
Exchange rate gains (losses)	123	–
Net gains (losses) for equity-accounted investees	335	17
Total changes	1,185	269
Closing balance	(5,568)	(6,753)

The actuarial gains (losses) reserve underwent the following changes:

(Values in €/000)	2013	2012
Opening balance	(816)	(389)
Actuarial gains (losses) for the year	(175)	(427)
Closing balance	(991)	(816)

Retained earnings

This item may be analysed as follows:

(Values in €/000)	2013	2012
Opening balance	466,616	328,540
Allocation of profit and reserves	566,156	174,591
Dividend distribution	(602,238)	(36,641)
Other changes	(254)	126
Total changes	(36,336)	138,076
Closing balance	430,280	466,616

As disclosed earlier, in their meeting held on 30 April 2013, the parent's shareholders resolved to allocate a dividend of € 1.49 per share to the holders of ordinary

shares for a total of € 599,662,326.13 and of € 1.594 per share to the holders of savings shares for a total € 2,575,092.65. The remainder was carried forward.

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(Values in €/000)	2013	2012
Opening balance	4,851	6,928
Profit attributable to non-controlling interests	318	340
Capital injection by non-controlling interests	601	1,806
Dividend distribution to non-controlling interests		(1,381)
Change in consolidation scope	9,481	(1,924)
Change in translation reserve	(1,195)	(918)
Other changes	254	
Total changes	9,459	(2,077)
Closing balance	14,310	4,851

Reconciliation between equity and profit of Impregilo S.p.A. with consolidated equity and consolidated profit

The following table shows the reconciliation of equity and profit of the parent with the corresponding consolidated items:

(Values in €/000)	Equity	Profit for the year
Equity and profit for the year of Impregilo S.p.A.	1,193,825	113,829
Elimination of consolidated investments	(542,754)	16,673
Elimination of the provision for risks on equity investments	197,846	–
Equity and profit or loss of consolidated companies	417,490	80,868
Other consolidation entries		
Elimination of dividends paid to Impregilo S.p.A.	–	(3,390)
Tax effects not yet reversed	19,378	(3,589)
Elimination of national tax consolidation system effects	98,918	(16,643)
Equity and profit for the year attributable to the owners of the parent	1,384,703	187,748
Equity and profit for the year attributable to non-controlling interests	14,310	318
Consolidated equity and profit for the year	1,399,013	188,066