

## 26. Progress payments and advances on contract work in progress

Progress payments and advances on contract work in progress, included under Current liabilities, amounts to

€ 842.1 million, down € 2.3 million on the figure at 31 December 2012. It comprises:

| (Values in €/000)  | 31 December 2013 | 31 December 2012 | Change         |
|--|------------------|------------------|----------------|
| Contract work in progress                                  | (7,108,918)      | (5,272,294)      | (1,836,624)    |
| Progress payments and advances received (on approved work) | 7,298,749        | 5,486,422        | 1,812,327      |
| Contractual advances                                       | 652,289          | 630,312          | 21,977         |
| <b>Total</b>   | <b>842,120</b>   | <b>844,440</b>   | <b>(2,320)</b> |

Contract work in progress recognised under liabilities (negative WIP) is the negative net balance, for each contract, of work performed to date and progress billings.

The following table shows the contribution by business segment:

| (Values in €/000)                | 31 December 2013 |                      |                | 31 December 2012 |                      |                | Change         |
|----------------------------------|------------------|----------------------|----------------|------------------|----------------------|----------------|----------------|
|                                  | Negative WIP     | Contractual advances | Total          | Negative WIP     | Contractual advances | Total          |                |
| Construction                     | 121,341          | 652,287              | 773,628        | 146,112          | 629,521              | 775,633        | (2,005)        |
| Engineering & Plant Construction | 68,490           | 2                    | 68,492         | 68,016           | 791                  | 68,807         | (315)          |
| <b>Total</b>                     | <b>189,831</b>   | <b>652,289</b>       | <b>842,120</b> | <b>214,128</b>   | <b>630,312</b>       | <b>844,440</b> | <b>(2,320)</b> |

The Construction segment balance relates mainly to the Lake Mead (United States) contract (€ 44.5 million, with production of € 47.7 million during the year), the San Francisco central subway (United States) (€ 7.1 million, with production of € 34.7 million during the year), the Gerald Desmond Bridge in California (United States) (€ 16.6 million, with production of € 15.7 million during the year), and Lots 2 and 3 of the Abu Dhabi hydraulic tunnel (€ 11.0 million, with production of € 74.7 million).

The Engineering & Plant Construction negative WIP balance relates to progress (production net of progress

payments and advances) on FISIA Babcock's contracts in the waste-to-energy sector and FISIA Italmimpianti's contract in Qatar.

The contractual advances mainly relate to the Construction sector and specifically, the widening of the Panama Canal (€ 218.3 million), Colombia (€ 56.1 million), Saudi Arabia (€ 69.5 million), Qatar (€ 32.1 million), and Venezuela (€ 6.2 million). The item also includes advances of €162.5 million, received for the operations in Libya (more details regarding the situation in Libya are provided above in these Explanatory notes).