

## Segment reporting

The important events affecting the Group's corporate governance structure in recent years – with specific reference to the integration of the Impregilo Group into the Salini Group, whereby as of January 1, 2014 the merger of the former parent and the former subsidiary became fully effective – led to a major process of organizational change. This process, whose main drivers have already been presented to the market in previous periods, provided for, among other things, both the concentration of the Group's industrial activities in its core business involving the construction of complex large-scale infrastructures with the gradual disposal of assets no longer considered strategic, and a comprehensive review of the organizational and business management processes. This activity, which is currently in an advanced stage of development, became necessary also due to the following circumstances:

- changes in the Group's organizational structure and operations structures according to a 'domestic market' and 'international market' logic;

- gradual standardization of the different analysis and reporting structures for presenting consolidated financial and operating data of the two groups which are now fully integrated;
- harmonization of the functional architecture underlying the measurement of industrial objectives at both a preventive and actual level according to a new common disclosure standard in full compliance with current best practices.

Consistent with the information provided below, therefore, for the purposes of this Consolidated half-year financial report, the segment reporting is presented according to macro-geographical regions, based on the management review principles adopted by top management, for the two main segments: 'Italy' and 'Foreign'.

Costs relating to activities which are centrally operated at the parent Company Salini-Impregilo S.p.A., called "Corporate" costs, are attributed to the Italy sector and relate to:

- coordination, control and strategic planning of the Group's activities;

- centralized planning and management of human and financial resources;
- compliance with administrative, tax, legal/corporate and corporate communication requirements;
- administrative, tax and managerial support for Group companies.

For the first half of 2014 these costs totaled € 75.1 million (roughly € 77.0 million on a homogeneous basis, without taking non-recurring costs into consideration).

Management measures the segments' results by considering their operating profit (EBIT). The assessment of these results complies with the accounting policies applied to the Group's consolidated financial statements.

The segments are measured based on net invested capital.

Disclosures on the Group's performance by business segment are set out in the second part of the Directors' report. The consolidated financial statements figures as at June 30, 2014 are summarized below by geographical segment.

## Consolidated income statement by geographical region

(Values in €/000) H1 2014	Italy (*)	Foreign	Eliminations and unallocated items	Total
Operating revenue	220,283	1,859,029	(5,939)	2,073,373
Other revenue	12,486	67,917	(44,807)	35,596
<b>Total revenue</b>	<b>232,769</b>	<b>1,926,946</b>	<b>(50,746)</b>	<b>2,108,969</b>
<b>Costs</b>				
Costs of production	(219,133)	(1,481,289)	46,470	(1,653,952)
Personnel costs	(51,158)	(167,974)	1,089	(218,043)
Other operating costs	(25,952)	(18,502)	167	(44,287)
<b>Total costs</b>	<b>(296,243)</b>	<b>(1,667,765)</b>	<b>47,726</b>	<b>(1,916,282)</b>
<b>Gross operating profit (EBITDA)</b>	<b>(63,474)</b>	<b>259,181</b>	<b>(3,020)</b>	<b>192,687</b>
<i>EBITDA %</i>	-27.3%	13.5%	6.0%	9.1%
Amortization and depreciation	(19,751)	(59,952)	920	(78,783)
<b>Operating profit (EBIT)</b>	<b>(83,225)</b>	<b>199,229</b>	<b>(2,100)</b>	<b>113,904</b>
<i>Return on Sales</i>	-35.8%	10.3%	4.1%	5.4%
Financing costs			(86,776)	(86,776)
Share of profit (loss) of equity-accounted investees		4,987		4,987
<b>Profit (loss) before tax</b>				<b>32,115</b>
Income taxes			(12,204)	(12,204)
<b>Profit (Loss) from continuing operation</b>				<b>19,911</b>
Profit (Loss) from discontinued operations	156,538	(100,802)	(422)	55,314
<b>Net profit (loss) for the period</b>				<b>75,225</b>

(\*) Operating profit (loss) includes the overhead costs for the central corporate units and the other general expenses for € 75.1 million.

## Consolidated income statement by geographical region

(Values in €/'000)				
First Half 2013 (\$)	Italy (*)	Foreign	Eliminations and unallocated items	Total
Operating revenue	249,483	1,101,596	(47,742)	1,303,337
Other revenue	6,797	20,296	(5,004)	22,089
<b>Total revenue</b>	<b>256,280</b>	<b>1,121,892</b>	<b>(52,746)</b>	<b>1,325,426</b>
<b>Costs</b>				
Costs of production	(224,044)	(849,645)	9,253	(1,064,436)
Personnel costs	(38,048)	(105,834)	2,479	(141,403)
Other operating costs	(5,683)	(9,157)	209	(14,631)
<b>Total costs</b>	<b>(267,775)</b>	<b>(964,636)</b>	<b>11,941</b>	<b>(1,220,470)</b>
<b>Gross operating profit (EBITDA)</b>	<b>(11,495)</b>	<b>157,256</b>	<b>(40,805)</b>	<b>104,956</b>
<i>EBITDA %</i>		14.0%		7.9%
Amortization and depreciation	(5,132)	(50,019)	1,054	(54,097)
<b>Operating profit (EBIT)</b>	<b>(16,627)</b>	<b>107,237</b>	<b>(39,751)</b>	<b>50,859</b>
<i>Return on Sales</i>		9.6%		3.8%
Financing costs			(34,019)	(34,019)
Share of profit (loss) of equity-accounted investees	1,320	202,627		203,947
<b>Profit (loss) before tax</b>				<b>220,787</b>
Income taxes			(23,651)	(23,651)
<b>Profit (Loss) from continuing operation</b>				<b>197,136</b>
Profit (Loss) from discontinued operations	(15,652)	(4,610)		(20,262)
<b>Net profit (loss) for the period</b>				<b>176,874</b>

(\*) Operating profit (loss) includes the overhead costs for the central corporate units and the other general expenses for € 77.0 million.

(§) Figures restated following the application of the new IFRSs. Furthermore, the data was reclassified in accordance with IFRS 5 and IFRS 3 following the decision to dispose of Todini Costruzioni Generali and Fisia Babcock Environment.

## Consolidated statement of financial position as at June 30, 2014 by geographic region

(Values in €/'000)	Italy	Foreign and Eliminations	Total
Non-current assets	463,585	285,407	748,991
Assets held for sale, net	165,473	22,891	188,363
Provisions for risks, post-employment benefits and employee benefits and other non-current assets (liabilities)	54,010	(159,452)	(105,442)
Tax assets (liabilities)	93,113	(13,039)	80,075
Working capital	111,655	513,351	625,005
<b>Net invested capital</b>	<b>887,836</b>	<b>649,157</b>	<b>1,536,992</b>
Shareholders' equity			1,119,264
Net financial position			417,728
<b>Total financial resources</b>			<b>1,536,992</b>