

24. Provisions for risks

These provisions amount to € 94.2 million at the

reporting date, as follows:

(Values in €/000)	31 December 2013	31 December 2012	Change
Provision for risks on equity investments	10,134	10,711	(577)
Other provisions	84,027	87,574	(3,547)
Total	94,161	98,285	(4,124)

The provision for risks on equity investments relates to expected impairment losses on the carrying amount of the Group's investments in associates for the part that exceeds their carrying amounts.

Changes in this provision are detailed below:

(Values in €/000)	2013	2012
Share of profit (loss) of equity-accounted investees	(425)	(118)
Dividends from equity-accounted investees and other investees	172	49
Other changes including changes in the translation reserve	(324)	(20)
Total	(577)	(89)

Other provisions comprise:

(Values in €/000)	31 December 2013	31 December 2012	Change
USW Campania projects	30,494	29,619	875
Provisions set up by Imprepar and its subsidiaries	32,385	33,659	(1,274)
Provision for maintenance of infrastructure under concession	–	222	(222)
Ongoing litigation	10,171	8,169	2,002
Building segment litigation	3,260	3,506	(246)
Environmental risks	445	2,783	(2,338)
Other	7,272	9,616	(2,344)
Total	84,027	87,574	(3,547)

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The provision for the USW Campania projects mainly includes the potential estimated costs for environmental clean-up.

The provisions set up by Imprepar and its subsidiaries include accruals made for probable future charges related to the closing of contracts and potential evolution of ongoing litigation.

The provision for maintenance of infrastructure under concession includes the assessment of the obligations existing at the reporting date for the Group companies that apply IFRIC 12. These companies also set up a provision for investments in infrastructure under concession, which includes the assessment of contractual obligations for future upgrades that will not lead to specific price increases or increases in the volume of use of the infrastructure.

The provision for ongoing litigation refers to disputes involving Impregilo and certain of its subsidiaries.

The provision for environmental risks, set up for the Plant & Engineering segment, mainly relates to the management of a landfill for future liabilities related to the closing and post-closing activities.

“Other” mainly comprises amounts accrued, already from the prior year, for certain foreign contracts completed in previous years for which disputes are ongoing with the clients. Relationships with these clients are difficult and, therefore, the Group is unable to estimate exactly when the related receivables will be collected.

Changes in the item in 2013 are summarised below:

(Values in €/000)	31 December 2012	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	31 December 2013
Total	87,574	5,017	(8,020)		(544)			84,027

Prior year changes are shown in the following table:

(Values in €/000)	31 December 2011	Accruals	Utilisations	Change in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	31 December 2012
Total	126.500	2.693	(13.564)	(27.806)	(249)	-	-	87.574

Changes of the year comprise:

- (i) accruals of € 5.0 million, including € 1.3 million for the Engineering & Plant Construction segment and € 2.2 million for Imprepar following revision of its estimates of its pending litigation. The remainder (€ 1.5 million) relates to the Construction segment;
- (ii) utilisations of € 8.0 million, including € 2.6 million used by the Construction segment, € 2.8 million by the Engineering & Plant Construction segment, and € 2.6 million by Imprepar. Utilisations relate to the occurrence of expenses and losses for which they had been accrued;

During 2008, the parent commenced a dispute with the tax authorities about an assessment challenging the tax treatment of impairment losses and losses on certain investments held by it in 2003. The most significant issue relates to the parent's sale of its entire investment in 2013 to the Chilean operator Costanera Norte S.A. to Impregilo International Infrastructures N.V. in that year.

The dispute is currently before the Supreme Court following the tax authorities' appeal notified on 5 November 2010. The second level court ruling was filed on 11 September 2009 reversing the first level ruling and fully cancelling the assessment about the key issue raised by the tax authorities about redetermination of the sales price for the investment in Costanera Norte S.A.

The Group is involved in another two disputes at first level related to 2005 mainly concerning (i) the costs of a joint venture set up in Venezuela and (ii) the technique used to "realign" the carrying amount of equity investments as per article 128 of Presidential decree no. 917/86. A dispute concerning 2006 covers (a) the costs of a joint venture set up in Venezuela, (b) a loss on equity investments, and (c) costs for services not provided in that year. The Milan Provincial Tax Commission has decreased the initially claimed amount by roughly 20% and the ruling at second instance is still pending. After consulting its legal advisors, the Group has not made any accrual for this as it currently believes that the risk of an adverse ruling is not probable although not remote.

With respect to the criminal proceedings commenced against the C.A.V.E.T. consortium and certain individuals, including several former managers of the consortium, the appeal hearing was completed in June 2011 and the related ruling handed down on 27 June 2011 reversed the first level decision in full, thus quashing the measures and fully absolving both the consortium and the individuals of the charges made against them. Following the appeal to the Supreme Court by the Florence public prosecutor, the Supreme Court cancelled part of the ruling issued by the Florence Appeal Court on 18 March 2013. It ordered that the case be returned to the latter court. The judicial review before the Florence Appeal Court started on 30 January 2014 and on 21 March 2014 the Court issued a ruling that rejects most of the accusations made by the Attorney General, but has upheld them in certain significant circumstances. The company is awaiting the filing of the grounds for the ruling in order to be able to assess the impacts of this decision in more detail. However, the company is confident that it will be able to demonstrate, again, in the subsequent courts of instance, that it has behaved completely correctly.