

## 20. Provisions for risks

These provisions amounted to € 206.9 million at the reporting date. Changes during the year are as follows:

(Values in €/000)	31 December 2012	Accrual	Utilisations/ Releases	Reversals	Reclassifications	31 December 2013
Provision for risks on equity investments	244,544	18,275	(3,678)	(61,295)		197,846
Other provisions	8,933	1,240	(569)	(583)		9,021
<b>Total</b>	<b>253,477</b>	<b>19,515</b>	<b>(4,247)</b>	<b>(61,878)</b>	–	<b>206,867</b>

Prior year changes are given below for comparative purposes:

(Values in €/000)	31 December 2011	Accrual	Utilisations/ Releases	Reversals	Other changes	31 December 2012
Provision for risks on equity investments	4,371	240,173				244,544
Other provisions	16,965	232	(8,036)	(228)		8,933
<b>Total</b>	<b>21,336</b>	<b>240,405</b>	<b>(8,036)</b>	<b>(228)</b>	–	<b>253,477</b>

The provision for risks on equity instruments may be analysed as follows:

(Values in €/000)	31 December 2013	31 December 2012	Variation
Equity investments in SPEs with negative carrying amounts	197,846	244,544	(46,698)
<b>Total</b>	<b>197,846</b>	<b>244,544</b>	<b>(46,698)</b>

As disclosed in note 5 (to which reference should be made), the provision for risks on equity investments includes the impairment losses on investments in certain SPEs for the part exceeding their carrying amounts.

Other provisions increased by € 0.1 million to € 9.0 million. Changes of the year comprise:

- i) provisions for € 1.2 million mainly relating to risks referable to claims for compensation made by third parties during litigation, to the extent to which the risk of a negative outcome is considered likely;
- ii) utilisations/releases of € 1.1 million, due to the occurrence of the events for which the accruals had been made.

Other provisions include the following:

(Values in €/000)	31 December 2013	31 December 2012	Variation
Ongoing litigation	7,298	6,315	983
Building segment litigation	1,402	1,402	–
Tax and social security litigation	90	90	–
Labour disputes	231	750	(519)
Other	–	376	(376)
<b>Total</b>	<b>9,021</b>	<b>8,933</b>	<b>88</b>

The provision for ongoing litigation mainly relates to foreign contracts completed in previous years.

The provision for building segment litigation was originally set up by Impregilo Edilizia e Servizi, merged into Impregilo S.p.A. in previous years.

With regard to the dispute with the Revenue Agency, this is still pending in the Court of Cassation, following an appeal by the Agency; the dispute concerns the notice of assessment challenging the tax treatment of impairment losses and capital losses recorded by the company during financial year 2003. In particular, the main irregularity concerning the sale – by Impregilo S.p.A. to Impregilo International NV – of the shareholding in the Chilean concessionary company Costanera Norte SA, has been rejected by the Regional Tax Tribunal of Milan.

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.

The decrease in “Other” is due to the utilisation of the provision for the events for which it was set up.