

32. Related party transactions

Transactions with related parties, as defined by IAS 24, were of an ordinary nature.

Following the merger of Impregilo and Salini, the resulting company assumed the name Salini Impregilo S.p.A. and became subject to management and coordination by the parent Salini Costruttori from 1 January 2014. At 31 December 2013 Impregilo S.p.A. was subject to management and coordination by Salini S.p.A. Accordingly, for the purposes of this disclosure the transactions with Salini S.p.A. and the companies subject to its management and coordination constitute related-party transactions up to 31 December 2013. During the year 2013 the related-party transactions involved the following counterparties:

- directors, statutory auditors and key management personnel, in line with the contracts regulating their positions within the Group.
- associates; these transactions mainly relate to:
 - commercial assistance with purchases and procurement of services necessary to carry

out work on contracts, contracting and subcontracting;

- services (technical, organisational, legal and administrative), carried out at centralised level;
- financial transactions, namely loans and joint current accounts as part of cash pooling transactions and guarantees given on behalf of Group companies.

Transactions are carried out with associates in the interests of Impregilo, aimed at building on existing synergies in the Group in terms of production and sales integration, efficient use of existing skills, streamlining of centralised structures and financial resources. These transactions are regulated by specific contracts and are carried out on an arm's length basis;

- other related parties: the main transactions undertaken by Group companies with other related parties, identified pursuant to IAS 24, including the companies subject to management and coordination by Salini S.p.A., are summarised below:

31 December 2013

Name (Values in €/000, Impregilo's share)	Loans and receivables	Other current assets	Payables	Other current liabilities	Operating revenue	Costs	Financial income (expense)	Cash flows for the year
Salini S.p.A.	587		182	286		727		(21)
Salini Costruttori S.p.A.	1				20	12		(19)
Salini Polska Sp.Z.o.o.	214	5,169			214		169	(5,000)
Salini Australia PTY	53		14		48	14		
Salini Malaysia SDN						22		(21)
Todini S.p.A.			11			2		
Todini Costruzioni Generali S.p.A.	359			26	344			
Total	1,214	5,169	207	312	626	777	169	(5,061)

Most of the Group's production in the construction segment is carried out through SPEs, set up with other partners that have participated with Impregilo in tenders. The SPEs carry out the related contract on behalf of its partners.

The other transactions refer to costs for design and similar activities, incurred when presenting bids and for recently started contracts. They are also governed by specific agreements and carried out on an arm's length basis and, where applicable, in line with the contract terms.

Their effects on the statement of financial position and income statement are shown together with the related contract, when appropriate. Their impact on Impregilo S.p.A.'s financial position at 31 December 2013 and results of operations for the year then ended has not been material.

With regard to the merger of Salini S.p.A. into Impregilo S.p.A., on 12 September 2013 the respective Extraordinary General Meetings approved the merger of Salini S.p.A. into Impregilo S.p.A. The merger became fully effective from 1 January 2014, with an exchange ratio of 6.45 Impregilo ordinary shares for each Salini

Separate financial statements of Impregilo S.p.A. at 31 December 2013

share, excluding cash adjustments, and from that date the merged company has assumed the name of Salini Impregilo S.p.A. The “Prospectus related to major operations with related parties” prepared in accordance with Article 5 of Consob Regulation 17221 of 12 March 2010, as amended, was published on 1 July 2013 in accordance with the applicable laws and regulations.

On 1 January 2014, the effective date of the merger, in implementation of the resolution of the Shareholders’ Meeting of 12 September 2013, the share capital of Salini Impregilo S.p.A. was reduced to € 500.0 million -

i.e. by an amount of € 218.4 million, of which € 100.0 million to be allocated to the Legal reserve and € 118.4 million for the establishment of specific equity reserve called “Other reserves” and 44,974,754 million new ordinary shares of Salini Impregilo S.p.A. were issued to Salini Costruttori S.p.A.

Transactions with directors, statutory auditors and key management personnel are shown below:

	2013			2012		
	Fees and remuneration	Termination benefits and post-employment benefits for the year	Total	Fees and remuneration	Termination benefits and post-employment benefits for the year	Total
(Values in €/000)						
Directors and statutory auditors	5,352		5,352	2,002		2,002
Key management personnel	201		201	1,988	8,294	10,282
Total	5,553	-	5,553	3,990	8,294	12,284

The Company’s production is carried out mainly through special purpose entities, which, depending on Impregilo’s share in their contracts, qualify as subsidiaries or associates. In many cases, they have corporate structures that directly and continuously allocate the profits and losses on contracts to their investors, including by “reallocating costs and fees”. They can be considered to be “transparent” considering the original contractual relationship whereby Impregilo, together with the other investors, depending on the type of organisation selected during the tender stage, is the direct counterparty of the client and the SPE acts in its own name but on behalf of its investors, including vis-à-vis third party suppliers.

Accordingly, transactions between Impregilo and the SPEs, in which it has an investment, are not presented in this section but are summarised with other transactions with subsidiaries and associates in the annex “SEPARATE FINANCIAL STATEMENT OF IMPREGILO S.p.A. - Intragroup transactions - 31 December 2013”.

The next table shows the impact of transactions with the above companies on the statement of financial position and the income statement (including as a

percentage), while their effect on cash flows is shown in the statement of cash flows, when material:

As at 31 December 2013 (Values in €/000)	Non-current loans and receivables (1)	Current loans and receivables (2)	Current payables (3)	Revenue	Financial income	Financial expense
Total - Group companies	1,524	466,925	387,169	4,820	11,005	(5,175)
Total financial statements item	709,048	1,719,455	818,350	1,276,391	13,333	(28,382)
% of financial statements item	0.2%	27.2%	47.3%	0.4%	82.5%	18.2%

As at 31 December 2012 (Values in €/000)	Non-current loans and receivables (1)	Current loans and receivables (2)	Current payables (3)	Revenue	Financial income	Financial expense
Total - Group companies	88,595	406,899	376,268	2,951	10,375	(10,094)
Total financial statements item	778,060	2,198,691	813,163	1,367,004	33,133	(39,146)
% of financial statements item	11.4%	18.5%	46.0%	0.2%	31.3%	25.8%

- (1) The percentage of non-current loans and receivables is calculated considering total non-current assets.
(2) The percentage of current loans and receivables is calculated considering total current assets.
(3) The percentage of current payables is calculated considering total current liabilities.

Disclosure on management and coordination

In relation to the requirements of paragraph 11 of article 2.6.2. of the Regulation of Markets Organised and Managed by Borsa Italiana SpA, the company certifies that all requirements listed in paragraph 1, article 37 of the Consob Regulation on Markets, have been met, as regards the list of subsidiaries subject to the management and coordination of other companies.

In accordance with Article 2497-*bis* of the Italian Civil Code, the key figures from the financial statements of Salini S.p.A. at 31 December 2012, the last approved financial statements, are presented below. The financial statements at 31 December 2012 of Salini S.p.A. were prepared in accordance with the accounting standards issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italy's Association of Chartered Accountants) as amended by the OIC (the Italian Accounting Committee) and in conformity with articles 2423 and 2423-*bis* of the Italian Civil Code.

Income and financial position figures at 31 December 2012

(Values in €/000)

Income figures	
Revenue	743,808
Difference between revenue and production costs	32,632
Profit (loss) before tax	60,334
Profit (loss) for the year	45,044
Financial position figures	
Intangible assets	4,952
Property, plant and equipment	93,494
Financial assets	379,729
Total non-current assets	478,175
Working capital	3,903,416
Accruals and deferrals	28,944
Total assets	4,410,535
Equity	276,930
Provisions for risks and charges	9,467
Post-employment benefits	1,432
Payables	4,114,559
Accruals and deferrals	8,147
Total liabilities	4,133,605
Figures for personnel	
Managers	62
White collars	1,336
Blue collars	10,964
Total workforce at 31 December 2012	12,362