salini impregilo

Half-year financial report as at 30 June 2014

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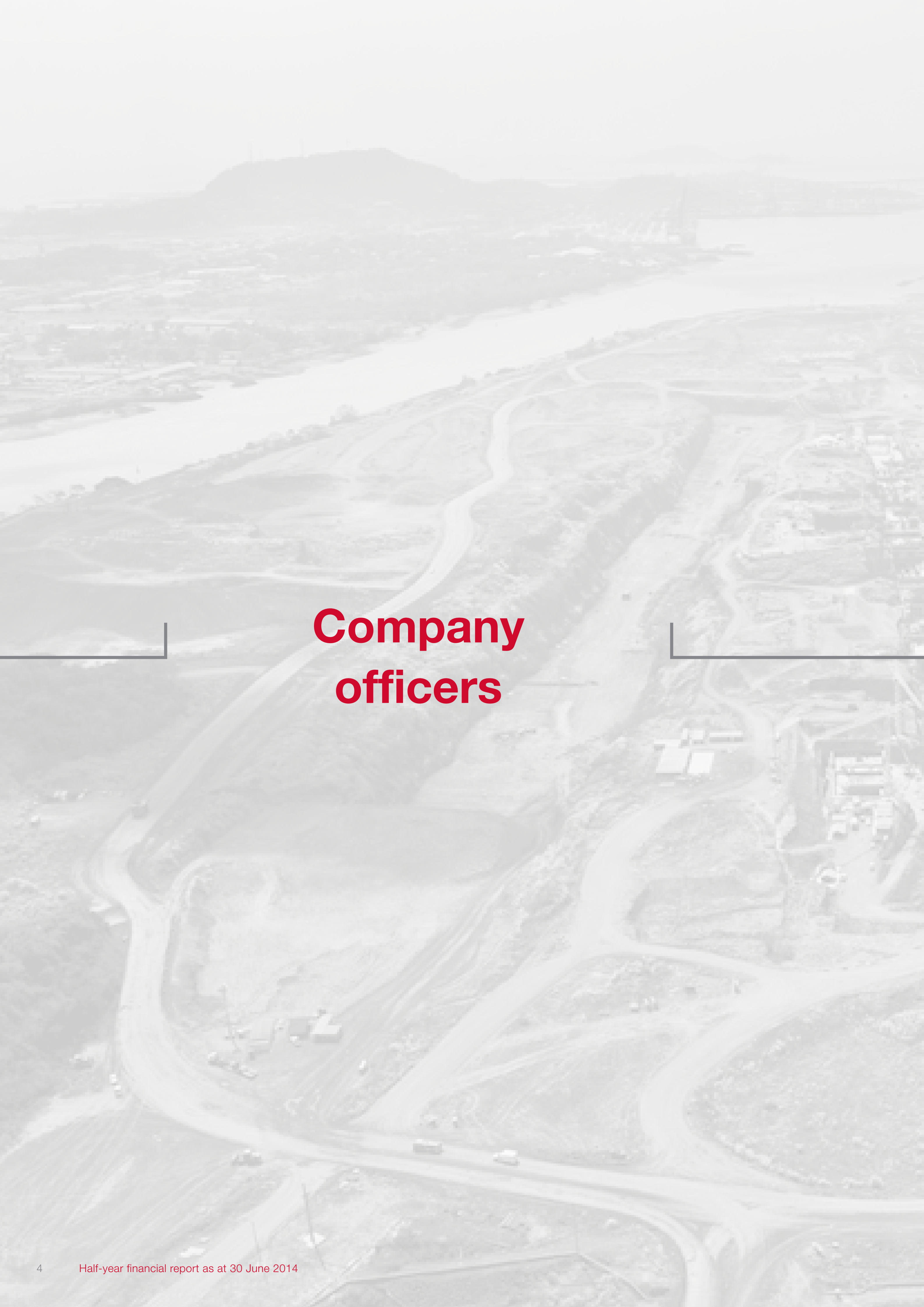


Company officers

Board of directors (i)

Chairman	Claudio Costamagna
Chief Executive Officer	Pietro Salini
Directors	Marina Brogi
	Giuseppina Capaldo
	Mario Giuseppe Cattaneo
	Roberto Cera
	Laura Cioli
	Alberto Giovannini
	Nicola Greco (*)
	Pietro Guindani
	Geert Linnebank
	Giacomo Marazzi (*)
	Franco Passacantando (*)
	Laudomia Pucci
	Simon Pietro Salini

Executive committee

Pietro Salini
Claudio Costamagna
Alberto Giovannini
Giacomo Marazzi (*)
Simon Pietro Salini

Control and risk committee

Mario Giuseppe Cattaneo
Giuseppina Capaldo
Pietro Guindani
Franco Passacantando (*)

Remuneration and appointment committee

Marina Brogi
Nicola Greco (*)
Geert Linnebank
Laudomia Pucci

Related party transactions committee

Alberto Giovannini
Marina Brogi
Giuseppina Capaldo
Geert Linnebank

Board of statutory auditors (ii)

Chairman	Alessandro Trotter
Statutory Auditors	Teresa Cristiana Naddeo
	Gabriele Villa
Alternate Auditors	Roberta Battistin
	Marco Tabellini

Independent Auditors

PricewaterhouseCoopers S.p.A.

(i) Appointed by the ordinary Shareholders' Meeting of July 17, 2012 and in office up to the shareholders' meeting for the approval of the financial statements as at December 31, 2014.
(ii) Appointed by the Shareholders' Meeting of April 30, 2014, and in office up to the approval of the financial statements as at December 31, 2016.
(*) Appointed by the Shareholders' Meeting of September 12, 2013 and in office up to the approval of the financial statements as at December 31, 2014.

Financial highlights of the Group

Introductory Remarks

The consolidated income statement, statement of financial position and statement of cash flows of the Salini Impregilo Group as at June 30, 2014, are presented in continuity with those of the Salini Group for the year ended December 31, 2013, taking into consideration the fact that the acquisition of control by the former controlling company (now acquired company) Salini S.p.A. over the former subsidiary (the acquirer) Impregilo S.p.A. occurred after the end of the first quarter of 2013 and the fact that the merger of Salini and Impregilo was completed after the acquisition of control by the former over the latter and thus qualified as a business combination of entities under common control in accordance with the IAS/IFRS standards. This Half-year consolidated financial report presents, for comparative purposes, (i) the consolidated income statement of the Salini Group for the first half of 2013 and (ii) the consolidated statement of financial position of the Salini Impregilo Group at December 31, 2013. That being said, and in view of the significant contribution that the assets held by the former Impregilo provided in the period reviewed in this Half-year consolidated financial report, as well as the fact that these assets were recognized in the Salini consolidated financial statements for the same period last year only as from April 1, 2013 – date used as a reference for the acquisition of control by Salini – for the sake of facilitating comprehension and comparability of the results for the first half of 2014 with those for the first half of 2013, it was deemed appropriate to restate the comparative economic results on a homogeneous basis to that of June 30, 2014. This presentation, provided exclusively for information purposes, is shown and commented later in this Half-year financial report, in the section entitled “Performance of Salini Impregilo Group operations in the first half of 2014”.

Moreover, on June 20, 2014, as part of an operation aimed at Italian and international institutional investors, the Board of Directors of the parent Company Salini Impregilo S.p.A. exercised the powers granted to it by the Extraordinary Shareholders’ Meeting held on September 12, 2013, and approved the share capital increase limited to 10% of the existing capital, waiving option rights. The operation was successfully completed with the issuance of 44,740,000 new ordinary shares without par value and the increase in share capital amounting to € 44,740,000. The subscription price of the shares was set at € 3.70 per share, while the consideration received, net of directly related additional expenses, was € 161.5 million. In the same context and at the same time of this offer, aimed, as described, to Italian and international investors only, the parent Company Salini Costruttori S.p.A. sold 94,000,000 Salini Impregilo S.p.A. ordinary shares. Finally, taking into account that the so-called “greenshoe” option was exercised on July 18, 2014, by the Joint Global Coordinator of the operation, for an additional number of 4,050,000 ordinary shares, to date the free float of Salini Impregilo S.p.A. is roughly 38.11% of the ordinary share capital.

The Salini Impregilo Group closed the first half of 2014 with a total revenue of € 2,109.0 million (€ 1,325.4 million in the first half of 2013), operating profit (EBIT) of € 113.9 million (€ 50.9 million in the first half of 2013) and a net profit attributable to the owners of the parent of € 79.3 million (€ 176.5 million in the first half of 2013).

Owing in part to the steady implementation of the plan to monetize and divest non-core activities, the relevant competitive scenario of the Salini Impregilo Group is currently represented by the global market for activities and investments in the construction sector, with specific focus on the market for complex large-scale infrastructures.

At the international level, macroeconomic conditions show an improvement compared with the data for the previous year. According to recent estimates published by the OECD, the GDP of the 34 most developed economies should grow by 2.2% in 2014 and 2.8% in 2015. The global economy, however, should expand at a faster rate, growing by 3.4% in 2014 and 3.9% in 2015.

In this environment, the Salini Impregilo Group, while pursuing the strategic objective forming the basis of its industrial programs, as outlined in the 2014-2017 Industrial Plan approved on March 19, 2014, has successfully pursued, in the first part of this year, new and important opportunities in its target markets, including, for example, the new orders for projects involving the Lima subway system, in Peru, and the construction of the Brenner base tunnels, in Austria.

Furthermore, consistent with the implementation of the plan to monetize Group's non-core assets, the sale to third parties was finalized in the first half of 2014 of the entire interest - equal to 100% - held by the Group through its subsidiary Impregilo International Infrastructures N.V., in the German company Fisia Babcock Environment GmbH. Taking into account the fact that this interest, at March 31, 2014, was classified in accordance with IFRS 5 under "Non-current assets held for sale and discontinued operations", the net profit of the aforementioned sale, amounting to roughly € 89.2 million, was accordingly reflected in the net profits of the assets held for sale.

Lastly, starting from the end of the period reviewed in this Half-year financial report, the estimates referring to the set of industrial activities that the Group has in the Bolivarian Republic of Venezuela required updating. In line with the previous financial reports, made available to the public as required by the current legal provisions, the deterioration of the economic conditions of the country, which have been going downhill since the early months of the year, were such that it became necessary to make a detailed assessment of the time and financial parameters according to which the Group's net assets can be generated in reference to this area. The Group's relations with the local economic system as well as with the customer local administrations are still excellent and geared towards maximum cooperation in pursuit of the respective goals, as demonstrated by the additional work awarded at the end of June 2014 in relation to existing railway contracts. However, in light of the current general framework of the local currency/financial market situation in the area, stemming from the conditions of the above-mentioned local economic system, and consistent with recent changes to the currency regulations of the country, it was considered reasonable, among other things, to adopt, with effect from June 30, 2014, a new reference exchange rate for the translation of both the current values of working capital denominated in Venezuelan currency and the perspective values both to be paid/realized in the entire life estimates of the ongoing railway projects under direct management.

The new official exchange rate used, called SICAD 2 and whose first fixing took place during the last few days of the first quarter, is currently believed to be the most representative of the relationship under which future cash flows, expressed in local currency, may be adjusted in the event that they were verified at the valuation date also considering the possibility to access the Venezuelan currency market and the Group's specific needs to obtain currency other than the functional currency.

This new exchange rate expresses a substantial depreciation (by about 9 times) of the local currency against the US Dollar, compared with the official exchange rate previously used, i.e. CENCOEX (formerly CADIVI), for the purposes of preparing both the consolidated financial statements of the Salini Group as at December 31, 2013, and the Director's Report as at March 31, 2014.

The update of the estimates described below, for which further details are provided in the subsequent sections of this Half-year consolidated financial report, resulted in some effects as at June 30, 2014. Among the most significant effects were (i) the overall impairment of net financial assets denominated in local currency, for a total of approximately € 55 million and (ii) the reduction of the order backlog relating to the same projects, for the part denominated in local currency including the variants recently acquired and uniformly assessed, for a total of approximately € 100 million.

Group total revenue for the first half of 2014 totaled € 2,109.0 (€ 1,325.4 million in the first half of 2013 and € 1,868.8 million on a homogeneous basis)[1].

The consolidated operating profit (EBIT) amounted to € 113.9 million (€ 50.9 million in the first half of 2013 and € 116.5 million on a homogeneous basis) with a return on sales (ROS) of 5.4%.

The consolidated financing income (costs) and gains (losses) on investments generated net financing costs of € 81.8 million (net gain of € 169.9 million for the first half of 2013 and net financing costs of € 38.7 million on a homogeneous basis) during the period.

The profit from assets held for sale and discontinued operations, amounting to € 55.3 million (loss of € 20.3 million in the first half of 2013 and profit of € 74.7 million on a homogeneous basis), reflects the results of the Todini Group (loss of € 26.2 million), of Fisia Babcock Environment (profit of € 85.1 million) and the USW Campania Projects (loss of € 3.6 million). With regard to the latter, further details are provided below in the chapter entitled “Non- current Assets Held for Sale and Discontinued Operations” of this Half-year financial report.

The consolidated net profit attributable to the group for the period under review amounted to € 79.3 million (€ 176.5 million for the first half of 2013 and € 110.5 million on a homogeneous basis).

The consolidated net indebtedness of continuing operations totaled € 417.7 million at June 30, 2014, compared with € 331.7 million at December 31, 2013, while the gross financial debt decreased, in comparison with December 31, 2013, totaling € 270.0 million.

The Group’s order backlog amounted to € 29.2 billion for the period, including € 7.2 billion in the portfolio of full-life concession projects.

New contracts for the first half of 2014 totaled € 3,451.1 million.

1. The consolidated income statement data for the first half of 2013, restated on a homogeneous basis for comparison with the first half of 2014 are included in the next section of this Half-year financial report.

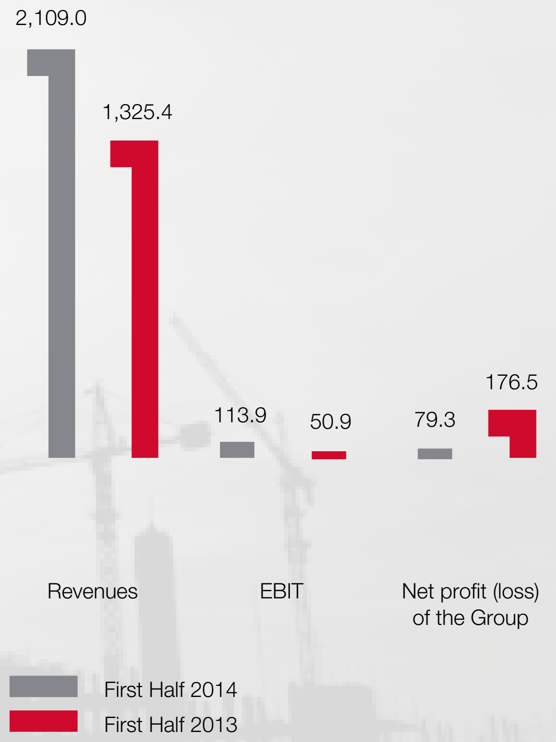
Financial highlights

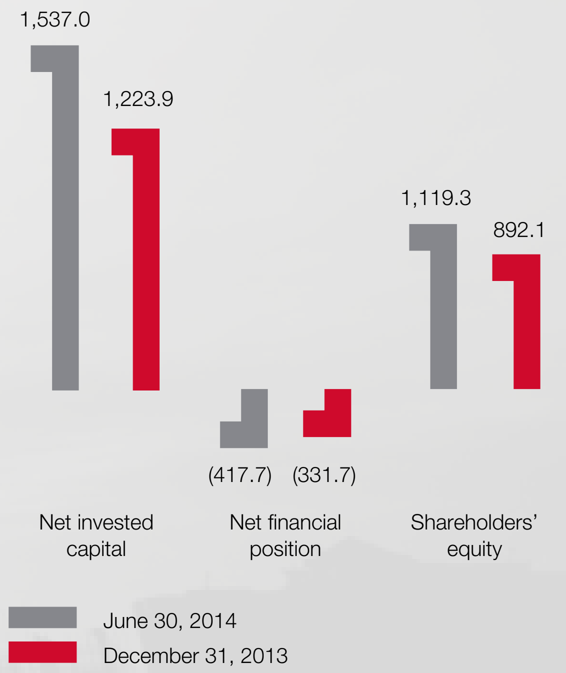
(Values in millions of euros)

Salini Impregilo Group

The paragraph "Alternative performance indicators" in the "Other information" section gives a definition of the financial statements indicators used to present the group's highlights.

The income statement data for the first half of 2013 were reclassified due to the adoption of the new standards IFRS 10 and IFRS 11 and in accordance with the provisions of IFRS 5 and IFRS 3, also including the line-by-line consolidation method of Impregilo only from the start of the second quarter. The statement of financial position data at December 31, 2013 were reclassified due to the adoption of the new standards IFRS 10 and IFRS 11.





Financial highlights of the Group

Consolidated income statement

(Values in millions of euros)	**First Half 2014**	**First Half 2013 (§)**
Revenue	2,109.0	1,325.4
Operating costs	(1,916.3)	(1,220.5)
Gross operating profit (EBITDA)	192.7	105.0
EBITDA %	9.1%	7.9%
Operating profit (EBIT)	113.9	50.9
R.o.S.	*5.4%*	*3.8%*
Financing income (costs)	(86.8)	(34.0)
Gains (losses) on investments	5.0	203.9
Earnings before taxes (EBT)	32.1	220.8
Income taxes	(12.2)	(23.7)
Profit (Loss) from continuing operations	19.9	197.1
Profit (loss) from discontinued operations	55.3	(20.3)
Profit (loss) for the period attributable to the owners of the parent	79.3	176.5

(§) The income statement data for the first half of 2013 were reclassified following the adoption of the new standards IFRS 10 and IFRS 11 and in accordance with the provisions of IFRS 5 and IFRS 3. Furthermore, Impregilo was consolidated using the line-by-line method only from the start of the second quarter.

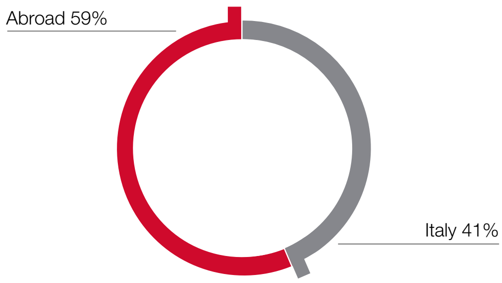
Consolidated statement of financial position

(Values in millions of euros)	**June 30, 2014**	**December 31, 2013 (*)**
Non-current assets	*749.0*	*746.9*
Non-current assets (liabilities) held for sale	*188.4*	*235.5*
Provisions for risks, post-employment benefits and employee benefits	*(121.3)*	*(122.7)*
Other non-current assets (liabilities)	*15.9*	*16.5*
Tax assets (liabilities)	*80.1*	*81.2*
Working capital	*625.0*	*266.5*
Net invested capital	**1,537.0**	**1,223.9**
Shareholders' equity	**1,119.3**	**892.1**
Net financial position	**417.7**	**331.7**

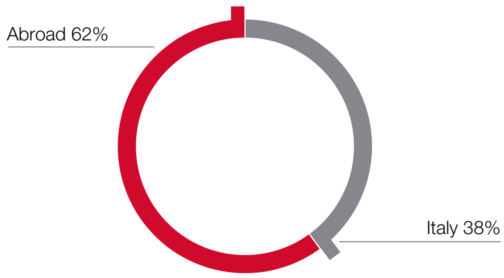
(*) The statement of financial position data at December 31, 2013 were reclassified due to the adoption of the new standards IFRS 10 and IFRS 11.

Order backlog by geographic region

June 2014
(total € 29,196 mil.)

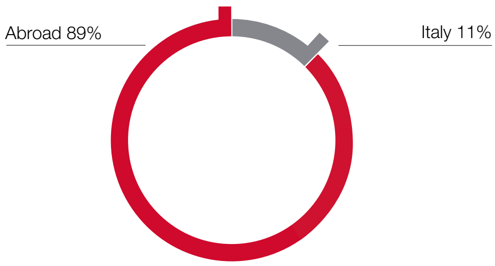


December 2013
(total € 28,831 mil.)

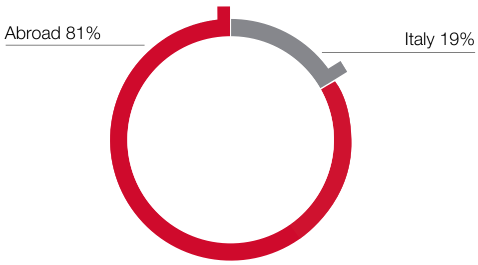


Revenue by geographic region

First half 2014
(total Italy € 232.8 mil. - total abroad € 1,876.2 mil.)



First half 2013
(total Italy € 256.3 mil. - total abroad € 1,069.1 mil.)



Directors' Report
Part I

Performance of the Group’s operations in the first half of 2014

Macroeconomic Scenario

The Salini Impregilo Group, established following the merger of two major Italian Groups, has become a global player in the field of large-scale infrastructures. Therefore, the Group's baseline scenario is the intercontinental market of large heterogeneous and composite infrastructure.

The lengthy macroeconomic recession experienced in the past 4-5 years, has affected almost all industrial/ economic sectors. However, thanks to the limited volatility that characterizes the sector, the demand for large-scale infrastructures has not suffered a slowdown. As a matter of fact, complex infrastructures continue to represent a strategic priority for the growth of the national economies of most countries, both industrialized and emerging.
Over the period 2014-2017, in line with the findings of international studies, the aggregate demand in the construction sector at the global level is expected to be worth roughly € 35,200 billion.

Of the total market, about 65% will be represented by the development/construction of residential and commercial buildings (€ 22,900 billion), while the remaining 35% (€ 12,300 billion) by the development of infrastructures.

It is also estimated that roughly 70% of the investments in infrastructure (€ 8,500 billion) will be made in business sectors - hydraulic projects, roads and railways and large civil projects - in which Salini Impregilo currently operates, while it is reasonable to assume that, over the 2014-2017 period, a significant part of these projects, estimated at about € 550 billion, could be completed in the countries where the Group currently operates, or where it intends to extend its operations.

Analysis of the income statement and statement of financial position of the Salini Impregilo Group

This chapter presents the Group's reclassified consolidated income statement for the first half of 2014, together with its reclassified consolidated statement of financial position and the structure of its financial position at June 30, 2014. It also provides an overview of the main changes, at the consolidated level, in the income statement, compared with the corresponding period the previous year, and in the statement of financial position compared with the data presented at the end of the previous year.

Unless otherwise stated, amounts are in millions of euros and those shown in parentheses refer to the previous year.

The "Alternative performance indicators" paragraph in the "Other information" section provides a definition of the indicators in the statement of financial position and income statement used to analyze the Group's operating performance and financial position.

Introductory remarks concerning the comparability of the income statement and statement of financial position data for the first half of 2014 with those for the previous year – new accounting standards in effect as of January 1, 2014

Generally speaking, some new international financial reporting standards went into effect this year, among which the following are specifically relevant for the purposes of the Half-year consolidated financial report of the Salini Impregilo Group:

- *IFRS 10 – Consolidated financial statements*

  This standard replaces SIC 12 Consolidation - Special purpose entities and certain parts of IAS 27 – Consolidated and separate financial statements. The new standard identifies a single control model and defines, on a more structured basis, the requirements for determining whether or not control exists. This provision is particularly relevant with regard to situations that qualify as entailing "de facto control", even if the essential conditions for determining the existence of control are basically the same as those contained in the standards previously in effect.

- *IFRS 11 – Joint Arrangements*

  This standard replaces IAS 31 – Interests in joint ventures and SIC 13 – Jointly controlled entities – Non-monetary contributions by venturers. It defines the criteria for the identification of joint arrangements and how they should be accounted for based on the rights and obligations arising from the contract, regardless of its legal form. The new standard provides for different recognition methods, depending on whether the transaction is a Joint Operation or a Joint Venture, and eliminates the possibility to apply different accounting treatments to the same types of arrangements and, conversely, defines a single model based on the contractual rights and obligations.

- *IAS 28 – Investments in Associates and Joint* Ventures

  This standard defines the accounting treatment of investments in associates and joint venture and is a rewording of the old IAS 28 in light of the new provisions introduced with IFRS 10 and IFRS 11.

The adoption of these standards, implemented retrospectively to allow a presentation of results homogeneous with the comparative information for previous periods, did not produce differences in the statement of financial position or the income statement insofar as the new IAS 28 and IFRS 10 are concerned. With regard to latter, the entities that qualified as "subsidiaries" in accordance with the requirements of the previous standards continued to qualify as such as of January 1, 2014.

On the other hand, differences did arise from the adoption of IFRS 11 with regard to the numerous Italian and foreign Special Purpose Vehicles ("SPVs") in which the Group participates jointly with other partner companies and which are established for the sole purpose of carrying specific construction projects.

More specifically, these difference occurred with the SPVs that, in the 2013 consolidated financial statements, were recognized using the proportional consolidation option provided in the previously applicable IAS 31 and which - in accordance with IFRS 11 and based on currently developed best practices for the interpretation of international standards, could not be found to unequivocally qualify as joint operations. These entities, which in 2013 belonged exclusively to the former Impregilo Group, are essentially identified as SPVs which, in accordance with the laws in effect in the countries where they operate (i.e. the countries where the respective projects are being carried out), have their own autonomous, albeit limited in some instances, legal entity status and do not allow the immediate identification of a right (obligation) of an individual “participant” with respect to the assets (liabilities) held by the SPV. These SPVs, which in accordance with established industry practice and pursuant to the requirements of the contracts executed by the customer local administrations during the initial phase of the call for tenders operate in their own name but on behalf of the partners and serve the sole purpose of carrying out individual projects, in the preparation of this Half-Year consolidated financial report as at June 30, 2014, were treated on a preliminary basis as joint ventures, in accordance with IFRS 11 and, consequently, consolidated by the equity method. Moreover, considering that:

- these SPVs cannot engage in any type of activity different from the one strictly dictated by their owners and in their owners exclusive interest;
- their activity is aimed exclusively at fulfilling the obligations arising from the contract with the customer, contract usually deriving from the submission of the winning bid in response to a call for tenders by the partners in their capacity as partners possessing the necessary “technical qualification”;
- the partners are the only parties who are jointly and unlimitedly liable towards the customer for the performance of the contract by the SPV;
- the partners are the only parties who are unlimitedly, but not necessarily jointly, liable for the obligations undertaken by the SPV towards third parties within the framework of the activities carried out to perform the contract (e.g. suppliers, employees, local government, etc.);
- at the end of the contract, the customer delivers to the partners the contractually stipulated technical references, an attestation that the project was completed;

the title to the revenue generated by the performance of the work is considered directly attributable to the partners, pro-rated based on the interests that the partners declared to hold within the framework of the call for tender procedure and were acknowledged by the customer in the award process.

With regard to the corresponding recognition of the relevant expenses directly attributable thereto (i.e.: the total costs of production necessary for the fulfilment of the contractual obligations towards the customer, to the extent attributable to the partners), however, depending on the different legal structures provided for in individual foreign countries where it operates, it is reasonable to believe that different levels of responsibility of the partners may be introduced in respect of the obligations towards third parties undertaken by the SPVs in which it holds interest. However, by virtue of the provisions consistently laid down in the partner agreements entered into between the companies participating jointly in the tender - provisions which currently reflect market standards, regardless of the nationality of the participating companies - it is reasonable to assume that in considering their ownership of the contractual rights arising from relationships with customers, there is a similar material obligation to bear the related overall expenses, albeit in a non-direct form, regardless of the contractual ‘form’ with which these expenses will be formally transferred by the SPV to its partners. For those entities that are no longer subject to proportional consolidation, and consistent with the assumption that the revenues generated from the customer are recognized directly to the members/companies participating in the tender according to their equity investment, the Group, according to the respective equity investment, also has the direct obligation to sustain the relative overall costs which, from a different standpoint, are substantially equivalent - excluding the ownership of the contractual revenue recognized to the SPV- to the negative change of the shareholders’ equity of the SPV between one period and another and according to the portion attributable to the group.

In view of these circumstances, consistently considered also within the framework of the previously applicable standards, the adoption of IFRS 11 for the treatment of the SPVs in which Salini Impregilo held an interest together with its strategic partners did not produce material differences in terms of the total revenue realized through the SPVs and of the Group’s shareholders’ equity. However, some limited difference did arise with regard to individual assets (liabilities) that in the proportional consolidation previously applied to them were recognized on a pro rata basis and taking into account the nature of each asset (liability) and, under IFRS 11, are instead recognized in accordance with the equity method. However, it is worth pointing out that, with regard to the above, an interpretative commentary has yet to be developed for the new standards, particularly with regard to the specific sector in which the Group operates.

The Company believes that the information provided represents the best operational interpretation of the substance of the Group's operations, but the possibility cannot be excluded that in the future, possibly even the immediate future, different interpretations may be developed by other parties, including regulatory entities, which could have an impact on several alternative performance indicators adopted by the Group – such as capital expenditures or EBITDA. Finally, because of the very nature of these standards, these potential impacts are not expected to affect the Group's share of net profit and the shareholders' equity.

Introductory remarks concerning the comparability of the income statement and statement of financial position data for the first half of 2014 with those for the previous year – continuity with the consolidated financial statements of the Salini Group for 2013

The merger by incorporation of Salini S.p.A. (formerly the controlling Company at December 31, 2013) into Impregilo S.p.A. (formerly the controlled Company at December 31, 2013) became fully effective as of January 1, 2014. The Company changed its name to Salini Impregilo S.p.A. as a result of this merger.

In accordance with the requirements of the international financial reporting standards adopted by the Group in continuity with previous years, the above-mentioned merger does not constitute a transaction likely to modify the amounts recognized in the Group's financial statements, due to the fact that it qualifies as a "business combination of entities under common control", control of which Salini S.p.A. acquired over Impregilo S.p.A. with effect from April 1, 2013. With the exception of the information provided above regarding new international financial reporting standards, the mandatory adoption of which is statutorily required as of January 1, 2014, the statement of financial position, income statements and statement of cash flows of the Salini Impregilo Group at June 30, 2014 reflect going concern values compared with the consolidated financial statements of the Salini Group for the year ended December 31, 2013. These financial statements also reflect the restatement of the assets and liabilities of the Impregilo Group based on their respective fair value on the date control was acquired and the subsequent allocation of the difference between the above-mentioned fair value and the total consideration paid in 2013 by the then controlling Company Salini S.p.A. to acquire said control, as part of a process commonly referred to as purchase price allocation (PPA). Lastly, please note that the differential was positive and, consequently, was recognized in the 2013 consolidated income statement as badwill. For more information about these issues, please see the detailed disclosure provided in the notes to the consolidated financial statements of the Salini Group for the year ended December 31, 2013.

Taking into account the developments described above, the data of the consolidated income statement for the first half of 2013 - provided below for comparative purposes - are those of the Salini Group and presented in the Half-year consolidated report of the Salini Group as at June 30, 2013 to reflect:

- the classification of the Todini Costruzioni Generali Group and the company Fisia Babcock Environment GmbH in accordance with IFRS 5;
- the retrospective recognition of the effects of the adoption of the new international financial reporting standards referred to in the previous paragraph of this section;
- the recognition as at April 1, 2013, of the effects of the purchase price allocation described above which, although temporarily assigned to the same

date, were fully recognized only in the annual consolidated financial statements of the Salini Group as at December 31, 2013, in accordance with the provisions of IFRS 3.

These values, however, are not fully comparable with those presented by the Group resulting from the merger for the period reviewed in this Half-year consolidated financial report due to the fact that the contribution made by the Impregilo Group in the previous period was recognized, according to the line-by-line consolidation method, only as from April 1, 2013 (see Tab. 1).

Consequently, in order to allow a more homogeneous analysis of the operating performance of the Salini Impregilo Group in the first half of 2014 compared with the same period last year, it was decided appropriate to reclassify the consolidated income statement of the Salini Group for the first half of 2013 in a format, presented later in this chapter, that shows[2]:

a) The consolidated income statement of the Salini Group for the first half of 2013, as shown in the Half-year consolidated report of the Salini Group as at June 30, published on August 5, 2013, and reclassified according to the logic described above;

b) the consolidated income statement of the Impregilo Group for the first quarter of 2013 as shown in the Director's Report as at March 31, 2013, published on May 14, 2013, and reclassified according to the logic described above;

c) the elimination of the effects resulting from the measurement of the PPA and badwill.

Lastly, please note that, in the first quarter of 2014, consistent with the process of monetizing the Group's non-core assets, launched in October 2012 and continued last year, the Salini Impregilo Group executed preliminary agreements for the sale to external parties of the entire interest held by Impregilo International Infrastructures N.V. in the German company Fisia Babcock Environment GmbH. These agreements were finalized in May 2014; therefore, in the period reviewed in this Half-year consolidated financial report, the financial position attributable to this company (at the time of sale) and the net profit resulting from the sale were reclassified in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

2. Please note that this disclosure should not be construed as pro forma information pursuant to current applicable regulations and that the main differences compared with said regulations concern the retrospective adoption as of January 1, 2013 of: (i) Purchase Price Allocation procedures for the acquisition of Impregilo by Salini; and (ii) cost related to the above-mentioned acquisition included among financial expense.

Tab. 1 - Operating performance of the Group

Reclassified consolidated income statement of the Salini Impregilo Group

(Values in €/000)	Note (*)	First Half 2014	First Half 2013 (§)	Change
Operating revenue		2,073,373	1,303,337	770,036
Other revenue		35,596	22,089	13,507
Total revenue	**31**	**2,108,969**	**1,325,426**	**783,543**
Operating costs	32	(1,916,282)	(1,220,470)	(695,812)
Gross operating profit (EBITDA)		**192,687**	**104,956**	**87,731**
EBITDA %		*9.1%*	*7.9%*	
Amortization and depreciation	32	(78,783)	(54,097)	(24,686)
Operating profit (EBIT)		**113,904**	**50,859**	**63,045**
Return on Sales		*5.4%*	*3.8%*	
Financing income (costs) and gains (losses) on investments				
Financing costs	33	(86,776)	(34,019)	(52,757)
Gains on investments	34	4,987	203,947	(198,960)
Net financing costs and net gains on investments		**(81,789)**	**169,928**	**(251,717)**
Earnings before taxes (EBT)		**32,115**	**220,787**	**(188,672)**
Income taxes	35	(12,204)	(23,651)	11,447
Profit (Loss) from continuing operations		**19,911**	**197,136**	**(177,225)**
Profit from discontinued operations	16	55,314	(20,262)	75,576
Profit (Loss) before allocation to non-controlling interests		**75,225**	**176,874**	**(101,649)**
Non-controlling interests		4,065	(355)	4,420
Profit (loss) attributable to the owners of the parent		**79,290**	**176,519**	**(97,229)**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analyzed in detail.
(§) The income statement data for the first half of 2013 were reclassified following the adoption of the new standards IFRS 10 and IFRS 11 and IFRS 3 and in accordance with the provisions of IFRS 5 with reference to Todini Costruzioni Generali and Fisia Babcock Environment.

The following table shows the reclassified consolidated income statement for the first half of 2014 compared to the reclassified consolidated income statement for the first half of 2013, reclassified as mentioned above in order to facilitate the comparison of the information on a homogeneous basis.

Tab. 2 - Group performance

Reclassified consolidated income statement of the Salini Impregilo Group for the first half of 2014 on a homogeneous basis with the same period of the previous year

(Values in €/000)	First Half 2014	First Half 2013 on a homogeneous basis	Change
Operating revenue	2,073,373	1,834,432	238,941
Other revenue	35,596	34,398	1,198
Total revenue	**2,108,969**	**1,868,830**	**240,139**
Purchasing costs	(235,820)	(252,682)	16,862
Service and subcontractor costs	(1,416,152)	(1,201,570)	(214,582)
Personnel costs	(218,043)	(198,669)	(19,374)
Other operating costs	(44,287)	(27,838)	(16,449)
Provisions and impairment losses	(1,980)	4,096	(6,076)
Operating costs	**(1,916,282)**	**(1,676,663)**	**(239,619)**
Gross operating profit (EBITDA)	**192,687**	**192,167**	**520**
EBITDA %	*9.1%*	*10.3%*	*0.2%*
Amortization and depreciation	(78,783)	(75,679)	(3,104)
Operating profit (EBIT)	**113,904**	**116,488**	**(2,584)**
Return on Sales	*5.4%*	*6.2%*	*-1.1%*
Financing income (costs) and gains (losses) on investments			
Financial income	*18,727*	*17,285*	*1,442*
Financial expenses	*(69,638)*	*(63,635)*	*(6,003)*
Net exchange rate gains	*(35,865)*	*3,735*	*(39,600)*
Financing costs	(86,776)	(42,615)	(44,161)
Gains on investments	4,987	3,899	1,088
Net financing costs and net gains on investments	**(81,789)**	**(38,716)**	**(43,073)**
Earnings before taxes (EBT)	**32,115**	**77,772**	**(45,657)**
Income taxes	(12,204)	(41,733)	29,529
Profit (Loss) from continuing operations	**19,911**	**36,039**	**(16,128)**
Profit from discontinued operations	55,314	74,670	(19,356)
Net profit (Loss) before allocation to non-controlling interests	**75,225**	**110,709**	**(35,484)**
Non-controlling interests	4,065	(176)	4,241
Profit (loss) attributable to the owners of the parent	**79,290**	**110,533**	**(31,243)**

Revenue

The revenue booked in the first half of 2014 totaled € 2,109.0 million (€ 1,868.8 million on a homogeneous basis) and included € 1,876.2 million generated outside Italy.

Total consolidated revenue reports an increase of about 12.8% compared with the amount stated on a homogeneous basis compared to the same period of the previous year. This increase is essentially the net result of the production progress on some large-scale projects abroad which, compared to the first half of 2013, became fully operational (Ethiopia, Denmark and Poland), up against which the substantial completion of major road and highways projects in Italy and the sale to external parties– finalized in the second half of the previous period – of activities related to the construction of Milan's External East Bypass. Please also note that, as far as the Group's foreign industrial activities are concerned, during the first half of 2014 it was necessary to take into consideration both (i) the temporary slowdown in production of several large projects in Venezuela and (ii) the continuing problematic issues encountered in the Panama Canal expansion project, with specific reference to the temporary deterioration of relations with the client - further information of which is provided in the subsequent parts of this Half-year report and should be consulted for more detailed information - which also caused a reduction in the volume of production in the first half of his year, especially with reference to the first quarter compared to that observed in the same period of last year.

The item "Other revenue" includes mainly positive components of income originated in the projects in progress and arising from ancillary industrial activities not directly attributable to the contract with the client.

Operating profit

The performance of the operating activities in the first half of 2014, both in absolute terms and on a homogeneous basis compared with the same period of the previous year, was not affected by unusual occurrences extraneous to the production cycle. Taking account of this situation, as well as the fact that the first half of last year (on a homogeneous basis) benefited from the positive development of several disputes with customer local administrations according to improved prospects compared to prior assessments carried out, the operating profit achieved in the period reviewed in this Report reflects in a substantially consistent fashion the evolution of the production activities described in the comments to the item "Revenue".

The main changes in the different types of operating expenses during the first half of 2014, as compared to the first half of 2013 were as follows:

- the increase in service costs, including subcontractors and other operating expenses, amounting to € 232.5 million, is directly attributable to the change in production recognized for some projects structurally characterized by a greater recurrence of this type of charges;
- the total increase of € 4.6 million in accruals to provisions and impairment losses reflects primarily adjustments made to receivables owed by customers in Venezuela to reflect a more conservative and reasonable time horizon for the collection of these receivables, taking also into account the current social and political situation in the country and for which a more detailed analysis is provided in the subsequent parts of this Half-year financial report;
- lastly, the increase in amortization and depreciation expense reflects, in addition to the reversal attributable to the period of the higher values assigned to some intangible assets of former Impregilo upon acquisition of control by former Salini, the circumstance that the projects in Denmark and Ethiopia specifically, which generated an increase in revenue compared with the first half of 2013, are characterized by a production structure that significantly employs plant and equipment and that, consistent with the performance of industrial activities, generated a corresponding increase in depreciation expense compared with the comparative period.

World **leader** in the water segment

The overhead costs for the central corporate units and the other general expenses, for the period reviewed in this report, totaled approximately € 75.1 million (roughly € 77.0 on a homogeneous basis, without taking into consideration non-recurring expenses) and are currently allocated to the 'Italy' segment.

Financing income (costs) and gains (losses) on investments

Net financing costs totaled € 86.8 million (down by € 44.2 million on a homogeneous basis) while net gains on investments amounted to € 5.0 million (€ 3.9 million on a homogeneous basis).

The main cause of the change in the net financing costs, in respect of the corresponding value recognized on a homogeneous basis for the first quarter of 2013, is the non-recurring charge of about € 55 million resulting from the adoption by the Group of the new official exchange rate called SICAD 2 to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. This situation, more details of which are provided in the notes to the Half-year consolidated financial statements and should be consulted for more information, was necessary in light of the continuing financial/currency crisis being experienced in the country within the framework of a more reliable estimate of the value that these net financial assets will be realized, also in consideration of the regulatory characteristics of the local currency market which expresses significant limitations on movement of Venezuelan currency.

The financial expenses for the period, net of income of the same nature, showed a slight increase compared to the same period last year, reclassified on a homogeneous basis. Please note that, within the adjustments made to the income statement for the first half of 2013, shown here on a comparative basis, no adjustments were made in relation to the indebtedness of the Group in this period in relation to the public tender offer for all ordinary shares of the former Impregilo S.p.A. and therefore, on an aggregated and consolidated basis, there are no significant differences between the two periods being compared as regards average indebtedness.

Profit from discontinued operations

During the period reviewed in this chapter, the profit from discontinued operations totaled € 55.3 million (profit of € 74.7 million on a homogeneous basis). The reported profit is the net result of the following factors:

- a loss of € 3.6 million reported by the remaining activities of the USW Campania Projects;
- a net profit of € 85.1 million (loss of € 0.4 million on a homogeneous basis) recognized as a result of the completion of the sale of the investment in the German company Fisia Babcock Environment GmbH to third parties. The Group held this investment through its subsidiary Impregilo International Infrastructures N.V. Upon completion of the sales transaction a net gain of € 89.2 million was recognized, partially offset by the net loss, and amounting to roughly € 4.1 million, which the company itself had contributed to the Group for the period prior to the sale;
- a loss of € 26.2 million (loss of € 7.8 million on a homogeneous basis) reported in the period by Todini Costruzioni Generali and by its subsidiaries.

Complete information about the main developments affecting the various assets held for sale and discontinued operations is provided in the relevant chapter included in this Half-year consolidated financial report entitled "Non-current assets held for sale and discontinued operations".

Tab. 3 - Financial position of the Group

Reclassified consolidated statement of financial position of the Salini Impregilo Group

(Values in €/000)	Note (*)	June 30, 2014	December 31, 2013 (§)	Overall change
Property, plant and equipment, intangibles and non-current financial assets	1-2-3-4	748,991	746,858	2,133
Non-current assets (liabilities) held for sale	16	188,363	235,543	(47,180)
Provisions for risks	24	(103,125)	(102,207)	(918)
Post-employment benefits and employee benefits	22	(18,182)	(20,508)	2,326
Other non-current assets (liabilities)	6-7-25	15,866	16,502	(636)
Tax assets (liabilities)	8-13-28	80,074	81,153	(1,079)
Inventories	*9*	*235,890*	*215,321*	*20,569*
Contract work in progress	*10*	*1,358,539*	*1,105,176*	*253,363*
Advances on contract work in progress	*26*	*(1,560,636)*	*(1,630,770)*	*70,134*
Receivables	*11*	*1,825,886*	*1,886,462*	*(60,576)*
Payables	*27*	*(1,353,871)*	*(1,382,725)*	*28,854*
Other current assets	*14*	*325,913*	*287,889*	*38,024*
Other current liabilities	*29*	*(206,715)*	*(214,837)*	*8,122*
Working capital		625,006	266,516	358,490
Net invested capital		**1,536,993**	**1,223,857**	**313,136**
Equity attributable to the owners of the parent		**1,088,445**	**699,627**	**388,818**
Non-controlling interests		30,819	192,522	(161,703)
Shareholders' equity	**17**	**1,119,264**	**892,149**	**227,115**
Net financial position		**417,729**	**331,708**	**86,021**
Total financial resources		**1,536,993**	**1,223,857**	**313,136**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analyzed in detail.
(§) The statement of financial position data at December 31, 2013 were reclassified due to the adoption of the new standards IFRS 10 and IFRS 11.

Net invested capital

The net invested capital amounted to € 1,537.0 million at June 30, 2014, for an increase of € 313.1 million compared with the end of the previous year. The main changes are primarily attributable to the factors mentioned below.

Property, plant and equipment, intangibles and non-current financial assets

Net property, plant and equipment, intangibles and non-current financial assets were up € 2.1 million. The main changes that occurred in this item compared with the end of the previous year are reviewed below:

- due to the sale of the controlling interest held in Fisia Babcock Environment the non-current assets decreased for a total amount of € 12.9 million;
- the amortization and depreciation for the period caused a further reduction of € 78.8 million in the net value of these assets;
- lastly, investments for the period totaled € 98.8 million and were mainly related to several recently acquired major projects in Australia, Qatar and Chile as well as projects already launched in Ethiopia;
- lastly, the value of the investments decreased by € 6.6 million chiefly as a result of the valuation by the equity method of several significant investments.

Non-current assets (liabilities) held for sale

Non-current assets (liabilities) held for sale amounted to € 188.4 million at June 30, 2014. They include the net assets (liabilities) of the following units of the Group:

- Todini Costruzioni Generali S.p.A. and its direct subsidiaries (net assets), for a total of € 182.7 million;
- USW Campania Projects (net assets) for € 5.7 million, unchanged compared with the end of the previous year.

The change in this item compared with the previous year, largely reflects the impairment losses reported by the Todini Group in relation to several projects in the process of completion. More detailed information is provided in this Half-year financial report under the section entitled "Non-current assets held for sale and discontinued operations – Part two".

Provisions for risks

The provisions for risks amounted to € 103.1 million, practically unchanged compared to the end of the previous year. It is worth mentioning that in the period being reviewed no situations developed that would have required changes in the valuations performed earlier as to the adequacy of these items which, at this point, are totally confirmed.

Post-employment benefits and employee benefits

This item amounted to € 18.2 million, a decrease of € 2.3 million compared with the previous year. This is mainly attributable to the ordinary operations of the Group during the reporting period.

Other non-current assets (liabilities)

Other non-current assets, net of liabilities, amounted to € 15.9 million. The negative change of € 0.6 million compared with December 31, 2013, is mainly related to the reclassification of some receivables from non-consolidated equity investments. These receivables, net of the related allowance, were reclassified in line with the update of the forecasts on when they may be collected.

Net tax assets (liabilities)

This item amounted to € 80.1 million at June 30, 2014. The change in net tax assets and liabilities compared to the previous year, which was negative and came to € 1.1 million, mainly reflects the effects of the determination of the tax liability for the period at the consolidated level, taking also into account the different tax dynamics affecting foreign units and changes in the respective asset (liability) positions recognized in accordance with the tax laws of the countries where the units operate, as well as the amount of the tax payments on account made for the current year. In this regard, in accordance with the relevant international financial reporting standards, for the purpose of preparing this Condensed half-year consolidated Financial Report, the consolidated tax expense for the period is determined based on estimates that at the present time could reasonably be made on the expected operating performance for the current year and the resulting tax impact.

Working capital

Working capital increased by € 358.5 million, from € 266.5 million to € 625.0 million. In view of the aforementioned adoption of the new standards IFRS 10 and IFRS 11 and their effects applied retrospectively to December 31, 2013, please note that when the Group conducted the in-depth studies on the application criteria with which these standards have been adopted in relation to investments held by the Group in certain Italian consortia and consortium companies - proportionally consolidated under the previously applicable framework - it was found that a more appropriate classification was required for the existing debit/credit positions between the parent company and those units with respect to the classifications noted in the Interim report on operations at March 31, 2014. These studies essentially focused on certain liabilities highlighted by the parent company for capital funding of some consortia companies, used to reduce the value of the non-current financial assets and which, with respect to comparative information presented at March 31, 2014, have consequently resulted in a reduction in the net fixed assets, with a corresponding increase in the balance of working capital in the comparative figures provided herein.

The main changes in working capital related to developments in the group's operating activities and the greater production on certain domestic and international contracts during the year. They are summarized below:

- Inventories totaled € 235.9 million, up € 20.6 million over the previous year due to the combined effect of increased procurement activity for the progress of foreign contracts, specifically concerning hydroelectric projects in Ethiopia, offset only in part by the use of inventories for construction activities on some foreign contracts, among which, in particular, the Angostura and Sogamoso River hydroelectric projects and Lots 2 and 3 of the Abu Dhabi water tunnel.

- Work in progress increased by € 253.4 million, from € 1,105.2 million to € 1,358.5 million. This change reflects the effects of production gains, particularly with regard to projects in Africa (Ethiopia and Nigeria), the Far East and EU countries (Denmark and Italy - High Speed - High Capacity railway).

- Advances on contract work in progress and "negative" contract work in progress (i.e.: invoiced advances greater than the cumulative value of the projects constructed) totaled € 1,560.6 million for a decrease of € 70.1 million. This change was mainly due to the effects of the following factors:

  - The net decrease in contractual advance payments by € 50.0 million, due to absorption of disbursements recognized in previous years through the development of production activities which were overall greater than the value of the new disbursements recognized in the current year for the portion attributable to the Group;

  - the reduction – by € 43.0 million – of "negative work in progress" attributable to the company Fisia Babcock Environment GmbH, sold to third parties before the end of the period and

  - the increase in "negative work in progress" totaling approximately € 23 million, mainly relating to several projects in the Middle East (UAE, Qatar).

- The current receivables and payables decreased, totaling € 60.6 million and € 28.9 million respectively. In addition to the ordinary effects depending on the trend of the industrial activities during the period and the ordinary relations with customers and suppliers related to those activities, this change reflects the adjustment to the values expressed in Venezuelan currency to the official exchange rate ("SICAD 2") adopted by the Group from June 30, 2014 which depreciated substantially compared to the prior official exchange rate ("CENCOEX", formerly known as "CADIVI"). As a result of this adoption, for which more detailed information is provided in the subsequent sections of this Half-year financial report, the effective value of the receivables (net of payables) denominated in Venezuelan currency decreased by € 47.8 million compared to December 31, 2013.

- Other current assets increased by € 38.0 million, mainly due to the receivables from third party partners in new projects in the Middle East. Other current liabilities decreased by € 8.1 million, chiefly due to a reduction in payables owed to third party partners in projects underway in South Africa.

Net financial position

At June 30, 2014, the consolidated net financial position of the Group's continuing operations amounted to € 417.7 million (negative by € 331.7 million), while that of the non-current assets held for sale amounted to € 67.1 million (negative by € 53.9 million). At the end of the period, the Net Debt/Equity ratio (based on the Net financial position of continuing operations), on a consolidated basis, was 0.37. The net financial position for non-current assets held for sale refers to Todini Costruzioni Generali S.p.A. and its subsidiaries.

On June 20, 2014, as part of an operation aimed at Italian and international institutional investors, the Board of Directors of the parent Company Salini Impregilo S.p.A. exercised the powers granted to it by the Extraordinary Shareholders' Meeting held on September 12, 2013, and approved the share capital increase limited to 10% of the existing capital, waiving option rights. The operation was successfully completed with the issuance of 44,740,000 new ordinary shares without par value and the increase in share capital amounting to € 44,740,000. The subscription price of the shares was set at € 3.70 per share, while the consideration received, net of directly related additional expenses, was € 161.5 million. In the same context of this offer, aimed as described to Italian and international investors only, the parent Company Salini Costruttori S.p.A. at the same time sold 94,000,000 Salini Impregilo S.p.A. ordinary shares. Furthermore, following this sale, the parent Company repaid its financial payables in full to Salini Impregilo S.p.A.

The change in the net financial position, net of that resulting from the aforementioned transaction, is substantially consistent with the evolution in net working capital, which increased compared with December 31, 2013. This situation is considered typical of industry dynamics in the earlier months of the year.

The group's net financial position at June 30, 2014, is summarized in the following table.

Tab. 4 - Net financial position of the Salini Impregilo Group

(Values in €/000)	Note (*)	June 30, 2014	December 31, 2013 (§)	Change
Non-current financial assets	5	58,517	48,928	9,589
Current financial assets	12	8,923	222,113	(213,190)
Cash and cash equivalents	15	645,061	908,631	(263,570)
Total cash and cash equivalents and other financial assets		**712,501**	**1,179,672**	**(467,171)**
Bank and other loans	18	(436,017)	(634,693)	198,676
Bonds	19	(551,155)	(552,542)	1,387
Finance lease payables	20	(93,524)	(97,671)	4,147
Total non-current indebtedness		**(1,080,696)**	**(1,284,906)**	**204,210**
Current portion of bank loans and current account facilities	18	(236,129)	(313,819)	77,690
Current portion of bonds	19	(28,226)	(11,154)	(17,072)
Current portion of finance lease payables	20	(50,047)	(45,422)	(4,625)
Total current indebtedness		**(314,402)**	**(370,395)**	**55,993**
Derivative assets	12	7	1,016	(1,009)
Derivative liabilities	21	(4,411)	(4,354)	(57)
Financial assets held by SPVs	15	336,460	223,789	112,671
Non-current indebtedness held by SPVs	18	(3,086)	(14,484)	11,398
Current indebtedness held by SPVs	18	(64,102)	(62,046)	(2,056)
Total other financial assets (liabilities)		**264,868**	**143,921**	**120,947**
Total net financial position – continuing operations		**(417,729)**	**(331,708)**	**(86,021)**
Net financial position for assets held for sale		(67,064)	(53,868)	(13,196)
Net financial position including non-current assets held for sale		**(484,793)**	**(385,576)**	**(99,217)**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analyzed in detail.
(§) The data at December 31, 2013 were reclassified due to the adoption of the new standards IFRS 10 and IFRS 11.

Directors' Report
Part II

Operating performance by geographic region

This chapter presents the main events that characterized the Group's operating performance, in terms of both the areas of operation and the main projects currently underway, in the first half of 2014.

The important events affecting the development of the Group's corporate governance structure in recent years, with specific reference to the integration of the Impregilo Group into the Salini Group - which, with effect from January 1, 2014, became fully effective with the merger between the former parent Company and former subsidiary - resulted in the initiation of a major organizational development process. 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 for the budget and for the final balance sheet, based on 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'.

At present, to ensure consistency with the data reported in previous periods, the highlights in the section 'Other assets' are also subject to separate disclosure, along with any financial data, related to (i) central corporate units, and (ii) the main concession activities of the Group, while the Group units currently classified as 'non-current assets held for sale and discontinued operations' are disclosed in the relevant section.

Italy

Pedemontana Lombarda Highway

The work calls for the final construction design and the construction of the first section of the Como and Varese Bypasses, and the link between the A8 and A9 highways (from Cassano Magnago to Lomazzo), with the construction of approximately 26 km of highway and secondary roads, including about 7 km of tunnels.

During fiscal year 2010, the final design was approved and Contract Amendment No. 1 was entered into in February. The Amendment not only sets the total contractual amount at € 880 million, it also calls for and governs the advance construction of certain works and executive design portions without including any contractually specified completion times. In December 2010, not only was the executive plan approved, an addendum to Contract Amendment No. 1 was entered into (which effectively increased the activities defined as advance works), and partial delivery of the work took place on December 7, 2010.

Starting with fiscal year 2011, however, and continuing into fiscal year 2012, the client experienced growing issues with its ability to meet its contractual financial commitments. In spite of these difficulties, the general contractor continued with construction according to the work schedule defined with the client, while initiating the contractually specified procedures provided for its own protection in connection with these issues. By the early part of fiscal year 2013, the client had largely overcome these financial difficulties and activities continued normally according to the program timeline over the remainder of the fiscal year. In particular, on November 30, 2013, the link between the A8 and A9 highways reached substantial completion, as called for in the contractual documents.

On March 6, 2014, the Company signed Contract Amendment no. 3, the related Addendum and the delegation of payment of the Grantor CAL. These acts mainly involved:

- the determination of the new contract value of € 922 million;
- confirmation of substantial completion of the A8 – A9 road link on November 30, 2013;
- extension of the deadline for the substantial completion of the Como and Varese Bypasses to June 30, 2014;
- the definition of the following new procedures for pre-financing payment arrangements: € 128 million by March 30, 2014 through the delegation of payment of the grantor CAL, € 32 million no later than 30 days before the substantial completion of the bypasses through the delegation of payment of the grantor CAL, € 40 million, with interest, by January 31, 2015, by the customer APL.

The percentage of completion as of June 30, 2014, was 90.8%.

Line 4 of the Milan Metro

Impregilo, the leader, representative and member of a grouping of companies consisting of Astaldi, Ansaldo STS, Ansaldo Breda, ATM (Azienda Trasporti Milanese, Milan Transport Company), and Sirti, won the final competitive bidding issued by the City of Milan to find a private partner of a joint enterprise for the concession to design, build, and manage Line 4 of the Milan Metro. The new line, which will be fully automated (there will be no engineer on board), will encompass a total of 15.2 km along the Linate-Lorenteggio section. The project calls for the final detailed design and construction of two single-track tunnels, one in each direction, with 21 stations, 32 structures/ventilation shafts/exits, and a depot/workshop.

The total value of the investment – consisting primarily of civil engineering works, providing technological services, and mechanical – is approximately € 1.7 billion, with about two thirds of the funding coming from public State and City contributions.

To coordinate the construction activities of the project, Impregilo S.p.A. created the MM4 Consortium with only the private partners (Astaldi, Ansaldo STS, Ansaldo Breda, and Sirti). The Consortium in turn assigned the civil engineering and non-system facilities to consortium members Impregilo and Astaldi, which are in turn equal partners in Metroblu S.c.r.l.

On June 20, 2013, the Addendum to the Ancillary Agreement was signed between SP M4 ScpA (a project company under ATI consisting of the same participating companies) and the client. This Addendum redefined the work schedule, focusing solely on the work for the "EXPO Section" and, among other things, increased the total investment to approximately € 1.8 billion.

The percentage of completion as of June 30, 2014 was roughly 7.3%.

Port of Ancona

On December 18, 2013, Salini Impregilo, as leader of a grouping of companies, won the competitive bidding for construction and management of the road link between the Port of Ancona, the A14 Highway, and State Route 16, "Adriatica". The value of the project is approximately € 480 million and the concession period is 30 years from completion of the work. The initiative under concession anticipates a total revenue of about € 2,540 million over the infrastructure management period. The project financing proposal submitted by the grouping of companies was declared of public interest by the ANAS Board of Directors in April 2008.

The final design of the project will begin during the second half of 2014, after the concession agreement signed at the end of 2013 becomes effective.

Work on the new infrastructure will begin in 2015, upon completion of the procedure for designing and approving the final plan, and will be completed within five years. The new roadway will be about 11 km long, including main and linking roads, and will represent a strategic undertaking aimed at optimizing traffic flow between the Port of Ancona, the city, and the major roadway consisting of the A14 highway, allowing for adequate growth of the Ancona logistics system based on the port, intermodal freight terminal and airport.

Milan-Genoa High Speed/Capacity Railway Line Project

This project involves construction of the Milan to Genoa High Speed/Capacity railway line, which was awarded to the CO.C.I.V. Consortium as the general contractor with a TAV (as operator of the State Railways)/CO.C.I.V. Agreement dated March 16, 1992. Impregilo is the project leader.

As we know, the project underwent a complex, articulated pre-contractual phase which evolved on a number of fronts from 1992 to 2011, many of which were contentious.

After Decree-Law no. 112/2008, converted into Law 133/2008, and Budget Law 2010, which required the project to be completed through construction lots, went into effect, additional contacts between the parties were initiated to explore the possibility of resuming execution of the Agreement and waiving the compensatory claims of the pending litigation, as expressly called for by Budget Law 2010.

The contract for work on the Giovi Third Railway Crossing - Milan-Genoa High Speed/High Capacity Line, was signed in November 2011. The total value of the works awarded to the General Contractor CO.C.I.V., led by Impregilo with 69%, comes to approximately € 4.8 billion. The first lot of the work, already funded by the CIPE in the amount of € 500 million, involves the construction of works and activities for € 430 million. By resolution 86/2011 published in Official Gazette issue no. 65 dated March 17, 2012, the CIPE allocated the resources for the second construction lot. On March 5, 2012, the Court of Auditors posted funding of € 1.1 billion for the second lot. On March 23, 2013, the CO.C.I.V. and RFI agreed to start Lot 2 for € 617 million.

In addition, in the latter part of the first half of 2013, the arbitration proceedings which had started in previous fiscal years – aimed at obtaining the amounts owed to the Consortium for work performed prior to the effective date of Decree-Law 112/2008 mentioned earlier, with the Consortium only filing for the costs actually incurred – came to a positive conclusion. In addition, upon conclusion of the aforementioned arbitration proceedings, the Consortium's obligation to return the contractual advance which it had cashed, including eligible late payment charges, went into effect. This obligation was fulfilled early in the third quarter of 2013 by offsetting with the amounts owed to the Consortium according to the aforementioned arbitration proceedings, in keeping with the provisions of the Addendum to the November 2011 Agreement.

Lastly, the Impregilo Group's share in the CO.C.I.V. Consortium was increased to 64% as a result of the agreements signed with partner Tecnimont SpA in September 2013 being finalized. An additional 5% was indirectly acquired through the subsidiary CIV S.p.A. in the first half of 2014.

The percentage of completion of the Active Lots (1 and 2) was approximately 12.7% as of June 30, 2014.

Salerno-Reggio Calabria Highway Project: Lots 5 and 6

The project involves the improvement and modernization of the last section of the Salerno-Reggio Calabria Highway in the stretch between the cities of Gioia Tauro and Scilla (Lot 5), and between Scilla and Campo Calabro (Lot 6). Impregilo is involved in the project with a 51% share.

With regard to Lot 5, which involved serious disputes with the client which ultimately came to a positive resolution, new critical situations were encountered starting with the second half of 2012. These situations, attributable to the added difficulty of obtaining the desired productivity levels as well as the social and environmental conditions that remain critical in the entire area of jobsite operation, resulted in the need to review the estimates over the entire lifetime of the contract, which consequently showed a loss situation; this was already fully reflected in the 2012 income statement. In this regard, no new significant critical elements requiring that changes be made to past measurements arose during the first half of 2014. The completion date for the entire macro-lot is set for October 31, 2014.

The percentage of completion of Lot 5 as of June 30, 2014 was 95.1%, whereas for Lot 6 it was 86.4%.

Ionica State Highway

At the end of 2011, Impregilo, in partnership with Astaldi, won the ANAS competitive bidding for construction work on the third maxi-lot of the Ionica State Highway ("SS-106") to be assigned to a general contractor. The value of the new contract is about € 791 million (of which 40% for Impregilo). The new infrastructure involves the development of a total of 38.0 km from the junction with state road 534 (SS-534) to Roseto Capo Spulico (Cs). The main works of the project involve the construction of some 13 km of tunnels, about 5 km of elevated roads, and 20 km of embankments. The overall duration of the work is expected to be about 7 years and 8 months, including 15 months to develop the design (final and construction) and to prepare for the start of work, with the remaining 6 years and 5 months for the construction phase.

The percentage of completion as of June 30, 2014, was 2.2%.

Third lane of Venice-Trieste A4 Highway (Quarto d'Altino-San Donà di Piave)

In November 2009, the grouping of companies led by Impregilo S.p.A. as agent won the competitive bidding for the executive design and construction of the extension to the third lane of the Venice-Trieste A4 Highway in the section between the cities of Quarto d'Altino and San Donà di Piave (VE). The total value of the contract is € 224 million.

The works include widening the highway over a distance of 18.5 km with construction of a third lane, and, in particular, construction of two new viaducts over the Piave River for a total length of about 1.4 km, construction of 4 bridges, 9 overpasses, 4 highway underpasses, and refurbishing of the San Donà di Piave highway junction.

The percentage of completion as of June 30, 2014, was 80.3%.

Verona-Padua High Speed/Capacity Railway Line Project

The IRICAV DUE consortium, of which Salini Impregilo holds 27.28% interest, is the general contractor of RFI S.p.A. for the design and construction of the Verona-Padua line, under the agreement dated October 15, 1991; role confirmed by the arbitration award of May 23- 26, 2012, res judicata.

By resolution no. 94 passed on March 29, 2006, the CIPE had already approved the preliminary project for Phase 1a of the Verona-Padua line from Verona to Montebello Vicentino and from Grisignano di Zocco to Padua, rendered functional by the requirements and recommendations proposed by the Ministry of Infrastructures and Transportation and implemented by the CIPE which ensures the connection from Montebello to Grisignano through Vicenza station.

Article 1, para 76 of the 2014 Stability Law (Law no. 147/2013), establishes that the aforementioned Verona - Padua line is to be constructed: *«with the procedures laid down by the letters b) and c) of section 232 and sections 233 and 234 of Article 2 of the Law of December 23, 2009, no. 191, "adding that, CIPE may approve the preliminary project" even if the financing of the construction phase, and the related final design is pending provided that there are sufficient funds to finance the first construction lot worth not less than 10 percent of the total cost of the works. To that end, spending through direct payment has been authorized for € 120 million for each year from 2015 to 2029. The above contributions are not permitted for financial transactions with expenses borne by the State».*

The Verona-Montebello and Grisignano di Zocco-Padua sections are both functional. Specifically, the construction of the Padua-Grisignano stretch, quadrupling the existing line by about 17 km and worth approximately € 400/500 million, was repeatedly called for by the Veneto region as it would allow for a further expansion of the Regional Metropolitan Railway System (Sistema Ferroviario Metropolitano Regionale - SFMR), towards Vicenza, thus resulting in stronger support of the territory and local authorities.

A meeting was held at the Ministry of infrastructure and transport on July 25, which was attended by Minister Lupi, the Struttura Tecnica di Missione (Mission Technical Structure), the Consortium, the Veneto region and the local authorities. A new project proposal for crossing the Vicenza hub was presented at the meeting. In order to shorten lead times for the approval process of the new design solutions, the Veneto Region and the local authorities had to clearly express their opinions on the final route to follow; this opinion was formalized by signing a "Protocol of Understanding" on July 29, 2014.

Lastly, in relation to this project and the fact that the Group was represented in it, even before the merger between Salini and Impregilo by shares held separately by the companies in the consortium, the period prior to that reviewed in this report reflected the portfolio value limited to the portion attributable to the former parent. This circumstance, which took account of the substantial standstill of the dispute with the client prior to the events described below, as well as the different assumptions made in previous years in relation to the probability of restoring the correct contractual situation of the consortium, was considered to have passed in the light of the events and at June 30, 2014, the portfolio value was presented in a homogeneous manner and included all of the shares attributable to the Group, currently estimated to be approximately € 1,200 million.

Rome Metro Line B

On June 13, 2012, the new section of Line B1 connecting Piazza Bologna to Piazza Conca d'Oro was put into operation, with the Mayor of Rome and the city's top dignitaries in attendance.

Temporary acceptance was completed in February 2013, while legal proceedings started for the recognition of the reserves posted in the final account.

As regards the Jonio section, the work was almost completed at June 30, except for the external areas.

Negotiations are under way with the client over extending the contractual times, previously extended to August 2014, in light of Service Order no. 21, to complete the work on the above-mentioned external areas.

Also for the Conca d'Oro-Jonio section legal proceedings were initiated for the recognition of the reserves posted until IPC no. 12 and identified in the in the order estimate for the portion for which approval is deemed reasonably certain.

The Group was also awarded the contract for extension of Rome Metro Line B for the

Rebibbia-Casal Monastero section. The project, commissioned by Roma Metropolitane to a grouping of companies including Vianini and Ansaldo, will be carried out through the technique of real estate development, and its value is set at approximately € 948 million.

The main works will be the Rebibbia shunting neck, the stations of S. Basilio and Torraccia/ Casal Monastero, with about 3.8 km of tunnels, an interchange, and parking for 2,500 cars.

On December 21, 2012, the Service Conference for approval of the final design and variants put forth during the competitive bidding phase was completed.

On December 31, 2012, the commissioner's ordinance was issued in which the Mayor approved the preliminary integrated design, defined the purpose of the areas, and approved the expropriation plan in connection with the work project.

In January 2013, the grantor Roma Metropolitane provided a provision for a simultaneous start of the final and construction design.

In June 2013, the grantor Roma Metropolitane ordered the suspension of the executive design, requiring that further work be carried out on the final design already submitted.

On August 8, 2013, the final design was delivered to grantor Roma Metropolitane, revised according to the provisions received from Roma Capitale. It is expected to be approved by the end of 2014.

With regard to real estate development, it is not possible to anticipate a work start date, since the necessary urban development variants have not been adopted by the Municipal Administration.

Abroad

Greece – Thessaloniki Metro Project

This project is for construction of the Thessaloniki automated metro. The contract was signed in 2006 and Impregilo is participating together with the Greek construction company Aegek S.A., and with Seli SpA for the civil engineering portion. The project involves construction of an automated subway with construction of two tunnels, each 9.5 km long, and 13 new underground stations.

The percentage of work completion as of June 30, 2014, was 30.0%.

Greece – Stavros Niarchos Foundation Cultural Center

At the end of 2012, Impregilo was awarded the construction of the new Stavros Niarchos Foundation Cultural Center in Athens, Greece, as part of a joint venture with the Greek company Terna S.A. The contract value is approximately € 325 million with Impregilo's share being 51%, fully guaranteed and paid by the Foundation. The design, created by the architectural firm Renzo Piano Building Workshop, calls for the construction of an ecologically sustainable multipurpose center located about 4.5 km from downtown Athens, which will occupy a total area of 232,000 m2, most of which devoted to a public park, to be completed in 38 months after work starts.

The initiative also provides for construction of the new headquarters of the Greek National Opera, which includes a 1400-seat main theatre and a 400-seat experimental theatre, and the National Library, which will be open to the public and will contain up to 750,000 volumes. Lastly, under the contract, the activities of managing and maintaining the Cultural Center for a period of five years for an additional value of about € 10 million will be allocated, once construction of the opera is completed.

The percentage of work completion as of June 30, 2014 was 33.2%.

Denmark

On January 7, 2011, the subsidiary Copenhagen Metro Team I/S, a Danish company in which Salini Impregilo S.p.A., Tecnimont Civil Construction, and S.e.l.i. are shareholders, signed a contract to build the new Copenhagen Metro, one of the most modern transit infrastructures in the world.

The "Copenhagen Cityringen Project" consists of the design and construction of the new metro loop located in the city center, including 17 stations and two tunnels for about 17 km, with an expected traffic of 240,000 passengers per day.

The original value of the contract of € 1,497 million was updated to € 1,657 million as a result of an additional five addenda, which came in addition to the three optioned by the client in 2011.

In addition to the design work on the underground stations and sections, construction work on all 21 of the contractually specified sites (17 stations and 4 shafts) is currently in progress.

Lastly, in 2013, 39.995% of Tecnimont Civil Construction's share in Copenhagen Metro Team I/S was bought out, allowing the Group to hold nearly 100% of the partnership of companies involved in the work.

The percentage of work completion as of June 30, 2014, was 46.2%.

Romania - Orastie-Sibiu motorway

In April 2011, Impregilo won the competitive bidding for the design and construction of lot three of the Orastie-Sibiu highway from the Romanian National Highway Company (CNADNR). The value of the contract is approximately € 144 million, 85% funded by the European Community and the remaining 15% by the Romanian government. The contract calls for the construction of 22.1 km of four-lane highway plus an emergency lane for an overall width of 26 meters. The Orastie-Sibiu project is part of a broader project called the "Highway 4 Corridor", which will connect the city of Nădlac located on the Hungarian border to the city of Constance located on the western shore of the Black Sea.

The percentage of work completion as of June 30, 2014, was 78.0%.

Romania – Lugoj-Deva

On October 11, 2013, the joint venture consisting of Salini SpA and S.E.CO.L. signed a contract with the Romanian National Highway Company (CNADNR) for construction of the Lugoj-Deva road Lot 2.

The project, valued at approximately € 127 million, will last 30 months, the first six of which for design activities.

The percentage of work completion as of June 30, 2014, was 2.7%.

Poland

The Group, in conjunction with the local company Kobylarnia, signed a contract on April 3, 2013, regarding the completion of construction work of the A1 "Torun-Strykow" section of A1 highway, composed of 2 lots and about 64 km long, connecting the cities of Czerniewice and Kowal.

The project has a total value of approximately € 199 million.

Work on the first lot was completed on May 23, 2014, while the Taking Over Certificate is expected to be issued by the end of July 2014.

Work on the second lot is expected to be completed by the end of July 2014, with the subsequent initiation of the procedures for the preparation and issuance of the Taking Over Certificate.

Of the 64 km under contract, 45 km were opened to traffic on December 21, 2013 and 19 km on April 30, 2014.

The percentage of work completion as of June 30, 2014, was 99.0%.

The initiative, led by the Polish General Directorate of Roads and Highways and co-funded by the European Union, constitutes full implementation of the strategic agreement signed with the Group in September 2012.

Turkey

On November 17, 2011, the subsidiary SKG, in which Kolin and Generali Costruzioni Ferroviarie also hold a stake, received the order to start work on the "Rehabilitation and reconstruction of the Kosekoy-Gezbe section of the Ankara Istanbul high speed train project".

The initiative, emblematic of the remodernization of Turkey's transportation system, includes dismantling of the current railway line and subsequent construction of a new dual-track line some 55.6 km long connecting the country's two "capitals". The new railway line will have an operating speed of 160 km/h.

Construction of the railway superstructure and the signaling, electrification, and telecommunication works are part of the project.

In August 2012, the client issued a new service order to widen the railway for the addition of a future third line.

The funding body formally authorized its construction and now the project is pending a formal draft of the addendum.

The contractual amount comes to approximately € 147 million.

Removal of the existing railway section and civil engineering works has been completed, while the railway works and electromechanical works are at an advanced stage.

The percentage of work completion as of June 30, 2014, was 79.84%

On March 26, 2013, the Ministry of Health of the Republic of Turkey awarded Salini SpA, as part of a joint venture with the Korean company Samsung C&T, the Dutch company Simed, and the local company Kayi Insaat, a concession to build and manage an important hospital complex in the city of Gaziantep with a total of 1,875 beds on a surface area of just over 500,000 square meters.

The initiative will be carried out based on the PPP (Public Private Partnership) model through an SPV (Special Purpose Venture) in which Salini Impregilo held 28%, and now holds 35.5% due to the exit of the Dutch company Simed. The remaining shares are held by Samsung C&T (29%) and by local company Kayi Insaat (35.5%). In turn, the SPV will assign the design, construction, and supply work to a joint venture consisting of Salini Impregilo, Samsung, and Kayi, for a total value of approximately € 510 million.

The operator was duly registered with the Istanbul Chamber of Commerce on June 20, 2013 under the name of Gaziantep Hastane Sagalik Izmetleri Isleteme Anonim Sirket.

The preliminary design of the healthcare facility (Conceptual Design) was completed at the end of February 2014 and the next phase is currently underway.

Belarus

A contract was signed on July 19, 2011 for the resurfacing of roughly 53 km of the M5 Minsk-Gomel road stretch, for a total value of approximately € 93 million.

Physical production started in November 2011, after the client delivered the four acquired lots, and was completed on November 15, 2013.

The contract is currently in the maintenance period, which will end on November 15, 2015.

Malaysia

The Ulu Jelai hydroelectric project is currently under way in Malaysia. The project consists of a first lot for the access roads (CW1) and a second lot (CW2+EM1) for construction of an RCC (Roller Compacted Concrete) dam some 90 meters high, and a 372-MW underground hydroelectric power plant, including hydroelectric and mechanical equipment with catchment works and approximately 25 km of tunnels.

In December 2013, a third lot of the project (CW3) consisting of rockfill protection of the basin's shores was awarded, valued at about € 70 million, bringing the value of the contract to approximately € 598 million.

The construction work, carried out by the subsidiary Salini Malaysia Sdn Bhd as part of a consortium with local partner Tindakan Mewah Sdn Bhd (Salini Malaysia 90%), will continue until 2016. The first lot of the project for the access road has been completed and delivered. As for the main lot consisting of the dam and hydroelectric plant, dam excavation has been completed and the river diversion works were finished on September 30, 2013, while excavation on the underground plant and tunnels of the plant headrace and tailrace system are at an advanced stage of completion.

For the third lot of the project, the mobilization phase has been completed and the consolidation works using rockfill have started with about 100,000 m^3 of rockfill, filters and drains placed, the construction of access roads and the diversion of the river in two places.

The percentage of work completion as of June 30, 2014, was 65.8%.

United Arab Emirates – Abu Dhabi Water Tunnel – Lots 2 and 3

Impregilo is currently completing construction on two lots of the STEP (Strategic Tunnel Enhancement Programme), which involves the construction of a tunnel that will serve to collect wastewater from the island and the mainland of Abu Dhabi by gravity and convey it to the treatment facility located in Al Wathba. Impregilo is building 25 km of the tunnel, which will be a total of 40 km long. The total value of the contracts comes to approximately $445 million.

Lot 3 was completed in 2013, while Lot 2 was completed in the first half of 2014.

In December 2013, Lot B of the new Abu Dhabi-Dubai highway totaling 28 km was acquired through Salini SpA Abu Dhabi Branch.

The contract was assigned to the joint venture consisting of Salini SpA Abu Dhabi Branch and the local builder Tristar Engineering & Construction, and is one of the largest infrastructure projects in the country as part of the innovative “Plan Abu Dhabi 2030”.

The Lot B work of the project is valued at 840 million United Arab Emirates Dirhams, equal to about € 168 million, and will be completed in 27 months.

United Arab Emirates – Dubai R881

After a slow down period of about two years caused by the economic recession that kept the country from being able to maintain regular progress payments, the “R881 Comprehensive Improvements of the Parallel Roads” project for construction of a highway section (Lots 2C and 3A) in the city of Dubai resumed full production activity in 2012, thanks in part to the client’s recognition of certain claims for Lot 2C (AED 40 million) and additional advance disbursements for Lot 3A.

The project primarily consists of the construction of 30 bridges, new road pavement for more than 200,000 square meters, and repositioning of a large number of ancillary services.

All structures and roads were opened to traffic in December 2013. The “Taking Over Certificate” for Lot 3A was issued on April 15, 2014, while the progress percentage of Lot 2C as of June 30, 2014 was 100%.

Lastly, it should be noted that an additional agreement for AED20 million was reached with the client as compensation for additional costs incurred in Lot 3A during the “slow down” period caused by the economic downturn of the Emirates mentioned earlier.

Arab Emirates – Abu Dhabi Highway Lot B – Dubai

On December 20, 2013, Salini Impregilo was awarded Lot B of the new Abu Dhabi-Dubai highway in the United Arab Emirates. The work was commissioned by the Abu Dhabi General Services (the so-called “Musanada”) and is one of the largest infrastructure projects in the country as part of the innovative “Plan Abu Dhabi 2030”. The contract awarded to a consortium consisting of Salini Impregilo S.p.A. and the local builder Tristar Engineering & Construction (TE&C) involves the construction of a total of 28 km of the Abu Dhabi-Dubai highway, to be completed in 27 months. Work on Lot B of the project is valued at approximately 840 million United Arab Emirates Dirhams (AED), which, at the current exchange rate, is about € 168 million.

Qatar – Red Line North Underground

On May 17, 2013, Impregilo, as leader of a partnership of companies with a 41.25% share, won the competitive bidding launched by Qatar Railways Company for the design and construction of the “Red Line North Underground” of Doha. The “Red Line North” will extend northward for about 13 km from the Mushaireb station, with the construction of seven new underground stations.

1,250 km of underground works

In particular, the project calls for the excavation of two parallel tunnels, one in each direction, which will be about 11.6 km long and have an inside diameter of 6.17 meters. The new project, along with 3 other metro lines, is part of a program led by Qatar to build a new infrastructure mobility system as part of the National Development Plan for 2030 ("Qatar National Vision 2030"), which provides for significant investments to ensure sustainable economic growth over time within the country and abroad.

The total value of the "Red Line North" contract comes to approximately 8.4 billion Qatari Rial, equal to about € 1.7 billion, of which approximately € 630 million for design and civil engineering works and about € 1.1 billion for provisional sums for preparation work, electromechanical systems, and architectural work on the stations.

The percentage of work completion as of June 30, 2014, was 4.7%.

Saudi Arabia – Riyadh Metro Line 3

On July 29, 2013, Impregilo, as the leader of an international consortium whose members include the Italian company Ansaldo STS, the Canadian company Bombardier, the Indian company Larsen & Toubro, and the Saudi company Nesma, won, with a 18.85% share, a major contract issued by the Riyadh Development Authority for the design and construction of the new Riyadh Metro Line 3 (40.7 km), the longest line of this major project in the Saudi Arabian capital's new metro network.

The lot assigned to the Consortium is an important part of the broader concurrent project for construction of the new Riyadh metro network (consisting of 6 lines with an overall length of about 180 km), worth a total of about $23.5 billion, in which another two global groups, including some of the largest companies in the world, are awardees for two other mega lots awarded at the same time as the lot awarded to the Consortium, which will be led by Salini Impregilo: one led by the American company Bechtel consisting of Almabani, CCC, and Siemens, and the other led by the Spanish company FCC consisting of Samsung, Freyssinet Arabia, Strukton, and Alstom.

The overall value of the works to be done by the Consortium for design and construction of the entire Line 3 is about $6.0 billion, of which about $4.9 billion for civil engineering works.

The percentage of work completion as of June 30, 2014, was 1.6%.

Libya

In August, a consortium of Italian companies, with the Group as the leader with 58%, including Società Italiana per Condotte d'Acqua, Impresa Pizzarotti & C, and Cooperativa Muratori & Cementisti (CMC), signed a contract to build the first lot of the new Libyan coastal highway called "Ras Ejdyer-Emssad Expressway project", with a total value of approximately € 945 million.

The new highway will traverse 1,700 km of the Libyan territory from the Tunisian border to the Egyptian border, and its construction will be an integral part of the agreements reached between the Italian Government and the Libyan Government with the signing of the Friendship and Cooperation Treaty on August 30, 2008.

The lot to be built by the Group will be 400 km long and will run from the city of Al Marj to Emsaad on the Egyptian border.

The motorway will have three lanes in each direction plus an emergency lane, and the most significant works will include the construction of 14 bridges and 52 viaducts, 8 service areas and 6 parking areas. The contract will be financed by the Italian government.

In 2010, a contract was signed for rehabilitation of the Koufra Airport runways, in the amount of approximately € 53 million.

After a long period of political instability that prevented the project from starting, the country's client administrations resumed the previous commercial and contractual relations in order to relaunch the project.

The requisite guarantees have been provided and the contractual advance payment was finally received in July 2013.

Jobsite mobilization work continued during the first half of the year.

The percentage of work completion as of June 30, 2014, was 7.4%.

The contract for the Koufra urban development project was signed again in 2013.

Design work will begin soon, with ground-breaking expected to begin within the year.

The agreement for construction of the new runway at Tripoli Airport still needs to be formalized, with the signed documents expected to be received before the end of the next six-month period.

Orders related to the Impregilo Lidco General Contracting Company are described in the "Risk areas" section.

South Africa – Ingula Hydroelectric Plant

The procedures for Impregilo's participation in the construction of a hydroelectric plant in South Africa, together with CMC of Ravenna and a local company, were finalized in March 2009. The overall value of the project, in which Impregilo has a 39.2% stake, is currently equal to about € 948 million. The initiative, called the "Ingula Pumped Storage Scheme" involves the construction of a generation and pumping plant with a total installed power of 1100 MW, which will generate electricity during peak hours and will reuse the same water by pumping it into an upstream basin during off-peak hours.

The percentage of work completion as of June 30, 2014, was 87.4%.

Ethiopia

Gibe III Hydroelectric Plant

The contract was signed on July 19, 2006 for about € 1,569 million and includes the construction of a 1,870 MW hydroelectric power plant consisting of an RCC (Roller Compacted Concrete) dam measuring 243 meters high with an open-air power plant. Other permanent works consist of a total of 75 km of access roads, a new bridge over the Omo River, and camps and structures for the client.

In addition, an agreement was signed with the client in 2010 for construction of the 66-kV electrical power line from the Sodo-Wolayta substation to the Gibe III site. This line and its substations will remain the property of the client EEPCo, but as compensation Salini will receive electrical power at a preferred rate compared to the national standard.

The percentage of work completion as of June 30, 2014, was 75%.

"Grand Ethiopian Renaissance Dam" (GERD) Hydroelectric Power Plant

A contract for building the "Grand Ethiopian Renaissance Dam" Hydroelectric Power Plant (GERDP) was signed between Salini Costruttori and the EEPCo (Ethiopian Electric Power Corporation) on December 30, 2010. The contract calls for the construction of the largest dam on the African continent (1,800 meters long, 170 meters high, and a total volume of 10 million cubic meters) and two power plants on the banks of the Blue Nile equipped with a total of 16 turbines, each rated at 375 MW.

Addendum no. 2 was signed on March 12, 2012, to formalize the client's request to increase the voltage of the power line between Beles and the GERDP from the originally planned 132 kV to 400 kV. This change led to an increase in the contract value to € 42 million, bringing the overall total of the project to the current € 3.6 billion.

Excavation on the main dam and power plants is currently in progress, and the new bridge over the Nile has been completed and was opened to traffic in September 2012.

Construction work on the riverbank power plants, the permanent camp, and the construction site roads is mostly completed, as well as work on diverting the Nile into the special channel.

The percentage of work completion as of June 30, 2014, was 29.1%.

Nigeria

Work on the "Gurara Dam and Water Transfer Project, Lot A – Dam and Associated Works" project is in the completion phase. The current value of the contract, including the various contractual additions issued over the years (the contract was signed on January 30, 2001) comes to about € 545 million. The 9 million m3 earth and rockfill dam, intake works, and 30-MW hydroelectric plant are complete; the power transmission line, the irrigation perimeter, and some road work still need to be completed. The work is expected to be completed by December 31, 2014.

The percentage of work completion as of June 30, 2014, was 89.1%.

Work is continuing on the "Development of Idu Industrial Area Engineering Infrastructure" contract (valued of approximately € 237 million), consisting of the primary urban development works in a new district of the capital Abuja, intended for industrial use. The sewer and drainage networks are complete, 60% of the road network, including 4 viaducts, is paved, and construction is starting on the water supply and power supply grids.

The percentage of work completion as of June 30, 2014, was 68.7%.

Work on designing and building the "Nigeria Cultural Centre and Millennium Tower" is also progressing (contract value of approximately € 421 million). The tower structure has reached its final height of 170 m and the sails and restaurant are currently being built. The underground parking garage beneath the square has been completed, the tunnel linking the two plots of the project is complete, and the structures of the 7 buildings that make up the Cultural Centre and the Auditorium are at an advanced stage of construction.

The percentage of work completion as of June 30, 2014, was 38.9%.

The urban highway stretch of the "Extension of Inner Southern Expressway (ISEX)" for a value of roughly € 65 million by the Federal Capital Development Authority with a contract signed on January 13, 2010, is in an advanced stage of construction. So far, 3 of the 4 major bridges have been completed, the drainage works are nearly finished, and most of the road is paved.

The percentage of work completion as of June 30, 2014, was 85.1%.

Construction of the "Dualization of Suleja Minna Road in Niger State", a contract obtained in November 2010 with a value of approximately € 50 million, is underway. The earthwork and drainage works are currently in the completion phase, paving is partially completed, construction of 3 bridges has been finished, and construction of the fourth bridge, the longest, which crosses the Gurara River, is under way.

The percentage of work completion as of June 30, 2014, was 68.1%.

Similarly, the "Development of District 1 Abuja North Phase IV West" project is being developed, worth a total of about € 250 million. The bidding process was conducted in two phases (phase 1 December 30, 2010 and phase 2 March 5, 2012). Construction of one of the main bridges of the project is nearly complete and the remaining culvert boxes are being made.

The percentage of work completion as of June 30, 2014, was 14.5%.

On September 12, 2012, the "Adiyan Waterworks Phase II" project worth € 250 million was acquired. This project consists of the design and construction of a water treatment plant with a capacity of 320,000 m3/day, intended to meet a portion of the Lagos population's water needs. The job site has been set up, the plant is being designed, and construction of the civil engineering works is starting.

The percentage of work completion as of June 30, 2014, was 13.1%.

Namibia

In 2013, a contract was acquired for construction of the Neckartal dam, with a value of approximately

€ 200 million. The dam will exploit the waters of the Fish River to generate power and to create a reservoir to irrigate 5,000 hectares of land for the area's agricultural development.

The order to start work was issued on September 11, 2013, and site mobilization is under way. The percentage of work completion as of June 30, 2014, was 6.5%.

Sierra Leone

Routine management and maintenance of the Bumbuna Hydroelectric Plant and its transmission line to the city of Freetown are progressing normally. Electrical power generation is being handled in cooperation with the National Power Authority in charge of power distribution in the country.

The contract value, which was originally € 10.2 million, has been increased to € 26.1 million by way of two addenda signed on November 18, 2011 and December 18, 2013, respectively.

This contract is 100% complete.

Similar observations can be made for the "Rehabilitation of 21.2 km of urban town roads" contract for the rehabilitation of several stretches of road in the four major cities of Sierra Leone. With the signing of five new additions to the contract in June and October 2011, March 2012, and October 2013, the value of the project has gone from the original € 10.3 million to € 30.2 million.

In addition, an addendum to the original contract was signed in 2013 for the rehabilitation of some roads in the Lunsar area, for an additional value of € 4.5 million.

The percentage of work completion as of June 30, 2014, was 96.4%.

Lastly, a new contract was signed on May 24, 2013 with the Sierra Leone Road Authority for the rehabilitation of 70 km of road as part of the "Sefadu roads rehabilitation project section 1 - Matotoka-Yiye" valued at approximately $30.7 million and funded by the African Development Bank.

The percentage of work completion as of June 30, 2014, was 25.7%.

Zimbabwe

On April 8, 2011, the addendum for completion of the Tokwe Mukorsi dam was signed with the Zimbabwean government, represented by the Ministry of Water Resources Development and Management. The addendum, worth about € 66 million, also provided for the full payment of delayed receivables owed by the client for previous addenda, amounting to about € 11 million, which has been collected in full.

In 2012 and 2013, four new contract changes were also approved, thus resulting in a change in the value of the contract due to the approval of new designs, an increase in the amount of excavation, and an extension of the contractual deadlines.

The project, which will include the highest dam in the country and will create the largest manmade lake in Zimbabwe, involves the construction of a rockfill embankment with a maximum height of 90 meters, a capacity of 1.8 billion cubic meters, and the potential to irrigate 25,000 hectares of agricultural land.

The project has completed the roadwork, with the construction of about 43 km of roads, excavation of the main dam and the five saddle dams, the intake tower, and the diversion tunnel. The embankment of the main dam and construction of the two spillways are under way.

The percentage of work completed for the order was 76.8% on June 30, 2014.

United States

Lake Mead Tunnel

In 2008, Impregilo won the competitive bidding launched by the Southern Nevada Water Authority (SNWA) for the construction of an articulated collection and transport system for the water of Lake Mead, one of the largest manmade lakes in the United States, in order to increase the supply of water for drinking and household use in the Las Vegas metropolitan area. The value of the contract is $447 million.

The percentage of work completion as of June 30, 2014, was 77.3%.

San Francisco Metro

At the end of the first half of 2011, the Board of Directors of the San Francisco Municipal Transportation Agency awarded a contract to the Impregilo Group (in a grouping with the American company Barnard) for construction of the "Central Subway" metro line extension in the city of San Francisco. The overall value of the contract is $233 million; Impregilo, through its subsidiary SA Healy, has a total stake of 45%. The project involves an underground extension of the current surface line in the city's downtown area, with construction of two new single-track tunnels having a total length of 5 km, which will be made with two 6.40 m diameter TBMs. The expected duration of the work is 35 months.

The percentage of work completion as of June 30, 2014, was 87.0%.

Anacostia River Tunnel

On May 8, 2013, the Impregilo Group, in partnership with Parsons Corporation, a leading construction company in the United States, won the competitive bidding to design and build a section of the wastewater collection and treatment system of the city of Washington DC. The high-tech project is valued at approximately $254 million (the Group's overall share is 65%). Impregilo will be the leader of the project, which is expected to be completed in about four and a half years after the start of works.

The "Anacostia River Tunnel" project is part of DC Waters' "Clean Rivers Project." It calls for the construction of a water tunnel running largely beneath the Anacostia, a tributary of the Potomac River. The tunnel will be about 3.8 km long and 7 m in inside diameter; there are also plans for the construction of 6 water uptake wells to a depth of about 30 m. The tunnel will carry wastewater and stormwater separately to prevent river pollution during floods (Combined Sewer Overflows or "CSO") that occur in periods of heavy rainfall.

The percentage of work completion as of June 30, 2014, was 11.6%.

Gerald Desmond Bridge

In July 2012, Impregilo was awarded the tender called by the Long Beach port authority for the construction of a cable-stayed bridge with the main span of 300 m and two 150 m high towers. The development of the project will take place in the port of Long Beach. The present value of the contract is $659 million. The foundations for the piles are currently under construction.

The percentage of work completion as of June 30, 2014, was 19.7%.

Venezuela

For a review of the main types of critical issues identified within the Group's operations in Venezuela, refer to the information provided later in this section under the heading "Risk areas".

Puerto Cabello Railway – La Encrucijada

The work consists in building the civil engineering works of a railway stretch of about 110 km, connecting Puerto Cabello to La Encrucijada.

In June 2014, Salini Impregilo signed a new contract addendum with the Railway Institute for electromechnical works on the Puerto Cabello-La Encrucijada Line. The value of the work included in the addendum, taking into account the new changes adopted by the Group, mentioned in the first part of this report, is roughly € 350 million. The percentage of work completion as of June 30, 2014, was 69.2%.

San Juan de los Morros-San Fernando de Apure Railway and Chaguaramas-Cabruta Railway

Impregilo, with a 33.33% share, is involved in the construction of two additional railway lines, "San Juan de los Morros-San Fernando de Apure" (252 km) and "Chaguaramas-Las Mercedes-Cabruta" (201 km).

In addition to the 453 km of new lines, the projects include rail design and installation and construction of 11 stations and 9 logistics centers.

The percentage of work completion for the "San Juan de los Morros-San Fernando de Apure" section as of June 30, 2014 was 45.2%.

The percentage of work completion for the "Chaguaramas-Cabruta" section as of June 30, 2014, was 59.7%.

Active in over **50** countries

Expansion of the Panama Canal

In July 2009, Impregilo, through Grupo Unidos por el Canal Consortium – a consortium with members Sacyr Vallehermoso (Spain), Jan de Nul (Belgium), and the Panamanian company Constructora Urbana (Cusa) – received official notification of the competitive bidding award to build a new system of locks as part of the Panama Canal expansion project. The bid came to $3.22 billion.

The project, referred to as Post Panamax, is one of the largest civil engineering projects ever undertaken, calling for the construction of two new sets of locks, one on the Atlantic side and one on the Pacific side. It will allow commercial traffic through the canal to increase and meet growth in the maritime transport market, characterized by a trend toward the construction of larger and heavier vessels than those which can currently pass through the existing locks.

For a review of the main types of critical issues identified for this project, refer to the information provided later in this section under the heading "Risk areas".

The percentage of work completion as of June 30, 2014, was 80.5%.

Colombia – Hydroelectric project on the Sogamoso River

In December 2009, Impregilo won the competitive bidding to build the hydroelectric project on the Sogamoso River in northwestern Colombia, about 40 km from the city of Bucaramanga.

The project involves the construction of a dam measuring 190 m high and 300 m long, and an underground power plant which will house three turbines totaling 820 MW of installed power. The value of the project is currently about € 590 million and the client is ISAGEN SA, a mixed public/private funding concessionaire involved in electrical power generation in Colombia.

Furthermore, Impregilo has already completed the preliminary work on the dam, involving the construction of two diversion tunnels measuring about 870 m long and 11 m in diameter, and a system of plant access roads and tunnels.

As for the main project of dam construction, critical issues were already encountered during the second half of fiscal year 2011, with a negative impact on both the production level and profitability. In particular, these events included exceptional adverse weather which struck a significant portion of the Colombian territory, substantially delaying the river diversion work, and, at the same time, the presence of geological conditions differing substantially from the contractually specified conditions, not to mention changes in the scope of work requested by the client. In the early part of 2012, some of the most substantial claims submitted by the contractor were acknowledged, and in 2013 a new contract change was obtained for the construction of new accessory works in the basin affected by the dam. The additional reservations submitted to the client are still under discussion.

The percentage of work completion as of June 30, 2014, was 96.7%.

Colombia – "Ruta del Sol" Highway Project

At the end of July 2010, the Impregilo Group won the competitive bidding to manage the concession of the third highway lot of the "Ruta del Sol" project in Colombia. The concession, awarded to a grouping of companies led by Impregilo and consisting of the Colombian companies Infracon, Grodco, and Tecnica Vial, and the private investment fund RDS (owned by Bancolombia and the Protección Pension Fund), calls for the adaptation, widening to four lanes, and management of two highway stretches between the cities of San Roque and Ye de Cienaga, and between the cities of Carmen de Bolivar and Valledupar. The overall amount of the investment is about $1.3 billion. The concession contract provides for a total revenue of about $3.7 billion (40% for Impregilo's share), including income from tolls and a public contribution of $1.7 billion, which will be paid out starting with the construction phase. The concession will run for 25 years, including 6 years for the infrastructure design and adaptation phase and 19 years for the management phase.

The percentage of work completion as of June 30, 2014, was 15.3%.

Chile – Angostura Hydroelectric Project

At the end of June 2010, Impregilo won the competitive bidding launched by the client Colbun SA, a Chilean company involved in electrical power generation, to build a hydroelectric project in Chile, with an overall value currently standing at approximately € 250 million.

The plant will be located in the Angostura area about 600 km south of the capital Santiago.

In particular, the project involves the construction of a main dam measuring 152 meters long and 63 meters high, a secondary dam measuring 1.6 km long and 25 meters high, and the underground power plant which will house three generators for 316 MW of installed power. The electrical power output will be about 1540 GWh per year.

Starting with the second half of fiscal year 2011, the project started to run into some critical issues due to growing socio-economic problems differing substantially from the projections shared during the bidding phase, and jobsite working conditions resulting in part from changes in the work required by the client. The litigation actions taken against the client, some of which are still pending, have allowed for a partial containment of the effects that these critical issues have had on the profitability of the project. As of the reference data of March 31, 2014, of this quarterly management report, the project's profitability was still in the red, and fully reflected in the balance sheet values already posted for previous fiscal years.

The construction work is mostly completed.

Argentina – Riachuelo

On July 15, 2013, Impregilo, in partnership with its US subsidiary Healy S.A., won the competitive bidding for a lot to build a new wastewater collection system in the capital of the country, as part of the environmental remediation program of the metropolitan region of Buenos Aires Province. The value of the project, led by AySA (Agua y Sanamientos Argentinos SA), one of the major players in the Argentine water sector, is approximately € 360 million.

The project involves the collection of wastewater from the Riachuelo treatment plant by means of a pit about 40 m deep. The wastewater will then be conveyed through a tunnel measuring 11 km long and 3.8 m in diameter to an outlet that will be built on the bed of Rio de la Plata.

The initiative has a strong social and environmental value. It is the first part of a broader program funded by the World Bank for sustainable development of the Matanza-Riachuelo Basin, aimed at cleaning up the Riachuelo River and the regions it passes through, which are considered to be among the most polluted in the world.

Australia - Skytrain

On December 18, 2013, Salini Impregilo, through its Australian subsidiary, won the first contract in Sydney to design and build the so-called "Skytrain" bridge, as well as other civil engineering works which will form one of the main sections of the new North West Rail Link (NWRL). The project has a value of about 340 million Australian dollars, equal to about € 220 million at the current exchange rate, and a total length of about 6.2 km, and includes construction of a bridge measuring 4.6 km long and a cable-stayed bridge 270 m long over one of the city's busiest streets. Completion of the project is scheduled for the first half of 2017.

36,000 km of roads and motorways

The North West Rail Link is the largest public transportation infrastructure project currently in progress in Australia, and the largest public transportation project in Sydney since construction of the Harbour Bridge nearly 100 years ago. The NWRL project includes eight new stations and 4,000 parking spaces, and it is expected to be open to the public by 2019, for a total investment of about 8.3 billion Australian dollars. This is the first fully automated high-speed train system on the continent, the first step towards the new rapid transit network in Sydney.

The percentage of work completion as of June 30, 2014, was 5.5%.

Order backlog

The order backlog at June 30, 2014, was as follows:

(Impregilo's share in millions of euros) Region/Country	Project	Residual backlog at June 30, 2014	% of the total	Completion progress (%)
High Speed		**4,310.8**	**19.6%**	
Italy	Mestre Bypass	11.5	0.1%	97.0%
Italy	Highway, Lot 5 Salerno-Reggio Calabria	31.1	0.1%	95.1%
Italy	Highway, Lot 6 Salerno-Reggio Calabria	37.4	0.2%	86.4%
General Contracting		**80,0**	**0,4%**	
Italy	State Highway 36 connector	7.5	0.0%	97.4%
Italy	Spriana Landslide	1.5	0.0%	96.4%
Italy	Pedemontana Lombarda - Lot 1	40.1	0.2%	90.8%
Italy	A4 building of third lane	16.6	0.1%	80.3%
Italy	Milan Metro M4	448.0	2.0%	7.3%
Italy	State Highway 106 Ionica	309.3	1.4%	2.2%
Italy	Broni - Mortara	981.5	4.5%	0.0%
Italy	Port of Ancona	223.5	1.0%	0.0%
Italy	Isarco underpass	123.0	0.6%	0.0%
Italy	Metro B	948.3	4.3%	0.1%
Italy	Metro B1	7.3	0.0%	96.8%
Italy	SGF	6.6	0.0%	n.d.
Italy	other	3.5	0.0%	n.d.
Other projects in Italy		**3,116.7**	**14.2%**	
Total projects in Italy		**7,507.5**	**34.1%**	
Greece	Achelos Support Tunnel	1.1	0.0%	85.0%
Greece	Thessaloniki Metro	227.7	1.0%	30.0%
Greece	Stavros Niarchos Cultural Center	111.2	0.5%	33.2%
Romania	Orastie-Sibiu Highway	40.4	0.2%	78.0%
Romania	Lugoi Deva	124.0	0.6%	2.7%
Poland	A1 Torun-Strykow Highway	1.9	0.0%	99.0%
Slovakia	Lietavska Lucka-Visnove-Dubna Skala	307.4	1.4%	0.0%
Turkey	Gaziantep	135.5	0.6%	0.0%
Turkey	Kosekoy	38.6	0.2%	79.8%
Denmark	Cityringen	890.6	4.0%	46.2%
Austria	Brenner Tunnel	184.9	0.8%	0.0%
Switzerland	Transalp Tunnel (Tat)	6.0	0.0%	98.3%
Switzerland	CSC	87.6	0.4%	n.d.
Dominican Republic	Acquedotto Oriental Consortium	0.8	0.0%	99.5%
Dominican Republic	Guaigui hydraulic system	66.5	0.3%	16.4%
Venezuela	Puerto Cabello - Contuy Ferrocarriles	490.5	2.2%	69.2%
Venezuela	Puerto Cabello - Contuy Ferrocarriles stations	342.5	1.6%	18.8%

(Impregilo's share in millions of euros) Region/Country	Project	Residual backlog at June 30, 2014	% of the total	Completion progress (%)
Venezuela	Chaguaramas Railway	102.8	0.5%	59.7%
Venezuela	San Juan de Los Morros Railway	303.3	1.4%	45.2%
Venezuela	OIV Tocoma	31.7	0.1%	97.2%
Panama	Widening of the Panama Canal	222.1	1.0%	80.5%
Chile	Angostura	0.1	0.0%	100.0%
Chile	Metro Santiago	71.6	0.3%	42.5%
Colombia	Sogamoso	19.0	0.1%	96.7%
Colombia	Quimbo	44.0	0.2%	82.3%
Colombia	Ruta del Sol Highway	353.0	1.6%	15.3%
Brazil	Serra Do Mar	9.5	0.0%	90.3%
USA	Vegas Tunnel - Lake Mead	85.1	0.4%	77.3%
USA	San Francisco Central Subway	10.4	0.0%	87.0%
USA	Gerald Desmond Bridge	116.8	0.5%	19.7%
USA	Anacostia	106.8	0.5%	11.6%
Argentina	Riachuelo	327.7	1.5%	0.0%
Peru	Metro Lima	560.9	2.5%	0.0%
America	SGF	1.2	0.0%	n.d.
Arab Emirates	Abu Dhabi - Dubai Highway	88.4	0.4%	0.0%
Qatar	Abu Hamour	73.5	0.3%	16.6%
Qatar	Red Line North	669.1	3.0%	4.7%
Saudi Arabia	Metro Ryiadh	991.5	4.5%	1.6%
Kazakhstan	Kizylorda (S)	14.8	0.1%	95.6%
Kazakhstan	Almaty-Khorgos (S)	123.2	0.6%	6.4%
Malaysia	Ulu Jelai	214.5	1.0%	65.8%
Australia	NW Rail Link Project	220.6	1.0%	5.5%
Nigeria	Suleja Minna	21.3	0.1%	68.1%
Nigeria	Adiyan	200.0	0.9%	13.1%
Nigeria	District 1	190.9	0.9%	14.5%
Nigeria	Isex	10.5	0.0%	85.1%
Nigeria	Cultural Center	248.2	1.1%	38.9%
Nigeria	Idu	79.9	0.4%	68.7%
Nigeria	Gurara	61.3	0.3%	89.1%
Nigeria	Ogoni	17.2	0.1%	90.6%
Libya	Lidco	1,024.1	4.7%	13.0%
Libya	Libyan Coastal Highway	639.4	2.9%	0.0%
Libya	Kufra Urbanizzazione	211.5	1.0%	0.0%
Libya	Kufra airport	53.2	0.2%	7.4%
Libya	Tripoli Airport	99.4	0.5%	0.0%
South Africa	Ingula	52.4	0.2%	87.4%
Ethiopia	Gerd	2,548.5	11.6%	29.1%
Ethiopia	Gibe III	391.8	1.8%	75.0%
Zimbabwe	Mukorsi Dam	38.1	0.2%	76.8%
Sierra Leone	Matotoka	16.4	0.1%	25.7%

(Impregilo's share in millions of euros) Region/Country	Project	Residual backlog at June 30, 2014	% of the total	Completion progress (%)
Sierra Leone	Rehabilitation of urban road	1.3	0.0%	96.4%
Sierra Leone	Operation & Maintenance	1.6	0.0%	94.6%
Namibia	Neckartal Dam	173.6	0.8%	6.5%
Africa	SGF - Il nuovo Castoro	7.4	0.0%	n.d.
Fisia Italimpianti		30.9	0.1%	n.d.
Total international projects		**13,937.7**	**65.4%**	
Total portfolio CONTINUING OPERATIONS		**21,445.2**	**95.5%**	
Total portfolio Costruzioni Todini		566.6	2.6%	n.d.
Total portfolio other projects and discontinued operations		**566.6**	**4.5%**	
Total Group backlog at June 30, 2014		**22,011.8**	**100.0%**	

For information about the order backlog of the Libyan company Impregilo Lidco Libya General Contracting Company, totaling € 1,024.1 million, see the "Risk areas" section of this Report.

Acquisition of new orders

Romania – Sebes-Turda Highway

On January 3, 2014, the Salini Impregilo Group was awarded an order for the design and construction of a section of the Sebes-Turda highway in Romania. The client is the National Stated Highway and Road Company of Romania (CNADNR) and the project is valued at about € 121 million.

The Sebes-Turda crosses the center of Transylvania, in the territory of the Alba and Cluj provinces. The work planned for the "Sebes-Turda Lot.1" jobsite includes 17 kilometers of a highway with two lanes in each direction plus an emergency lane, bridges and viaducts for about 81,000 square meters and three highway interchanges.

Peru – Lima Underground

On March 28, 2014, the international consortium formed by Impregilo, Salini Group (19%), Ansaldo Breda (12%) and Ansaldo STS (15%) – a Finmeccanica Company – the Spanish ACS Dragados Group (leader of the consortium with 25%), FCC (19%) and the manufacturer Peruvian Cosapi (10%) was awarded the contract maxi promoted by ProInversión - Agencia de promoción de la Inversion Privada for the granting of the construction and management of the enlargement of the London Underground network the city of Lima in Peru.

The concession has a total value of approximately $9 billion of which approximately 4.7 for the construction of the works and the remaining infrastructure management during 35 years of the concession period. The participation of Impregilo, Salini construction is equal to 26% of the civil works. The project, to be completed in 5 years, includes 35 km of underground line.

Austria – Brenner Gallery, Lot Tulfes-Pfons

The Salini Impregilo Group – in a grouping with the Austrian company STRABAG – was awarded a contract on April 17, 2014, for the construction of the main Tulfes-Pfons lot in Austria of the Brenner Base Tunnel.

This project, which is part of one of the main segments of the Trans European Networks (TEN), will consist of underground civil engineering construction for a segment of the exploratory access shaft, the emergency access shaft for the Innsbruck bypass and two interconnecting tunnels. A total of 38 km in tunnels will be constructed. The value of the project is about € 380 million and Salini Impregilo holds 49% interest in the grouping.

Slovakia – Design and construction of the Lietavská Lúčka-Dubná Skala stretch of highway

The company, leading a grouping of companies, with a share of 75%, was awarded the tender on April 17, 2014 for the design and construction of a 13.4 km section of the D1 highway in the northern part of Slovakia.

The main items to be constructed include five viaducts, for a total length of 2.5 km, and a twin-tube tunnel 7.5 km in length. This stretch of highway is part of the Transportation Corridor No. 5 of the Trans-European Networks (TEN), which links Bratislava with Uzhhorod in Ukraine, and is financed by the European Union, through the European Investment Bank, and the government of Slovakia.

The contract is worth about € 410 million and work is scheduled to commence in the second half of this year, and will continue for roughly five and a half years.

The contract will allow Salini Impregilo to break ground in a new market, where an important transportation development program is foreseen that will be financed by the European Union.

Italy-Brenner Base Tunnel, "Isarco river underpass" Lot

Salini Impregilo, in a grouping with the Austrian company Strabag, the Consorzio Cooperative Costruzioni (CCC) and Collini Lavori, received a provisional award at the beginning of July for the contract to build the "Isarco River Underpass – the southern segment of the railway tunnel mega-project" of the Brenner Base Tunnel, the most important project of its kind to be contracted on Italian territory to date.

The Brenner Base Tunnel is the primary element of a new railway line that will connect Munich and Verona. Once completed, at 64 kilometers, it will be the longest underground railway connection in the world.

The contract value is about € 301 million and Salini Impregilo holds 41% interest in the grouping. Work is scheduled to begin in the second half of this year, and will continue for 8 years.

Risk areas

Impregilo Lidco Libya General Contracting Company (Libya)

The subsidiary Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), active in Libya since 2009, is a mixed company established by Impregilo with a 60% interest. A local partner owns the remaining 40%.

In the past, Impregilo Lidco won important contract for the construction of:

- infrastructural projects in Tripoli and Misuratah;
- university campuses in Misuratah, Tarhunah and Zliten;
- Tripoli's new "Conference Hall.".

With regard to the political upheaval in Libya from the end of February 2011 to the date of this Report, it is worth mentioning that the subsidiary was always able to operate in accordance with contractual terms and that the investments made up until the deterioration of the country's political situation were fully covered by contractually stipulated advances.

In addition, the projects subject of the contracts executed by the Libyan subsidiary represent projects of national interest with regard to which, at the moment, it would not seem reasonable to presume that they would be abandoned. It is also clear that the subsidiary will face significant challenges in developing the projects in accordance with the schedule planned before the crisis erupted. Accordingly, Impregilo excluded the possibility of a new phase of significant development for the activities of the Impregilo Lidco subsidiary over the near term.

Beginning in 2012, the Group resumed the procedures necessary to restart industrial activities, even though the local situation continues to be challenging and there still no assurance of fully secure working conditions. Nevertheless, commercial and contractual relations with customer local administrations have been reinstated, with the aim of reopening the jobsites and restoring the financial conditions originally stipulated in the respective contracts. In this general framework, in 2012, the Group again obtained access to more accurate information about the financial and operating items that have an impact on its consolidated financial statements. Consequently, in the consolidated statement of financial position, income statement and statement of cash flows of the Impregilo Group at December 31, 2012 the asset, liability and income statement items attributable to the Libyan subsidiary were restated in accordance with Group principles, based on the evidence developed during the period and the support of assessments provided by the independent counsel that is assisting the subsidiary. Compared with the situation reported in Impregilo's 2011 consolidated financial statements, which reflected the latest available information at March 31, 2011, the value adjustments made to reflect the gradual impairment losses suffered by the subsidiary's net assets as a result of the events described above were estimated as constituting charges totaling € 42.9 million. These charges were included in contract work in progress, as the Group deems them recoverable, considering that relationships with the customers have been reinstated. Net cash and cash equivalents held in Libya decreased by about € 14.4 million, due to expenses incurred locally from March 31, 2011, to June 30, 2014.

In addition, early in 2013, a physical inventory was taken of plant, machinery and supplies at the main jobsites, with a total carrying amount of € 29.9 million, but not all inventory sites could be accessed for security reasons. Taking also into account the fact that costs that may arise following completion of the inventory taking procedures would be covered by customers, consistent with force-majeure contract terms, as determined by the counsel that is assisting the subsidiary, no significant risks are deemed to exist in this context with regard to the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed with the customers contractually or otherwise.

Lastly, contractual relations with customer local administrations were reinstated during the last part of 2013. In this environment, albeit to date the social and political situation in the country remains extremely complex and characterized by significant critical conditions, also in view of the unrest which has been seen recently in various areas of the country, during the first months of 2014 an important agreement was reached with the customer of infrastructure-related contracts. Under this agreement, the parties expressed their mutual intention to resume industrial activities as soon as security measures could be implemented to make it possible, while at the same time fully maintaining the claims for damages filed by the subsidiary as a result of force majeure causes, provided for under contract and based on which the activities were suspended.

Salini Impregilo continues to monitor the country's situation very closely and, whilst taking into account the limited but positive signs expressed by recent events referred to below,it cannot be ruled out that, after the reporting date of this Consolidated half-year financial report, events may occur that are unforeseeable at present and liable of resulting in changes to the assessments made to date.

Tax dispute – Iceland

In connection with the contract for the construction of a hydroelectric power plant in Karanjukar (Iceland), which the Group successfully completed in previous years, please keep in mind that, in 2004, a dispute arose with the local tax authorities with regard to the party required to act as the withholding agent for the compensation of foreign temporary workers employed at the jobsite. Impregilo was initially incorrectly held responsible for the payment of the withholdings on the abovementioned compensation, which it therefore paid. Subsequent to the final ruling in the proceedings activated in this dispute before the local lower court, the Company obtained full satisfaction of its claims. Nevertheless, the local authorities filed a new lawsuits with a similar scope and, based on a decision handed down in February 2010 by the Icelandic Supreme Court, blatantly contradicting the previous decision issued in 2006 on the same matter by the same judicial authority, rejected the claims filed by the Company, which expected to be reimbursed both the unduly paid withholdings of € 6.9 million (at the original exchange rate) and the related interest accrued to date, amounting to € 6.0 million. In previous years, the Company had conservatively written off the accrued interest component, despite a favorable final decision by the local court and the comfort of the opinion of counsel confirming the validity of its position, recognizing only the unduly paid principal amount. Following the latest ruling, the Company pursued all available judicial avenues, both at the international level (appeal filed with the EFTA Surveillance Authority on June 22, 2010) and, as far as possible, again at local level (new reimbursement claim filed with the local tax authorities on June 23, 2010), in the belief, comforted by the opinion of counsel, that the decision previously handed down by the Icelandic Supreme Court was incorrect in respect of local legislation, the international agreements that govern trade relations between EFTA countries and international conventions that prohibit the adoption of discriminatory treatments for foreign entities (both individuals and companies) working in signatory countries. On February 8, 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying an infraction regarding the free exchange of services and requesting the government to provide its response. In April 2013, at the conclusion of this process, the EFTA Surveillance Authority issued its reasoned opinion finding the provisions of the Icelandic legislation applied to the dispute in question to be inconsistent with the regulations governing trade relations between member countries and asking that Iceland take action consistent with this position Consequently, the Impregilo Group asked that the case be reopened. In view of the above, Impregilo does not believe that objective reasons currently exist to change the valuations made about this dispute.

Umbria – Tuscany Irrigation Authority – Imprepar

On December 29, 2010, the Group was informed that part of the sill above the surface discharge of the Montedoglio Dam, in the Province of Arezzo, had been damaged. In January 2011, the Umbria-Tuscany Irrigation Authority informed Imprepar that "investigations and tests are being carried out to ascertain the reasons and responsibilities for the damage". With regard to this issue, as the transferee of the "sundry activities" business unit, which includes the "Montedoglio dam" contract, Imprepar informed the Authority that the activities related to the damaged structure were carried out by a different company in 1979 and 1980, which Impregilo (then COGEFAR) replaced as the transferee of the concession contract in 1984. In addition, the structure in question had been tested and inspected in the past with positive results. In its response to the Umbria-Tuscany Irrigation Authority, Imprepar specifically explained why it was not liable for any damages caused by the event and, comforted by the opinion of counsel, believes that, at this point, there are no reason to amend the relevant assessments.

Please note that in 2012, the management of the Umbria-Tuscany Water Authority and the Project Manager signed a service order requesting the contractor to immediately prepare executive designs and commence the related work at its own expense and under its own responsibility. Imprepar challenged these actions in their entirety, even though the amounts involved were not material.

Imprepar, comforted by the opinion of counsel and considering the recent developments mentioned above, believes that any assessment of the risk entailed by the Montedoglio incident different from the one made in the past would be premature.

Panama Canal expansion project

With regard to this project, certain critical issues have arisen during the first stage of full-scale production which, due to their specific characteristics and the materiality of the work to which they relate, have made it necessary to significantly revise downwards the estimates on which the early phases of the project had been based. The most critical issues relate, inter alia, to the geological characteristics of the excavation areas, specifically with respect to the raw materials necessary to produce the concrete and the processing of such raw materials during normal production activities. Additional problems arose due to the adoption by the customer of operational and management procedures substantially different from those contractually stipulated, specifically with regard to the processes for the approval of technical and design solutions suggested by the contractor. These situations, which were the subject of specific disclosures in previous financial documents published by the Group, continued in 2013. Faced with the customer's persisting unwillingness to reasonably implement the appropriate tools available pursuant to the contract to manage such disputes, the contractor, and thus the original contractor partners, was forced to acknowledge the resulting impossibility to continue at the contractor's full and exclusive risk the construction activities needed to complete the project, with assumption of the full financial burden required for this purpose without any guarantee of the resumption of objective negotiations with the counterparty. In this context, at the end of 2013, formal notice was given of the intention to immediately suspend work activities if the customer proved once again to be unwilling to tackle this controversy consistent with a contractual approach based on good faith and the desire of all parties to find a reasonable accommodation.

Negotiations between the parties, supported by the respective consultants and legal/contract experts, were carried out through February 2014 and, on March 13, 2014, the minutes of an agreement were signed. The key elements of the agreement include, in exchange for the contractor's commitment to resume work activities and complete them by December 31, 2015, a commitment on the part of the customer and the contractor companies to provide the funding for the portions of the project not yet completed, for a maximum amount of about $1.4 billion. This commitment will be honored by the customer through (i) a moratorium on the refunding of already disbursed contractual advances totaling about $800 million and (ii) the disbursement of additional advances amounting to $100 million, while the group of contractor companies will contribute (i) a direct contribution of their own financial resources in the amount of $100 million and (ii) a contribution of additional financial resources, through the conversion into cash of existing contractual guarantees totaling $400 million. The reimbursement of the amounts stipulated to finance the work to be performed was postponed, so as to make it compatible with the expected outcome of the arbitration proceedings, launched concurrently to determine the responsibilities of the parties for the extra-costs already incurred and to be incurred due to the situation described above. In this regard, please note that, starting in previous years, the Impregilo Group had applied to the project a reasonably conservative valuation approach, specifically supported by its legal consultants, which resulted in the recognition of end-of-project losses, mitigated in part by the corresponding recognition of the additional consideration claimed from the customer and determined based on the expectation that recognition of such consideration could be deemed to be reasonably certain. Considering that, at the end of the previous year, the generally problematic situation existing at that time, far from being resolved, was continuing, as described, while the agreements mentioned above were being finalized, an overall update was performed of the contract's full-life economic projections. In this context, also with the support of the Group's legal advisors in handling the complex litigation procedures initiated, no specific and new conditions arose that required changes be made to past valuations.

Strait of Messina bridge and roadway and railway connectors on the Calabria and Sicily sides

In March 2006, Impregilo, in its capacity as Lead Contractor and general partner (with a 45% interest) of the Temporary Business Association established for this specific purpose, executed with Stretto di Messina S.p.A. a contract to entrust to the general contractor the final and executive design for the construction of a bridge on the Strait of Messina, with the related roadway and railway connectors.

In addition, a pool of banks signed the financial documents required by the General Specifications, after the Association won the tender, for the supply of credit lines totaling € 250 million earmarked for the services subject of the awarded project. In addition, as contractually stipulated, the customer was also given performance bonds of € 239 million. A reduction of the credit line to € 20 million was approved in 2010.

In September 2009, Stretto di Messina S.p.A. and Eurolink S.c.p.A. executed a rider that took into account the suspension of project activities from the time when the contract was signed until that date. As provided for by the rider, the project's final design was also delivered to the customer. On July 29, 2011, the Board of Directors of Stretto di Messina S.p.A. approved the final design.

Decree Law No.187, concerning "Urgent measures for the redefinition the contractual relationships with Stretto di Messina S.p.A. (the customer) and local public transportation issues", was enacted on November 2, 2012. Further to the enactment of this decree and in light of the potential implications for the contractual position of the Eurolink General Contractor, of which Impregilo is the leader, Eurolink decided to send to the customer, pursuant to the contractual provisions in effect, a notice of its intention to withdraw from the contract also to protect the positions of all Italian and foreign partners in the Association. Nevertheless, given the preeminent interest in constructing the project, the General Contractor also communicated its willingness to review its position, should the customer demonstrate a real commitment to pursuing the project. Despite the efforts made, the negotiations carried out by the parties were unsuccessful. Eurolink commenced various legal proceedings in Italy and at the EU level, on the one hand, arguing that the provisions of the abovementioned decree are unconstitutional and contrary to EU laws and thus injurious to Eurolink's legally acquired rights under the contract and, on the other hand, asking that Stretto di Messina be ordered to pay the amounts claimed, under various titles by the General Contractor due to the termination of the contract for reasons for which it was not responsible. With regard to the actions filed at the EU level, it is worth mentioning that , in November 2013, the European Commission communicated its decision to suspend the lawsuit, as no treaties were violated, and confirmed it on January 7, 2014, with a communication dismissing the lawsuit. Consistent with the developments described above, the order backlog of the Impregilo Group at the end of 2012 was restated to reflect the elimination of the abovementioned project. Lastly, considering the complex nature of the various legal proceedings in progress, even though the counsel assisting Impregilo with regard to this matter and the general contractor are reasonably confident about the outcome of the proceedings and the recoverability of the remaining assets recognized for this project, the possibility that events not currently foreseeable may arise in the future requiring an update of the existing measurements cannot be excluded.

Venezuela

The Salini Impregilo Group has been active in Venezuela through a stable organization that, directly or in association with international partners, carried out several railway and hydroelectric projects, with a presence in the local territory consolidated over a span of 10 years both at the economic and industrial level.

In recent years, relationships with customers, all government entities, were generally characterized by delays in payments. This problem became more pronounced this past year due to a change in the country's government leadership, at the beginning of 2013, and the resulting heightened social tensions that accompanied this political transition.

In response to the virtual suspension of activity by customers in this context, the Group suffered a significant slowdown in production activities.

Insofar as railway projects are concerned, an agreement (called "Punto de Cuenta") was drafted at the beginning of February 2014, which was signed by the Chairman of IFE (the customer) and the Ministry of the Treasury, but is currently awaiting official confirmation by the President of the Republic. This agreement calls for the gradual payment of 82% of all receivables outstanding at the end of 2013 by the end of 2014. In this context, furthermore, an Addendum to the contract for the Puerto Cabello-La Enrcujiada Line and related to electromechanical works was signed at the end of the first half of 2014.

As for hydroelectric projects, built through the OIV Tocoma consortium, in view of the expiration of the contractual deadline for completing the project, scheduled for mid-November 2013, at the customer's request, a new schedule was developed for the work remaining to complete the project, with work scheduled to resume at the beginning of May 2014 and be completed by the end of 2016. This proposal, in the last part of the period reviewed in this report, was shared with the customer who, also in light of legitimate requests for payment of the certified debt and the identification of the future financial resources needed to ensure the normal performance of the remaining work, proceeded to the recovery of payments in favor of the consortium and the signing of a new addendum to the contract that formally recognizes the relevant activities performed by the consortium in previous periods, and it also provides for the related payment in a short period of time.

The projects that are being developed by the Impregilo Group are infrastructures of the utmost importance, both on economic-industrial and social terms and, already in the past, due to the events that characterized the country's recent political history, temporary situations of uncertainty developed that were not substantially different from the one that exists today. However, they were resolved positively and no significant liabilities were incurred as a result. With this in mind and based on a constant and careful monitoring of the situation in the country, carried out together with the Group's partners and through discussions with customers and local government authorities with the aim of defending and protecting the positions of the Impregilo Group, no particular problems are apparent at this stage with regard to the realizable value of the Group's net assets, except for the lengthening of collection time, which was duly taken into account in the measurements performed for financial statement purposes and for the issues relating to the new exchange rates adopted for the translation of the net financial assets expressed in local currency, and for which further details are provided in the notes to the Half-year consolidated financial statements. In view of the delicate and complex situation that developed at the political level, the possibility that events not currently foreseeable may arise in the future requiring an update of the existing measurements cannot be excluded.

Corporate

The activities included in this category, which are centrally operated by the Salini Impregilo S.p.A., the Group’s Parent Company, include the following:

- 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.

Risk areas

Tax litigation

Some time ago, information was provided in a timely manner on the dispute with the Italian tax authorities, which is still pending before the Court of Cassation due to the appeal filed by the opposing party, concerning the notice of assessment challenging the tax treatment of impairment losses and losses on investments recognized by the company in 2003. However, it should be noted that the main observation concerning the sale - made by Impregilo S.p.A. to Impregilo International NV - of the investment held in the Chilean company Costanera Norte SA was dismissed by the Milan Regional Tax Commission.

Other activities

A first class ruling is still pending for a dispute related to 2005, concerning the technical device used for the so-called realignment of equity investments referred to in Article 128 of Presidential Decree No. 917/86, while a second dispute relating to the same tax period and concerning the costs incurred by a participatory association established in Venezuela saw the company lose the case in the first level ruling. An appeal will be lodged for the above proceeding.

An additional charge was identified by the Italian tax authorities for the year 2006 concerning (a) the costs incurred by a participatory association established in Venezuela, (b) a loss realized on an equity investment and (c) costs for services not attributable to the year. After the Company filed an appeal against this charge, the Milan Provincial Tax Commission decreased the initially claimed amount by roughly 20%. In the ruling at second instance, the Milan Regional Tax Commission – with decision of May 28, 2014 – substantially dismissed almost all of the claims.

The Company, comforted by the option of its tax counsel, believes that its actions were proper and, consequently, treated the associated risk as improbable, but not impossible.

Other litigation

The Corporate functions are not currently involved in any major litigation. Except for that disclosed in greater detail later in this report with regard to the USW Campania Projects, the only other litigation arose in 2009 with the lessor of the building where the old head office was located, in connection with the relocation of the Parent Company's head office from Sesto San Giovanni (Milan) to Milan. The dispute was decided in December 2012 by an arbitration award that upheld the lessor's claims, ordering the Parent Company to pay rent for the entire duration of the lease expiring in July 2012. This award was promptly challenged before the relevant Milan Court of Appeals, before which the proceeding are currently pending. However, in 2012, before the expiration of the appeal deadline, the Parent Company had already recognized the impact of the arbitration award on its statement of financial position. Moreover, while the appellate proceedings were pending, the Parent Company was forced to pay the amount awarded to the lessor, reserving the right to a refund.

With regard to this dispute, please note that by virtue of the provisions of the contract executed with Immobiliare Lombarda S.p.A., in its capacity as the original lessor of the premises where the head office is currently located, Impregilo S.p.A. holds the right to be held harmless from claims made by the previous lessor in excess of € 8 million, which it exercised by means of a payment injunction. The payment injunction was issued by the Court of Milan and challenged by Immobiliare Lombarda. However, while the proceedings are in progress, the opposing party paid the full amount of the claim, as the court refused to stay the enforcement of the payment injunction.

Concessions

The Group manages several control, significant and minority interests in companies that hold concessions, mainly to operate highway networks, facilities for the production of energy from renewable sources and the transmission of electric power, systems for the integrated water cycle and non-medical hospital services.

Impregilo International Infrastructures N.V., a company under Dutch law wholly owned by Salini Impregilo S.p.A., performs a coordination and strategic guidance function in this sector.

The tables that follow show the key figures of the concession portfolio at the end of the period, broken down by type of activity.

Highways

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Italy	Broni - Mortara	40	50	Not yet active		
Argentina	Iglys S.A.	98		holding company		
	Autopistas Del Sol	19.82	120	Active	1993	2020
	Puentes del Litoral S.A.	26	59.6	Active	1998	2023
	Mercovia S.A.	60	18	Active	1998	2023
Colombia	Yuma Concessionaria S.A. (Ruta del Sol)	40	465	Active	2011	2036

Subway systems

Country	Concessionaire Company	% of investment	Total km	Stage	Start date	End date
Italy	Milan subway Line 4	31.05	15	Not yet active		

Energy from renewable sources

Country	Concessionaire Company	% of investment	Installed capacity	Stage	Start date	End date
Argentina	Yacilec S.A.	18.67	T line	Active	1994	2088
	Enecor S.A.	30.00	T line	Active	1992	2088

Integrated water cycle

Country	Concessionaire Company	% of investment	Pop. served	Stage	Start date	End date
Argentina	Aguas del G. Buenos Aires S.A.	42.58	210,000	Liquidation		
Peru	Consorcio Agua Azul S.A.	25.50	740,000	Active	2002	2027

Hospitals

Country	Concessionaire Company	% of investment	No. of beds	Stage	Start date	End date
Great Britain	Impregilo Wolverhampton Ltd.	20.00	150,000 medical visits	Active	2002	2032
	Ochre Solutions Ltd.	40.00	220	Active	2005	2038
	Impregilo New Cross Ltd.	100.00		Holding company		

Car parks

Country	Concessionaire Company	% of investment	Car parking spaces	Stage	Start date	End date
Great Britain	Impregilo Parking Glasgow Ltd.	100.00	1,400	Active	2004	2034

The portfolio of concession activities held by the Salini Impregilo Group includes two main business areas: a first one, comprised of investments in already active concession holder companies in Argentina, Peru and the United Kingdom, and a second one, consisting of Greenfield projects, which includes contracts for highway infrastructures in Italy and Peru that are still under construction and with regard to which the activities under concession will begin in the future.

There were no significant events or developments affecting the activities of concession holders in the first half of 2014, with regular business activities continuing consistent with the objectives defined by the Salini Impregilo Group.
An overview of the main projects in the portfolio of the concession activities, broken down by country, is provided below.

Argentina

In the Argentinian market, the Group's "Concession" segment activities operate through the Mercovia S.A. subsidiary and some significant and minority interests in other companies. The subsidiary continued to operate its activities reporting a basically breakeven result, while a number of disputes, initiated by the Group in prior periods, continue with the grantor administrations and with central authorities. In this regard, the Group is pursuing its legitimate right to the restitution of the large investments – made in the past and already subject to practically full write-down at that time – which, due to the general default by the counterparties, to date have yet to be reimbursed.

Italy

In the domestic market, the "Concession" segment's activities involve three recently acquired major projects for which construction activities are not yet fully operational. These projects are:

(i) Line 4 – Milan Subway System: This project involves the construction of a new subway line in Milan in the Linate/Lorenteggio branch. Salini Impregilo's share of the concession is 29%.

(ii) Broni-Mortara highway: This project calls for the design, construction and operation for 43 years of a new 50-kilometer highway connecting Lombardy and Piedmont. Salini Impregilo's share of the concession is 61.08%.

(iii) Port of Ancona: This project calls for the construction and operation for 30 years of a system of roads linking the Port of Ancona with Highway A14 and State Road 16 Adriatica. Counting the main roads and the access roads, the new roads will cover a length of about 11 kilometers. Salini Impregilo's share of the project is 47%.

Non-current assets held for sale and discontinued operations

In the consolidated statement of financial position, income statement and statement of cash flows of the Salini Impregilo Group at June 30, 2014, the entries related to "Non-current assets (liabilities) held for sale and discontinued operations" include the following main items:

- the remaining net assets of the USW Campania Projects;
- the net assets attributable to the Todini Costruzioni Generali S.p.A. subsidiary and its controlling interests;

Furthermore, as regards Fisia Babcock Environment GmbH, taking into account the fact that during the second quarter of 2014 it was sold to external parties, the profit from the discontinued operations as at June 30, 2014, includes the profit from the sale which, net of taxes and other directly associated costs, totaled € 89.2 million.

The main information about the performance of these disposal groups in the first quarter of 2014 is presented below in this chapter, in accordance with an approach consistent and homogeneous with the information presented in the Annual financial report of the Salini Group for the 2013 reporting year.

Part one - USW Campania projects

I.1 Overview of the main events that occurred up to December 31, 2013

I.1.1 Introduction

As described in detail in previous reports, the Impregilo Group became involved in urban solid waste disposal projects in the province of Naples and other provinces in Campania at the end of the 1990's through its subsidiaries FIBE and FIBE Campania. Since FIBE Campania S.p.A. was incorporated into FIBE S.p.A. in 2009, in the rest of this chapter, unless otherwise stated, reference is made exclusively to FIBE S.p.A., even with regard to positions and events that affected the company dissolved through the merger.

Major problems that, since the 1999-2000 period, characterized the Company's activities within the framework of the service contracts and were discussed in detail and reviewed in all of the financial reports published by the Group starting from that period, evolved and became more complex over the years, giving rise to a significant complex of disputes, some of which, as discussed in detail later in this chapter, became particularly important and were in part still ongoing as of the date of this Director's Report.

In order to facilitate a quick correlation between the various operational phases of the USW Campania Projects and the main disputes that are still pending and the respective assessments, the extended time horizon over which the events in question developed was divided into the following main phases/periods:

(i) The "Contractual" phase: This phase began in the 2000-2001 period with the signing, by the two project companies FIBE and FIBE Campania, of the service contracts for the disposal of urban waste in the provinces of Campania and ended on December 15, 2005 with the cancellation "by power of law" of the abovementioned contracts pursuant to Decree Law No. 245/2005 (converted into Law No. 21 of January 27, 2006);

(ii) The "Transitional" phase: this phase, which started with the conclusion of the Contractual phase, lasted until the enactment of Decree Law No. 90 of May 23, 2008 and Decree Law No. 107 of June 17, 2008, both converted into Law No. 123 of July 14, 2008, which, inter alia, officially marked the Impregilo Group's exit from the waste disposal business, transferring to the Provincial Administrations title to the RDF facilities "located in their municipalities" (see Article 6-bis, Section 1), calling for "the involvement of the Armed Forced for the technical and operating management of the abovementioned facilities" (see Article 6-bis, Section 3);

(iii) The "Post-transitional phase" which started at the end of the Transition phase and, being currently still ongoing, is defined more concisely as the "Current" phase.

I.1.2 The "Contractual" phase

From the very start of the Projects, subsequent to the signing of the contracts, there arose significant problems the most important of which included the following:

(i) failure by the Campania regional administration to activate separate waste collection programs, a development that constituted a prerequisite for the implementation of the project and the service contracts executed by the Companies and the Government Commissioner, which is also one of the causes of some of the most important disputes still pending and concerning the management of the former RDF facilities (now called waste grinding, sorting and packaging facilities, abbreviated as STIR in Italian);

(ii) inadequate landfill areas made available by the government commissioner;

(iii) delays in the start of construction of the Acerra and Santa Maria La Fossa waste-to-energy facilities. Work on the Acerra facility, which pursuant to contract was supposed to start at the beginning of 2001, actually got under way only in August 2004, thanks to the extraordinary intervention of more than 450 police officers, who cleared the jobsite occupied by demonstrators since January 2003. As for the Santa Maria La Fossa facility, which was supposed to complete the project framework for the provinces of the Campania region different from Naples and the construction of which was supposed to be carried our concurrently with that of Acerra, the Environmental Impact Study (EIS) was delivered only in 2007 and construction was never started.

Concurrently with the rapid deterioration of the operating and financial conditions under which the Company was required to operate, due to the problems described above, the local and central public administrations involved under various titles in the handling of the contract defaulted on their obligations towards FIBE with regard to the amounts contractually owed.

On May 12, 2004, as part of proceedings in which the Directors of the Group companies involved in the project (FIBE, FIBE Campania and FISIA Italimpianti) and top managers of the Commissioner's office were being investigated, the Naples public prosecutor seized the facilities, with their concurrent release on attachment bond, thereby launching a new dispute of a criminal nature that will be discussed more in detail later in this chapter and is partly still ongoing.

At the end of "Contractual" phase the Company had incurred a significant exposure at the financial level, due to the fact that it has used its own resources, this expression being understood to include those obtained through bank financing, to complete a substantial portion of the investments for which it was responsible, pursuant to the contracts, and to the failure by local administrations to pay a substantial portion of the fees owed to FIBE.

Work on the construction of the Acerra facility started only partially and, in the meantime, multiple civil and administrative lawsuits were filed.

These proceedings, described in greater detail later in this chapter, involved a number of different parties. In most cases, they involved the Company (depending on the individual cases, FIBE could be the party to the proceedings together with other Group companies that, under various titles, participated in the contractual activities, such as, for example, Fisia Italimpianti and Impregilo Edilizia e Servizi, later incorporated into Impregilo), which acted in all venues to assert that it acted properly and demand the respect of its rights by the debtors, on the one hand, and the public administrations, which, while the emergency situation continued concurrently with the deterioration of their financial situation, claimed unfairly that it was FIBE who was in default of its contractual obligation, on the other hand.

During the final phases of the "Contractual" period, this already complex litigation framework was gradually joined by numerous companies and individuals who, under various titles and in some cases in a totally indirect fashion, became involved in the operational activities, as FIBE suppliers or sub-suppliers, and who, as a direct effect of the Public Administration's failure to perform its obligations toward FIBE, were also facing mounting financial difficulties.

I.1.3 The "Transitional" phase

Decree Law No. 245/2005 (converted into Law No. 21 of January 27, 2006), inter alia, (i) terminated by power of law the service contracts between FIBE S.p.A, FIBE Campania S.p.A. and the Extraordinary Government Commissioner for the Campania Waste Emergency, effective as of December 15, 2005, but "without prejudice to any claims arising from the terminated contracts" (ii) ordered that the Company continue its activities, in full compliance with the control and coordination function performed by the Extraordinary Commissioner, against its right to claim payment from the Commissioner's office of expenses and costs incurred in this regard, and (iii) continue with the development of the service landfills and the Acerra facility while the Commissioner identifies, with the utmost urgency and with publicly transparent procedures, a new party to whom the service could be entrusted. This law also required that the Government Commissioner recover the amounts owed to the Company by local administrations for waste disposal fees up to the date when the service contracts were terminated.

This changed regulatory framework, vitiated at the outset by significant problems regarding both the nature of the legal relationships dependent on it and by unrealistic expectations about the possibility of finding a new party to whom service could be entrusted on the same terms that already caused the collapse of the management system during the "Contractual" phase, marked the beginning of the Transitional period and further complicated FIBE's activities without enabling it to resolve some of the most pressing critical issues that characterized the previous period. The most significant problems included:

(i) insufficient appropriations of financial resources earmarked for the Commissioner's office, so that it may carry out its control and coordination activities, with regard both to operating expenses and the significant investments that still must be carried out;

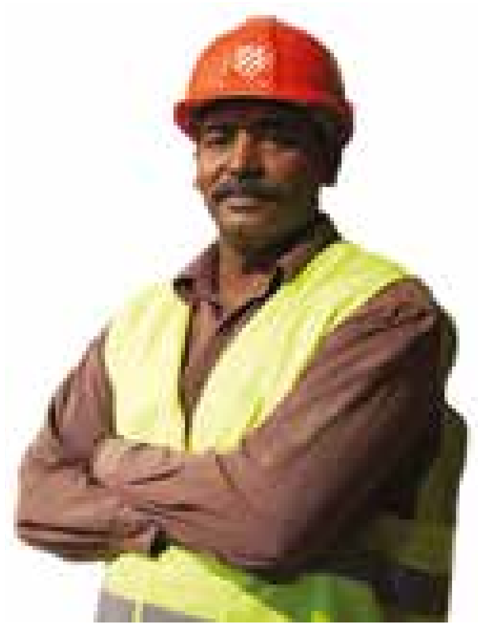
(ii) the unlawful continuation of FIBE's obligation to continue in its activity due to the failure to find a new party to whom the service could be entrusted (none of the calls for tender held were successful due to the lack of guarantees about the availability of sites for disposing of the waste remaining after the RDF process), even though it was the statute that caused the early termination of the service contracts;

(iii) the absence of specific and detailed provisions regarding how the Company could be indemnified for the claims that it put forth due to the early termination of the service contracts.

Consistent with an operational profile based both on compliance with the laws then in effect and the most flexible cooperation with the Commissioner's office, FIBE nevertheless continued construction of the Acerra facility, without obtaining appropriate funding from the Public Administration, which would be the owner of the facility, thereby further burdening its financial position.

As mentioned earlier in this chapter, the end of this phase coincided with the enactment of Decree Law No. 90 of May 23, 2008 and Decree Law No. 107 of June 17, 2008, both converted into Law No. 123 of July 14, 2008. These statutes, on the one hand, confirmed FIBE's obligation to complete the Acerra waste-to-energy facility and, on the other hand, officially marked the Impregilo Group's exit from the waste disposal business, transferring to the Provincial Administrations of the Campania region title to the RDF facilities and the production resources existing at each facility, including the human resources (other than management personnel) employed at the facility with short-term contracts.

Even though an important result had been achieved, the Company's situation still presented an absolutely



6,700 km of railways

critical picture both operationally and financially. The main elements of this picture included:

a) a growing financial imbalance attributable to the imposed obligation to continue building the Acerra facility, with regard to which a specific procedural or contractual process for the final destination of the facility had not been defined;

b) the final end of FIBE's management of all facilities and equipment operated up to that point by the Company in the performance of its activities as mere implementer, on behalf of the Commissioner's office, of waste disposal activities, but without any determination as to the reimbursement of the costs it incurred to build those facilities;

c) the elimination, pursuant to law, of all public administrative entities that coordinated the activity during the Transitional period, without providing any concrete means for the reimbursement of the huge financial resources that, in the process of implementing disposal activities in the name and on behalf of the Administration, FIBE was required to advance (with the financial support of the Group as in previous periods) and with regard to which, once again, no specific debtor had been identified and no specific procedures for payment by the public administration had been defined.

The already significant pressure that the situation described above exerted both on FIBE and the Group was magnified by criminal proceedings that included, on the one hand, a series of precautionary measures (i.e., attachments of equivalent amounts) requested by the investigating judges and initially granted by the Court of Naples, but later dismissed at the highest level by the Court of Cassation, and, on the other hand, the start of criminal proceedings targeting both Company Directors and officers of the public administration and legal entities related to the abovementioned parties for alleged liability pursuant to Law No. 231.

I.1.4 The "Post-transitional" or "Current" phase

The start of this phase was mainly characterized by two new scenarios which involved (i) the completion of the Acerra waste-to-energy plant and the development of the events relating to it and (ii) the initiation of a new phase of litigation between the company and public authorities related to the management of plants, storage sites and facilities, which, due to the aforementioned Law 123/2008, had been taken over by public authorities.

Insofar as the Acerra facility is concerned, a new operator was identified in December 2008 during the procedure to allocate management of the waste-to-energy facility under construction, namely a leading Italian company which currently owns other major waste disposal and energy recovery facilities. At the same time, FIBE, as required by the provisions of the abovementioned Law No. 123/2008, continued the technical activities needed to complete the facility and proceed with the testing. The final acceptance tests of the Acerra plant were carried out in the first two months of 2010 and the relevant certificate was issued on July 16, 2010 confirming the success of the procedure. In this context, we should mention the enactment of Decree Law 195/2009, converted with amendments into Law 26 of February 26, 2010, which, inter alia, contains some significant provisions that can be summarized as follows:

(i) the amount for the Acerra waste-to-energy plant was determined to be € 355 million and title to the plant was to be transferred by Impregilo Group to the Campania regional authorities (or to the Prime Minister Office - Civil Protection Department or to a private body). The transfer was to take place by December 31, 2011 in accordance with the Prime Minister's new decree and after determining the related financial resources. Until then, the former service provider was supposed to receive monthly lease payments of € 2.5 million for a period of up to 15 years. The payments for the 12 months before the transfer of title would be deducted from the consideration payable for the transfer of title, together with the amounts advanced to the former service provider, pursuant to Article 12 of Decree Law No. 90/2008, as advances for work in progress when the plant was being built.

(ii) Also with regard to the Acerra facility, (i) the final deadline for testing was set at February 28, 2010; (ii) until title was transferred it could not be sold, pledged or otherwise encumbered, nor could other registrations or prejudicial acts be made with regard to the facility; and (iii) additional and substantial burdens were placed on the former service provider for a series of guarantees of a different and significantly more onerous nature compared with current best practices in the engineering and facility construction sector. Moreover, the new service provider was allowed to begin operating the facility already in 2010, despite the guarantees provided and the fact the FIBE still owned the facility.

As for the development of disputes concerning the operation of the facilities and storage sites, the initial period of the "Post-transitional" phase was characterized by progress in two key areas of litigation at the administrative level including, more specifically:

(i) the area concerning the final determination of the role performed by FIBE vis-à-vis the public administration after the cancellation of the service contracts;

(ii) the area concerning the identification of the party who, subsequent to the enactment of Law No. 123/2008, was supposed to take over and operate all facilities, storage sites and equipment built by FIBE during the "Contractual" phase for the purpose of performing its activities.

With regard to defining the role performed by FIBE during the Transitional phase, Decision No. 7280 handed down by the Regional Administrative Court of Latium in July 2008, which became final not having been appealed, provides, in the section explaining the decision's rationale, an accurate reconstruction of the roles and responsibilities attributable, respectively, to the former service providers after December 15, 2005 – at that point "mere implementers" of the Commissioner's instructions – and to the government's Delegated Commissioner, solely responsible for the waste disposal service and the coordination activities, and required to identify the optimum solutions for the disposal of waste.

At the same time, the abovementioned decision noted that all statutory obligations imposed on the former service providers had already ended on December 31, 2007 and pointed out the fact that the various orders issued by the Commissioner asking FIBE to continue performing its activities until Law No. 123/2008 went into effect, orders that were promptly challenged by the Company, were unlawful because they were in conflict with previous statutes governing the conditions and limits of the specific emergency program.

On the other hand, with regard to the dispute concerning the ownership and operation of the facilities and storage sites, the litigation phase, which began during the period immediately after Law No. 123/2008 went into effect, ended with Council of State Decision No. 290/2010, which definitively confirmed the dismissal of the claims put forth by the administration in December 2008 for the purpose of returning the sites to FIBE, thereby releasing FIBE from any obligation to manage the sites which, according to the administration, were not suitable for its activities.

Consequently, as the end of 2010 was approaching, the overall situation of the USW Campania Projects had become quite complex, due mainly to the following situations:

1) an economic and financial position that, at the consolidated Group level shows net receivables and damage claims for very large amounts attributable mainly to the following groups of assets:

   - construction of the Acerra facility, which, in addition to being one of the world's largest and most modern waste-to-energy and energy recovery facilities, was then already fully functioning and productive, but the company that built it had not received any compensation;

   - reimbursement of the unamortized costs of the former RDF facilities, which, according to the service contracts cancelled by force of law at the end of 2005, the public administration was supposed to defray but it still had not paid as of that date;

   - net receivables resulting from the financial shortfall gradually accumulated both during the Contractual phase and the Transitional phase due, on the one hand, to non-payment by the debtor administrations and, on the other hand, to the impossibility to use this non-payment to justify withholding payments to FIBE's suppliers and sub-suppliers, causing FIBE to incur an even larger exposure to stop actions filed by these parties, including in the bankruptcy area;

2) the lingering criminal proceedings in which, despite the fact that the merit proceedings were already in progress, the Group was still the target of precautionary measures requested by the inquiring magistrates, with all of the operational and reputational consequences that this entailed;

3) the presence of protracted civil and administrative litigation which, despite the fundamentally important decisions described earlier in this Report, still does not allow the definition of a specific timing by which the legitimate claims put forth by the Company under various titles could be satisfied.

However, starting at the end of 2010, some important developments occurred with regard to the issues mentioned above. More specifically:

(i) the dispute concerning the legitimate compensation owed to FIBE for the construction of the Acerra waste-to-energy facility essentially came to a conclusion at the end of 2011 and the collection of the consideration for the abovementioned facility, amounting to € 355 million, was completed in 2012;

(ii) the criminal proceedings launched in 2004, which included the adoption of precautionary measures that resulted in the attachment of very substantial financial resources of the Group in 2007, formally ended in the first half of 2012, with a final ruling that the abovementioned attachments were not applicable, while, in November 2013, the Court of Naples handed down a decisions by which it found all defendants not guilty on all charges and in the most ample manner. The detailed decision of acquittal (265 pages long) was filed on February 1, 2014, with the deadline for appealing it by the Public Prosecutor expiring on March 21, 2014;

(iii) the dispute concerning the legitimate claims put forth by FIBE for reimbursement of the costs incurred to build the former RDF facilities and not yet amortized as of the date when the service contracts were cancelled (December 15, 2005) also came to a conclusion with a decision handed down in March 2013, by which the Court of Cassation denied the motion filed by the public administration against the adverse decision handed down by the Council of State in 2012. While some enforcement actions filed by FIBE to obtain full payment from the defeated administration are still pending, a total of € 240 million was collected in 2013, including about € 204 million for unamortized costs at December 2005 and € 35 million in related statutory interest.

Lastly, at the end of 2013, the financial position of the Group regarding the USW Campania Projects was concentrated mainly in the components of working capital, consisting of the net receivables held by FIBE in connection with the "Contractual" and "Transitional" phases.

The balance of this chapter, consistent with the practice followed in previous periodic financial reports of the Group, provides a description of the main dispute currently outstanding, with the aim of completing the complex operating environment that still characterizes the Groups' activities concerning the USW Campania Projects. With regard to these issues, having noted the significant positive developments summarized above, it is important to point out that the overall situation is still particularly complex.

* * *

320 km of bridges and viaducts

II. Litigation currently pending for the USW Campania projects

II.1 Administrative litigation

A) In October 2006, FIBE and FIBE Campania took legal action before the Regional Administrative Court Latium in a complaint stating that the Commissioner failed to comply with his obligations pursuant to the abovementioned Decree Law No. 245/2005 (converted into Law No. 21/2006), with regard to: (i) recovering the amounts owed by local administrations for the fees charged for waste disposal services up to the date of termination of the contracts (December 15, 2005); and (ii) identifying the disposal sites for stabilized organic waste and stockpiles generated by the RDF facilities and preparing and implementing a maintenance plan for the facilities.

On April 27, 2007, having granted the precautionary motion filed by FIBE and FIBE Campania (by its ruling of October 11, 2006, upheld by the Council of State on November 7, 2006), the Administrative Court of Latium handed down Decision No. 3790 finding that:

(i) FIBE and FIBE Campania did in fact provide the waste disposal service entrusted to them under the 2000 and 2001 contracts up until December 15, 2005 and thus had the right to request completion of the legally-provided for procedure for the recovery of accrued receivables by the Administration;

(ii) due to the termination of the service contracts by force of law, effective *"as of December 15, 2005"* FIBE and FIBE Campania *"merely provided the service [the waste disposal service] on behalf of the Commissioner, and had permanently lost title to this service";*

(iii) the commissioner was to complete the procedure aimed at meeting the companies' requests within 45 days;

(iv) in the case of ongoing default of the public authorities, an extraordinary commissioner was appointed who was given an additional 45 days to act in their lieu.

The commissioner appealed against this ruling with the Council of State, which rejected the appeal in ruling No. 6057 of November 28, 2007, fully confirming the ruling of the Lazio Regional Administrative Court.

As a result of the newly introduced regulations, the companies were no longer interested in completing the procedure aimed at identifying the sites where to send the stabilized organic fraction (SOUGH) and stockpiles generated by the RDF plants and preparing and implementing a plant maintenance plan, given that these were to be transferred to the relevant municipalities. However, they continue to be interested in completion of the procedure for the recovery of their outstanding receivables for services provided until December 31, 2005.

The *ad acta* Commissioner appointed by the Regional Administrative Court to recover the receivables owed to the former contractors by local administrations in Campania for the waste disposal services provided until December 15, 2005, after filing an initial report in August 2009, submitted a second report in June 2013, based on a more detailed investigation and assessment of the abovementioned receivables through subsequent adversarial audits of the accounting records and documents submitted by the parties, which while containing a review of the receivables owed to FIBE for the activities performed pursuant to contract, submitted to the Regional Administrative Court the issue of the offsets claimed by the Administration for the relevant jurisdictional considerations and the respective decisions. The regional Administrative Court, at a hearing for the discussion of these issues scheduled for December 4, 2013, adjourned the proceedings to June 25, 2014. Following the hearing, the case was taken under advisement.

B) By Decision No. 7280 handed down on July 23, 2008, the Regional Administrative Court of Latium reaffirmed the principles stated in the abovementioned Decision No. 3790/2007, which was upheld by the Council of State with Decision No. 6057/07. These same principles were also confirmed and supplemented by the legislation enacted in the interim, including the abovementioned Decree Law No. 90/08 and Decree Law No. 107/08, both converted into Law No. 123/08 as amended.

   This decision, which is has become final not having been appealed by the Administration, is particularly important for the Companies because, in the rationale section, it reconstructs the role and responsibilities attributable to the former service contractors after December 15, 2005—by then "mere implementers" of the Commissioner's orders—and to the Delegated Government Commissioner, solely responsible for the waste disposal service and the coordination activities required to identify the best waste disposal solutions. At the same time, the decision points out that all obligations imposed on the former contractors pursuant to law lapsed on December 31, 2007, as the challenged extension orders were in conflict with the previous provisions governing the conditions and limits of the specific emergency measures. In any event, the Regional Administrative Court pointed out that subsequent regulations also affected the challenged orders because this applied to past contractual relationships involving the complainants, of whom *"no further activities are requested except those needed to allow the Provincial Administrations and the Armed Forces" to take over management of the facilities, employees and equipment, as well as existing transactions with third parties".* In light of the above, the Regional Administrative Court concluded that *"It is therefore logical to believe that the Delegate Commissioner is responsible for the assumed obligations…".*

C) In December 2008, FIBE and FIBE Campania challenged before the Regional Administrative Court of Latium a number of orders by which the parties delegated by the Government Commissioner to handle technical and operating activities (the Head of the technical-operational mission pursuant to Prime Minister's Order No. 3705/2008 and the *ad acta* Commissioners for the provinces) required the Companies to re-acquire possession of certain areas and storage sites, taken over by the abovementioned delegated parties in August 2008, as these areas and storage sites were not deemed operable for the delivery of the service, also asking the Court to find that *"the appealing parties were under no obligation whatsoever to operate offices, sites and facilities used at any time as part of an integrated waste disposal system in the Campania region, in light of current sector regulations, which also apply to prior-period situations, and totally consistent with Decision No. 3790/2007 by the Regional Administrative Court of Latium, upheld by the Council of State with Decision No. 6057/2007, and Decision No. 7280 of July 23, 2008 by the Regional Administrative Court of Latium concerning the nature of the transactions occurring between the Administration, Fibe and Fibe Campania and third parties, and the Administration obligation to comply with the merit findings set forth in the abovementioned Decision No. 3790/2007 by the Regional Administrative Court of Latium, upheld by the Council of State with Decision No. 6057/2007, and Decision No. 7280 of July 23, 2008 by the Regional Administrative Court of Latium concerning the nature of the transactions occurring between the Administration, Fibe and Fibe Campania and third parties".*

   Subsequent to the hearing of January 19, 2009, the Regional Administrative Court stayed the enforcement of the challenged orders and, by Decisions No. 2357/09 handed down on March 13, 2009, upheld the challenge filed by FIBE and FIBE Campania, voiding the challenged orders.

   The Administration appealed this decision to the Council of State in a complaint notified on July 8, 2009. In joining these proceedings, the companies filed, in turn, an incident appeal against the same decision asking that the challenges deemed to have been covered by the lower court decision be reviewed and allowed, specifically as they relate to the non-existence of the assumptions about the alleged inoperability of the sites for the purposes of the waste management service in general; the requested of finding that the Companies had not obligation whatsoever to manage the offices, sites and facilities used at any time for the integrated waste treatment system in Campania in line with the sector regulations; and the existence of the Administration's obligation to comply with Decisions No. 3790/07 by the Regional Administrative Court of Latium, as upheld by the Council of State with Decision No. 6057/07 and Decision No. 7280 handed down by the Regional Administrative Court of Latium on July 23, 2008 concerning the nature of the transactions occurring between the Administration, Fibe and Fibe Campania and third parties.

In the interim, on July 22, 2009, the Undersecretary of State, acting through the ad acta Commissioners of the provinces served FIBE and FIBE Campania with notices of new orders to take back control of the abovementioned sites. These orders were also duly challenged before the Regional Administrative Court.

Lastly, on January 26, 2010, the Council of State handed down Decision No. 290/2010 definitively confirming the voiding of the orders issued in December 2008, releasing FIBE from any obligation to operate the sites, which according to the Administration were not suitable for its activities.

More specifically, by this decision, in which it analyzed and interpreted Prime Minister's Order No. 3693/2008, the Council of State found the that challenged orders were unlawful, being contrary to the applicable statutes, due to an incorrect understanding of the notion of the functionality of the assets for the overall performance of the waste disposal service.

Specifically, the Council of State based its assessment of the operability of the sites on the basic rule of Article 183, Section 1, Letter D), of Legislative Decree No. 152/2006, which expressly defines the concept of waste management as the collection, transportation, recycling and disposal of waste, including monitoring these activities and the landfills after they were closed.

This led to confirmation of the operability of the assets, the return of which had been ordered, for the waste management service as a whole, which resulted in the finding that the challenged orders were unlawful.

Despite this outcome, the party responsible under Law No. 26/2010 for managing the sites in the Province of Caserta and, subsequently, those responsible for managing the sites in the Provinces of Naples and Benevento took new action aimed at assigning to FIBE S.p.A. responsibility for the custody of the sites and the related costs.

The Company responded to this action by filing a motion to void these orders with the relevant judicial authority, but the motion was denied on October 25, 2010. Following a request for clarifications about the custodian's obligations, the Fifth Criminal Part of the Court of Naples, in its order of November 24, 2010, ruled that a court appointed custodian has *"as its sole prerogative and responsibility that of ensuring the integrity of the seals, safeguarding the value of the seized property and reporting any dangers to the judicial authority".* This ruling, with which the Company's counsel concurs, is consistent with the Company's argument that a court appointed custodian is exempt from any liability, provided it diligently and promptly informs and/or reports to the relevant authority any events that could in any way compromise the integrity of the seized asset, and that this is the conduct that is being followed by the persons designated as custodians.

Other developments occurring within this context included the civil proceedings filed before the Court of Naples Court by S.A.P.NA. S.p.A., a local company established by the Naples Provincial Administration that, with about 40 legal actions, contested the decision to transfer to it title to certain temporary and permanent areas and storage sites that the ad acta Commissioners had already found to be inoperable in their orders of December 2008 challenged by FIBE S.p.A., with regard to which the Regional Administrative Court of Latium and the Council of State handed down Decision No. 2357/09 and Decision No. 290/10, respectively, and requested that it be reimbursed and held harmless by FIBE S.p.A. and/or the Government Commissioner from the operating costs incurred in the interim and those that may be incurred in the future for environmental remediation.

FIBE S.p.A. responded in each of these proceedings, which are still in progress.

D) The Companies filed a new complaint with the Regional Administrative Court of Latium on April 30, 2009 (R.G. No. 3770/2009) with regard to the apathy shown by the Administration in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors for activities carried out pursuant to law and the work ordered by the Administration and performed by the Companies during the transitional management period (December 16, 2005 to December 31, 2007). They thus requested that the Regional Administrative Court rule that such inaction was unlawful and verify the obligation of the respondent Administrations to complete the abovementioned procedure within an adequate timeframe, with the concurrent appointment of an *ad acta* Commissioner who, should the abovementioned deadline elapse without results, would take the necessary action in lieu of the defaulting Administrations. Further to the oral arguments hearing of June 24, 2009, the Regional Administrative Court handed down Decision No. 7070/2009 finding that the complaint was inadmissible, noting that because the complaint dealt with the *"verification of financial claims, albeit based on obligations assumed pursuant to law"*, the Companies should not have already activated the special silence procedure but should have filed a specific action for declaration and satisfaction before the Regional Administrative Court on an exclusive jurisdictional basis.

Upon learning of the decision by the Regional Administrative Court, the Companies filed a new complaint with the Regional Administrative Court of Latium (RG No. 7338/2009), on an exclusive jurisdictional basis pursuant to Article 4 of Decree Law No. 90/2008, asking the Court to hand down the necessary verification decisions ordering the Public Administration to pay the requested amounts, including on an admonitory basis. The admonitory motion was denied as the Regional Administrative Court did not find that there was a justification for issuing a payment injunction. The merit hearing is currently pending. While waiting for the oral argument hearing to be scheduled, a discovery motion was notified and subsequently filed on April 8, 2010 asking for the designation of a court-appointed technical consultant who, after examining the documents included in the record of the proceedings, shall determine the following amounts:

(i) the debt owed by the Administration for the management activities reported by the companies starting on December 16, 2005;

(ii) the amount already paid by the Administration for the abovementioned service;

(iii) the amount of indebtedness already verified and acknowledged but not yet paid by the Administration in accordance with administrative measures issued and included in the record of the proceedings;

(iv) the amount not yet verified or paid by the Administration for the services reported by the abovementioned Companies;

(v) the debt owed by the Administration for the work entrusted to the abovementioned Companies and provided by them since December 16, 2005;

(vi) the amount already paid by the Administration for the services referred to in item (e) above;

(vii) the amount of indebtedness already verified and acknowledged but not yet paid by the Administration in accordance with administrative measures issued and included in the record of the proceedings;

(viii) the amount not yet verified or paid by the Administration for the services provided by FIBE S.p.A. and FIBE Campania S.p.A. at the Administration's request, based on documents included in the record of the proceedings;

(ix) the amount, as identified and specified by the appointed consultant based on the verification of the documents included in the record of the proceedings, owed by the Administration for all of the activities imposed on and carried out by FIBE S.p.A. and FIBE Campania S.p.A. for the benefit of the Administration, starting on December 16, 2005, net of the amount already paid for such services and any other question that the Court may wish to ask.

The Companies then filed a motion for accelerated proceedings, asking for the prompt scheduling of an oral argument hearing, after which the Regional Administrative Court issued its interim ruling No. 3669 ordering an auditing of the accounting documents submitted for reporting purposes, in order to ascertain whether the claims lodged in the proceedings are grounded, reserving its merit decision until this procedure is completed. To that effect, the Court designated *La Sapienza* Rome University as the entity selected to perform the audit, based on the queries stated in decision. A partial expert's report covering the period from December 15, 2005 to December 31, 2006 was filed on January 29, 2013, followed by a final report dated March 31, 2014, in which, basically, the auditor, providing exhaustive answers to the queries of the Regional Administrative Court, analyzed the amounts listed by FIBE in its complaint and the corresponding supporting documents, finding substantial consistency between them. In addition, the auditor left to the Regional Administrative Court the determination of the judicial validity of the documents submitted by FIBE, which provide evidence of the work ordered and, lastly, did not render an opinion (one not having been requested) regarding the amounts for which an accounting was provided but which were not reviewed by the Commissioner's entities in charge at the time.

E) By a complaint notified on May 18, 2009 (RG No. 4189/09), the Companies again petitioned the

Regional Administrative Court of Latium, challenging Prime Minister Order No. 3748/09 insofar as it ordered that only waste produced and stored after the date of termination of the service contracts with the Companies (after December 15, 2005) could be conveyed to the Acerra waste-to-energy facility. A date for a merit hearing has yet to be set.

While they are convinced that the obligation to dispose of all of the bales produced and stored in the Campania region (regardless of the solution selected by the Public Administration as to which waste was to be disposed of first and which one later) rests solely with the Administration, the Companies challenged this order before the Regional Administrative Court of Latium – Rome as a precaution.

F) It is also worth mentioning that, on May 5, 2011, the Regional Administrative Court of Latium, acting in response to a motion filed by FIBE (R.G. No. 9942/2009) asking for a determination that the Public Administration was in default with regard to the obligation to pay FIBE's unamortized costs at December 15, 2005 for the Campania RDF facilities, handed down Decision No. 3886 granting FIBE's motion and ordering the Public Administration to pay FIBE the sum of € 204,742,665.00, plus statutory and delinquent interest from December 15, 2005, until settlement. This decision correctly reconstructs the transactions between the parties as per the reference contractual and legislative framework, confirming that, due to the termination of the contracts, the Administration regained control of the RDF facilities and is therefore obliged to pay to the former contractors the unamortized costs at the contract termination date (December 15, 2005), as expressly stated by the Administration. As to the amount of the claim, the Regional Administrative Court based its ruling, in addition to the accounting records submitted by the complainant, on acknowledgements provided by the Public Administration in previous calls to tender for the award the service, in which the corresponding amounts are stated and acknowledged.

It is important to point out that the Public Administration appealed this decision with a motion notified on July 11, 2011. This motion (R.G. 6313/11) was heard at a hearing on December 13, 2011, after which the Council of State handed down Decision No. 868/2012 on February 20, 2012, denying the motion filed by the Administration and ordering that the parties bear their own legal costs.

The Government Solicitor's Office appealed the Council of State's decision to the Supreme Court of Cassation claiming lack of jurisdiction by the administrative judge. FIBE, in turn, filed a counter-motion and incidental motion, on the one hand disagreeing with the Administration's arguments and, on the other hand, challenging on an incidental basis the part of the abovementioned decision in which the Council of State held that it had first to rule about its jurisdiction (even though the ruling was in the affirmative) rather than acknowledging the tardiness of the appeal and, therefore, invalidating it. The Government Solicitor's Office then filed a counter-motion in response to FIBE's incidental motion and the Supreme Court of Cassation, after a hearing held on March 6, 2013, denied the motion filed by the Government Solicitor's Office. The enforcement procedure aimed at forcefully collecting the entire amount awarded continued. The Government Solicitor's Office filed a motion opposing the enforcement and asking for a stay, which was argued at a hearing on July 9, 2013. By a decision dated July 24, 2013, the Enforcement Actions Judge at the Court of Rome awarded to FIBE the amount of € 240,547,560.96 in satisfaction of the actioned claim, including both principal and statutory interest, but stayed the enforcement action for the additional interest claimed, setting a deadline of November 30, 2013 for the introduction of a merit judgment in connection with the challenge.

Both parties then filed for a merit judgment and, at the hearing of February 3, 2014, the Court ruled that the Prime Minister's Office had failed to appear as required and set a deadline of February 21, 2014 for producing a certificate that the summons promoted by the Prime Minister's Office, with date set (in the summons) at February 10, had not been duly recorded. Both FIBE and the Government Solicitor's Office joined the proceedings for a continuation of the merit judgment; however, the two summonses were assigned to two different judges who left to the Chief Judge of the Court the decision about combining and assigning the proceedings; a decision is now pending. Consequently, the proceeding was reunified and the hearing has been scheduled for December 1, 2014.

G) By Order No. 292 of February 23, 2012, handed down in response to Complaint R.G. 301/2012, the Regional Administrative Court of Campania denied the motion by the complainant S.A.P.NA. to suspend the Ministry order requesting that the provincial company provide the results of the characterization plan and the implementation of emergency safety measures for the contaminated aquifer at the Settecainati landfill, in the Municipality of Giugliano, owned by FIBE S.p.A. The complainant sued FIBE S.p.A. for its alleged liability for the contamination and its obligation to carry out the characterization and implementation of emergency safety measures. The court order denying the motion offset the charges for the precautionary phase. A merit hearing has not yet been scheduled. S.A.P.NA. S.p.A. challenged the abovementioned Order No. 292/2012 of the Regional Administrative Court of Campania, entered into the record with No. R.G. 3247/2012, before the Council of State, which, by Order No. 1968 of May 23, 2012 upheld the lower court's decision . Court costs were offset.

H) The Regional Administrative Court of Latium, by Decision No. 5831 of June 26, 2012, handed down in response to Complaint R.G. 7434/2008 and subsequent additional arguments filed by FIBE S.p.A. asking the Court to void the Commissioner and Ministry orders mandating the communication of the results of the characterization and emergency safety measures for the soil and aquifer, under penalty of the activation of substitute damaging procedures, recognition of the actual cost and assessment and recovery of the environmental damage at the landfill located at Cava Giuliani in the Municipality of Giugliano, ruled that it lacked jurisdiction in favor of the Superior Court of Public Waters, as the abovementioned orders constituted administrative measures concerning public waters. The proceedings were transferred to the Superior Court of Public Waters and the preliminary hearing was ultimately scheduled for October 9, 2013. Following the signing on September 9, 2013, of an agreement with the Government Commissioner concerning the characterization of the landfill site at Cava Giuliani, the hearing set for June 25, 2014, was postponed by the Court to December 3, 2014.

I) By Decisions No. 6033/2012, published on July 3, 2012 and notified on September 13, 2012, the Regional Administrative Court of Latium combined and denied complaints R.G. 10397/2007, 10398/2007 and 2770/2012 and related additional arguments by which FIBE asked the Court to void the Commissioner and Ministry orders requiring the characterization plan and urgent safety measures, under penalty of the implementation of substitute damaging procedures for the Pontericcio site, the RDF production facility and storage area, and the Cava Giuliani site and storage area.

The Company challenged this decision in appeal to the Council of State (R.G. 7313/2012) arguing that the decision appeared to be adversely affected by an obvious misrepresentation of the facts as it was based on contamination found at a site different to those subject of the proceedings. Specifically, reference was mistakenly made to contamination at the Cava Giuliani landfill (as shown in the report by court-appointed technical consultant to the Naples Public Prosecutor, prepared for the criminal proceedings R.G.N.R. 15968/2008), subject of Complaint R.G. 7434/2008 reviewed in Letter I) above. On November 21, 2012, the Council of State denied FIBE's precautionary motion to stay the enforcement of the decision and the parties are currently waiting for a merit hearing to be scheduled.

Following the denial of a precautionary motion by Decision No. 6033/2012 and considering the consequences of the crime of omitted remediation, also with regard to the Company's liability, pursuant to Legislative Decree No. 231/2001, and further to the communication by the Government Commissioner delegated pursuant to Order No. 3849/2010 that, while the proceeding were in progress, it executed with Sogesid S.p.A. a contract for the characterization of areas at the Pontericcio and Cava Giuliani locations, subject of Decision No. 6033/2012 and of Appeal No. 36/2013 to the Supreme Court of Public Waters, FIBE, in a letter dated December 13, 2012, informed the Ministry of the Environment and other relevant authorities that it was willing to voluntarily implement Decision No. 6033/2012 and asked for a meeting in order to finalize an agreement governing the mutual relationships. All of the above without admitting any responsibility and without any effect on pending litigation for merit purposes, and reserving the right to reimbursement for the costs of performing the abovementioned activities. This agreement was signed on September 9, 2013 by FIBE and the delegated Government Commissioner. Under the agreement, FIBE agreed to comply with the requests of the delegated Government Commissioner with regard to characterization and environmental surveying activities, excluding any liability with regard to any issues that may be identified upon completions of these activities and confirming that its actions were being carried out exclusively in implementation of the abovementioned Decision No. 6033/2012 by the Regional Administrative Court.

* * *

II.2 Civil litigation

By a summons served in May 2005, the Government Commissioner filed an action requesting compensation from FIBE, FIBE Campania and FISIA Italimpianti for alleged damages of about € 43 million. In the course of the proceedings, the Government Commissioner increased its damage claims to over € 700 million, plus a further to claim for damages to its image quantified at € 1 billion.

The Companies joined the proceedings and, in addition to disputing the claims made by the Government Commissioner, filed a counterclaim requesting compensation for damage and sundry charges determined in the initial filing at more than € 650 million, plus a further to claim for damages to their image quantified at € 1.5 billion. More specifically, the respondent Companies complained about the significant delay (compared with the schedule of the 2000 and 2001 contracts) in issuing the permits required to build the waste-to-energy facilities and the resulting delay in the construction of such facilities. These delays led both to a lengthening of the temporary storage period of the so-called “eco-bales” produced and an increase in the volume of stored “eco-bales”, which resulted in the need to find bigger storage areas: circumstances that caused the contractors FIBE and FIBE Campania to incur greater costs.

In the same proceeding, the banks that issued FIBE and FIBE Campania’s performance bonds to the Government Commissioner also moved for the Commissioner’s claim to be denied and, in any case, asked to be held harmless by Impregilo from the commissioner’s claims. Impregilo joined the proceedings contesting the request of the guarantor banks.

The proceedings were concluded with Decision No. 4253 of April 11, 2011, which found that jurisdiction rested with the administrative court and not with the ordinary court. The Government Solicitor’s Office appealed this decision and FIBE duly joined the proceedings concerning R.G. 686/12. The hearing for closing arguments before the Naples Court of Appeals was scheduled for December 11, 2014.

By a “reactivation brief” filed on August 1, 2012, the Ministry of Justice and the Cassa Ammende reactivated the before the Court of Milan the proceedings concerning the enforcement of sureties totaling € 13,000,000.00 provided by some large credit institutions to guarantee the performance of the orders issued by the Public Prosecutor of Naples in connection with the seizure of the RDF facilities.

The Impregilo Group companies joined the proceedings before the Court of Milan (R.G. 57109/2012 challenging the substance of the claims from various standpoints, objecting, *inter alia*, that the policy was invalid, having been activated after its expiration date and the lack of grounds for its enforcement, and, in turn, sued the Government Commissioner.

At the initial hearing of January 17, 2013, the proceeding were adjourned and a hearing for closing arguments was scheduled for December 5, 2013. Following this hearing, the court will hand down a decision within the customary deadline. With decision no. 6907/14 the Court of Milan denied the requests made by Cassa Ammende and by the Ministry of Justice against the banks, UniCredit and ABC International Bank PLC, as a result declaring the claims for recourse filed by the banks against IMPREGILO and by the latter and Fibe against the Office of the Prime Minister absorbed.

Also worth mentioning at civil court level are some lawsuits recently filed by public administrations that, under various titles, have standing in contesting FIBE’s activities with respect to the complex management of the receivables and payables arising from the “contractual management” period. Although these proceedings are separate from those described above, they refer to the same issues subject of the claims filed by FIBE in the administrative courts, with regard to which the activities of the *ad acta* commissioner is still in progress (see Section II.1.A supra). Accordingly and comforted by the advice of counsel that supports it in this complex context, the Group believes that FIBE’s fully compliant conduct during the “contractual” period can reasonably be confirmed and that the risk of a negative outcome of these proceedings is merely possible.

Specifically, the Company’s counsel believes that the public administration’s claims can reasonably be resisted considering the counterclaims and, moreover, the admissibility in these proceedings of a court ordered offsetting process.

Lastly, pending proceedings include a lawsuit in opposition to a payment injunction issued by FS

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dams and hydroelectric plants

Logistica (formerly Ecolog) against the Office of the Prime Minister for the payment of consideration owed for assignments it received from 2001 to 2008 by the then Government Commissioner for shipment of waste outside Italy. The claim, made through a summary procedure, was lodged against the Office of the Prime Minister which turned to FIBE as guarantor. FIBE, on the one hand, objected pointing out that this request for guarantee was the same as the one already subject of lawsuit filed by the Office of the Prime Minister/Government Commissioner before the Court of Naples and concluded with Decision No. 4253/11, as mentioned above, in which the Court found that it lacked jurisdiction, and, on the other hand and with regard to the counterclaims lodged by the Office of the Prime Minister, noted both the inadmissibility of the counterclaims due to the totally different titles compared with the original claim of FS Logistica and the fact that these counterclaims had already been put forth by the Office of the Prime Minister in numerous other proceedings that are still pending.

Following a hearing held on July 11, 2013, the judge adjourned the proceedings and scheduled a discovery hearing for January 24, 2014. At that hearing, the judge allowed a court ordered technical expert's report only with regard to the claims of FS Logistica towards the Office of the Prime Minister and subject to the payment injunction, postponing the case to October 3, 2014.

* * *

II.3 Criminal litigation

In September 2006, the Public Prosecutor of the Court of Naples served Impregilo S.p.A., Impregilo International Infrastructures N.V., FIBE S.p.A., FIBE Campania S.p.A., FISIA Italimpianti S.p.A. and Gestione Napoli in liquidation with a *"Notice of the completion of the preliminary investigation about the administrative liability of legal entities"* related to the alleged administrative violation pursuant to Article 24 of Legislative Decree No. 231/2001, within the framework of criminal proceedings against some former Directors and employees of the abovementioned companies, who were being investigated for the crimes subject of Article 640, Sections 1 and 2, No. 1, of the Italian Criminal Code in connection with the contracts for management of the urban solid waste disposal cycle in the Campania region. Following the preliminary hearing of February 29, 2008, the Preliminary Hearing Judge at the Court of Naples granted the motions for indictment made by the Public Prosecutor.

It is also worth mentioning in this regard that the Court, upholding the exception raised by the defence counsels of the Companies, excluded the option of allowing parties to join the proceedings as plaintiffs seeking damages from the public entities involved pursuant to Legislative Decree No. 231/2001 and, consequently, declared that all filings to join the proceedings as plaintiffs seeking damages from the companies were inadmissible.

Please also note that, at a hearing held on June 15, 2011, the public prosecutors Messrs. Noviello and Sirleo filed an additional charge pursuant to Article 517 of the Code of Criminal Procedure against just the individuals involved for the crime subject of Article 110 of the Italian Criminal Code, Article 81 of the Italian Criminal Code and Article 53-bis of Legislative Decree No. 22/97, now Article 260 of Legislative Decree No. 152/06.

Within the framework of these proceedings, the Public Prosecutor requested the following **precautionary measures** relating to:

(i) "property", pursuant to Article 19 of Legislative Decree No. 231/2001 (attachment of: the RDF production facilities and Acerra waste-to-energy facility; approximately € 43 million belonging to Impregilo Group companies; receivables of € 109 million owed to FIBE and FIBE Campania by municipalities in the Campania region);

(ii) "interdiction", pursuant to Article 9 of Legislative Decree 231/2001 (or: ban on contracting with the public administration; exclusion from subsidies, financing and similar benefits; ban on advertising goods and services).

With regard to the abovementioned precautionary measure, the Preliminary Hearing Judge, with an order dated June 26, 2007, ordered the preventive attachment of the alleged "profit from the crime" quantified at about € 750 million, as the equivalent of:

a) € 53,000,000.00 corresponding to the amount advanced by the Commissioner for the construction of facilities in provinces other than Naples;

b) the total amount of the waste disposal fee regularly collected, amounting to € 301,641,238.98;

c) the certain, liquid and collectible receivables claimed from the Municipal Administrations and not yet collected, totaling € 141,701,456.56;

d) the amount of the expenses incurred by the Office of the Commissioner for the disposal of USW and the residual waste after processing by the RDF facilities, amounting to € 99,092,457.23;

e) the amount of € 51,645,689.90 corresponding to the unpaid security deposit, the payment of which had been stipulated to secure the faithful performance of contractual obligations;

f) the amounts received as fees for the collection activities carried out on behalf of the Office of the Commissioner and the Municipal Administrations, for an amount to be determined upon enforcement;

g) the amount of € 103,404,000.00, corresponding to the value of the work carried out in the construction of the Acerra waste-to-energy facility until December 31, 2005.

The precautionary proceedings, activated with the orders described above, continued for five years, before definitively ending, without any action taken against the Group, in May 2012, when, in its the final decision, the Sixth Criminal Section of the Court of Cassation found that there were no new elements that could supersede the findings developed in the precautionary proceedings with regard to the latest motions for precautionary measures filed by the Public Prosecutor regarding the "fees", as set forth in the decision handed down by the Second Section of the Court of Cassation on April 16, 2009. A more detailed analysis of the complex process that developed with regard to precautionary measures and has now ended is provided in previous financial reports of the Impregilo Group.
On November 4, 2013, the Court of Naples handed down a decision finding all defendants not guilty on all charges and in the most ample manner, revoking the seizure orders targeting the storage site and handing them over to the respective provincial administrations. The detailed decision of acquittal (265 pages long) was filed on February 1, 2014 and was appealed by the Naples Public Prosecutor in March 2014.

* * *

Also in 2008, as part of a new investigation by the Court of Naples into waste disposal and related activities in the region carried out after the termination of the contracts by force of law (on December 15, 2005), the Preliminary Investigations Judge, upon a request by the Public Prosecutor issued preventive measures against some managers and employees of FIBE, FIBE Campania and FISIA Italimpianti and managers in the Commissioner's office.

As part of this investigation, which in the record is described both as a continuation of an earlier investigation and as separate proceedings based on new charges, the former contractors and FISIA Italimpianti are again charged with the administrative liability attributable to legal entities pursuant to Legislative Decree No. 231/01.

The preliminary hearing was completed on January 29, 2009 with the indictment of all defendants. In the pre-trial hearing, the civil actions brought against the companies involved were found to be inadmissible. Moreover, on December 16, 2009, the Court of Naples ruled that it lacked jurisdiction and ordered that the record of the proceedings be forwarded to the Rome Public Prosecutor. The Court of Rome Court scheduled a preliminary hearing for October 27, 2010, at which time the Preliminary Hearing Judge adjourned the proceedings to December 13, 2010, due to errors in the process by which FIBE's counsel was served with a notice of the hearing. At a subsequent hearing held on January 10, 2011, the Preliminary Hearing Judge at the Court of Rome Court decided to address separately with regard to some charges the position of the Chief Executive Officer of the Companies in office when the events took place and adjourned the proceedings first to a hearing scheduled for March 23, 2011, then to a hearing scheduled for

September 21, 2011, again to a hearing scheduled for December 14, 2011 and, lastly, to a hearing scheduled for March 28, 2012. As for the other defendants and the remaining charges, the Preliminary Hearing Judge deferred to the Supreme Court of Cassation for a decision about the negative conflict in territorial jurisdiction, finding again that the Court of Naples Court was competent to rule on these issues On July 6, 2011, the related hearing was held before the First Section of the Supreme Court, which, however, adjourned the proceedings while waiting for guidance from the Joint Sections of the Court of Cassation. However, further to a decision by the Chief Justice of the Supreme Court, the *"similar but related to another event"* issue was not addressed by the Joint Sections and, consequently, the decision was left to Second Section of the Supreme Court, which, on March 2, 2012, ruled that the Preliminary Hearing Judge at the Court of Rome had jurisdiction with respect to all defendants and all charges. Consequently, the proceedings resumed with a preliminary hearing before the Preliminary Hearing Judge at the Court of Rome, originally scheduled for May 16, 2012 and postponed by the Court to September 26, 2012, as the case was assigned to a different Preliminary Hearing Judge replacing Mr. Mancinetti, who was transferred to a different assignment.

At the abovementioned hearing, the new Judge, Mr. Saulino, having combined the different segments of the proceeding, scheduled extraordinary hearings for January 10 and 31, 2013 and March 14, 2013 as a continuation of the preliminary hearing.

Subsequent to these hearings, during which some defendants made unsolicited statements, the Preliminary Hearing Judge issued an order ruling the inadmissibility of the only civil party who asked to join the criminal proceeding as a plaintiff. The Public Prosecutor asked for the indictment of all defendants and legal entities involved pursuant to Legislative Decree No. 231/2001.

Hearings were scheduled for March 14, 2013 for the discussion of the defence arguments and for March 21, 2013 for the decision.

Upon the conclusion of the above mentioned hearing, the Preliminary Hearing Judge indicted all defendants and legal entities involved pursuant to Legislative Decree No. 231/2001 for all of the charges in the proceedings before the Court of Rome scheduled for July 16, 2013.

During this hearing, the Court of Rome noted that many defendants had not received the summons and accordingly adjourned the hearing to April 1, 2014 where, rectifying the failure to give notice, judgement was delivered by the Fifth Criminal Chamber of the Court of Naples for the "parent" case (15940/03 R.G.N.R.). This will also serve to better assess the requests of evidence that will be presented by the parties at the hearing scheduled for September 16.

The companies of the Group involved in the new proceedings firmly believe that their actions were lawful, because their activities were not only expressly mandated by Law No. 21/2006 but were also carried out "merely at the behest" of the Delegated Commissioner (see in this regard the decisions of the Regional Administrative Court of Latium and the Council of State reviewed in Section II.A earlier in this Report).

In January 2011, FIBE joined as an injured party the proceeding No. 61604/10 R.G.N.R. against the member of Parliament Nicola Cosentino pending at the Santa Maria Capua Vetere Court The alleged charges to be examined during the trial, which legitimize FIBE's position as a "party injured by the crime" is that Mr. Cosentino provided a decisive input *"in the planning and implementation of the project aimed – specifically through the consortium company […], the consortium […] and other consortia in the Province of Caserta controlled by him – at establishing in Campania an integrated cycle in competition with the one lawfully managed by the FIBE-FISIA Italimpianti system, thus boycotting the contractor companies in order to take sole control of the entire management of the related financial cycle and thus create an unlawful independent management system at the provincial level (so-called 'provincialization' of the waste disposal cycle, directly controlling the landfills where the waste is ultimately disposed of, becoming involved in the construction and operation of a waste-to-energy facility and manipulating for his own benefit the activities of the Government Commissioner for the Waste Emergency)."*

On January 27, 2011, an order for immediate judgment of the defendant was issued and FIBE was specifically identified as a "party injured by the crime". As mentioned above, this trial is currently in the oral argument phase.

On December 23, 2011, FIBE S.p.A., in its capacity as the legal entity involved pursuant to Legislative Decree No. 231/01, was served with a notice of completion of the preliminary investigations related to another investigation by the Naples Public Prosecutor. The charges are based on a violation of Article 24 of Legislative Decree No. 231/01, as it applies to the occurrence of the crime subject of Article

81, Section Two, Article 110 and Article 640, Sections 1 and 2, of the Italian Criminal Code, committed jointly and with the prior agreement of the defendants (individuals) and other parties to be identified, in connection with the management of an urban wastewater purification service based on treatment facilities.
Specifically, certain individuals from the Commissioner's Officer and FIBE S.p.A. allegedly actively encouraged and induced other competitors to implement stratagems and tricks to hide and conceal the very poor management of the abovementioned wastewater treatment facilities.
FIBE S.p.A. is a defendant because it allegedly submitted expense reports that, among the other items related to the disposal of USW, included the cost of transporting leachate, while failing to mention the fact that the leachate was transported to facilities without the requisite proper permit and lacked the technical qualifications and residual treatment capacity.
The public prosecutor filed a motion requesting that the Judge for the Preliminary Hearing at the Court of Naples hear the case. At the hearing held on May 19, the Judge, Mr. Modestino, upholding the lack of functional jurisdiction of the Court of Naples, pursuant to article 11 of the Code of Criminal Procedure, presented by the defence of the "public party" (defendants Pansa, Bertolaso De Gennaro), ruled that it lacked jurisdiction and ordered that the record of the proceedings be forwarded to the Rome Public Prosecutor. This was also based on this proceeding's connection with the so-called "Rompiballe" case already transferred to Rome pursuant to Article 11 of the Code of Criminal Procedure as a result of an acting magistrate (Mr. Corona, at the time a legal advisor of the Commissioner, Prefect Pansa) being listed by the Public Prosecutor of Naples as being under investigation.
We are awaiting the Rome Public Prosecutor's decision on prosecution.
As it relates to events challenged in the period after the contracts were terminated, when the companies' activities were not solely specifically covered by Law 21/2006 but also carried out on behalf of the commissioner, the Company is fully convinced that it acted in accordance with the law.

* * *

III. Assessment by the board of directors regarding the status of the USW Campania projects at June 30, 2014

Impregilo Group's situation with respect to the USW Campania Projects at June 30, 2014, still continues to be extremely complex and uncertain (as can be seen from the wealth of information above).

The rulings by the administrative courts regarding the claims put forth for the costs of the RDF facilities that had not been amortized when the service contracts were cancelled (December 15, 2005), as discussed earlier in this Report, are positive and extremely important factors, because they support the Group's arguments regarding the correctness of its conduct and the resulting assessments made to date.

Although, at the end of March 2014, the Naples Public Prosecutor appealed the decision by which the Court of Naples acquitted of all charges – with the formula "there is no case to answer" – both the individuals and the companies involved, it is confirmed, consistent with the opinion of the Group's legal advisors for the case, the belief that future developments of these proceedings and of proceedings pending in other venues (administrative, criminal and civil) will prove that the Group acted properly.

Taking also into account the recent rulings handed down by the administrative judges regarding the previously mentioned environmental issues, which are still pending with regard to merit and for which the risk of an unfavorable outcome was assessed, with the support of the counsel assisting FIBE in the various disputes, as being in the realm of mere possibility, at this time, an accurate timing for the end of the various pending proceedings cannot be reasonably determined.

In view of the complexity and development of the different disputes described in detail in the preceding paragraphs, the possibility that future events, unforeseeable at this point, could occur requiring changes to the assessments made thus far cannot be excluded.

340 km of metro systems

Part two – Todini Costruzioni Generali Group

In the latter part of 2013, the Board of Directors of Salini S.p.A. resolved to consider the possibility of realizing the value of the 100% interest held in Todini Costruzioni Generali S.p.A. through its divestment.

The aim of creating a global player in the sector of complex infrastructures capable of competing with the main international competitors, in terms of economies of scale, size and geographic complementarities made the development of the projects currently included in the order backlog of Todini Costruzioni Generali S.p.A. no longer strategic for the purpose of achieving the objectives of the Industrial Plan.

The guidelines for future commercial initiative, increasingly focused on the acquisition of large-scale projects, call for a rigorous selection of new business opportunities in accordance with predefined profitability and cash flow generation parameters and in areas with strong growth potential.

The markets in which this subsidiary operates are attractive and, should opportunities develop that meet the scale requirements of the Group's current commercial policy, possible participation and/or acquisition methods will be considered.

The tables below show the highlights from the financial statements of the Todini Group classified into non-current assets and liabilities held for sale:

Income statement data

(Values in millions of euros)	**First Half 2014**
Revenue	94.7
Operating profit (EBIT)	(45.1)
Financing income	5.6
Gain on investments	0.1
Net profit (loss) for the period	(26.3)

Statement of financial position data

(Values in millions of euros)	**June 30, 2014**
Non-current assets	*113.8*
Provisions for risks, post-employment benefits and employee benefits	*(7.5)*
Working capital	*143.5*
Net invested capital	**249.8**
Net financial position	**(67.1)**
NET ASSETS	**182.7**

Risk areas

A1 Milan-Naples Highway, work to upgrade the Apennine Mountains section between Sasso Marconi and Barberino di Mugello, La Quercia-Aglio segment

This project refers to the work to enlarge and modernize the A1 Highway, Base tunnel – Lot 9-11 – Valico Bypass. This order is part of a larger project being implemented by Autostrade per l'Italia S.p.A. to upgrade the A1 Highway with the construction of the Valico Bypass to improve traffic conditions and reduce travel time between Bologna and Florence. The iconic work of the Valico Bypass is the Base Tunnel: a tunnel with separate lanes (cross-section of 160 m^2 and length of about 8.6 km) that will link the Emilia Romagna and Tuscany regions, connecting the future Badia Nuova rest area in the north with the new Poggiolino interchange in the south.

The works have been substantially completed with the exception of finishing work and some minor works to be carried out in the Tuscany Region.

Starting in June 2011, the Florence Public Prosecutor, at the end of an investigation launched in 2005, charged some employees/senior managers of Todini Costruzioni Generali S.p.A. with environmental crimes allegedly related to the construction of the Valico Bypass.

By a decision dated November 5, 2012, the Preliminary Hearing Judge ruled that the statute of limitations had run out on all of the crimes with which the defendants were charged regarding water control and effluent management and indicted the abovementioned defendants for the alleged crimes concerning the management of excavated soil and rocks and environmental damage.

In relation to these proceedings, on May 26, 2013, at a hearing before the Court of Florence, the Ministry of the Environment joined the proceedings as a civil plaintiff seeking damages from the civilly liable parties Todini C.G., Autostrade per l'Italia S.p.A. and other contractors involved (in addition to the defendants themselves), putting forth a damage claim "for equivalent asset value" in an amount of at least € 810 million or different amount awarded in the proceedings.

In support of its claim, the Ministry of the Environment filed a report by the I.S.P.R.A. (an institute established within the Ministry), which was deleted from the record of the proceedings at a hearing on December 9, 2013, as the Judge ruled that the introduction of this document could not be allowed because it had not been developed through an adversary process and lacked the name of the party who wrote it.

Since the civil plaintiff failed to produce documents or consultants, at this point, the damage claim is not supported by any evidence as to its amount.

The discovery phase began in January 2014. Thus far, no evidence concerning the type of crime for which Todini is being charged has been analyzed, nor has any activity been carried out to verify whether the conduct and damage did occur.

The Group denies having any responsibility for the disputed issues, emphasizing that its conduct was completely lawful and that the charges levied against it are groundless. It also objects to the outrageous amount of the damage claim filed by the Ministry of the Environment, which, in addition to being put forth without first requesting the adoption of any environmental remediation measures that might have been necessary, does not appear to be compliant with Italian law and European Directive No. 2004/35/EC. In that regard, the European Commission activated infraction proceedings against Italy in 2007 (No. 2007/4679), confirmed on January 27, 2012 with a complementary reasoned opinion, which recently resulted in the adoption, with Law No. 97 of August 6, 2013, of amendments to the Uniform Environmental Code enacted with Legislative Decree No. 152 of April 3, 2006, which include the elimination from the text of Article 311 of the abovementioned Legislative Decree No. 152/2006 of the reference to the damage claim "for equivalent asset value", due to the fact that compensation for environmental damages can first of all be achieved with specific remediation measures.

In view of the foregoing considerations and comforted by the opinion of counsel, the Group believes that the abovementioned damage claim is devoid of merit and, consequently, that the risk of the claim being granted is remote. Consequently, management did not find it necessary to recognize a provision in its financial statements.

Naples, construction of a railway section for an urban railway system, Piscinola-Secondigliano segment

Construction of the civil engineering structures for the Piscinola – Secondigliano railway segment, part of a project to modernize and upgrade the Naples – Alifana railway, was suspended in the second half of 2011 due to the customer's failure to pay the consideration owed for the work. As a result, the only activities carried out concerned ensuring the safety of the jobsites.

The customer, while aware of the strategic significance of the project for the purpose of completing the railway system ringing the City of Naples, was unable to honor its commitments due to the financial difficulties that characterized the budget of the Campania region, which, ultimately, created a shortage of financial resources at the Metrocampania Nordest S.r.l. subsidiary, making the disbursements of the consideration owed extremely difficult.

In light of this situation, the Ministry of Infrastructures and Transportation, in accordance with the provisions of Decree Law No. 83 of June 22, 2012 (converted into Law No. 134 of August 7, 2012), appointed and ad acta Commissioner tasked with determining the amounts of the payables and receivables of the companies that operate the regional railway services, with the aim of developing a plan to cover the ascertained deficit.

At this point, the appointed Commissioner has apparently completed his task regarding the investigative and planning phase and is now expected to announce his subsequent determinations.

Considering that, in order to allow the Commissioner to carry out his activities, the abovementioned Decree Law specified that no payment enforcement actions may be activated or pursued against the companies owned by the regional administration that operate railway transportation services for 12 months from the effective date of the abovementioned Decree Law No. 83 (which deadline was extended several times), the subsidiary Todini Costruzioni Generali S.p.A. nevertheless took all actions that it deemed necessary to obtain satisfaction of its rights, while maintaining a non-confrontational relationship with its customer, who still considers completion of the railway segment in question as a priority for the effective operation of the metropolitan railway ring.

Ukraine

This country is currently going through a phase of social and geopolitical instability caused by the suspension by the Ukrainian government of the negotiations for the agreement of association with the European Union.

The Todini Costruzioni Generali subsidiary operates in Ukraine with a permanent organization, which was awarded a project to rehabilitate a section of the M03 Highway, and through a joint venture with Akkord, a local partner, through which the modernization of Highway M06 has been virtually completed.

Because the jobsites are located near the cities of Poltava and Zhytomyr, geographically removed from the areas most affected by the current social crisis, production activities were not affected to any significant degree.

However, the weakness of the new political class and uncertainty about the country's immediate political future, coupled with a steady weakening of Ukraine's position versus its Russian neighbor for the supply of natural gas, caused a dramatic financial crisis that could be solved only with the intervention of the international community.

The Group management reasonably believes to be able to assess the profitability of the contracts awarded in Ukraine with a perspective of continuity, while constantly and continuously monitoring the internal developments in the country and without excluding that in the future currently unforeseeable events may occur that may require a change in these assessments.

Part three – Fisia Babcock Environment GmbH

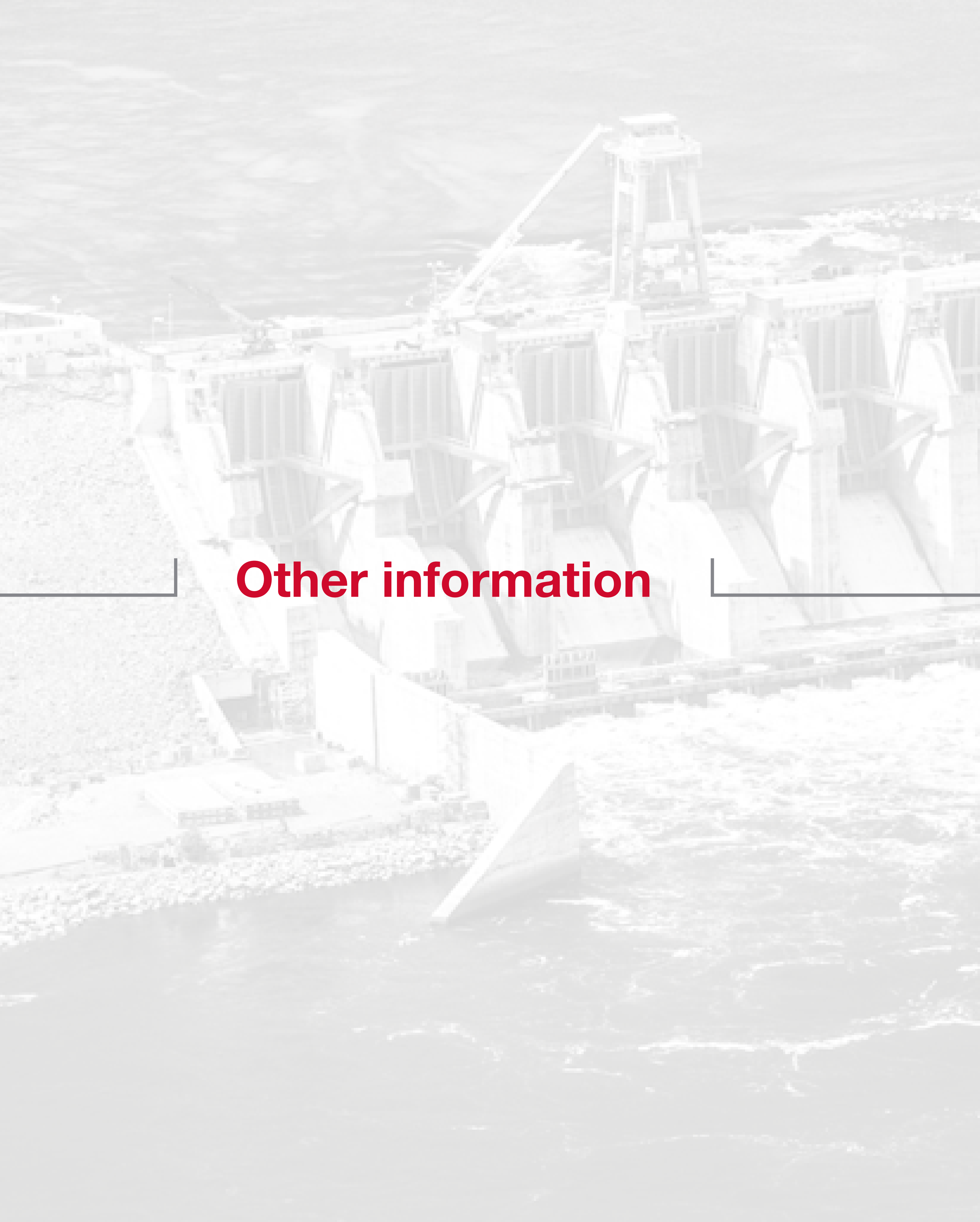
As part of the implementation of the plan to monetize Group's non-core assets, the sale to third parties was finalized in the first half of 2014 for the entire interest – equal to 100% – held by the Group through its subsidiary Impregilo International Infrastructures N.V., in the German company Fisia Babcock Environment GmbH. Taking into account the fact that this interest, at March 31, 2014, was classified in accordance with IFRS 5 under 'Non-current assets held for sale and discontinued operations', the net profit of the aforementioned sale, amounting to roughly € 89.2 million, was accordingly reflected in the net profits of the assets held for sale.

Events occurring after June 30, 2014

This section presents the main events that occurred after June 30, 2014, to the extent that they were not the subject of specific comments in earlier sections of the Half-year financial report of the Salini Impregilo Group for the first half of 2014.
On the basis of the agreements signed during 2013 with Todini Finanziaria S.p.A., Salini Impregilo S.p.A. exercised the option to acquire the remaining 22.29% share capital of Todini Costruzioni Generali on July 28, for a total consideration of € 5 million.
On August 1, 2014, the Grupo Unidos por el Canal Consortium, in which the Group participates jointly with other partner companies, entered into an agreement with the Panama Canal Authority for the completion of the objectives set out in the memorandum of understanding signed on March 13, 2014. The agreement provides for an amendment to the contract which will make it possible to co-finance the works to complete the expansion of the Panama Canal.
For events occurring after June 30, 2014 concerning the USW Campania Projects, please see the section of this Half-year financial report entitled “Non-current assets held for sale – USW Campania Projects”.
No other significant events occurred after June 30, 2014, beyond those described the previous sections of this Director’s Report.

Business outlook for the balance of the current year

The important events that characterized the Group's governance during the previous year, among which the completion of the merger between Salini S.p.A., the former controlling Company and now incorporated Company, and Impregilo S.p.A., the incorporating Company, and the resulting change in the Company's name to Salini Impregilo S.p.A. and the successful conclusion of the operation to increase share capital previously mentioned in this Consolidated half-year financial report represent substantial completion, and will further strengthen the Group's strategic position and competitive edge in its target markets over the medium term, consistent with the strategic guidelines and objectives of the 2014-2017 Industrial Plan approved in March 2014.
At the end of the first half of 2014, a truly outstanding order portfolio, both in qualitative and quantitative terms, and a well-balanced financial structure continue to be important growth and development factors that justify the Group's confidence that the results projected for the subsequent periods of the current year will develop in accordance with the guide lines recently disclosed to the market.
It is important to keep in mind that the Group still finds itself in a complex operational and judicial situation within the framework of criminal and civil proceedings related to the USW Campania Projects. Due to the particularly complex nature of the abovementioned proceedings, which involve government institution, regional administrations and provincial and municipal administrations in the Campania region, and the complexity of the related court procedures, the possibility of the occurrence of future events not currently foreseeable requiring a revisions of current valuations cannot be excluded.



Other information

Treasury shares

At the date this Half-year financial report was prepared, the parent Company did not hold any treasury shares either directly or indirectly.

Corporate governance Bodies

The members of the Board of Directors and Board of Statutory Auditors are listed in the section entitled "Company Officers" included in this Half-year financial report.

Investigation by the judiciary – Court of Milan (proceedings activated before the Court of Monza)

Further to the proceedings activated by the Public Prosecutor of the Court of Monza, in which the Chairman of the Board of Directors and the Chief Executive Officer of Impregilo in office at time of the events in question are being investigated for the crimes covered by Articles 81 and 110 of the Italian Criminal Code and Articles 2621 and 2637 of the Civil Code, Impregilo S.p.A. and Imprepar S.p.A. were the targets of a preliminary investigation in connection with an alleged administrative violation related to the crimes subject of Article 25-ter, Letters a) and r), and Articles 5 and 44 of Legislative Decree No. 231/2001.

The charges against the targets of the investigation were announced by the relevant Public Prosecutor with a notice dated October 13, 2005.

The alleged charge against Impregilo is to have "prepared and implemented an organizational model unsuitable to prevent the crimes" allegedly attributed to the officers target of the investigation, from which the Company is alleged to have benefited.

The proceedings progressed through a series of interconnected and complex procedural phases, at the end of which, at a hearing held on July 12, 2007, concurring with the objections that the counsel for the defendants and the companies involved in these proceedings had raised since the preliminary hearing, the Court of Milan, ruling on a preliminary basis, declared that "the indictment issued by the Preliminary Hearing Judge at the Court of Milan on February 21, 2007, in the proceedings pursuant to Article 416 of the Code of Criminal Procedure, was null and void" and, consequently, ordered that the record of the proceedings be sent back to the Public Prosecutor at the Court of Milan.

Consequently, the Milan Public Prosecutor reactivated the proceedings and, in November 2007, filed with the Judge for Preliminary Investigations in Milan a motion to end the proceedings. On February 13, 2009, the Judge for Preliminary Investigations granted the motion of the Public Prosecutor limited to a portion of the charges, which were dismissed. As a result of this decision, the proceedings targeting Imprepar S.p.A. ended. At the same time, the judge sent the record of the proceedings back to the Public Prosecutor for a filing of charges for the portion of the motion that had not been granted. Specifically with regard to the charges that were not dismissed by the Judge for Preliminary Investigations, the Company filed a motion for summary judgment and, at a hearing held on September 21, 2009, the Public Prosecutor requested a decision dismissing the remaining charges.

At the hearing of November 17, 2009, Impregilo was found not guilty both of the first charge, due to the lack of an element of the crime, and of the second charge, as it was not punishable pursuant to Article 6 of Legislative Decree No. 231/01, having adopted adequate organizational models.

On March 21, 2012, the Milan Court of Appeals denied the appeal motion filed by the Public Prosecutor against the lower court's decision, which found Impregilo not guilty of the charge of violating Legislative Decree No. 231/01, and fully confirmed the abovementioned decision by the lower court judge, who found, inter alia, that the organizational model adopted by the Company was adequate. The Public Prosecutor then appealed this decision to the Court of Cassation, which on December 18, 2013 handed down Decision No. 4677/14 setting aside the decision of the Milan Court of Appeals, returning the proceedings to a different section of the same Court for a new merit review regarding three issues: (i) Decision concerning the preventative suitability of the organization and management model in effect when the events took place and its effective implementation; (ii) Existence of a deceptive and fraudulent conduct by the authors of the alleged crime of insider trading; (iii) Determination that the crime in question (insider trading) did occur.

Investigation by the judiciary – Court of Naples

The events that occurred regarding the USW Campania Projects are described in the section of the Annual financial report entitled "Non-current assets held for sale – USW Campania Projects".

Other proceedings – Court of Florence

With regard to the criminal proceedings activated against the C.A.V.E.T. Consortium and certain individuals, including some former managers of the Consortium, it is worth mentioning that the appellate proceedings ended in June 2011 with a decision handed down on June 27, 2011, which reversed in full the lower court's decision, thus reversing the convictions handed down by the lower court and finding both the Consortium and the indicted individuals not guilty of any of the charges. The Public Prosecutor of the Court of Florence appealed this decision to the Court of Cassation, which, on March 18, 2013, set aside in part the decision of the Florence Court of Appeals ordering that the case be returned to the Court of Appeals. The reinstated proceedings before the Florence Court of Appeals got under way on January 30, 2014 and, on March 21, 2014, the Court of Appeals handed down a decision by which it rejected most of the charges levied by the Public Prosecutor, but upheld them in some important cases. The Consortium, in protecting its interests, is confident that it will be able to demonstrate, again, in the subsequent courts of instance, the correctness of its actions.

Compliance with the requirements of Article 36 of the Market Regulations

Salini Impregilo confirms that it is in compliance with the requirements of Article 36 of Consob Regulation No. 16191 (the "Market Regulations"), based on the procedures adopted before the abovementioned regulations went into effect and the availability of the related information.

Research and development activities

In accordance with the requirements set out in Article 2428 of the Italian Civil Code, the Company discloses that it did not carry out any research and development activities in the first half of 2014.

Alternative performance indicators

As required by Consob Communication No. 6064293 of July 28, 2006, information about the composition of the performance indicators used in this document and in the corporate communications of the Salini Impregilo Group is provided below.

Financial ratios

Debt/Equity ratio: This indicator corresponds to the ratio of net financial position as the numerator (with a negative sign signifying net debt) to shareholders' equity as the denominator. The consolidated statement of financial position items making up the financial position are listed in the corresponding accounting schedules, where they are marked with an asterisk (*). The shareholders' equity items are those included in the relevant section of the consolidated statement of financial position. On a consolidated basis, the shareholders' equity used for this ratio includes the amount attributable to non-controlling interests.

Performance indicators:

1) EBITDA or Gross operating profit: This indicators is the algebraic sum of the following items included in the income statement for the period:

   a. Total revenue;

   b. Total costs, except for depreciation and amortization.

   This indicator can also be shown in percentage form, as the ratio of EBITDA to Total revenue.

2) **EBIT or Operating profit**: This indicator corresponds to the operating profit shown in the income statement and is equal to the algebraic sum of Total revenue and Total costs.

3) **Return on sales or R.o.S.**: This indicator, stated as a percentage, shows the ratio of EBIT, computed in the manner described above, to Total revenue.

The Board of Directors

by: The Chairman

Condensed consolidated interim financial statements as at June 30, 2014

Consolidated statement of financial position

ASSETS (Values in €/000)	Note	June 30, 2014	December 31, 2013 (§)
Non-current assets			
Property, plant and equipment	1	465,961	450,760
Intangible assets - Rights to infrastructure under concession	2	53,369	53,332
Other intangible assets	3	91,968	111,695
Investments in associates	4	137,693	131,071
Non-current financial assets (*)	5	58,517	48,928
Non-current intragroup loans and receivables	6	3,535	2,791
Other non-current assets	7	19,581	20,985
Deferred tax assets	8	118,200	121,132
Total non-current assets		**948,824**	**940,694**
Current assets			
Inventories	9	235,890	215,321
Contract work in progress	10	1,358,539	1,105,176
Trade receivables	11	1,155,983	1,188,904
of which: related parties	*36*	*1,555*	*4,769*
Current receivables from unconsolidated Group companies	11	669,903	697,558
Derivatives and other current financial assets (*)	12	8,930	223,129
Current tax assets	13	88,701	78,868
Other tax receivables	13	97,332	114,804
Other current assets	14	325,913	287,889
of which: related parties	*36*	*752*	*248*
Financial assets held by SPVs and unconsolidated project companies (*)	15	336,460	223,789
Cash and cash equivalents (*)	15	645,061	908,631
Total current assets		**4,922,712**	**5,044,069**
Non-current assets held for sale	16	564,904	653,604
Total assets		**6,436,440**	**6,638,367**

(*) Items included in net financial position (indebtedness).
(§) Figures restated following the application of the new IFRSs – please see section “Effects of the application of the new financial reporting standards”.

LIABILITIES AND SHAREHOLDER'S EQUITY (Values in €/000)	Note	June 30, 2014	December 31, 2013 (§)
Shareholders' equity			
Share capital		544,740	62,400
Share premium reserve		120,798	141,484
Other reserves		96,058	16,063
Other components of comprehensive income		(6,337)	3,411
Retained earnings		253,896	309,488
Net profit		79,290	166,781
Equity attributable to the owners of the parent		**1,088,445**	**699,627**
Non-controlling interests		30,819	192,522
Total shareholders' equity	17	**1,119,264**	**892,149**
Non-current liabilities			
Bank and other loans (*)	18	436,017	634,693
Non-current indebtedness held by SPVs and unconsolidated project companies (*)	18	3,086	14,484
Bond issues (*)	19	551,155	552,542
Payables under finance leases (*)	20	93,524	97,671
Non-current derivatives (*)	21	4,341	4,350
Post-employment benefits and employee benefits	22	18,182	20,508
Non-current payables to unconsolidated Group companies	23	6,232	6,230
Deferred tax liabilities	8	67,649	73,959
Provisions for risks	24	103,125	102,207
Other non-current liabilities	25	1,018	1,044
Total non-current liabilities		**1,284,329**	**1,507,688**
Current liabilities			
Bank account overdrafts and current portion of financing facilities (*)	18	236,129	313,819
Current indebtedness held by SPVs and unconsolidated project companies (*)	18	64,102	62,046
Current portion of bond issues (*)	19	28,226	11,154
Current portion of payables under finance leases (*)	20	50,047	45,422
Current derivatives and other current financial liabilities (*)	21	70	4
Advances on contract work in progress	26	1,560,636	1,630,770
Trade payables to suppliers	27	696,105	750,081
of which: related parties	*36*	*1,595*	*7,556*
Current intragroup payables to unconsolidated Group companies	27	657,766	632,644
Current tax liabilities	28	75,238	76,786
Current tax payables	28	81,272	82,906
Other current liabilities	29	206,715	214,837
of which: related parties	*36*	*3,348*	*131*
Total current liabilities		**3,656,306**	**3,820,469**
Liabilities directly associated with non-current assets held for sale	16	376,541	418,061
Total shareholders' equity and liabilities		**6,436,440**	**6,638,367**

(*) Items included in net financial position (indebtedness).
(§) Figures restated following the application of the new IFRSs – please see section "Effects of the application of the new financial reporting standards".

Consolidated income statement

(Values in €/000)	Note	H1 2014	H1 2013 (§)
Revenue			
Operating revenue	31	2,073,373	1,303,337
Other revenue	31	35,596	22,089
of which: related parties	*36*	*210*	*202*
Total revenue		**2,108,969**	**1,325,426**
Costs			
Raw materials and consumables	32	(235,820)	(210,902)
Service and subcontractor costs	32	(1,416,152)	(849,779)
Personnel costs	32	(218,043)	(141,403)
Other operating costs	32	(44,287)	(14,631)
Depreciation amortization, accruals and impairment losses	32	(80,763)	(57,852)
of which: related parties	*36*	*624*	*8,232*
Total costs		**(1,995,065)**	**(1,274,567)**
Operating profit (loss)		**113,904**	**50,859**
Financing income (costs) and gains (losses) on investments			
Financial income	*33*	*18,727*	*12,925*
Financial expense	*33*	*(69,638)*	*(50,910)*
Exchange rate gains (losses)	*33*	*(35,865)*	*3,966*
Net financing costs		(86,776)	(34,019)
of which: related parties	*36*	*3,061*	*1,462*
Net gains on investments	34	4,987	203,947
Net financing costs and net gains on investments		**(81,789)**	**169,928**
Profit (loss) before taxes		**32,115**	**220,787**
Income tax expense	35	(12,204)	(23,651)
Profit (Loss) from continuing operations		**19,911**	**197,136**
Profit (Loss) from discontinued operations	16	55,314	(20,262)
Net profit (loss)		**75,225**	**176,874**
Profit (loss) for the year attributable to:			
Owners of the parent		79,290	176,519
Non-controlling interests		(4,065)	355
Earnings (loss) per share			
From continuing and discontinued operations			
Basic	39	0.17	0.44
Diluted	39	0.17	0.44
From continuing operations			
Basic	39	0.05	0.49
Diluted	39	0.05	0.49

(§) Figures restated following the application of the new IFRSs – please see section "Effects of the application of the new financial reporting standards". Furthermore, the income statement data was reclassified in accordance with IFRS 5 and IFRS 3 following the decision to hold Todini Costruzioni Generali and Fisia Babcock Environment available for sale, and in view of the final redefinition of the PPA process which took place on December 31, 2013.

Consolidated statement of comprehensive income

(Values in €/000)	Note	H1 2014	H1 2013
Profit (loss) for the period (a)		**75,225**	**176,874**
Items that may be subsequently reclassified to profit or loss, net of the tax effect:			
Change in the translation reserve	17	**(10,277)**	**8,257**
Net gains (losses) on cash flow hedges, net of the tax effect	17	**294**	**2,029**
Other comprehensive income related to equity-accounted investees	17	**792**	**-**
Items that may not be subsequently reclassified to profit or loss, net of the tax effect:			
Net actuarial gains (losses) on defined benefit plans	17	**(378)**	**(193)**
Other comprehensive expense (b)		**(9,569)**	**10,093**
Total comprehensive income (a) + (b)		**65,656**	**186,967**
Total comprehensive income (expense) attributable to:			
Owners of the parent		69,541	185,413
Non-controlling interests		(3,885)	1,554

Consolidated statement of cash flows

(Values in €/000)	Note	H1 2014	H1 2013 (§)
Cash and cash equivalents	15	908,631	371,252
Current account facilities	18	(126,624)	(37,289)
Total opening cash and cash equivalents		**782,007**	**333,963**
Operating activities			
Net profit attributable to owners of the parent and non-controlling interest from continuing operations		19,911	197,136
Amortization of intangible assets	32	15,307	1,088
Amortization of rights to infrastructure under concession	32	369	186
Depreciation of property, plant and equipment	32	63,106	52,824
Net impairment losses and provisions	32	1,981	3,755
Accrual for post-employment benefits and employee benefits	32	5,782	3,394
Net (gains) losses on the sale of assets		(3,643)	(694)
Deferred taxes	35	6,734	(6,304)
Share of loss of equity-accounted investees	34	(5,022)	(203,531)
Other non-monetary items		81,007	(22,707)
Cash flow from operating activities		**185,532**	**25,147**
Decrease (increase) in inventories		(292,946)	(85,090)
Decrease (increase) in trade receivables		17,240	(137,927)
Decrease (increase) in intragroup loans and receivables		26,842	8,315
(Decrease) increase in progress payments and advances from customers		(25,792)	(86,950)
(Decrease) increase in trade payables		(57,835)	3,317
(Decrease) increase in intragroup payables		25,420	128,006
Decrease (increase) in other assets/liabilities		(55,930)	50,636
SICAD 2 impact on items within working capital (*)		(183,689)	
Total change in working capital		**(546,690)**	**(119,693)**
Cash flows generated (used) in operations		**(361,158)**	**(94,546)**
Investing activities			
Net investments in intangible assets	2 - 3	(8,518)	(67,265)
Acquisitions, net of cash acquired			(6,083)
Investments in property, plant and equipment	1 - 16	(90,322)	(61,965)
Proceeds from the sale or reimbursement value of property, plant and equipment		16,466	4,240
Investments in non-current financial assets	4	(2,928)	(25,976)
Dividends and capital repayments from equity-accounted investees	4	427	441
Proceeds from the sale or reimbursement value of non-current financial assets		(16)	75
Cash flows generated (used) in investing activities		**(84,891)**	**(156,533)**

(Values in €/000)	Note	H1 2014	H1 2013 (§)
Financing activities			
Share capital increase	17	161,460	-
Dividends distributed		(420)	(12,979)
Increase in bank and other loans		222,475	621,323
Decrease in bank and other loans		(403,606)	(271,020)
Change in other financial assets/liabilities		80,321	(35,559)
Change in consolidation scope		(1,394)	171,829
Cash flows generated (used) in financing activities		**58,836**	**473,594**
Net cash flows generated (used) in discontinued operations	**16**	**76,462**	**(18,676)**
Net exchange rate losses on cash and cash equivalents		**130,108**	**7,563**
Increase (decrease) in cash and cash equivalents		**(180,643)**	**211,402**
Cash and cash equivalents	15	645,061	683,047
Current account facilities	18	(43,697)	(137,682)
Total closing cash and cash equivalents		**601,364**	**545,365**

(§) Figures restated following the application of the new IFRSs - please see section "Effects of the application of the new financial reporting standards". Furthermore, the income statement data was reclassified in accordance with IFRS 5 following the decision to hold Todini Costruzioni Generali and Fisia Babcock Environment available for sale.

(*) The overall effect of the application of SICAD 2, described in the Directors' report and in the explanatory notes in the "Foreign currency translation of the assets and liabilities related to Venezuela" section, amounted to € 55 million.

Statement of changes in consolidated equity

				Other reserves			
(Values in €/000)	Note	Share capital	Share premium reserve	Legal reserve	Ancillary expenses for share capital increase	Extraordinary reserve and other reserves	Total other reserves
As at January 1, 2013 (§)	**17**	**62,400**	**141,484**	**-**	**-**	**16,430**	**16,430**
Allocation of profit and reserves	17			2,252		19,614	21,866
Dividend distribution	17						-
Other changes	17					(8,222)	(8,222)
Net profit (loss) for the period	*17*						-
Other comprehensive expense	*17*						-
Total comprehensive income	*17*	-	-	-	-	-	-
As at June 30, 2013 (§)	**17**	**62,400**	**141,484**	**2,252**	**-**	**27,822**	**30,074**
As at January 1, 2014 (§)	**17**	**62,400**	**141,484**	**2,252**	**-**	**13,811**	**16,063**
Mergers	17	437,600	(141,484)	97,748		(13,674)	84,074
Allocation of profit and reserves	17						-
Capital increase	17	44,740	120,798		(4,078)		(4,078)
Todini losses hedge	17						-
Net profit (loss) for the period	*17*						-
Other comprehensive expense	*17*						-
Total comprehensive income	*17*	-	-	-	-	-	-
As at June 30, 2014	**17**	**544,740**	**120,798**	**100,000**	**(4,078)**	**137**	**96,058**

(§) Figures restated following the application of the new IFRSs - please see section "Effects of the application of the new financial reporting standards".

Other components of comprehensive income								
Foreign currency translation reserve	**Hedging reserve**	**Actuarial (gains) losses reserve**	**Tot. other components of comprehensive income**	**Retained earnings**	**Net profit (loss) for the period**	**Equity attributable to the owners of the parent**	**Non-controlling interests**	**Total shareholders' equity**
5,478		(954)	4,524	9,781	324,959	559,578	28,761	588,339
			-	290,114	(311,980)	-		-
			-		(12,979)	(12,979)		(12,979)
			-	8,248		26	178,236	178,262
			-		*176,518*	*176,518*	*355*	*176,873*
7,299	*1,777*	*(181)*	*8,895*			*8,895*	*1,200*	*10,095*
7,299	*1,777*	*(181)*	*8,895*	-	*176,518*	*185,413*	*1,555*	*186,968*
12,777	**1,777**	**(1,135)**	**13,419**	**308,143**	**176,518**	**732,038**	**208,552**	**940,590**
3,120	2,151	(1,860)	3,411	309,488	166,781	699,627	192,522	892,149
			-	(206,549)		173,641	(173,641)	-
			-	166,781	(166,781)	-		-
			-			161,460		161,460
			-	(15,823)		(15,823)	15,823	-
			-		*79,290*	*79,290*	*(4,065)*	*75,225*
(9,613)	*242*	*(378)*	*(9,749)*			*(9,749)*	*180*	*(9,569)*
(9,613)	*242*	*(378)*	*(9,749)*	-	*79,290*	*69,541*	*(3,885)*	*65,656*
(6,493)	**2,393**	**(2,238)**	**(6,337)**	**253,896**	**79,290**	**1,088,445**	**30,819**	**1,119,264**

Notes to the consolidated financial statements

Foreword

The Condensed consolidated interim financial statements of the Salini Impregilo Group as at June 30, 2014 have been prepared on a going concern basis and in accordance with the international financial reporting standards issued by the International Accounting Standards Board (IASB), approved in the European Union as required by Regulation no. 1606/2002 of the European Parliament and European Council, implemented in Italy by Legislative Decree no. 38/2005, and in accordance with IAS 34 – Interim Financial Reporting in particular.

The presentation and content of these Condensed consolidated interim financial statements comply with the disclosure requirements of Article 154-ter of the Consolidated Finance Act.

The accounting standards and policies used to prepare these Condensed consolidated interim financial statements as at June 30, 2014, are the same as those used to prepare the 2013 consolidated financial statements, which are explicitly cited here by reference, except for the changes summarized in the following section.

Foreign currency translation of the assets and liabilities related to Venezuela

Starting from the end of the period reviewed in this Half-year financial report, it was necessary to update the estimates referring to the Group's set of industrial activities in the Bolivarian Republic of Venezuela. In line with the previous financial reports, made available to the public as required by the current legal provisions, the deterioration of economic conditions in the country since the early months of the year – although they have not shown signs of worsening – were still such that it became necessary to make a more detailed assessment on whether potentially critical issues exist in terms of future development of the industrial activities in progress and in terms of recovering the Group's net assets in this area.

It is reasonable to say that the significant risks related to the Group's activities in Venezuela are of a currency/financial nature, which also stem from the local regulatory system. As things currently stand, there is no evidence of significant risks directly related to anything of an industrial/operational nature or to relations with public sector customers. Actually, these relations remain extremely positive and focused on cooperation. This is also demonstrated by an important addendum made in June 2014 to the contract for the Puerto Cabello Railway - La Encrucijada', involving the execution of electromechanical works. In this context, and based on the developments described above, the risks associated with the current situation in Venezuela are mainly tied to the current and future timescale and exchange rates for realizing net assets – both existing and expected to exist when industrial activities can be resumed in full.

This overall situation, together with the recent changes to currency laws in the country, has therefore required a full and thorough update of accounting estimates related to the group's activities in Venezuela. Among other things, this has led to the Group's decision to adopt – as of June 30, 2014 – a new exchange rate for the translation of both the current values of working capital denominated in Venezuelan currency and the future values to be paid/realized in the full-life projections for the ongoing railway projects under direct management. The new official exchange rate used, called SICAD 2 and whose first fixing took place during the last few days of the first quarter, is currently believed to be the most representative of the relationship under which future cash flows, expressed in local currency, may be adjusted in the event that they were verified at the valuation date also considering the possibility to access the Venezuelan currency market and the Group's specific needs to obtain currency other than the functional currency.

This new exchange rate expresses a substantial depreciation of the local currency against the US Dollar, compared with the official exchange rate previously used, the so-called COEX, for the purposes of preparing both the Consolidated Financial Statements of the Salini Group as at

December 31, 2013, and the Director's Report of the Salini Impregilo Group as at March 31, 2014.

Therefore, the update of the estimates described below, taking into account the specific assumptions reflected in the full-life projections of the railway projects in relation to "country risk", resulted at June 30, 2014 in a series of impacts for the period, including the overall impairment of net financial assets, denominated in local currency, for a total of approximately € 55 million.

Finally, as regards the impact that this update has had in terms of ongoing railway projects in the area, the credit and liquidity risk management policy adopted by the Group for operations in areas with structural currency weaknesses, such as Venezuela, has always been based on a number of rules, including in particular: (i) entering into contracts for orders expressed partly in 'strong' currencies (e.g. Euro, US Dollar) and partly in 'local' currency; (ii) the preparation of full-life production cost structure, accordingly composed of 'local' currency based on a 'natural hedging' approach; and (iii) covering temporary financial requirements to support the management of working capital through borrowings in the same currency as the working capital. In the specific case of Venezuela, bearing in mind the Group's long-standing presence in this market – which has experienced times of economic and currency uncertainty in the past, albeit shorter in duration but of similar scope in economic/financial terms – this risk management policy has resulted in (i) a surplus of net working capital in local currency against (ii) a more than corresponding expected deficit in the same currency for subsequent periods. As in the past, updating the aforementioned estimates – which is one part of the review of full-life projections of railway works in progress in the area – has resulted in the recognition of mainly positive current and future impacts on profit and loss, even taking into account the conservative assumptions made in connection with the future development of production.

Introductory remarks concerning the comparability of the income statement and statement of financial position data for the first half of 2014 with those for the previous year – continuity with the consolidated financial statements of the Salini Group for 2013

The merger of Salini S.p.A. (parent Company at December 31, 2013) into Impregilo S.p.A. (subsidiary at December 31, 2013) became fully effective as of January 1, 2014, with the Company resulting from the merger changing its name to Salini Impregilo S.p.A.

In accordance with the international financial reporting standards adopted by the Group in continuity with previous years, the merger is not a transaction liable to modify the amounts recognized in the Group's consolidated financial statements, due to the fact that it qualifies as a 'business combination of entities under common control'. With the exception of the information provided above regarding new international financial reporting standards, the mandatory adoption of which is statutorily required as of January 1, 2014, the statement of financial position, income statements and statement of cash flows of the Salini Impregilo Group at June 30, 2014 express similar values to those of the consolidated financial statements of the Salini Group for the year ended December 31, 2013. These financial statements also reflect the restatement of the assets and liabilities of the Impregilo Group based on their respective fair value on the date control was acquired and the subsequent allocation of the difference between the above-mentioned fair value and the total consideration paid in 2013 by the then controlling Company Salini S.p.A. to acquire said control, as part of a process commonly referred to as purchase price allocation (PPA). Lastly, please note that the differential was positive and, consequently, was recognized in the 2013 consolidated income statement as badwill. For more information about these issues, please see the detailed disclosure provided in the notes to the consolidated financial statements of the Salini Group for the year ended December 31, 2013.

Taking into account the developments described above, the figures in the consolidated income statement for the first half of 2013 – provided below for comparative purposes – are those of the Salini Group, as presented in the Half-year consolidated report of the Salini Group as at June 30, 2013 to reflect:

1) the classification of the Todini Costruzioni Generali Group and the company Fisia Babcock Environment GmbH in accordance with IFRS 5 (see column 4) of the income statement reconciliation schedule;

2) the recognition as at April 1, 2013 of the effects of the purchase price allocation described above which, although attributed at that date, were only fully recognized in the annual consolidated financial statements of the Salini Group for 2013 in accordance with the provisions of IFRS 3 (see column 3) of the income statement reconciliation schedule);

3) the harmonization of the financial statements previously used by the Salini Group and the Impregilo Group (see column 2) of the statement of reconciliation of the income statement);

4) the retrospective recognition of the effects of the adoption of the new international financial reporting standards referred to in the section "Changes in standards" (see column 4) of the shareholders' equity reconciliation schedule and column (6) of the income statement reconciliation schedule).

Changes in standards

The following accounting standards, amendments and interpretations have been implemented since January 1, 2014.

On May 29, 2013 the IASB published an amendment to IAS 36 "Impairment of non-financial assets – Recoverable Amount Disclosures for Non-Financial Assets" to provide guidance on the recoverable amount of assets, when this amount is based on fair value less costs of disposals, for impaired assets. The amendments establish that disclosure of the recoverable amount for assets or cash generating units in only required when an impairment or a reversal of a previous impairment have been recognized. The amendment also provides guidance on the disclosure of the impairment of assets, when the recoverable amount has been determined on the basis of fair value less costs to sell.

On May 12, 2011, the IASB issued IFRS 10, IFRS 11 and IFRS 12 and amendments to IAS 27 and IAS 28.

The main changes covered:

- ***IFRS 10 - Consolidated financial statements***
  This standard replaces SIC 12 Consolidation - Special purpose entities and certain parts of IAS 27 - Consolidated and separate financial statements. The new standard identifies a single control model and defines, on a more structured basis, the requirements for determining whether or not control exists. This provision is particularly important for cases that qualify as "de facto control".

- ***IFRS 11 - Joint Arrangements***
  This standard replaces IAS 31 - Interests in joint ventures and SIC 13 - Jointly controlled entities - Non-monetary contributions by venturers. It defines the criteria for the identification of joint arrangements and how they should be accounted for based on the rights and obligations arising from the contract, regardless of its legal form. The new standard provides for different recognition methods, depending on whether the transaction is a joint operation or a joint venture, and eliminates the possibility to apply different accounting treatments to the same types of arrangements and, conversely, defines a single model based on the contractual rights and obligations.

- ***IFRS 12 - Disclosure of interests in other entities***
  The standard sets out the disclosures to be provided about any type of interest in other entities, including joint arrangements, associates, special purpose entities and other entities not included in the financial statements.
  Its aim is to provide information to allow users of financial statements to best understand the nature of risks associated with interests in strategic entities (qualified or not) which the entity intends to hold on to for the medium to long-term.

- ***IAS 27 - Separate financial statements***
  The standard defines how investments in subsidiaries, associates and joint ventures should be treated in the separate financial statements. The new document is a rewording of the old IAS 27 in light of the new provisions introduced with IFRS 10 and IFRS 11.

- ***IAS 28 - Investments in Associates and Joint Ventures***
  This standard defines the accounting treatment of investments in associates and joint venture and is a rewording of the old IAS 28 in light of the new provisions introduced with IFRS 10 and IFRS 11.

IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 were published in the EU Official Journal on December 29, 2012. Their latest application date is the start of the first annual period beginning on or after January 1, 2014.

On December 16, 2011, the IASB published an amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities to clarify the rules for offsetting financial assets and liabilities. The amendment clarified that:

- the right of set-off shall exist at the reporting date instead of being contingent on a future event;

- this right shall be legally enforceable by the counterparties during the normal course of business or in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The amendment was published in the EU Official Journal on December 29, 2012. It is applicable retrospectively to annual periods beginning on or after January 1, 2014.

Except for IFRS 10 and 11, the application of the above amendments did not have significant effects on the consolidated financial statements. The effects of the application of IFRS 10 and 11 are highlighted in the section "Effects of the application of the new financial reporting standards".

The following standards, amendments and interpretations will be applied after the current reporting period and the group has not adopted them early.
On November 12, 2009, the IASB issued the first part of IFRS 9 - Financial instruments, which will replace IAS 39 - Financial instruments: recognition and measurement. This part covers the classification of financial instruments and is part of a three-phase project. The next parts will cover how to determine impairment of financial assets and application of hedge accounting, respectively. Issue of the new standard, designed to simplify and reduce the complexity of recognizing financial instruments, provides for the classification of financial instruments into three categories which the group will define based on its business model, contractual terms and the related cash flows of the instruments.

On October 28, 2010, the IASB issued new requirements for the recognition of financial liabilities. They will be integrated into IFRS 9 to complete the classification and measurement phase as part of the project to replace IAS 39.

On December 16, 2011, the IASB published the Mandatory effective date and transition disclosures (amendment to IFRS 9 and IFRS 7), which postpones the application date for IFRS 9 from January 1, 2013 to January 1, 2015. However, the standard may still be applied early.

The adoption of the above-mentioned amendments will not have significant effects on the consolidated financial statements.

A list of the accounting standards, amendments and interpretations published by the IASB is provided below. However, at the reporting date, the competent bodies of the European Union have yet to complete the approval process of the amendment:

- Annual Improvements 2010-2012 and Annual Improvements 2011-2013 published on December 12, 2013;

- IFRS 9 Financial Instruments, published on July 24, 2014;

- IFRS 14 Regulatory Deferral accounts, published on January 30, 2014;

- IFRS 15 Revenue from contracts with customers, published on May 28, 2014;

- amendments to IAS 16 and IAS 41: Bearer Plants, published on June 30, 2014;

- amendments to IAS 16 and 38: Clarification of Acceptable Methods of Depreciation and Amortization, published on May 12, 2014;

- amendments to IFRS 11: Accounting for Acquisitions of Interest in Joint Operations, published on May 6, 2014;

- amendments to IAS 19: Defined Benefit Plans: Employee Contributions, published on November 21, 2013.

Effects of the application of the new financial reporting standards

The adoption of the new standards listed above, implemented retrospectively to allow a presentation of results in line with the comparative information for previous periods, did not produce differences in the statement of financial position or the income statement as far as the new IAS 28 and IFRS 10 are concerned. With regard to latter, the entities that qualified as "subsidiaries" in accordance with the requirements of the previous standards continued to qualify as such also as of January 1, 2014.

On the other hand, differences did arise from the application of IFRS 11 with regard to the numerous Italian and foreign Special Purpose Vehicles ("SPVs") in which the Group participates jointly with other partner companies and which are established for the sole purpose of carrying specific construction projects.

More specifically, these difference occurred with the SPVs that, in the 2013 consolidated financial statements, were recognized using the proportional consolidation option provided in the previously applicable IAS 31 and which - in accordance with IFRS 11 and based on currently developed best practices for the interpretation of international standards, could not be found to unequivocally qualify as joint operations. These entities, which in 2013 belonged exclusively to the former Impregilo Group, are essentially identified as SPVs that, in accordance with the laws in effect in the countries where they operate (i.e. the countries where the respective projects are being carried out), have their own autonomous, albeit limited in some instances, legal entity status and do not allow the immediate identification of a right (obligation) of an individual "participant" with respect to the assets (liabilities) held by the SPV. In accordance with established industry practice and pursuant to the requirements of the contracts executed by its partners during the initial phase of the call for tenders, these SPVs operate for the customer administrations in their own name but on behalf of the partners and serve the sole purpose of carrying out individual projects. In the preparation of this Half-year consolidated financial report as at June 30, 2014, they were treated on a preliminary basis as joint ventures, in accordance with IFRS 11 and, consequently, consolidated by the equity method. Moreover, considering that:

- these SPVs cannot engage in any type of activity different from the one strictly dictated by their owners and in their owners exclusive interest;
- their activity is aimed exclusively at fulfilling the obligations arising from the contract with the customer, contract usually deriving from the submission of the winning bid in response to a call for tenders by the partners in their capacity as partners possessing the necessary "technical qualification";
- the partners are the only parties who are jointly and unlimitedly liable towards the customer for the performance of the contract by the SPV;
- the partners are the only parties who are unlimitedly, but not necessarily jointly, liable for the obligations undertaken by the SPV towards third parties within the framework of the activities carried out to perform the contract (e.g. suppliers, employees, local government, etc.);
- at the end of the contract, the customer delivers to the partners the contractually stipulated technical reference, as an attestation that the project was completed.

The title to the revenue generated by the performance of the work is considered directly attributable to the partners, pro-rated based on the interests that the partners declared to hold within the framework of the call for tender procedure and were acknowledged by the customer in the award process.

With regard to the corresponding recognition of the relevant expenses directly attributable thereto (i.e.: the total costs of production necessary for the fulfilment of the contractual obligations towards the customer, to the extent attributable to the partners), however, depending on the different legal structures provided for in individual foreign countries where it operates, it is reasonable to believe that different levels of responsibility of the partners may be introduced in respect of the obligations towards third parties undertaken by the SPVs in which it holds interest. However, by virtue of the provisions consistently laid down in the partner agreements entered into between the companies participating jointly in the tender - provisions which currently reflect market standards, regardless of the nationality of the participating companies - it is reasonable to assume that in considering their ownership of the contractual rights arising from relationships with customers, there is a similar material obligation to bear, albeit in a non-direct form, the related overall expenses, regardless of the contractual 'form' with which these expenses will be formally transferred by the SPV to its partners. For those entities that are no longer subject to proportional consolidation, and consistent with the assumption that the revenues generated from the customer are recognized directly to the members/companies participating in the tender according to their equity investment, the Group, according to the respective equity investment, also has the direct obligation to sustain the relative overall costs which, from a different standpoint, are substantially equivalent- excluding the ownership of the contractual revenue recognized to the SPV- to the negative change of the shareholders' equity of the SPV between one period and another and according to the portion attributable to the Group.

In view of these circumstances, consistently considered also within the framework of the previously applicable standards, the adoption of IFRS 11 for the treatment of the SPVs in which Salini Impregilo held an interest together with its strategic partners did not produce material differences in terms of the total revenue realized through the SPVs and of the Group's shareholders' equity. However, some limited difference did arise with regard to individual assets (liabilities) that in the proportional consolidation previously applied to them were recognized on a pro rata basis and taking into account the nature of each asset (liability) and, under IFRS 11, are instead recognized in accordance with the equity method. However, it is worth pointing out that, with regard to the above, an interpretative commentary has yet to be developed for the new standards, particularly with regard to the specific sector in which the Group operates.

The Company believes that the information provided represents the best operational interpretation of the substance of the Group's operations, but the possibility cannot be excluded that in the future, possibly even the immediate future, different interpretations may be developed by other parties, including regulatory entities, which could have an impact on several alternative performance indicators adopted by the Group – such as capital expenditures or EBITDA. Finally, because of the very nature of these standards, these potential impacts are not expected to affect the Group's share of net profit and the shareholders' equity.

Economic-financial impacts resulting from the application of new standards and due to the effects of IFRS 3 and 5

The tables below contain the reconciliation of the amounts in the financial statements before and after the application of the new standards, specifically:

(a) reconciliations of the consolidated shareholders' equity at June 30, 2013 and December 31, 2013 and the consolidated net profit for the first half of 2013 and all of 2013;

(b) comparative tables of the Consolidated statement of financial position as at December 31, 2013;

(c) comparative tables of the consolidated income statement and consolidated statement of cash flows of the first half of 2013.

Certain items included in the consolidated financial statements needed to be reviewed and adapted because of the application of the new standards.

Lastly, considering the fact that the Salini Impregilo Group (formerly Salini Group) did not hold controlling interest in joint ventures during the period prior to the acquisition of control over the former Impregilo Group, and that the adoption of the new IFRSs mentioned herein did not generate differences in this area, it was deemed unnecessary to prepare reconciliations for the consolidated statement of financial position as at January 1, 2013.

Reconciliation 2013	Shareholders' equity January 1, 2013	Income statement 2013	Shareholders' equity December 31, 2013
Shareholders' equity and profit (loss) attributable to the Group	559,579	166,944	699,158
Non-controlling interests	28,761	(9,130)	193,125
Total shareholders' equity and income statement prior to the introduction of the new standards	**588,340**	**157,814**	**892,283**
Effects of the adoption of IFRS 11:			
- Deconsolidation of joint ventures	-	(271)	(134)
Total adjustments	**-**	**(271)**	**(134)**
of which attributable to the shareholders of the Parent Company	-	(163)	469
of which attributable to non-controlling interests	-	(108)	(603)
Shareholders' equity and income statement values after the introduction of the new standards			
Shareholders' equity and profit (loss) attributable to the Group	559,579	166,781	699,627
Non-controlling interests	28,761	(9,238)	192,522
Total shareholders' equity and income statement after the introduction of the new standards	**588,340**	**157,543**	**892,149**

Reconciliation first half of 2013	Shareholders' equity January 1, 2013	Income statement first half of 2013	Shareholders' equity June 30, 2013
Shareholders' equity and profit (loss) attributable to the Group	559,579	155,451	711,127
Non-controlling interests	28,761	8,621	209,111
Total shareholders' equity and published profit (loss)	**588,340**	**164,072**	**920,238**
PPA values adjustment	-	12,787	20,951
of which attributable to the shareholders of the Parent Company	-	21,046	20,951
of which attributable to non-controlling interests	-	(8,259)	-
Shareholders' equity and income statement values prior to the introduction of the new standards			
Shareholders' equity and profit (loss) attributable to the Group	559,579	176,497	732,078
Non-controlling interests	28,761	362	209,111
Total shareholders' equity and income statement prior to the introduction of the new standards	**588,340**	**164,072**	**920,238**
Effects of the adoption of IFRS 11:			
- Deconsolidation of joint ventures	-	13	(599)
Total adjustments	**-**	**13**	**(599)**
of which attributable to the shareholders of the Parent Company	-	20	(40)
of which attributable to non-controlling interests	-	(7)	(559)
Shareholders' equity and income statement values after the introduction of the new standards			
Shareholders' equity and profit (loss) attributable to the Group	559,579	176,517	732,038
Non-controlling interests	28,761	355	208,552
Total shareholders' equity and income statement after the introduction of the new standards	**588,340**	**176,872**	**940,590**

Financial statements

Consolidated statement of financial position as at December 31, 2013

(Values in €/000) **ASSETS**	**Salini Impregilo Published**	**Reclassifications of harmonization between Salini and Impregilo statements**	**Salini Impregilo Reclassified**	**Salini Impregilo Reclassified following the introduction of the new standards**	**Change**
	(1)	(2)	(3) = (1)+(2)	(4)	(5) = (4) - (3)
Non-current assets					
Property, plant and equipment	519,021	-	519,021	450,760	(68,261)
Other intangible assets	165,234	(1)	165,233	165,027	(206)
Equity investments	61,261	1	61,262	131,071	69,809
Non-current financial assets (*)	48,928	-	48,928	48,928	-
Other non-current assets	31,621	(7,146)	24,475	23,776	(699)
Deferred tax assets	121,190	1	121,191	121,132	(59)
Total non-current assets	**947,255**	**(7,145)**	**940,110**	**940,694**	**584**
Current assets					
Inventories	244,016	-	244,016	215,321	(28,695)
Contract work in progress	1,282,410	-	1,282,410	1,105,176	(177,234)
Receivables	1,634,515	6,391	1,640,906	1,886,462	245,556
Derivatives and other current financial assets (*)	232,529	-	232,529	223,129	(9,400)
Tax receivables	222,166	-	222,166	193,672	(28,494)
Other current assets	381,814	754	382,568	287,889	(94,679)
Net financial position held by SPVs and unconsolidated project companies (*)			-	223,789	223,789
Cash and cash equivalents (*)	1,132,420	-	1,132,420	908,631	(223,789)
Total current assets	**5,129,870**	**7,145**	**5,137,015**	**5,044,069**	**(92,946)**
Non-current assets held for sale	653,604	-	653,604	653,604	-
TOTAL ASSETS	**6,730,729**	**-**	**6,730,729**	**6,638,367**	**(92,362)**

(*) Items included in net financial position (indebtedness).

(Values in €/000) **EQUITY AND LIABILITIES**	**Salini Impregilo Published**	**Reclassifications of Harmonization between Salini and Impregilo statements**	**Salini Impregilo Reclassified**	**Salini Impregilo Reclassified following the introduction of the new standards**	**Change**
	(1)	(2)	(3) = (1)+(2)	(4)	(5) = (4) - (3)
Shareholders' equity					
Share capital and reserves	532,214	898	533,112	532,846	(266)
Net profit (loss)	166,944	(296)	166,648	166,781	133
Total Group equity	**699,158**	**602**	**699,760**	**699,627**	**(133)**
Non-controlling interests	193,125	(603)	192,522	192,522	-
Total shareholders' equity	**892,283**	**(1)**	**892,282**	**892,149**	**(133)**
Non-current liabilities					
Non-current indebtedness (*)	1,303,740	-	1,303,740	1,303,740	-
Post-employment benefits and employee benefits	22,059	-	22,059	20,508	(1,551)
Non-current payables to unconsolidated Group companies	-	6,230	6,230	6,230	-
Deferred tax liabilities	74,001	-	74,001	73,959	(42)
Provisions for risks	103,629	(2,864)	100,765	102,207	1,442
Other non-current liabilities	7,354	(6,230)	1,124	1,044	(80)
Amounts due from clients	634,666	(634,666)	-	-	-
Total non-current liabilities	**2,145,449**	**(637,530)**	**1,507,919**	**1,507,688**	**(231)**
Current liabilities					
Current indebtedness (*)	441,846	(1)	441,845	432,445	(9,400)
Advances on contract work in progress	1,249,417	634,666	1,884,083	1,630,770	(253,313)
Payables to suppliers	1,177,283	2,349	1,179,632	1,382,725	203,093
Current tax liabilities	164,101	(1)	164,100	159,692	(4,408)
Other current liabilities	242,289	518	242,807	214,837	(27,970)
Total current liabilities	**3,274,936**	**637,531**	**3,912,467**	**3,820,469**	**(91,998)**
Liabilities directly associated with non-current assets held for sale	**418,061**	**-**	**418,061**	**418,061**	**-**
SHAREHOLDERS' EQUITY AND LIABILITIES	**6,730,729**	**-**	**6,730,729**	**6,638,367**	**(92,362)**

(*) Items included in net financial position (indebtedness).

(Values in €/000) **Income statement for the first half of 2013**	**Salini Impregilo Published**	**Reclassifications of Harmonization between Salini and Impregilo statements**	**Adjustment PPA effects**	**Reclas-sification IFRS 5**	**Salini Impregilo restated before application of the new standards**	**Salini Impregilo Reclassified following the introduction of the new standards**	**Change**
	(1)	(2)	(3)	(4)	(5)=Σ(1)÷(4)	(6)	(7)=(6)-(5)
Revenue							
Operating revenue	1,514,876	-	(41,796)	(172,703)	1,300,377	1,303,337	2,960
Other revenue	37,631	(2,726)	-	(12,063)	22,842	22,089	(753)
Total revenue	**1,552,507**	**(2,726)**	**(41,796)**	**(184,766)**	**1,323,219**	**1,325,426**	**2,207**
Costs							
Cost of sales	(292,176)	-	-	41,662	(250,514)	(210,902)	39,612
Service and subcontractor costs	(855,150)	(2,202)	-	110,532	(746,820)	(849,779)	(102,959)
Personnel costs	(203,955)	-	(181)	30,822	(173,314)	(141,403)	31,911
Amortization, depreciation and write-downs	(75,080)	1,567	(274)	7,854	(65,933)	(57,852)	8,081
Other operating costs	(21,043)	(3,582)	-	5,593	(19,032)	(14,631)	4,401
Total costs	**(1,447,404)**	**(4,217)**	**(455)**	**196,463**	**(1,255,613)**	**(1,274,567)**	**(18,954)**
Operating profit	**105,103**	**(6.943)**	**(42.251)**	**11.697**	**67.606**	**50.859**	**(16.747)**
Financing income (costs) and gains (losses) on investments							
Financial income	*115,385*	*(101,965)*	*-*	*(1,232)*	*12,188*	*12,925*	*737*
Financial expenses	*(167,978)*	*104,924*	*(2,596)*	*1,518*	*(64,132)*	*(50,910)*	*13,222*
Exchange rate gains (losses)	*-*	*3,568*	*-*	*152*	*3,720*	*3,966*	*246*
Financing costs	(52,593)	6,527	(2,596)	438	(48,224)	(34,019)	14,205
Gains on investments	122,051	417	80,034	431	202,933	203,947	1,014
Net financing costs and net gains on investments	**69,458**	**6,944**	**77,438**	**869**	**154,709**	**169,928**	**15,219**
Profit (loss) before tax	**174,561**	**1**	**35,187**	**12,566**	**222,315**	**220,787**	**(1,528)**
Income taxes	(34,226)	(3)	13,400	(4,365)	(25,194)	(23,651)	1,543
Profit (Loss) from continuing operation	**140,335**	**(2)**	**48,587**	**8,201**	**197,121**	**197,136**	**15**
Profit (Loss) from discontinued operations	23,738	2	(35,800)	(8,201)	(20,261)	(20,262)	(1)
Net profit (loss)	**164,073**	**-**	**12,787**	**-**	**176,860**	**176,874**	**14**
Net profit (loss) attributable to:							
Owners of the parent	155,452	-	21,046	-	176,498	176,519	21
Non-controlling interests	8,621	-	(8,259)	-	362	355	(7)

Libya

The subsidiary Impregilo Lidco Libya General Contracting Company (Impregilo Lidco), active in Libya since 2009, is a mixed company established by Impregilo with a 60% interest. A local partner owns the remaining 40%.

In the past, Impregilo Lidco won important contract for the construction of:

- Infrastructural projects in Tripoli and Misuratah;
- University campuses in Misuratah, Tarhunah and Zliten;
- Tripoli's new "Conference Hall".

With regard to the political upheaval in Libya from the end of February 2011 to the date of this Report, it is worth mentioning that the subsidiary was always able to operate in accordance with contractual terms and that the investments made up until the deterioration of the country's political situation were fully covered by contractually stipulated advances.

In addition, the projects subject of the contracts executed by the Libyan subsidiary represent projects of national interest with regard to which, at the moment, it would not seem reasonable to presume that they would be abandoned. It is also clear that the subsidiary will face significant challenges in developing the projects in accordance with the schedule planned before the crisis erupted. Accordingly, Impregilo excluded the possibility of a new phase of significant development for the activities of the Impregilo Lidco subsidiary over the near term.

Beginning in 2012, the Group resumed the procedures necessary to restart industrial activities, even though the local situation continues to be challenging and there still no assurance of fully secure working conditions. Nevertheless, commercial and contractual relations with customer local administrations have been re-established, with the aim of reopening the jobsites and restoring the financial conditions originally stipulated in the respective contracts. In this general framework, in 2012, the Group again obtained access to more accurate information about the financial and operating items that have an impact on its consolidated financial statements. Consequently, in the consolidated statement of financial position, income statement and statement of cash flows of the Impregilo Group at December 31, 2012 the asset, liability and income statement items attributable to the Libyan subsidiary were restated in accordance with Group principles, based on the evidence developed during the period and the support of assessments provided by the independent counsel that is assisting the subsidiary. Compared with the situation reported in Impregilo's 2011 consolidated financial statements, which reflected the latest available information at March 31, 2011, the value adjustments made to reflect the gradual impairment losses suffered by the subsidiary's net assets as a result of the events described above were estimated as constituting charges totaling € 42.9 million. These charges were included in contract work in progress, as the Group deems them recoverable, considering that relationships with the customers have been re-established. Net cash and cash equivalents held in Libya decreased by about € 14.4 million, due to expenses incurred locally from March 31, 2011, to June 30, 2014.

In addition, early in 2013, a physical inventory was taken of plant, machinery and supplies at the main jobsites, with a total carrying amount of € 29.9 million, but not all inventory sites could be accessed for security reasons. Taking also into account the fact that costs that may arise following completion of the inventory taking procedures would be covered by customers, consistent with force-majeure contract terms, as determined by the counsel that is assisting the subsidiary, no significant risks are deemed to exist in this context with regard to the recovery of the net assets attributable to the subsidiary, thanks in part to actions and claims filed with the customers contractually or otherwise.

Lastly, contractual relations with customer local administrations were reinstated during the last part of 2013. In this environment, albeit to date, also in view of the unrest which has been seen recently in various areas of the country, the social and political situation in the country remains extremely complex and characterized by significant critical conditions, an important agreement was reached with the customer of infrastructure-related contracts during the first months of 2014. Under this agreement, the parties expressed their mutual intention to resume industrial activities as soon as security measures could be implemented to make it possible, while at the same time fully maintaining the claims for damages filed by the subsidiary as a result of force majeure, provided for under contract and based on which the activities were suspended.

Lastly, Salini Impregilo continues to monitor the country's situation very closely and, whilst taking into account the limited but positive signs expressed by recent events referred to below, and it cannot be ruled out that, after the reporting date of this Consolidated half-year financial report, events may occur that are unforeseeable at present and liable of resulting in changes to the assessments made to date.

Business combinations

Purchase of shares of the company Collegamenti Integrati Veloci S.p.A. (C.I.V.)

On May 7, 2014 Salini Impregilo signed a private agreement with the company "Itinera S.p.A.", consortium company "Società Autostrada Torino-Alessandria-Piacenza" and "Società Iniziative Nazionali Autostradali – SINA". This private agreement was for the purchase of 85% of the shares that they held in the company Collegamenti Integrati Veloci S.p.A. (C.I.V.).

The purchase price was a total of € 18.0 million, paid in full upon signature of the agreement.

The table below show the values of C.I.V. assets and liabilities attributable to Salini Impregilo at the time of acquisition and the corresponding fair value determined on a final basis for the Purchase Price Allocation (PPA) process:

(Values in €/000)	Carrying amounts	Fair value
Cash and cash equivalents	12,576	12,576
Other current assets	344	344
Total assets	**12,920**	**12,920**
Other current liabilities	(861)	(861)
Total liabilities	**(861)**	**(861)**
Net assets acquired	**12,059**	**12,059**
Price paid for the acquisition of the stake		18,040
Net assets acquired (net liabilities assumed)		(10,250)
Difference between price and fair value acquired		**7,790**

The fair values shown above have been determined preliminarily using the information available. The group has opted to use the 12-month period allowed by IFRS 3 (revised) for establishing the Purchase Price Allocation (PPA) procedure.

As a consequence, the preliminary values shown will be definitively determined by the first half of 2015.

The cash used for the acquisition, net of cash acquired, is set out below:

(Values in €/000)	
Cash and cash equivalents	12,576
Other activities	344
Other liabilities	(861)
Total	**12,059**
Net of cash acquired	(12,576)
Cash net of cash used for the acquisition	**(517)**

The effects on the income statement that would have occurred if the group had acquired control on January 1, 2014, are shown below:

(Values in €/000)	
Revenue	1,004
Operating costs	(1,707)
Financial income	78
Profit (loss) for the group and non-controlling interests	**(625)**
Profit (loss) attributable to the Group	**(625)**

Acquisition of the company Autostrada Broni-Mortara S.p.A. (S.A.BRO.M.)

On May 27, 2013, the Impregilo Group purchased 19.8% of the shares in the company Autostrada Broni-Mortara.

The table below show the values of S.A.BRO.M. assets and liabilities attributable to Salini Impregilo at the time of acquisition and the corresponding fair value determined on a final basis for the Purchase Price Allocation (PPA) process:

(Values in €/000)	Carrying amounts	Fair value
Non-current assets	39,827	39,827
of which:		
- Intangible assets	39,827	39,827
- Property, plant and equipment		
- Goodwill		
Cash and cash equivalents	116	116
Trade receivables		
Other current assets	5,503	5,503
Total assets	**45,446**	**45,446**
Bank loans and borrowings due after one year		
Other non-current liabilities		
Bank loans and borrowings due within one year	(20,000)	(20,000)
Trade payables	(1,245)	(1,245)
Other current liabilities	(4)	(4)
Total liabilities	**(21,249)**	**(21,249)**
Net assets acquired	**24,197**	**24,197**
Price paid for the acquisition of the 19.8% stake		4,950
Fair Value of the investment held previously (40%)		9,703
Value assigned to Non-controlling interests		9,727
Net assets acquired (net liabilities assumed)		(24,197)
Difference between price and fair value acquired		**183**

The cash used for the acquisition, net of cash acquired, is set out below:

(Values in €/000)	
Cash and cash equivalents	116
Property, plant and equipment and intangible assets	40,010
Other activities	5,503
Payables to banks	(20,000)
Other liabilities	(1,249)
Total	**24,380**
Net of cash acquired	(116)
Net of non-controlling interests and fair value held previously	(19,431)
Cash net of cash used for the acquisition	**4,833**

The effects on the income statement that would have occurred if the group had acquired control on January 1, 2013 are shown below:

(Values in €/000)	
Operating costs	(261)
Financial income	4
Profit (loss) for the group and non-controlling interests	**(257)**
Non-controlling interests	61
Profit (loss) attributable to the Group	**(196)**

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
Total revenue	**232,769**	**1,926,946**	**(50,746)**	**2,108,969**
Costs				
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)
Total costs	**(296,243)**	**(1,667,765)**	**47,726**	**(1,916,282)**
Gross operating profit (EBITDA)	**(63,474)**	**259,181**	**(3,020)**	**192,687**
EBITDA %	*-27.3%*	*13.5%*	*6.0%*	*9.1%*
Amortization and depreciation	(19,751)	(59,952)	920	(78,783)
Operating profit (EBIT)	**(83,225)**	**199,229**	**(2,100)**	**113,904**
Return on Sales	*-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
Profit (loss) before tax				**32,115**
Income taxes			(12,204)	(12,204)
Profit (Loss) from continuing operation				**19,911**
Profit (Loss) from discontinued operations	156,538	(100,802)	(422)	55,314
Net profit (loss) for the period				**75,225**

(*) 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
Total revenue	**256,280**	**1,121,892**	**(52,746)**	**1,325,426**
Costs				
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)
Total costs	**(267,775)**	**(964,636)**	**11,941**	**(1,220,470)**
Gross operating profit (EBITDA)	**(11,495)**	**157,256**	**(40,805)**	**104,956**
EBITDA %		*14.0%*		*7.9%*
Amortization and depreciation	(5,132)	(50,019)	1,054	(54,097)
Operating profit (EBIT)	**(16,627)**	**107,237**	**(39,751)**	**50,859**
Return on Sales		*9.6%*		*3.8%*
Financing costs			(34,019)	(34,019)
Share of profit (loss) of equity-accounted investees	1,320	202,627		203,947
Profit (loss) before tax				**220,787**
Income taxes			(23,651)	(23,651)
Profit (Loss) from continuing operation				**197,136**
Profit (Loss) from discontinued operations	(15,652)	(4,610)		(20,262)
Net profit (loss) for the period				**176,874**

(*) 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**
Net invested capital	**887,836**	**649,157**	**1,536,992**
Shareholders' equity			**1,119,264**
Net financial position			**417,728**
Total financial resources			**1,536,992**

Statement of financial position

1. Property, plant and equipment

Property, plant and equipment totaled € 466.0 million, up € 15.2 million compared to December 31, 2013.

The historical cost and carrying amount are given in the following table:

	June 30, 2014			December 31, 2013		
(Values in €/000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Land	1,993	-	1,993	2,000	-	2,000
Buildings	111,985	(60,965)	51,020	111,612	(56,468)	55,144
Plant and machinery	758,136	(401,427)	356,709	726,917	(377,102)	349,815
Industrial and commercial equipment	100,160	(78,002)	22,158	97,907	(74,613)	23,294
Other assets	47,112	(36,293)	10,819	48,646	(37,304)	11,342
Assets under const. and payments on account	23,262	-	23,262	9,165	-	9,165
Total	**1,042,648**	**(576,687)**	**465,961**	**996,247**	**(545,487)**	**450,760**

Changes during the year are summarized below:

(Values in €/000)	December 31, 2013	Increases	Amortization	(Imp. losses)/ Revaluations	Reclassifications	Disposals	Exchange rate gains (losses)	Change in consolidation scope	June 30, 2014
Land	2,000	-	-	-	-	-	(7)	-	1,993
Buildings	55,144	3,301	(6,164)	-	20	(1,742)	461	-	51,020
Plant and machinery	349,815	60,762	(46,502)	(58)	(441)	(10,191)	3,324	-	356,709
Industrial and commercial equipment	23,294	8,543	(8,913)	-	95	(706)	106	(261)	22,158
Other assets	11,342	4,669	(1,527)	-	(2,261)	(7)	(900)	(497)	10,819
Assets under const. and payments on account	9,165	13,047	-	(1,500)	2,587	(105)	68	-	23,262
Total	**450,760**	**90,322**	**(63,106)**	**(1,558)**	**-**	**(12,751)**	**3,052**	**(758)**	**465,961**

The most significant changes include:

- increases of € 90.3 million, mostly related to investments made for foreign contracts, especially for the construction of the 'Red Line North Underground' in Qatar. Please see the section on projects in the Middle East for more details on the project;
- depreciation of € 63.1 million for the period;
- disposals of € 12.8 million mainly related to the plant and machinery category, and concerning several projects close to completion. These disposals did not generate any significant differences from the related carrying amount on the date of disposal;
- the change in the scope of consolidation mainly relates to the disposal of FISIA Babcock, previously consolidated on a line-by-line basis, for a total of roughly € 0.8 million;
- Revaluations/Impairment losses includes the total impairment loss of the advance payments to S.E.L.I. S.p.A. by the subsidiary TB Metro for the planned acquisition of capital goods for the business this year. In particular, based on the filing made to the Court of Rome on February 5, 2014, for the initiation of the procedure for arrangement

with creditors by the company S.E.L.I., the company decided that it would not be possible to recover the contract's value of € 1.5 million and therefore this amount was written down in full.

The amount as at June 30, 2014 includes € 182.3 million of leased assets, of which € 5.8 million relating to "buildings", € 147.6 million to the category "plant and machinery" and € 2.7 million to the category "other assets".

2. Intangible assets - Rights to infrastructure under concession

This item totaled € 53.4 million, in line with the amount recorded at the end of the previous year.

The historical cost and carrying amount are given in the following table:

	June 30, 2014			December 31, 2013		
(Values in €/000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Rights to infrastructure under concession	65,566	(12,197)	**53,369**	65,325	(11,993)	**53,332**

Changes of the period are detailed in the following table:

(Values in €/000)	December 31, 2013	Increases	Amortization and depreciation	Difference exchange rate	Change consolidation scope	June 30, 2014
Sabrom	41,640	474	-	-		42,114
Parking Glasgow	8,797	-	(207)	347		8,937
Mercovia	2,895	134	(162)	(549)		2,318
Total	**53,332**	**608**	**(369)**	**(202)**	**-**	**53,369**

The change in this item mainly includes costs incurred for planning, including borrowing costs capitalized in accordance with IAS 23, which are in any case considered recoverable given the outcome of the tender/the agreement signed.

During the period reviewed herein, nothing was found to suggest that the values in question may have suffered impairment losses, therefore no impairment tests were performed.

3. Other intangible assets

Other intangible assets totaled € 92.0 million, down € 19.7 million compared to December 31, 2013.

The historical cost and carrying amount are given in the following table:

	June 30, 2014			December 31, 2013		
(Values in €/000)	Cost	Acc. depreciation	Carrying amount	Cost	Acc. depreciation	Carrying amount
Development costs	543	(543)	-	543	(543)	-
Industrial patents	492	(492)	-	723	(715)	8
Concessions	620	(615)	5	702	(622)	80
Software	897	(439)	458	2,996	(2,150)	846
Contract acquisition costs	56,738	(6,762)	49,976	61,735	(16,787)	44,948
Other	57,565	(16,036)	41,529	69,392	(3,579)	65,813
Total	**116,855**	**(24,887)**	**91,968**	**136,091**	**(24,396)**	**111,695**

The following changes took place during the period:

(Values in €/000)	December 31, 2013	Increases	Amortization	Reclass.	Disposals	Exchange rate gains (losses)	Change in consolidation scope	June 30, 2014
Industrial patents	8	-	-	-	-	-	(8)	-
Concessions	80	-	(4)	1	(72)	-	-	5
Software	846	117	(70)	(12)	-	(30)	(393)	458
Contract acquisition costs	44,948	7,791	(2,763)	-	-	-	-	49,976
Other	65,813	2	(12,468)	-	(11,865)	5	42	41,529
Total	**111,695**	**7,910**	**(15,305)**	**(11)**	**(11,937)**	**(25)**	**(359)**	**91,968**

The amortization recognized in the item “Other”, for a total amount of about € 12.5 million, mainly relates to the intangible assets recognized in the previous year upon acquisition of control over the Impregilo Group, as part of the so-called “PPA” and the disposal, valued at approximately € 11.9 million, regarding FISIA Babcock sold to third parties during the period. More details are provided in the section “Non-current assets (liabilities) held for sale”.

Contract acquisition costs include the consideration paid for the purchase of non-current assets representing intangible assets with a finite useful life, which are amortized based on the percentage of completion of the works covered in the related contracts. The balance is as follows:

(Values in €/000)	December 31, 2013	Increases	Amortization	Disposals	Exchange rate gains (losses)	June 30, 2014
Cociv (Milan-Genoa railway Line)	44,948	7,791	(2,763)	-	-	49,976
Total	**44,948**	**7,791**	**(2,763)**	**-**	**-**	**49,976**

The increase of € 7.8 million relates to the purchase of shares of the company Collegamenti Integrati Veloci S.p.A. (C.I.V.). See the section entitled “Business combinations” for more details.

4. Equity investments

Investments in associates and other companies totaled € 137.7 million, up € 6.6 million from December 31, 2013.

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Investments in associates and other companies	137,693	131,071	6,622
Total	**137,693**	**131,071**	**6,622**

The main changes that led to differences in the carrying amounts of the investments in associates and other companies are summarized below:

(Values in €/000)	H1 2014
Change in consolidation method	(173)
Acquisitions, capital injections and disinvestments	2,930
Share of profit (loss) of equity-accounted investees	4,156
Dividends from equity-accounted investees and other investees	(427)
Other changes including changes in the translation reserve	136
Total	**6,622**

"Acquisitions, capital injections and disinvestments" relates mainly to the subscription of shares, for a consideration of € 2.1 million, in the project company that will develop the concession contract for the Metro in Lima (Peru).

The Group's share of profit of equity-accounted investees totaled € 4.2 million; considering also the figures shown in Note 24 below, detailing the changes in the provision for risks on equity investments. The effect on profit or loss is analyzed in Note 34.

The key figures of the equity-accounted investees are set out below:

							IFRS				
(Values in €/000) Company	Segment	Country	Business	%	Carrying amount	Equity under local GAAP	Total assets	Net financial position	Shareholders' equity	Revenue	Net profit (loss)
Agua del Gran Buenos Aires	Concessions	Argentina	Water	42.58%	-	(127,905)	16,064	1,858	(127,905)	16,185	(3,877)
Cons. Agua Azul S.A.	Concessions	Peru	Water	25.50%	6,152,060	6,152,060	7,585,345	(741,507)	6,152,060	1,331,743	422,429
Enecor S.A.	Concessions	Argentina	Energy	30.00%	-	25,294	237,727	187,249	25,294	43,456	8,571
Impregilo Wolverhampton Ltd.	Concessions	Great Britain	Hospitals	20.00%	(1,034,522)	234,942	4,514,125	(1,880,040)	(1,034,515)	647,782	54,016
Ochre Solutions Ltd.	Concessions	Great Britain	Hospitals	40.00%	-	(1,571,375)	75,968,070	(62,399,262)	(1,571,375)	2,111,132	(142,960)
Puentes del Litoral	Concessions	Argentina	Motorways	26.00%	-	(2,875,547)	4,937,455	-	(2,875,547)	653,169	-
Yacylec S.A.	Concessions	Argentina	Energy	18.67%	270,965	510,423	381,025	34,964	270,964	162,425	(5,088)
Yuma	Concessions	Colombia	Motorways	40.00%	10,513,702	3,897,139	78,240,300	(50,256,899)	10,513,702	25,343,115	3,752,281
Coincar	Concessions	Argentina	Prisons	35.00%	-	2,220,864	3,107,612	(809,112)	1,584,295	371,722	-
Impregilo Arabia Ltd.	Construction	Saudi Arabia	Construction	50.00%	3,161,906	3,161,906	12,759,671	1,784,593	3,161,906	13,735,359	13,906

5. Non-current financial assets

Other non-current financial assets totaled € 58.5 million and are broken down in the table below.

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Securities	20,386	10,867	9,519
Non-current financial receivables	2,752	2,967	(215)
Financial receivables for project financing contracts	35,379	35,094	285
Total	**58,517**	**48,928**	**9,589**

Treasury and insurance securities are investments of available cash made by several Group companies and are unlisted guaranteed-return securities that mature after one year.

The loans consists of € 20.6 million for Impregilo International and € 17.4 million for Impregilo S.p.A. and relate to:

- receivables arising from the sale of the investment in the Argentine operator Caminos de Las Sierras to the Cordoba provincial authorities (Argentina) in 2010, on which interest is accruing at a fixed rate of 9.50%, made up as follows:
  - the € 8.9 million due from Caminos de Las Sierras relates to the loan granted, in prior periods, by Impregilo International Infrastructures to Caminos de las Sierras, which was restructured as part of the sales agreements. The outstanding balance of € 14.7 million as at June 30, 2014, includes € 8.9 million due after one year and € 5.8 million due within one year.
  - The amount due from the Cordoba provincial authorities also refers to the sale of the investment in Caminos de Las Sierras and amounts to € 6.0 million, including € 3.7 million due after one year and € 2.3 million due within one year.

These receivables are duly repaid according to the deadlines set in the agreements with counterparties.

- receivables due for loans to unconsolidated associates in the Concessions segment totaling € 7.9 million.
- amount due for the outstanding consideration to be received for the sale of the equity investment in the "TE" companies discussed above (amounting to € 17.4 million). This receivable is interest bearing and will be collected by October 31, 2016.

6. Non-current intragroup loans and receivables

Non-current loans to unconsolidated group companies, amounting to € 3.5 million, increased by € 0.7 million compared to the previous year end. This amount relates to receivables due from associates. The decrease is mainly due to increase in amounts due from the Swiss consortia (€ 1.2 million) and reclassification of part of the receivable from the associate Puentes del Litoral from non-current to current.

7. Other non-current assets

Other non-current assets amounted to € 19.6 million, down € 1.4 million from the end of the previous year. This item mainly consists of financial receivables, receivables for advanced payments and subcontractors, miscellaneous security and other deposits. The following table provides a breakdown of this item:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Advances to suppliers and subcontractors	3,108	2,882	226
Receivables from others for security deposits	2,857	3,566	(709)
Receivables from other companies	10,902	10,902	-
Other third party receivables	651	674	(23)
Other non-current receivables	2,063	2,961	(898)
Total other non-current assets	**19,581**	**20,985**	**(1,404)**

8. Deferred tax assets and liabilities

Deferred tax assets and liabilities amounted to € 118.2 million and € 67.6 million respectively as at June 30, 2014.

The change during the period under review reflects the adjustment to valuations in this area, as could be reasonably determined at the reporting date.

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Deferred tax assets	118,200	121,132	(2,932)
Deferred tax liabilities	(67,649)	(73,959)	6,310

9. Inventories

Inventories totaled € 235.9 million at the reporting date, as shown in the following table:

	June 30, 2014			December 31, 2013			
(Values in €/000)	Gross carrying amount	Acc. depreciation	Carrying amount	Gross carrying amount	Acc. depreciation	Carrying amount	Change
Real estate projects	22,273	(8,223)	14,050	22,311	(8,223)	14,088	(38)
Finished products and goods	1,467	-	1,467	1,150	-	1,150	317
Raw materials, consumables and supplies	221,094	(721)	220,373	200,809	(726)	200,083	20,290
Total	**244,834**	**(8,944)**	**235,890**	**224,270**	**(8,949)**	**215,321**	**20,569**

Real estate projects

Real estate projects amounted to € 14.1 million at June 30, 2014, basically in line with the previous year. They mainly relate to the real estate project of € 11.6 million (net of the related allowance of € 7.8 million) for the construction of a trade point in Lombardy. Although the project had not yet been fully launched at the reporting date, considering the current zoning provisions implemented by the relevant authorities, the directors deemed its carrying amount adequate, based also on appraisals from independent experts.

Finished products and goods and Raw materials, consumables and supplies

The carrying amount of these items totaled € 1.5 million and € 220.4 million, respectively, and mainly relates to materials and goods to be used for foreign contracts, including projects in Venezuela, Colombia, the United States, Ethiopia, Nigeria, Zimbabwe, Malaysia, Sierra Leone, Dubai, Kazakhstan.

The carrying amount of raw materials, consumables and supplies is net of an allowance of € 0.7 million, analyzed below.

(Values in €/000)	December 31, 2013	Provisions	Utilizations	Reversals	Exchange differences	June 30, 2014
Real estate projects	(8,223)					(8,223)
Allowance - raw materials	(726)				5	(721)
Total	**(8,949)**	-	-	-	5	**(8,944)**

10. Contract work in progress

"Contract work in progress" totaled € 1,358.5 million, up € 253.4 million over December 31, 2013. The following table shows contract work in progress calculated using the stage of completion method, net of losses realized or estimated at the reporting date and progress billings:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Contract work in progress	16,681,728	14,934,601	1,747,127
Progress payments and advances received (on approved work)	(15,323,189)	(13,829,425)	(1,493,764)
Total	**1,358,539**	**1,105,176**	**253,363**

Work in progress showed an increase compared to the previous year, mainly due to the development of the industrial activities for projects in Ethiopia, Venezuela, Denmark and Italy, only partially offset by the decrease attributable to some work in Kazakhstan and Colombia.

There was a decrease in the item under review following the sale of the subsidiary Fisia Babcock Environment GmbH, which took place during the second quarter.

This transaction is part of the process of focusing the Group on its core construction business and divestiture of non-core assets.

For further details of a contractual nature and related to the development and progress of major projects under construction, see the information on operations provided in the first part of this Consolidated half-year financial report.

11. Trade receivables and current intragroup loans and receivables

Receivables totaled € 1,156.0 million as at June 30, 2014, representing a net decrease of € 32.9 million compared to December 31, 2013. They are analyzed in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Receivables from customers	1,252,487	1,291,325	(38,838)
Allowance for impairment	(96,504)	(102,421)	5,917
Net trade receivables	**1,155,983**	**1,188,904**	**(32,921)**

The balance relates to amounts due from customers for invoices issued and for work performed and approved by customers but still to be invoiced. The net decrease was mainly due to a drop in receivables related to companies operating in South America, specifically in Venezuela, following the Group's adoption, as of June 30, 2014, of the new official exchange rate, known as SICAD 2, for the translation of values originally in local currency. This resulted in the recognition of a negative exchange difference of approximately € 164.9 million, posted in the income statement of the period. See the first part of these explanatory notes for further details. The change is also due to a decrease in receivables in Italy as a result of inflows from the Metro B1 contract (€ 18.8 million) and an increase in the Africa area generated by the normal management of contracts for works.

The item also includes € 226.8 million due to FIBE from the Campania public administration for management services provided under contract until December 15, 2005 and the subsequent transition period. See the section on "Non-current assets held for sale and discontinued operations" in Part II of the Directors' Report for more information about this complicated situation and the related assessments.

Receivables for withholdings amounted to € 96.4 million as at June 30, 2014 (compared to € 117.4 as at December 31, 2013).

The allowance for impairment decreased by € 5.9 million to € 96.5 million during the year, as follows:

(Values in €/000)	December 31, 2013	Provisions	Utilizations	Reversals	Other changes	Exchange differences	June 30, 2014
Provision for impairment losses on trade receivables	42,304	500	(4,954)	(264)	(1,176)	-	36,410
Default interest	60,117	-	-	(23)	-	-	60,094
Total	**102,421**	**500**	**(4,954)**	**(287)**	**(1,176)**	**-**	**96,504**

Current receivables from unconsolidated Group companies amounted to € 669.9 million on June 30, 2014 down € 27.7 million compared to December 31, 2013 as shown in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Gross carrying amount	669,903	697,558	(27,655)
Net current intragroup loans and receivables	**669,903**	**697,558**	**(27,655)**

Intragroup receivables mainly relate to commercial and financial transactions with unconsolidated group companies, which remained practically unchanged compared to December 31, 2013. The change is mainly due to the decrease in receivables due from the OIV Tocoma consortium, which fell from € 134.2 million to € 100.5 million, for the component expressed in local currency (VEF). This item mainly includes the financial assets relating to the contractual positions with the Italian and foreign customer administrations for the work in progress through unconsolidated project companies, for the portion attributable to the Group and for the part where final payment has not been made.

12. Derivatives and other current financial assets

This item amounted to € 8.9 million as at June 30, 2014, (€ 223.1 million as at December 31, 2013) and includes the following items:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Other current financial assets	8,923	222,113	(213,190)
Derivative assets	7	1,016	(1,009)
Total derivatives and other current financial assets	**8,930**	**223,129**	**(214,199)**

Other current financial assets are broken down as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Treasury and insurance securities	-	590	(590)
Current loans	8,923	221,523	(212,600)
Other current financial assets	**8,923**	**222,113**	**(213,190)**

Treasury and insurance securities are investments of available cash made by several group companies and are unlisted guaranteed-return securities that mature within one year.

The loans relate to the subsidiary Impregilo International Infrastructures N.V. and include € 8.0 million (€ 7.6 million as at December 31, 2013) for the current amounts of the loans arising from the sale of the investment in the Argentine operator Caminos de Las Sierras to the Cordoba provincial authorities (Argentina) in 2010, as noted above. These receivables, to date, have been duly repaid in accordance with the provisions of the related contractual agreements.

The remaining € 0.9 million relates to other receivables, including € 0.7 million due from Groupement Italgisas.

As at December 31, 2013, the current financial receivables included:

- € 63.4 million for the loan, arising at the year end, resulting from the sale of the equity investment in the Chinese-registered company Shanghai Pucheng Thermal Power Energy Co. Ltd. ("Shanghai Pucheng") to third parties by Impregilo International Infrastructures N.V. The 50% equity stake in Shanghai Pucheng – which operates in the waste treatment industry – was sold for 530 million yuan. This loan was repaid in full in January 2014.

- € 65.0 million and € 83 million respectively, in the form of a receivable for an interest-bearing loan to the parent Company Salini Costruttori S.p.A., both of which were paid in full in June 2014.

Derivative assets include the reporting-date fair value of currency hedges.

This item is analyzed below:

(Values in €/000)	June 30, 2014	December 31, 2013
Currency swaps - FVTPL	7	1,016
Total derivatives presented in net financial position	**7**	**1,016**

The following tables set out the characteristics of the derivative assets existing at June 30, 2014, showing the company holding the contract and the related fair value at the reporting date:

Currency derivatives – FVTPL

Assets Company	Agreement date	Maturity date	Currency	Notional amount	Fair value (€)
Salini Impregilo S.p.A.	06/12/2013	06/06/2014	USD	2,520,000	5,632
Salini Impregilo S.p.A.	11/12/2013	11/06/2014	USD	1,579,895	1,085
Total					**6,717**

This category includes derivatives that have been entered into to hedge the group against currency risks but that do not meet (or no longer meet and the situation has not been yet been resolved) hedge accounting requirements for cash flow hedges.

13. Current tax assets and other current tax assets

Current tax assets amounted to € 88.7 million as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Direct taxes	39,870	29,072	10,798
IRAP	1,721	1,720	1
Foreign direct taxes	47,110	48,076	(966)
Total	**88,701**	**78,868**	**9,833**

The amount at June 30, 2014 mainly consists of:

- direct tax assets for excess taxes paid in previous years, which the group has correctly claimed for reimbursement and which bear interest;
- foreign direct tax assets for excess taxes paid abroad by the foreign group companies which will be recovered as per the relevant legislation.

Other current tax assets of € 97.3 million, down € 17.5 million from December 31, 2013. They may be analyzed as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
VAT	73,558	85,940	(12,382)
Other indirect taxes	23,774	28,864	(5,090)
Total	**97,332**	**114,804**	**(17,472)**

VAT receivables totaled € 73.5 million. This amount includes € 28.2 million with the Italian Treasury and € 45.3 million with foreign tax administrations.

"Other indirect taxes" include withholdings of € 7.9 million paid by the Icelandic branch on the remuneration paid to foreign temporary workers involved in the building site. A dispute arose with the local tax authorities about the party required to act as the withholding agent for the remuneration of foreign temporary workers at the building site. Salini Impregilo was initially wrongly held liable for the payment of the withholdings on this remuneration, which it therefore paid. Subsequent to the final ruling in the proceedings activated in this dispute before the local lower court, the Company obtained full satisfaction of its claims. Nevertheless, the local authorities subsequently commenced a new proceeding for exactly a similar issue. The Supreme Court rejected the company's claims in its ruling handed down in February 2010, which is blatantly contrary to the previous ruling issued in 2006 on the same matter by the same judiciary authority. The company had expected to be refunded both the unduly paid withholdings of € 6.9 million (at the original exchange rate) and the related interest accrued to date of € 6.0 million. In previous years, the Company had conservatively written off the accrued interest component, despite a favorable final decision by the local court and the comfort of the opinion of counsel confirming the validity of its position, recognizing only the unduly paid principal amount. After the last ruling, the company took legal action at international level (appeal presented to the EFTA Surveillance Authority on June, 22, 2010) and, as far as possible, again at local level (another reimbursement claim presented to the local tax authorities on June, 23, 2010) as it deems, again supported by its advisors, that the last ruling issued by the Icelandic Supreme Court is unlawful both in respect of local legislative and international agreements which regulate trade relations between the EFTA countries and international conventions which do not allow application of discriminatory treatments to foreign parties (individuals and companies) working in other EFTA countries. On February 8, 2012, the EFTA Surveillance Authority sent the Icelandic government a communication notifying an infraction regarding the free exchange of services and requesting the government to provide its response. In April 2013, at the conclusion of this process, the EFTA Surveillance Authority issued its reasoned opinion finding the provisions of the Icelandic legislation applied to the dispute in question to be inconsistent with the regulations governing trade relations between member countries and asking that Iceland take action consistent with this position; as a result Salini Group formally requested the re-opening of the case. Based on the above considerations, Impregilo does not believe objective reasons currently exist to change the valuations made in relation to this dispute.

14. Other current assets

Other current assets totaled € 325.9 million, up € 38.0 million compared to December 31, 2013. This item is broken down as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Other receivables	151,353	107,659	43,694
Advances to suppliers	113,520	133,058	(19,538)
Prepayments and accrued income	61,040	47,172	13,868
Total	**325,913**	**287,889**	**38,024**

This item mainly comprises FIBE's receivables of € 71.3 million from the public bodies involved in managing the waste emergency in Campania. See the section on "Non-current assets held for sale and discontinued operations" in Part II of the Directors' Report for more information about this complicated situation and the related assessments.

"Other receivables" include an amount of € 16.6 million from partners in new projects launched in the Middle East. This item also includes receivables for the Imprepar Impregilo Partecipazioni S.p.A. area of € 2.8 million.

Advances to suppliers decreased by € 19.5 million compared to December 31, 2013. The utilization of advances paid in previous years for contracts in Venezuela, Turkey, Poland and Denmark and the sale of the subsidiary Fisia Babcock Environment GmbH contributed to this change.

Prepayments and accrued income of € 61.0 million show an increase of € 13.9 million on the previous year. The item mainly consists of commissions on sureties and other contract costs, which will be recognized in profit or loss in future periods based on the stage of completion of the related contracts. The change in this item is mainly attributable to the contract for the construction of line 3 of the Riyadh Metro, located in Saudi Arabia. It should be noted that the item "other prepayments" includes the costs recognized in line with stage of completion of contracts amounting to € 11.2 million.

They are broken down in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Accrued income:			
- Insurance	-	1	
- Other	623	2,675	(2,052)
Total accrued income	**623**	**2,675**	**(2,052)**
Prepayments:			
- Insurance	15,677	11,770	3,907
- Sureties	6,981	8,879	(1,898)
- Rents payable	557	631	(74)
- Consultancy	58	100	(42)
- Subscriptions	20	4	16
- Utility fees	**439**	261	178
- Other	36,685	22,851	13,834
Total prepayments	**60,417**	**44,496**	**15,921**
Total	**61,040**	**47,171**	**13,869**

15. Cash and cash equivalents

Cash and cash equivalents amounted to € 645.1 million as at June 30, 2014, down € 263.6 million as shown in the table below:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Cash and cash equivalents	645,061	908,631	(263,570)
Net financial position held by SPVs and unconsolidated project companies	336,460	223,789	112,671

The balance of cash and cash equivalents represents active bank account balances at the end of the year and the amounts of cash, cheques and valuables at the registered office, work sites and foreign subsidiaries.

The statement of cash flows shows the reason for this increase and changes in current account facilities (Note 19).

Imprepar's deposits include € 17.1 million collected by it on behalf of third parties.

Lastly, the cash and cash equivalents of Parking Glasgow are tied to specific reserves in the amount of € 0.5 million.

The Net financial position of SPVs and unconsolidated project companies was € 336.5 million as at June 30, 2014 (€ 223.8 million as at December 31, 2013). This amount includes € 317.7 million for cash and cash equivalents at the SPVs and project companies, and € 18.8 million for financial receivables.

16. Non-current assets (liabilities) held for sale and discontinued operations and profit from discontinued operations

Non-current assets held for sale and the associated liabilities are shown in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Non-current assets held for sale	564,904	653,604	(88,700)
Liabilities directly associated with non-current assets held for sale	(376,541)	(418,061)	41,520

A breakdown of the statement of financial position items is as follows:

	June 30, 2014		
(Values in €/000)	Todini	USW Campania	Total
Non-current assets	149,050	5,683	154,733
Current assets	410,171		410,171
Non-current assets held for sale	**559,221**	**5,683**	**564,904**
Non-current liabilities	(34,243)		(34,243)
Current liabilities	(342,298)		(342,298)
Liabilities directly associated with non-current assets held for sale	**(376,541)**	**-**	**(376,541)**
Non-current assets (liabilities) held for sale	**182,680**	**5,683**	**188,363**
- Of which net financial position	*(67,064)*		*(67,064)*

	December 31, 2013		
(Values in €/000)	Todini	USW Campania	Total
Non-current assets	130,577	5,683	136,260
Current assets	517,344		517,344
Non-current assets held for sale	**647,921**	**5,683**	**653,604**
Non-current liabilities	(37,353)		(37,353)
Current liabilities	(380,708)		(380,708)
Liabilities directly associated with non-current assets held for sale	**(418,061)**	**-**	**(418,061)**
Non-current assets (liabilities) held for sale	**229,860**	**5,683**	**235,543**
- Of which net financial position	*(53,868)*		*(53,868)*

The change in this item compared with the previous year, entirely is entirely attributable to the net decrease of € 47.1 million reported by the Todini Group in the period under review and reflects the effects in terms of financial position resulting from recent circumstances.

Further details are provided in the previous part of this report under the section entitled "Non-current assets held for sale and discontinued operations".

The profit from discontinued operations for the first half of 2014 and first half of 2013 is analyzed in the following tables:

	H1 2014			
(Values in €/000)	**Todini**	**Fisia Babcock**	**USW Campania**	**Total**
Revenue				
Operating revenue	83,689	21,963		105,652
Other revenue	11,031	2		11,033
Capital gain on sale		89,219		89,219
Total revenue	**94,720**	**111,184**	-	**205,904**
Costs				
Raw materials and consumables	(24,870)	(11,619)		(36,489)
Subcontracts	(34,750)			(34,750)
Other operating costs	(53,320)	(7,603)	(275)	(61,198)
Personnel costs	(17,483)	(6,880)		(24,363)
Amortization, depreciation, provisions and impairment losses	(9,367)	(402)		(9,769)
Total costs	**(139,790)**	**(26,504)**	**(275)**	**(166,569)**
Operating profit	**(45,070)**	**84,680**	**(275)**	**39,335**
Financing income (costs) and gains (losses) on investments				
Financial income	*362*	*801*		*1,163*
Financial expenses	*(4,154)*	*(54)*	*(3,261)*	*(7,469)*
Exchange rate gains (losses)	*9,286*	*(190)*		*9,096*
Financing costs	5,494	557	(3,261)	2,790
Gains on investments	64			64
Net financing costs and net gains on investments	**5,558**	**557**	**(3,261)**	**2,854**
Profit (loss) before tax	**(39,512)**	**85,237**	**(3,536)**	**42,189**
Income taxes	13,252	(93)	(34)	13,125
Profit (loss) from discontinued operations	**(26,260)**	**85,144**	**(3,570)**	**55,314**
Profit (loss) from discontinued operations attributable to:				
Owners of the parent	(29,003)	85,144		56,141
Non-controlling interests	2,743			2,743

(Values in €/000)	First Half 2013 Todini	Fisia Babcock	USW Campania	Total
Revenue				
Operating revenue	151,602	19,636		171,238
Other revenue	13,227	45		13,272
Total revenue	**164,829**	**19,681**	**-**	**184,510**
Costs				
Raw materials and consumables	(34,329)	(7,353)		(41,682)
Subcontracts	(62,625)			(62,625)
Service costs	(40,341)			(40,341)
Personnel costs	(23,899)	(6,923)		(30,822)
Other operating costs	(5,712)	(7,169)	(3,305)	(16,186)
Amortization, depreciation, provisions and impairment losses	(8,089)	233		(7,856)
Total costs	**(174,995)**	**(21,212)**	**(3,305)**	**(199,512)**
Operating profit	**(10,166)**	**(1,531)**	**(3,305)**	**(15,002)**
Financing income (costs) and gains (losses) on investments				
Financial income	*498*	*916*	*5*	*1,419*
Financial expenses	*(1,701)*			*(1,701)*
Exchange rate gains (losses)	*(193)*	*42*		*(151)*
Financing costs	(1,396)	958	5	(433)
Gains on investments	(431)			(431)
Net financing costs and net gains on investments	**(1,827)**	**958**	**5**	**(864)**
Profit (loss) before tax	**(11,993)**	**(573)**	**(3,300)**	**(15,866)**
Income taxes	4,184	181	(8,761)	(4,396)
Profit (loss) from discontinued operations	**(7,809)**	**(392)**	**(12,061)**	**(20,262)**
Profit (loss) from discontinued operations attributable to:				
Owners of the parent	(6,490)	(392)	(12,061)	(18,943)
Non-controlling interests	(1,319)			(1,319)

17. Equity

Consolidated shareholders' equity totaled € 1,119.3 million at June 30, 2014, which was greater than December 31, 2013 (€ 892.1 million), and comprised:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Group equity			
Share capital	544,740	62,400	482,340
Share premium reserve	120,798	141,484	(20,686)
- Legal reserve	*100,000*	*2,252*	*97,748*
- Ancillary expenses capital increase reserve	*(4,078)*		*(4,078)*
- Extraordinary reserve and other reserves	*137*	*13,811*	*(13,674)*
Total other reserves	96,059	16,063	79,996
Other components of comprehensive income			
- Translation reserve	*(6,493)*	*3,120*	*(9,613)*
- Hedging reserve	*2,394*	*2,151*	*243*
- Actuarial reserve	*(2,238)*	*(1,860)*	*(378)*
Total of other components of comprehensive income	(6,337)	3,411	(9,748)
Retained earnings	253,896	309,488	(55,592)
Net profit (loss) for the period	79,290	166,781	(87,491)
Total Group equity	**1,088,446**	**699,627**	**388,819**
Share capital and reserves attributable to non-controlling interests	34,884	201,761	(166,877)
Profit for the year attributable to non-controlling interests	(4,065)	(9,239)	5,174
Share capital and reserves attributable to non-controlling interests	*30,819*	*192,522*	*(161,703)*
TOTAL EQUITY	**1,119,265**	**892,149**	**227,116**

Changes of the year in the different equity items are summarized in the relevant schedule of the consolidated financial statements.

In their meeting held on April 30, 2014, the shareholders of Salini Impregilo S.p.A resolved to allocate the profit for the previous year as follows:

- € 420,027.66 as a dividend to the holders of savings shares, equal to € 0.26 per share;
- € 113,409,449.84 to be carried forward.

Disclosures about the individual items are set out below.

Share capital

On January 1, 2014, the effective date of the merger of Salini S.p.A. into Impregilo S.p.A., implementing the resolution of the Shareholders' Meeting held on September 12, 2013, the share capital of the resulting company from the merger, which has taken on the new company name Salini Impregilo S.p.A., was fixed at € 500.0 million. At the same time, a legal reserve was established in the amount of € 100.0 million and 44,974,754 new ordinary shares of Salini Impregilo S.p.A. were issued to Salini Costruttori S.p.A.

On June 16, 2014, the Board of Directors approved the launching of a bookbuilding process to offer ordinary shares for sale to institutional investors in Italy and abroad. This offer involves 44,740,000 newly issued ordinary shares, resulting from the share capital increase excluding option rights pursuant to Art. 2441 paragraph 4 second sentence of the Italian Civil Code as approved by the Extraordinary Shareholder Meeting of the Company on September 12, 2013 ; as a result of this issue, the share capital is € 544.7 million comprised of 493,788,182 shares without par value, of which 492,172,691 ordinary shares and 1,615,491 savings shares.

Share premium reserve

The share premium reserve of € 120.8 million grew during the period following the above-mentioned capital increase.

Other reserves and other components of comprehensive income

This item is broken down in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Legal reserve	100,000	2,252	97,748
Translation reserve	(6,493)	3,120	(9,613)
Hedging reserve	2,394	2,151	243
Actuarial reserve	(2,238)	(1,860)	(378)
Ancillary expenses capital increase reserve	(4,078)	-	(4,078)
IFRS conversion reserve	(4,272)	14,174	(18,446)
Other	4,408	(363)	4,771
Total other reserves	**89,721**	**19,474**	**70,247**

The change in other reserves is due to both the merger that brought the legal reserve to € 100.0 million and the IFRS conversion reserve of € 4.3 million, as described above, as well as the effect of exchange rate differences, as detailed in the next table:

(Values in €/000)	H1 2014	H1 2013
Opening balance	3,120	5,478
Reclassification from the statement of comprehensive income to the income statement	6	
Equity-accounted investees	845	
Increase (decrease)	(10,464)	7,299
Total changes	(9,613)	7,299
Closing balance	**(6,493)**	**12,777**

The effect of changes in the cash flow hedge reserve due to fair value gains (losses) on financial instruments is detailed below:

(Values in €/000)	H1 2014	H1 2013
Opening balance	2,151	-
Reclassification of fair value gains/losses on settled transactions to profit or loss	*357*	
Net fair value losses	109	1,777
Exchange rate gains (losses)	*(171)*	
Net gains (losses) for equity-accounted investees	*(52)*	
Total changes	243	1,777
Closing balance	**2,394**	**1,777**

The actuarial gains (losses) reserve underwent the following changes:

(Values in €/000)	H1 2014	H1 2013
Opening balance	(1,860)	(954)
Actuarial profit (loss) comprehensive income	(378)	(181)
Closing balance	**(2,238)**	**(1,135)**

Share capital and reserves attributable to non-controlling interests

Share capital and reserves attributable to non-controlling interests are as follows:

(Values in €/000)	H1 2014	H1 2013
Opening balance	192,522	28,761
Merger	(173,641)	
Profit attributable to non-controlling interests	*(4,065)*	*355*
Payment to cover losses	*15,823*	
Change in consolidation scope		*178,236*
Components of comprehensive income	*180*	*1,200*
Total changes	(161,703)	179,791
Closing balance	**30,819**	**208,552**

18. Bank and other loans

Bank and other loans decreased by € 276.4 million over December 31, 2013, to € 672.1 million, as summarized below:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Non-current portion			
- Bank and other loans	436,017	634,693	(198,676)
- Indebtedness held by SPVs and unconsolidated project companies	3,086	14,484	(11,398)
Current portion			
- Current account facilities and other loans	236,129	313,819	(77,690)
- Indebtedness held by SPVs	64,102	62,046	2,056

The overall financial indebtedness of the Impregilo Group is broken down by loan type in the following table:

	June 30, 2014			December 31, 2013		
(Values in €/000)	Non-current	Current	Total	Non-current	Current	Total
Bank corporate loans	413,022	92,103	505,125	590,982	83,763	674,745
Bank project financing	793	64,239	65,032	4,573	46,940	51,513
Concession financing	8,644	27,151	35,795	8,385	20,210	28,595
Financing and loans of companies in liquidation	883	-	883	883	-	883
Other loans	9,671	8,678	18,349	9,705	5,237	14,942
Total bank and other loans	**433,013**	**192,171**	**625,184**	**614,528**	**156,150**	**770,678**
Current account facilities	-	43,697	43,697	-	126,624	126,624
Factoring payables for receivables factored with recourse	3,004	261	3,265	20,165	31,045	51,210
Total	**436,017**	**236,129**	**672,146**	**634,693**	**313,819**	**948,512**

Bank corporate loans

Bank corporate loans as at June 30, 2014 stood at € 505.1 million (€ 674.7 million) and relate to the parent Company Salini Impregilo.

These loans have been granted by major banks and have repayment plans, which provide for payment of the last instalments in 2016. The interest rates have floating spreads depending on the loan term and conditions. The decision to apply the Euribor (1, 2, 3 or 6 months) has been contractually provided for to the benefit of Salini Impregilo.

Bank project financing

Project financing was € 65.0 million as at June 30, 2014 and relates to projects in Colombia (€ 56.6 million), the Moroccan branch (€ 5.8 million), the Dubai branch (€ 2.0 million) and the Venezuelan branch (€ 0.7 million). This change mainly relates to the contracts in Colombia for € 17.3 million. This change was partially offset by the reduction recorded on the contract in Venezuela.

Concession financing

				June 30, 2014			December 31, 2013		
(Values in €/000)	Company	Currency	Country	Total financial liabilities	Current	Non-current	Total financial liabilities	Current	Non-current
Royal Bank of Scotland	Impregilo Parking Glasgow	Sterling	UK	8,869	225	8,644	8,595	210	8,385
UniCredit	S.A.BRO.M	Euro	Italy	20,000	20,000	-	20,000	20,000	-
Santander	Metro 6	Euro	Italy	6,926	6,926	-	-	-	-
Total				**35,795**	**27,151**	**8,644**	**28,595**	**20,210**	**8,385**

As at June 30, 2014, concession financing amounted to € 35.8 million and related to the Parking Glasgow concession and the new Broni-Mortara motorway concession and the concession for Line 6 of the Santiago Metro in Chile.

The increase for the year relates to the loan, granted by a leading bank, for the construction of Line 6 of the Santiago Metro in Chile, for which Salini Impregilo will also have the concession.

This outstanding financing from Royal Bank of Scotland is included in the project financing category and is secured by the revenue flows arising from the activities carried out under the related concessions. An interest rate hedge has been agreed for this financing (see Note 21). The financing agreement includes a number of covenants, all of which the operator had complied with at the reporting date.

Financing and loans of companies in liquidation

This category includes the financing and loans obtained by companies in liquidation. The related repayment plans are linked to the liquidation procedures of the companies to which the financing and loans refer.

Other loans

(Values in €/000)	Company	Country	June 30, 2014 Total financial liabilities	Current	Non-current	December 31, 2013 Total financial liabilities	Current	Non-current
Caterpillar Financial	Salini SpA	Italy	14,122	4,559	9,563	12,786	3,222	9,564
Caterpillar Financial	Co.Ge.Ma.	Italy	167	59	108	199	58	141
Factorit	Ethiopia Branch	Ethiopia	1,688	1,688	-	1,183	1,183	-
Factorit	Sierra Leone Branch	Sierra Leone	97	97	-	-	-	-
Salini Costruttori S.p.A.	Co.Ge.Ma.	Italy	791	791	-	774	774	-
Salini Costruttori S.p.A.	Salini SpA	Italy	1,484	1,484	-	-	-	-
Total			**18,349**	**8,678**	**9,671**	**14,942**	**5,237**	**9,705**

Current account facilities

Current account facilities totaled € 43.7 million, down € 82.9 million compared to December 31, 2013. This item mainly relates to credit facilities used by the Venezuelan branch (€ 20.3 million) and credit facilities used by Salini Nigeria (€ 11.9 million).

Factoring payables

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Salini Impregilo S.p.A.	3,177	30,343	(27,166)
Metro B1	88	20,818	(20,730)
Rimati		50	(50)
Total	**3,265**	**51,210**	**(47,945)**

Factoring payables mainly relate to the tax assets factored by the parent Company Salini Impregilo S.p.A. for € 3.0 million.

Indebtedness held by SPVs and unconsolidated project companies

Non-current indebtedness held by SPVs and unconsolidated project companies amounted to a € 67.2 million as at June 30, 2014, (compared to € 76.5 million as at December 31, 2013), as shown in the next table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Non-current indebtedness held by SPVs e unconsolidated project companies	3,086	14,484	(11,398)
Current indebtedness held by SPVs and unconsolidated project companies	64,102	62,046	2,056

The non-current portion relates to:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Joint ventures	1,107	1,208	(101)
Joint Operation	1,979	13,276	(11,297)
Total	**3,086**	**14,484**	**(11,398)**

The current portion is summarized as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Joint Venture	24,075	33,578	(9,503)
Joint Operation	40,027	28,468	11,559
Total	**64,102**	**62,046**	**2,056**

Net financial position of Salini Impregilo Group

(Values in €/000)	Note (*)	June 30, 2014	December 31, 2013	Change
Non-current financial assets	5	58,517	48,928	9,589
Current financial assets	12	8,923	222,113	(213,190)
Cash and cash equivalents	15	645,061	908,631	(263,570)
Total cash and cash equivalents and other financial assets		**712,501**	**1,179,672**	**(467,171)**
Bank and other loans	18	(436,017)	(634,693)	198,676
Bonds	19	(551,155)	(552,542)	1,387
Finance lease payables	20	(93,524)	(97,671)	4,147
Total non-current indebtedness		**(1,080,696)**	**(1,284,906)**	**204,210**
Bank account overdrafts and current portion of financing facilities	18	(236,129)	(313,819)	77,690
Current portion of bonds	19	(28,226)	(11,154)	(17,072)
Current portion of finance lease payables	20	(50,047)	(45,422)	(4,625)
Total current indebtedness		**(314,402)**	**(370,395)**	**55,993**
Derivative assets	12	7	1,016	(1,009)
Derivative liabilities	21	(4,411)	(4,354)	(57)
Financial assets held by SPVs	15	336,460	223,789	112,671
Non-current indebtedness held by SPVs	18	(3,086)	(14,484)	11,398
Current indebtedness held by SPVs	18	(64,102)	(62,046)	(2,056)
Total other financial assets (liabilities)		**264,868**	**143,921**	**120,947**
Total net financial position – Continuing operations		**(417,729)**	**(331,708)**	**(86,021)**
Net financial position for assets held for sale		(67,064)	(53,868)	(13,196)
Net financial position comprising the non-current assets held for sale		**(484,793)**	**(385,576)**	**(99,217)**

(*) The note numbers refer to the notes to the consolidated financial statements where the items are analyzed in detail.

A large part of the Group's non-current financial indebtedness, mainly related to the € 400 million bond issued July 23, 2013 by the parent Company and the loan granted by a leading pool of banks in December 2013 for a total of € 425 million, are backed by financial covenants that require compliance with certain economic and financial indicators which were complied with at the reporting date.

19. Bonds

The outstanding bonds at June 30, 2014, totaling € 579.4 million, relate to the parent Company Salini Impregilo S.p.A. (€ 416.1 million), and the Dutch subsidiary, Impregilo International Infrastructures (€ 163.3 million). This balance is composed as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Non-current	551,155	552,542	(1,387)
Current	28,226	11,154	17,072

A breakdown of this item is set out in the following table:

			June 30, 2014			December 31, 2013		
(Values in €/000)	Società	Paese	Total financial liabilities	Current	Non-current	Total financial liabilities	Current	Non-current
Salini Impregilo S.p.A.			416,130	22,353	393,777	403,210	10,203	393,007
Impregilo International Infrastructures - 2nd issue	Impregilo International Infr.	Netherlands	163,251	5,873	157,378	160,486	951	159,535
Total			**579,381**	**28,226**	**551,155**	**563,696**	**11,154**	**552,542**

On July 23, 2013, the parent Company Salini Impregilo S.p.A. (formally Salini S.p.A.) completed a senior unsecured bond issue for a nominal amount of € 400 million with maturity on August 1, 2018, intended for international institutional investors. The bonds, which have a minimum denomination of € 100,000 and an annual gross coupon of 6.125%, were placed with primary international institutional investors at a price of € 99,477.

In November 2010, the Dutch company Impregilo International Infrastructures NV, wholly owned by Salini Impregilo S.p.A., placed bonds (Notes) for a total nominal amount of € 300 million with qualified Italian and foreign investors. The outstanding bonds at the reporting date with a nominal amount of € 150 million are redeemable in 2015 (bearing interest at a fixed rate of 6.526%). The bonds are listed on the Luxembourg stock exchange and underwritten by Impregilo S.p.A. The bondholders have formally agreed to waive their right to early redemption, arising from the event described above, for the bonds maturing on November 26, 2015.

20. Finance lease payables

Finance lease payables as at June 30, 2014, may be broken down as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Non-current portion	93,524	97,671	(4,147)
Current portion	50,047	45,422	4,625

This item includes the principal of future lease payments at June 30, 2014, related to the purchase of plants, machinery and equipment, with an average term of between three to eight years.

As at June 30, 2014, the effective average interest rate for loans to Italian businesses ranges from 2.5-4.4%, while the agreements issued by Banco de Bogotà (Colombia and Chile) have a floating rate indexed to the local interbank rate.

Payables for these leases are guaranteed to the lessor via rights on the leased assets.

The present value of the minimum future lease payments is € 143.5 million (€ 143.1 million) as follows:

(Values in €/000)	June 30, 2014	December 31, 2013
Minimum lease payments:		
Due within one year	55,338	48,919
Due between one and five years	98,062	102,891
Due after five years	3,384	3,437
Total	**156,784**	**155,247**
Future financial expense on finance leases	(13,213)	(12,154)
Net present value	**143,571**	**143,093**
The net present value of finance leases is as follows:		
Due within one year	50,047	45,422
Due between one and five years	90,304	94,449
Due after five years	3,220	3,222
Total	**143,571**	**143,093**

21. Derivative liabilities

These items show the fair value of the currency and interest rate hedges at the reporting date. This item is analyzed below:

(Values in €/000)	June 30, 2014	December 31, 2013
Interest rate swaps - Cash flow hedges	4,341	4,350
Total derivatives presented in net financial position	**4,341**	**4,350**

(Values in €/000)	June 30, 2014	December 31, 2013
Interest rate swaps - Cash flow hedges	42	13
Currency swaps – FVTPL	28	(9)
Total derivatives presented in net financial position	**70**	**4**

The following tables set out the characteristics of the derivative liabilities existing at June 30, 2014, showing the company holding the contract and the related fair value at the reporting date:

Interest rate swaps - Cash flow hedges

Liabilities Company	Agreement date	Maturity date	Currency	Notional amount	Fair value (€)
Impregilo Parking Glasgow	09/27/2004	06/30/2029	GBP	7,881,104	(2,387,322)
Impregilo Parking Glasgow	06/01/2003	06/30/2029	GBP	717,764	(1,953,418)
Total					**(4,340,740)**

This category includes derivatives that have been entered into to hedge the group against interest rate risks and that meet hedge accounting requirements.

To check compliance with these requirements, the effectiveness of the hedges has been verified and confirmed and, therefore, their fair value changes have been recognized in the hedging reserve (see Note 17).

Interest rate swaps - Cash flow hedges

Liabilities Company	Agreement date	Maturity date	Currency	Notional amount	Fair value (€)
Salini Impregilo S.p.A	02/12/2010	08/01/2016	EUR	1,232,203	(42,033)
Total					**(42,033)**

Currency derivatives – FVTPL

Liabilities Company	Agreement date	Maturity date	Currency	Notional amount	Fair value (€)
Salini Impregilo S.p.A	02/20/2014	05/20/2014	USD	8,772,000	(28,092)
Total					**(28,092)**

22. Post-employment benefits and employee benefits

At June 30, 2014, the Group's liability to all its employees determined using the criteria set out in IAS 19 was € 18.2 million.

The balance mainly consists of Italian post-employment benefits (TFR) related to Salini Impregilo S.p.A. and its Italian subsidiaries. At June 30, 2014 and December 31, 2013, the liability for post-employment benefits is the outstanding payable at the reform effective date, net of benefits paid up to the reporting dates. The liability is considered part of a defined benefit plan under IAS 19 and has, therefore, been subjected to actuarial valuation. The valuation, performed with the assistance of an independent expert, was based on the following rates:

- turnover rate: 7.25%;
- discount rate: 2.3%;
- advance payment rate: 2%;
- inflation rate: 2%.

The benchmark used for the discount rate is the Iboxx AA Corporate index for the Eurozone with an average financial duration in line with the fund being valued.

Changes in this item are as follows:

(Values in €/000)	December 31, 2013	Accrual for the year	Payments	Change in consolidation scope di cons. e other changes	Contributions transferred to INPS treasury and other funds	Profits (losses) actuarial	June 30, 2014
Post-employment benefits and employee benefits	**20,508**	**5,781**	**(6,977)**	**(547)**	**(961)**	**378**	**18,182**

Other changes includes exchange rate gains and losses, while the actuarial gains and losses have been recognized separately in a specific equity reserve, as required by the revised IAS 19.

23. Non-current payables to unconsolidated Group companies

Non-current payables to unconsolidated Group companies came to € 6.2 million at June 30, 2014, as shown in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Payables	6,232	6,230	2
Non-current payables to unconsolidated Group companies	**6,232**	**6,230**	**2**

Non-current payables to unconsolidated Group companies relates to payables to the IRICAV consortium of € 5.7 million, while the remaining € 0.5 million concerns a payable to Groupement d'Entreprises Salini Strabag (Guinea).

24. Provisions for risks

The provisions for risks amounted to € 103.1 million as at June 30, 2014, and are shown below:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Provision for risks on equity investments	12,035	13,096	(1,061)
Other provisions	91,090	89,111	1,979
Total	**103,125**	**102,207**	**918**

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)	H1 2014
Acquisitions and disposals	
Share of profit (loss) of equity-accounted investees	(1,224)
Dividends from equity-accounted investees and other investees	22
Other changes including changes in the translation reserve	141
Total	**(1,061)**

Other provisions comprise:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
USW Campania Projects	30,494	30,494	-
Provisions set up by Imprepar and its subsidiaries	31,495	32,385	(890)
Losses on contracts	310	96	214
Ongoing litigation	10,801	10,537	264
Building segment litigation	3,295	3,260	35
Tax and social security litigation	5,299	4,778	521
Environmental risks	357	445	(88)
Other	9,039	7,116	1,923
Total	**91,090**	**89,111**	**1,979**

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 ongoing litigation refers to disputes involving Salini Impregilo and some of its subsidiaries.

The provision for environmental risks mainly relates to the management of a landfill, concerning future liabilities related to closure and post-closure activities.

"Other" mainly comprises amounts accrued since 2013 for certain foreign contracts completed in previous years for which disputes are ongoing with the customers. Relationships with these customers are difficult and, therefore, the group is unable to estimate exactly when the related receivables will be collected.

Changes in the item during the reporting period are summarized below:

(Values in €/000)	December 31, 2013	Provisions	Utilizations	Chang in consolidation scope	Exchange rate gains (losses)	Reclassifications	Discounting	June 30, 2014
Total	89.111	4.228	(1.438)	(970)	85	75	-	91.090

Changes of the period comprise:

(i) provisions of € 4.2 million; specifically, € 1.8 million relate to the subsidiary Metro 6, € 1 million pertains to Fibe and € 0.5 million concern the pending tax dispute in Ethiopia, following revision of its estimates of its pending litigation;

(ii) utilizations of € 1.4 million, including € 1.0 million used by Imprepar. Utilizations relate to the occurrence of expenses and losses for which they had been accrued.

Information was previously provided on the dispute with the Italian tax authorities, which is still pending before the Court of Cassation due to the appeal filed by the opposing party, concerning the notice of assessment challenging the tax treatment of impairment losses and losses on investments recognized by the company in 2003. However, it should be noted that the main observation concerning the sale – made by Impregilo S.p.A. to Impregilo International NV – of the investment in the Chilean company Costanera Norte SA was dismissed by the Milan Regional Tax Commission.

A first class ruling is still pending for a dispute related to 2005, concerning the technical device used for the so-called realignment of equity investments referred to in Article 128 of Presidential Decree No. 917/86, while a second dispute relating to the same tax period and concerning the costs incurred by a participatory association established in Venezuela saw the company lose the case in the first level ruling. An appeal will be lodged for the above proceeding.

An additional charge was identified by the Italian tax authorities for the year 2006 concerning (a) the costs incurred by a participatory association established in Venezuela, (b) a loss realized on an equity investment and (c) costs for services not attributable to the year. After the Company filed an appeal against this charge, the Milan Provincial Tax Commission decreased the initially claimed amount by roughly 20%. In the ruling at second instance, the Milan Regional Tax Commission – with decision on 5/28/2014 – substantially dismissed almost all of the claims.

The Company, comforted by the option of its tax counsel, believes that its actions were proper and, consequently, treated the associated risk as improbable, but not impossible.

With regard to the criminal proceedings activated against the C.A.V.E.T. consortium and certain individuals, including some former managers of the consortium, it is worth mentioning that the appellate proceedings ended in June 2011 with a decision handed down on June 27, 2011, which reversed in full the lower court's decision, thus reversing the convictions handed down by the lower court and finding both the consortium and the indicted individuals not guilty of any of the charges. The Public Prosecutor of the Court of Florence appealed this decision to the Court of Cassation, which, on March 18, 2013, set aside in part the decision of the Florence Court of Appeals ordering that the case be returned to the Court of Appeals. The reinstated proceedings before the Florence Court of Appeals got under way on January 30, 2014 and, on March 21, 2014, the Court of Appeals handed down a decision by which it rejected most of the charges levied by the Public Prosecutor, but upheld them in some important cases. The consortium, in protecting its interests, is confident that it will be able to demonstrate, again, in the subsequent courts of instance, the correctness of its actions.

Lastly, with a ruling of May 21, 2014, the Provincial Tax Commission of first instance confirmed the findings on corporate income tax (IRES) made by the Italian tax authorities for 2006 and considered it wrongful to carry forward the past losses by Imprepar to 2007. This gave rise to an injunction of payment by the Company of € 3.9 million, including € 2.3 million for penalties, to be paid by mid-September 2014. An investigation was conducted for the 2008 financial year, for the same reasons of the investigation related to 2007, but the date of the hearing is yet to be scheduled. The grounds for the ruling were the subject of in-depth analysis by the Company's legal advisors and tax experts which were instructed to file an appeal to the Regional Tax Commission (second instance). Taking into account the objective basis of the reasons given in the appeal, as well as the views expressed by the company's consultants, also on the analysis of the ruling under review, the company has decided not to change the assessment made so far on the final outcome of this dispute.

See the section on "Non-current assets held for sale and discontinued operations" in Part II of the Directors' Report for more information on ongoing disputes related to the USW Campania projects.

25. Other non-current liabilities

Other non-current liabilities amounted to € 1.0 million, basically in line with the previous year. They are broken down in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Other - third parties	18	40	(22)
Employees	1,000	1,004	(4)
Total	**1,018**	**1,044**	**(26)**

26. Progress payments and advances on contract work in progress

The item "Advances on contract work in progress" included under current liabilities in the statement of financial position amounts to € 1,560.6 million, down by € 70.1 million compared to December 31, 2013. This item breaks down as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Contract work in progress	(6,484,178)	(7,108,918)	624,740
Progress payments and advances received (on approved work)	6,765,564	7,429,236	(663,672)
Contractual advances	1,279,249	1,310,452	(31,203)
Total	**1,560,635**	**1,630,770**	**(70,135)**

Contract work in progress recognized under liabilities (negative WIP) is the negative net balance, for each contract, of work performed to date and progress billings, and amounts to € 281.4 million.

The contracts contributing the most to the composition of this item are in Nigeria (€ 85.2 million), Qatar (€ 72.6 million), and the United States (€ 73.0 million).

The most significant changes, compared with the previous year, in terms of increases relate to work in Qatar, while in terms of decreases relate to the work in Nigeria, Italy and the UAE.

There was a decrease in the item under review following the sale of the subsidiary Fisia Babcock Environment GmbH, which took place during the second quarter.

For more details on the development and progress of work in progress, please see the information provided in the Directors' Report.

27. Trade payables and current intragroup payables

Trade payables amounted to € 696.1 million at the reporting date, a decrease of € 54.0 million on December 31, 2013. They are made up as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Payables to suppliers	**696,105**	**750,081**	**(53,976)**

Reference should be made to the section "Non-current assets held for sale" in the Directors' Report - Part II of this Half-year Financial Report for more information about the complicated situation surrounding the USW Campania projects.

Current payables to unconsolidated Group companies amounted to € 657.8 million as at June 30, 2014, up € 25.1 million compared to December 31, 2013, as shown in the following table:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Payables	657,766	632,644	25,122
Total	**657,766**	**632,644**	**25,122**

Intragroup payables mainly relate to commercial transactions with unconsolidated group companies. Among the most significant payables in the current period are the payable due to the Cociv Consortium (€ 104.6 million), the payable due to the CAVET Consortium (€ 61.1 million), the payable due to Salerno-Reggio Calabria (€ 110.6 million) and lastly, the payable due to Reggio Calabria Scilla (€ 51.1 million). This item mainly includes the liabilities related to the invoices to reverse costs received from consortia and consortium companies in which Salini Impregilo holds interest.

28. Current tax liabilities and other current tax liabilities

Current tax liabilities amounted to € 75.2 million as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
IRES	41,579	43,920	(2,341)
IRAP	4,273	4,231	42
Foreign taxes	29,386	28,635	751
Total	**75,238**	**76,786**	**(1,548)**

Other current tax liabilities of € 81.3 million decreased by € 1.6 million over December 31, 2013.

They may be analyzed as follows:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Withholdings	4	1,032	(1,028)
VAT	74,683	73,429	1,254
Other indirect taxes	6,585	8,445	(1,860)
Total	**81,272**	**82,906**	**(1,634)**

29. Other current liabilities

Other current liabilities of € 206.7 million (€ 214.8 million) comprise:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Social security institutions	11,077	12,187	(1,110)
Employees	35,681	32,048	3,633
State bodies	116,235	116,235	-
Other payables	28,399	37,366	(8,967)
Provisions for risks and charges	3,347	2,817	530
Accrued expenses and deferred income	11,976	14,184	(2,208)
Total	**206,715**	**214,837**	**(8,122)**

- Payables due to employees relate to accrued unpaid remuneration.
- Payables due to state bodies (€ 116.2 million) entirely relate to the transactions with the commissioner, the provincial authorities and municipalities of Campania in connection with the USW Campania projects. For more information about the complicated situation surrounding the USW Campania projects, please see the section “Non-current assets held for sale – USW Campania projects” in the Directors’ Report - Part II of this Half-year financial report.
- Other payables of € 28.4 million (€ 37.4 million at December 31, 2013) decreased by € 9.0 million. This change is especially due to the adjustment of the values expressed in Venezuelan currency to the new official “SICAD 2” exchange rate adopted by the Group since June 30, 2014, which depreciated substantially compared to the prior official exchange rate (known as Bolivar Fuerte or VEF). This item includes liabilities of € 3.2 million related to the rulings of the Naples Regional Tax Commission on June 3, 2014 concerning the so-called “ecotax” regarding the USW Campania projects.

- Accrued expenses and deferred income of € 12.0 million, include € 4.4 million for the ten-year post-contract guarantee and relate to the following items:

(Values in €/000)	June 30, 2014	December 31, 2013	Change
Accrued expenses:			
- Commissions on sureties	803	710	93
- Other	10,720	13,141	(2,421)
Total accrued expenses	**11,523**	**13,851**	**(2,328)**
Deferred income:			
- Provision of services	453	333	120
Total deferred income	**453**	**333**	**120**
Total	**11,976**	**14,184**	**(2,208)**

30. Guarantees and commitments

The key guarantees given by the Group are set out below:

- Contractual sureties: these total € 3,984.5 million and are given to customers as performance bonds, to guarantee advances, retentions and involvement in tenders for all ongoing contracts. In turn, the group companies have guarantees given by their subcontractors for some of these contractual sureties.

- Sureties for credit: these total € 217.3 million

- Sureties granted for export credit of € 204.8 million.

- Other guarantees totaling € 660.9 million consisting of guarantees related to customs and tax obligations (€ 76.0 million) and for other commitments (such as environmental clean-ups and export credit) amounting to € 584.8 million.

- Collateral related to:

  – liens on shares of the consortium companies Salerno Reggio Calabria S.c.p.a. and Reggio Calabria-Scilla S.c.p.a. given to guarantee a loan for € 17.8 million;

  – liens on the remaining shares of Tangenziale Esterna S.p.A. given to guarantee a loan of € 17.4 million.

  – shares of Impregilo Wolverhampton Ltd. and Impregilo Parking Glasgow Ltd. deposited as guarantee (€ 1.4 thousand).

Income statement

31. Revenue

Revenues came to € 2,109.0 million in the first half of 2014, up 59.1% compared to the same period of the previous year:

(Values in €/000)	H1 2014	H1 2013	Change	% Chg
Operating revenue	2,073,373	1,303,337	770,036	59.1%
Other revenues and earnings	35,596	22,089	13,507	61.1%
Total revenue	**2,108,969**	**1,325,426**	**783,543**	**59.1%**

The growth in revenue € 783.5 million is primarily due to the progress on work abroad.

A breakdown of operating revenue and other revenue is given in the following table:

(Values in €/000)	H1 2014	H1 2013	Change	% Chg
Works invoiced to clients	2,000,425	1,232,168	768,257	62.4%
Services	63,646	40,654	22,992	56.6%
Sales to third parties	9,302	30,515	(21,213)	(69.5%)
Total operating revenues	**2,073,373**	**1,303,337**	**770,036**	**59.1%**

A breakdown of other revenue and income is given in the following table:

(Values in €/000)	H1 2014	H1 2013	Change	% Chg
Operating grants	3	-	3	-
Other gains	7,991	11,602	(3,611)	(31.1%)
Rent and leases	165	194	(29)	(14.9%)
Staff services	515	434	81	18.7%
Remuneration for sales	44	-	44	-
Revenue for rebilling costs	6,956	5,257	1,699	32.3%
Insurance reimbursements	6,318	257	6,061	-
Gains on disposal of non-current assets and investments	4,499	968	3,531	-
Prior year income	9,105	3,377	5,728	169.6%
Total other revenues and earnings	**35,596**	**22,089**	**13,507**	**61.1%**

32.1 Raw materials and consumables

The cost of raw materials and consumables incurred in the first half of 2014 totaled € 235.8 million, up € 24.9 million from the same period of the previous year:

(Values in €/000)	H1 2014	% of revenue	H1 2013	% of revenue	Change
Purchases of raw materials and consumables	249,819	11.8%	219,968	16.6%	29,851
Change in raw materials and consumables	(13,999)	(0.7%)	(9,066)	(0.7%)	(4,933)
Total	**235,820**	**11.2%**	**210,902**	**15.9%**	**24,918**

32.2 Service and subcontractor costs

Service and subcontractor costs came to € 1,416.2 million, registering an increase of € 566.4 million compared to the same period of the previous year, as shown in the next table:

(Values in €/000)	H1 2014	% of revenue	H1 2013	% of revenue	Change
Consultancy and technical services	100,425	4.8%	86,099	6.5%	14,326
Fees to directors, statutory auditors and independent auditors	6,771	0.3%	3,332	0.3%	3,439
Employee travel expenses	6,897	0.3%	8,781	0.7%	(1,884)
Maintenance	8,126	0.4%	6,123	0.5%	2,003
Transport and customs	53,654	2.5%	43,552	3.3%	10,102
Insurance	13,684	0.6%	17,128	1.3%	(3,444)
Subcontracts and expenses incurred through the unconsolidated project companies	1,125,993	53.4%	500,391	37.8%	625,602
Rent and leases	38,062	1.8%	28,437	2.1%	9,625
Charge backs	365	0.0%	126	0.0%	239
Lease payments and expenses	71	0.0%	68	0.0%	3
Trade expenses	1,529	0.1%	4,228	0.3%	(2,699)
Other	60,575	2.9%	151,514	11.4%	(90,939)
Total cost of services	**1,416,152**	**67.1%**	**849,779**	**64.1%**	**566,373**

Item “Consultancy and technical services” amounted to € 14.3 million, higher than the same period last year, mainly consist of costs for the design and construction work carried out by the project companies and the costs for legal and administrative services.

The latter services, unlike the first ones, registered a decrease, as shown in the table below:

(Values in €/000)	H1 2014	% of revenues	H1 2013	% of revenues	Change
Design and engineering consulting	80,378	3.8%	11,977	0.9%	68,401
Legal, administrative and other services	16,223	0.8%	72,041	5.4%	(55,818)
Testing	849	0.0%	44	0.0%	805
Construction	2,975	0.1%	2,037	0.2%	938
Total	**100,425**	**4.8%**	**86,099**	**6.5%**	**14,326**

32.3 Personnel expenses

Personnel expenses for the period amounted to € 218.0 million, up by € 76.6 million compared to the same period of the previous year. The item is made up as follows:

(Values in €/000)	H1 2014	% of revenues	H1 2013	% of revenues	Change
Wages and salaries	156,721	7.4%	111,226	8.4%	45,495
Social security and pension contributions	26,693	1.3%	17,530	1.3%	9,163
Post-employment benefits and employee benefits	5,782	0.3%	3,394	0.3%	2,388
Other personnel expenses	28,847	1.4%	9,253	0.7%	19,594
Total	**218,043**	**10.3%**	**141,403**	**10.7%**	**76,640**

Other personnel expenses mainly relate to termination benefits and repayments of travel expenses.

32.4 Other operating expenses

Other operating expenses increased by € 29.7 million compared to the same period of the previous year, amounting to € 44.3 million in the first half of 2014, as follows:

(Values in €/000)	H1 2014	% of revenues	H1 2013	% of revenues	Change
Other operating expenses	28,906	1.4%	12,635	1.0%	16,271
Prior year expense	15,381	0.7%	1,996	0.2%	13,385
Total	**44,287**	**2.1%**	**14,631**	**1.1%**	**29,656**

32.5 Amortization, depreciation, provisions and impairment losses

This item came to € 80.8 million, up € 22.9 million compared to the same period of the previous year, broken down as follows:

(Values in €/000)	H1 2014	% of revenue	H1 2013	% of revenue	Change
Impairment losses on non-current assets, net of reversals	1,558	0.1%	80	0.0%	1,478
Accrual to the allowance for impairment, net of utilizations	(2,798)	(0.1%)	4,825	0.4%	(7,623)
Accrual to the provisions for risks, net of utilizations	3,220	0.2%	(1,150)	(0.1%)	4,370
Total provisions and impairment losses	**1,980**	**0.1%**	**3,755**	**0.3%**	**(1,775)**
Amortization of intangible assets	15,307	0.7%	1,088	0.1%	14,219
Depreciation of property, plant and equipment	63,106	3.0%	52,824	4.0%	10,282
Amortization of rights to infrastructure under concession	370	0.0%	185	0.0%	185
Total amortization and depreciation	**78,783**	**3.7%**	**54,097**	**4.1%**	**24,686**
Total	**80,763**	**3.8%**	**57,852**	**4.4%**	**22,911**

Impairment losses had a negative balance as at June 30, 2014 amounting to € 2.8 million in reference to the combined effect of the use of the previously set aside provision for Venezuela of approximately € 4.8 million and the accrual of approximately € 1.9 million related to the Uganda branch for the write-down of receivables for the insurance company regarding the claim for damages for which a civil lawsuit is pending.

33.1 Financial income

Financial income totaled € 18.7 million in the first half of 2014 (€ 12.9 million in the first half of 2013) and is made up as follows:

(Values in €/000)	H1 2014	H1 2013	Change
Interest income from receivables	**1,538**	**105**	**1,433**
Financial income from securities	**-**	**2**	**(2)**
Interest and other income from group companies	**5,375**	**3,279**	**2,096**
- Interest income	*3,817*	*2,847*	*970*
- Financial income	*1,558*	*432*	*1,126*
Interest income and other financial income	**11,814**	**9,539**	**2,275**
- Interest income on correspondent accounts	*-*	*1,647*	*(1,647)*
- Interest on financing	*1,121*	*1,046*	*75*
- Bank interest	*2,220*	*2,600*	*(380)*
- Financial discounts and allowances	*157*	*54*	*103*
- Other	*8,316*	*4,192*	*4,124*
Total	**18,727**	**12,925**	**5,802**

The increase of € 5.8 million is mainly attributable to: the increase in financial income from the parent on a loan granted to Salini Costruttori S.p.A. and paid off in June, the increase in interest on loans with the parent and the increase in other financial income due to the reversal of the PPA for € 3.2 million.

33.2 Financial expense

Financial expenses for the first half of 2014 totaled € 69.6 million (compared to € 50.9 million in the first half of 2013) and is made up as follows:

(Values in €/000)	H1 2014	H1 2013	Change
Interest payable and expenses from group companies	**423**	**1,176**	**(753)**
- Interest payable	*423*	*1,114*	*(691)*
- Financial expense	*-*	*62*	*(62)*
Interest payable from discounting	**(135)**	**164**	**(299)**
Interest payable and other financial expense	**69,350**	**49,570**	**19,780**
- Bank interests on accounts and loans	*29,823*	*20,384*	*9,439*
- Interest on loans	*15,752*	*17,913*	*(2,161)*
- Interest on bond issues	*15,484*	*4,557*	*10,927*
- Interest on tax payables	*483*	*406*	*77*
- Bank fees	*1,768*	*454*	*1,314*
- Charges on sureties	*416*	*628*	*(212)*
- Impairment losses on loans	*(30)*	*(58)*	*28*
- Factoring and Leasing	*4,622*	*4,105*	*517*
- Other	*1,032*	*1,181*	*(149)*
Total	**69,638**	**50,910**	**18,728**

Net financial expenses increased overall by € 18.7 million over last year. This increase was mainly due to the interest payable on bonds of € 10.9 million – € 9.0 million of which due to the senior unsecured bond issue for a nominal amount of € 400.0 million on July 23, 2013 – and to the bank interest expense of € 9.4 million for loans taken out during 2013.

Interest expense on other loans mainly relates to the factoring of tax receivables.

33.3 Net exchange rate gains

The net exchange rate for the first half of 2014 reported a loss of € 35.9 million (gain of € 4.0 in the same period of the previous year).

The change reflects the non-recurring charge of about € 55 million resulting from the adoption by the Group of the new official SICAD 2 exchange rate to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. This situation, described in detail in the section 'Foreign currency translation of the assets and liabilities related to Venezuela' in these explanatory notes, was necessary in light of the continuing financial/currency crisis being experienced in the country, for the purpose of achieving a more reliable estimate of the value that these net financial assets will be realized and also in consideration of the regulatory characteristics of the local currency market, which puts significant restrictions on the movement of Venezuelan currency.

34. Net gains on investments

Net gains on investments came to € 5.0 million compared to € 203.9 million in the first half of 2013.

The item may be broken down as follows:

(Values in €/000)	H1 2014	H1 2013	Change
Revaluation of investments	**3,984**	**293,727**	**(289,743)**
- Revaluation of investment	*3,984*	*293,727*	*(289,743)*
Impairment losses on investments	**1,037**	**(90,196)**	**91,233**
- Impairment of investment	*(82)*	*(90,184)*	*90,102*
- Provisions on investments	*1,119*	*(12)*	*1,131*
Income from investments	**(34)**	**415**	**(449)**
- Dividends	*3*	*22*	*(19)*
- Other income	*(37)*	*393*	*(430)*
Total	**4,987**	**203,946**	**(198,959)**

The net gains on investments in the first half of 2013 included the value of the badwill resulting from the business combination of the Impregilo Group.

Details are provided below on the revaluation of investments:

(Values in €/000)	H1 2014	H1 2013	Change
Construction	113	292,386	(292,273)
Yacilec		*13*	*(13)*
Agua Azul	*422*		*422*
Wolverhampton	*54*	*33*	*21*
Shanghai		*2,439*	*(2,439)*
Yuma Company	*3,753*	*256*	*3,497*
Total concessions	4,229	2,728	1,501
Other	(358)	(1,387)	1,029
Total revaluation of investments	**3,984**	**293,727**	**(289,743)**

35. Income tax expense

The Group's tax expense for the first half of 2014 was € 12.2 million, as shown in the following table:

(Values in €/000)	H1 2014	H1 2013	Change
Current taxes (income taxes)	4,776	25,990	(21,214)
Net deferred tax (income) expense	6,734	(6,304)	13,038
Prior year taxes	502	443	59
Total income taxes	**12,012**	**20,129**	**(8,117)**
IRAP	192	3,522	(3,330)
Total	**12,204**	**23,651**	**(11,447)**

36. Related party transactions

Transactions with related parties, as defined by IAS 24, carried out during the first half of 2014, were of an ordinary nature.

During the first half of 2014, the related-party transactions involved the following counterparties:

- directors, statutory auditors and key management personnel – solely involving transactions provided for in the legal relationships governing their positions within the Salini Impregilo Group.
- investments in 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, organizational, legal and administrative), carried out at centralized 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 Salini Impregilo, aimed at building on existing synergies in the group in terms of production and sales integration, efficient use of existing skills, streamlining of centralized 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 Costruttori S.p.A., are summarized below:

	June 30, 2014						
(Values in €/000) **Name**	**Financial assets**	**Receivables**	**Payables**	**Total Revenue**	**Total Costs**	**Financial income**	**Interest and other financial expenses**
Zeis Group	21	376	126	156	297	54	-
Madonna dei Monti S.r.l.	-	56	69	5	130	1	-
Salini Saudi Arabia	-	374	3	7	-	-	-
Salini Costruttori S.p.A.	-	27,274	7,194	35	852	3,027	21
Salini Simonpietro & C. S.A.P.A.	-	76	-	7	-	-	-
Total	**21**	**28,156**	**7,392**	**210**	**1,279**	**3,082**	**21**

Most of the Salini Impregilo Group's production in the construction segment is carried out through SPVs, set up with other partners that have participated with Salini Impregilo in tenders. The SPVs 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 the statement of financial position, income statements and statement of cash flows of the Salini Impregilo Group for the first half of 2014 was not material.

37. Significant non-recurring events and transactions

Apart from that set out in Note 16 in relation to the sale of Fisia Babcock, the financial position, performance and cash flows of the Salini Impregilo Group were not affected by significant non-recurring events and transactions, as defined by Consob communication no. DEM/6064293[3].

38. Balances or transactions arising from atypical and/or unusual transactions

In the first half of 2014, the Salini Impregilo Group did not carry out any atypical and/or unusual transactions, as defined in the above Consob communication no. DEM/6064293[4].

3. Significant non-recurring events and transactions are those that do not frequently occur in the normal course of business.
4. Atypical and/or unusual transactions are those that, due to their significance and relevance, the counterparty, the object of the transaction, exchange pricing and timing, may cast doubts as to the accuracy and completeness of disclosures, conflicts of interest, protection of the group's assets and non-controlling interests.

39. Earnings per share

Earnings per share are disclosed at the foot of the income statement.

Basic earnings per share are calculated by dividing the profit (loss) for the year attributable to the owners of the parent by the weighted average of the shares outstanding during the year. Diluted earnings per share are calculated considering the weighted average of the outstanding shares adjusted by assuming the conversion of all the shares with potentially diluting effects.

The following table summarizes the calculation Please note that following the approval resolution of September 12, 2013, 44,974,754 new ordinary shares of Salini Impregilo S.p.A. were issued to Salini Costruttori S.p.A. in execution of the merger.

The Board of Directors resolved to increase the share capital on June 20, 2014, resulting in the issuance of 44,740,000 new shares. As a result of this operation, which took place on June 25, 2014, the share capital consists of 492,172,691 ordinary shares and 1,615,491 savings shares.

(Values in €/000, thousands of shares)	H1 2014	H1 2013
Profit (loss) from continuing operations	19,911	197,135
Non-controlling interests	4,065	(355)
Profit earmarked for holders of savings shares	588	588
Profit (loss) from continuing operations attributable to the owners of the parent	**24,564**	**197,368**
Profit from continuing and discontinued operations	75,225	176,873
Non-controlling interests	4,065	(355)
Profit earmarked for holders of savings shares	588	588
Profit from continuing and discontinued operations attributable to the owners of the parent	**79,878**	**177,106**
Average outstanding ordinary shares	448,676	402,458
Average outstanding savings shares	1,615	1,615
Average number of shares	**450,291**	**404,073**
Average number of diluted shares	**450,291**	**404,073**
Basic earnings (loss) per share (from continuing operations)	**0.05**	**0.49**
Basic earnings per share (from continuing and discontinued operations)	**0.17**	**0.44**
Diluted earnings (loss) per share (from continuing operations)	**0.05**	**0.49**
Diluted earnings per share (from continuing and discontinued operations)	**0.17**	**0.44**

40. Events after the reporting period

On the basis of the agreements signed during 2013 with Todini Finanziaria S.p.A., the Group exercised the option to acquire the remaining 22.29% share capital of Todini Costruzioni Generali on July 28, for a total consideration of € 5 million.

On August 1, 2014, the Grupo Unidos por el Canal Consortium, in which the Group participates jointly with other partner companies, entered into an agreement with the Panama Canal Authority for the completion of the objectives set out in the memorandum of understanding signed on March 13, 2014. The agreement provides for an amendment to the contract which will make it possible to co-finance the works to complete the expansion of the Panama Canal.

For events occurring after June 30, 2014 concerning the USW Campania Projects, please see the section of this Half-year financial report entitled "Non-current assets held for sale – USW Campania Projects".

No other significant events occurred after June 30, 2014, beyond those described the previous sections of this Director's Report.

The Board of Directors

by: The Chairman

Consolidation scope

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Salini Impregilo S.p.A.	Italy	Euro	544,740,000	100		100	Various	line-by-line
ITALY SUBSIDIARIES		Euro						
Alia S.c.r.l. (in liq.)	Italy	Euro	10,200	100		100	Imprepar S.p.A.	line-by-line
BATA S.r.l. (in liq.)	Italy	Euro	102,000	72.1		72.1	Imprepar S.p.A.	line-by-line
Bocoge S.p.A. - Costruzioni Generali	Italy	Euro	1,702,720	100		100	Imprepar S.p.A.	line-by-line
Campione S.c.r.l. (in liq.)	Italy	Euro	11,000	99.9	99.9			line-by-line
CIS Divisione Prefabbricati Vibrocesa Scac - C.V.S. S.r.l. (in liq.)	Italy	Euro	10,000	100		100	INCAVE S.r.l.	line-by-line
Collegamenti Integrati Veloci C.I.V. S.p.A.	Italy	Euro		85	85			line-by-line
Compagnia Gestione Macchinari CO.GE.MA. S.p.A.	Italy	Euro	1,032,000	100	100			line-by-line
Congressi 91 S.c.r.l. (in liq.)	Italy	Euro	25,000	100		80	Impresa Castelli S.r.l.	line-by-line
						20	Bocoge S.p.A.	
Consorzio CCTE (in liq.)	Italy	Euro	41,315	100	60	40	ILIM S.r.l.	line-by-line
Consorzio Costruttori Strade Lazio - COSTRAL (in liq.)	Italy	Euro	20,000	54.4		54.4	Todini Costruzioni Generali S.p.A.	equity
Consorzio FAT	Italy	Euro	46,000	77.93		76.93	Todini Costruzioni Generali S.p.A.	line-by-line
						1	CO.GE.MA. S.p.A.	
Consorzio Pielle (in liq.)	Italy	Euro	15,493	100		33.33	Imprepar S.p.A.	line-by-line
						66.67	Incave S.r.l.	
Consorzio tra le Società Impregilo/Bordin/Coppetti/Icep - CORAV	Italy	Euro	51,129	96.97	96.97			line-by-line
Corso del Popolo Engineering S.c.r.l.	Italy	Euro	10,000	42.74		42.74	Todini Costruzioni Generali S.p.A.	line-by-line
Corso del Popolo S.p.A.	Italy	Euro	1,200,000	42.74		42.74	Todini Costruzioni Generali S.p.A.	line-by-line
Costruzioni Ferroviarie Torinesi Duemila S.c.r.l. (in liq.)	Italy	Euro	10,328	100		100	INCAVE S.r.l.	line-by-line
EDILFI S.c.r.l. (in liq.)	Italy	Euro	10,000	77.71		77.71	Todini Costruzioni Generali S.p.A.	equity
Effepi - Finanza e Progetti S.r.l. (in liq.)	Italy	Euro	78,000	100		100	SGF INC S.p.A.	line-by-line
Eurotechno S.r.l. (in liq.)	Italy	Euro	26,245	100		100	Imprepar S.p.A.	line-by-line
Fibe S.p.A.	Italy	Euro	3,500,000	99.998	99.989	0.003	Impregilo Intern. Infrastruc. N.V.	line-by-line
						0.006	Fisia Italimpianti S.p.A.	
Fisia Italimpianti S.p.A.	Italy	Euro	10,000,000	100	100			line-by-line
Gestione Napoli S.r.l. (in liq.)	Italy	Euro	10,000	99	24	75	Fisia Italimpianti S.p.A.	line-by-line
I.L.IM. - Iniziative Lombarde Immobiliari S.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
Imprefeal S.r.l.	Italy	Euro	20,000	100		100	Imprepar S.p.A.	line-by-line
Imprepar-Impregilo Partecipazioni S.p.A.	Italy	Euro	3,100,000	100	100			line-by-line
Impresa Castelli S.r.l. (in liq.)	Italy	Euro	10,000	100		100	Imprepar S.p.A.	line-by-line
INCAVE S.r.l. (in liq.)	Italy	Euro	90,000	100		100	Imprepar S.p.A.	line-by-line
M.A.VER S.c.a.r.l. (in liq.)	Italy	Euro	10,000	77.71		77.71	Todini Costruzioni Generali S.p.A.	line-by-line
Metro B S.r.l.	Italy	Euro	20,000,000	52.52	52.52			line-by-line

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Metro B1 S.c.a.r.l.	Italy	Euro	100,000	80.7	80.7			line-by-line
Nuovo Dolonne S.c.r.l. (in liq.)	Italy	Euro	50,000	100	100			line-by-line
Perugia 219 S.c.r.l.	Italy	Euro	10,000	42.74		42,74	Todini Costruzioni Generali S.p.A.	line-by-line
Piscine dello Stadio S.r.l.	Italy	Euro	927,500	54.4		54,4	Todini Costruzioni Generali S.p.A.	line-by-line
Piscine S.c.r.l.	Italy	Euro	10,000	54.4		54,4	Todini Costruzioni Generali S.p.A.	line-by-line
RI.MA.TI. S.c.a.r.l.	Italy	Euro	100,000	83.42	83.42			line-by-line
Risalto S.r.l. (in liq.)	Italy	Euro	89,000	92.57	66.67	25,9	Todini Costruzioni Generali S.p.A.	equity
S. Leonardo S.c.r.l. (in liq.)	Italy	Euro	25,500	99.99		99,99	Imprepar S.p.A.	line-by-line
S.G.F. - I.N.C. S.p.A.	Italy	Euro	3,859,680	100	100			line-by-line
SA.CO.LAV. S.c.r.l. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
SA.MA. S.c.a.r.l. (in liq.)	Italy	Euro	41,000	99	99			line-by-line
San Martino Prefabbricati S.p.A. (in liq.)	Italy	Euro	10,000	100		100	Impresa Castelli S.r.l.	line-by-line
Savico S.c.r.l. (in liq.)	Italy	Euro	10,200	100		81	Imprepar S.p.A.	line-by-line
Società Autostrada Broni - Mortara S.p.A.	Italy	Euro	25,000,000	61.08	61.08			line-by-line
Società Industriale Prefabbricazione Edilizia del Mediterraneo - S.I.P.E.M. S.p.A. (in liq.)	Italy	Euro	10,000	100	100			line-by-line
Sviluppo Applicazioni Industriali - SAPIN S.r.l. (in liq.)	Italy	Euro	51,480	100		100	Imprepar S.p.A.	line-by-line
TB Metro S.r.l.	Italy	Euro	100,000	51	51			line-by-line
Todedil S.c.r.l. (in liq.)	Italy	Euro	10,000	66.06		66,06	Todini Costruzioni Generali S.p.A.	equity
Todini Costruzioni Generali S.p.A.	Italy	Euro	56,907,000	77.71	77.71			line-by-line
Variante di Valico S.c.r.l. (in liq.)	Italy	Euro	90,000	92.57	66.67	25,9	Todini Costruzioni Generali S.p.A.	equity
EU SUBSIDIARIES (excluding Italy)								
Aktor A.T.E. - Todini Costruzioni Generali S.p.A.	Greece			42.74		42,74	Todini Costruzioni Generali S.p.A.	line-by-line
Copenaghen Metro Team I/S	Denmark			99.99	99.99			line-by-line
Engeco France S.a.r.l.	France	Euro	15.470	100		99,67 0,33	Imprepar S.p.A. Incave S.r.l.	line-by-line
Generalny Wykonawca Salini Polska - Impregilo - Kobylarnia S.A.	Poland			100	66.68	33,34	Salini Polska Limited Liability Company	equity
Hemus Motorway A.D. (in liq.)	Bulgaria	BGN	1.300.000	51	51			line-by-line
Impregilo International Infrastructures N.V.	Netherlands	Euro	50.000.000	100	100			line-by-line
Impregilo New Cross Ltd	Great Britain	GBP	2	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Impregilo Parking Glasgow Ltd	Great Britain	GBP	1	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line
Joint Venture Impregilo S.p.A. - S.G.F. INC S.p.A.	Greece	-	-	100	99	1	SGF INC S.p.A.	line-by-line
Salini Bulgaria A.D.	Bulgaria	BGN	50.000	100	100			line-by-line
Salini Hydro L.t.d.	Ireland	Euro	5.000	100	100			line-by-line
Salini Polska L.t.d. Liability Co	Poland	PLN	393.000	100	100			line-by-line
Steinmuller International Gmbh	Germany	Euro	25.000	100		100	Impregilo Intern. Infrastruc. N.V.	line-by-line

Name	Nazione	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
NON-EU SUBSIDIARIES								
CSC Impresa Costruzioni S.A.	Switzerland	CHF	2,000,000	100	100			line-by-line
Salini Rus L.t.d. Liability Company	Russia	Euro	74,000	99	99			line-by-line
Salini Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	TRY	50,000	100	100			line-by-line
Salini-Kolin-GCF Joint Venture	Turkey	Euro	4,000	38	38			line-by-line
Todini Akkord Salini	Ukraine			56.09	25	31.09	Todini Costruzioni Generali S.p.A.	line-by-line
ASIA SUBSIDIARIES								
Lodigiani-Pgel J.V. (in liq.)	Pakistan	-	-	100		100	Imprepar S.p.A.	equity
Salini India Private L.t.d.	India	INR	17,500,000	100	95	5	CO.GE.MA. S.p.A.	line-by-line
Salini Malaysia SDN BHD	Malaysia	MYR	1,100,000	100	90	10	CO.GE.MA. S.p.A.	line-by-line
Salini Singapore PTE L.t.d.	Singapore			100	100			line-by-line
Todini - Takenaka Joint Venture	Azerbaijan			46.63		46.63	Todini Costruzioni Generali S.p.A.	line-by-line
Todini Central Asia	Kazakhstan	Euro	1,438,000	77.71		77.71	Todini Costruzioni Generali S.p.A.	line-by-line
Todini-Impregilo Almaty Khorgos J.V.	Kazakhstan			88.85	50	38.85	Todini S.p.A.	equity
AFRICA SUBSIDIARIES								
EURL Todini Algerie	Algeria	Euro	63,000	77.71		77.71	Todini Costruzioni Generali S.p.A.	line-by-line
Groupe Mediterraneen di Travaux d'Infrastructures (in liq.)	Algeria	Euro	11,000	77.71		77.71	Todini Costruzioni Generali S.p.A.	line-by-line
Groupement Todini - Enaler Autoroute Algeria	Algeria			65.28		65.28	Todini Costruzioni Generali S.p.A.	line-by-line
Impregilo Cogefar New Esna Barrage J.V. (in liq.)	Egypt	Euro	51,645	100		99	Imprepar S.p.A.	equity
Impregilo Lidco Libya Co	Libya	DL	5,000,000	60	60			line-by-line
Impresit Bakolori Plc	Nigeria	NGN	100,800,000	50.71	50.71			equity
INC - Algerie S.a.r.l.	Algeria	DZD	151,172,000	99.97		99.97	SGF INC S.p.A.	line-by-line
PGH Ltd	Nigeria	NGN	52,000,000	100	100			line-by-line
Rivigo J.V. (Nigeria) Ltd	Nigeria	NGN	25,000,000	70		70	PGH Ltd	line-by-line
Salini - Impregilo Joint Venture for Mukorsi	Zimbabwe		-	100	99.9	0.1	Imprepar S.p.A.	line-by-line
Salini Namibia Proprietary L.t.d.	Namibia			100	100			line-by-line
Salini Nigeria L.t.d.	Nigeria	NGN	10,000,000	100	99	1	CO.GE.MA. S.p.A.	line-by-line
Todini - Hamila	Tunisia			77.71		77.71	Todini Costruzioni Generali S.p.A.	line-by-line
NORTH AMERICA SUBSIDIARIES								
S.A. Healy Company	USA	USD	11,320,863	100	100			line-by-line
Salini Canada Inc.	Canada	CAD	10,000	100	100			equity
Salini USA Inc	USA	USD	20,000	100	100			line-by-line
Vegas Tunnel Constructors	USA			100	40	60	Healy S.A.	line-by-line
LATIN AMERICA SUBSIDIARIES								
Consorcio Acueducto Oriental	Dom. Republic	-	-	67	67			propor-tionate
Consorcio Impregilo Yarull	Dom. Republic			70	70			propor-tionate

Name	Nazione	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Construtora Impregilo y Associados S.A.-CIGLA S.A.	Brazil	BRL	7,641,014	100	100			line-by-line
Empresa Constructora Metro 6 L..t.d.a.	Chile	CLP	25,000,000	100	99.9	0,1	Cigla S.A.	line-by-line
Grupo ICT II SAS	Colombia	COP	1,000,000.000	100				
IGLYS S.A.	Argentina	ARS	17,000,000	100		98 2	Impregilo Intern. Infrastruc. N.V. INCAVE S.r.l.	line-by-line
Impregilo Colombia SAS	Colombia	COP	850,000,000	100	100			line-by-line
Impregilo S.p.A. - S.A. Healy Company UTE	Argentina	PAR	10,000	100	98	2	Healy S.A.	equity
Impresit del Pacifico S.A.	Peru	PEN	35,000	100		100	Imprepar S.p.A.	line-by-line
Mercovia S.A.	Argentina	ARS	10,000,000	60		60	Impregilo Intern. Infrastruc. N.V.	line-by-line
Suramericana de Obras Publicas C.A.- Suropca C.A.	Venezuela	VEB	2,874,118.000	100	99	1	CSC S.A.	line-by-line
OCEANIA SUBSIDIARIES								
IS Joint Ventures	Australia			100	100			line-by-line
Salini Australia PTY L.t.d.	Australia			100	100			line-by-line
ITALIAN ASSOCIATES								
Compagnia Gestione Finanziarie - Co.Ge.Fin S.r.l.	Italy	Euro	10,000	39.63		39.63	Todini Costruzioni Generali S.p.A.	equity
IRINA S.r.l. (in liq.)	Italy	Euro	103,000	27.98		27.98	Todini Costruzioni Generali S.p.A.	equity
Passante Dorico S.p.A.	Italy	Euro	24,000,000	47	47			equity
Pedemontana Veneta S.p.A. (in liq.)	Italy	Euro	6,000,000	20.23	20.23			equity
EU ASSOCIATES (excluding Italy)								
Impregilo Wolverhampton Ltd	Great Britain	GBP	1,000	20		20	Impregilo Intern. Infrastruc. N.V.	equity
Ochre Solutions Holdings Ltd	Great Britain	GBP	20,000	40		40	Impregilo Intern. Infrastruc. N.V.	equity
MIDDLE EAST ASSOCIATES								
Impregilo Arabia Ltd	Saudi Arabia	SAD	40,000,000	50	50		Impregilo Intern. Infrastruc. N.V.	equity
LATIN AMERICA ASSOCIATES								
Aguas del Gran Buenos Aires S.A. (in liq.)	Argentina	ARS	45,000,000	42.58	16.5	23.72 2.36	Impregilo Intern. Infrastruc. N.V Iglys. S.A.	equity
Aguas del Oeste S.A.	Argentina	ARS	170,000	33.33		33.33	Iglys. S.A.	
Autopistas del Sol S.A.	Argentina	ARS	175,396,394	19.82		19.82	Impregilo Intern. Infrastruc. N.V.	equity
Coincar S.A.	Argentina	ARS	40,465,122	35	26.25	8.75	Iglys. S.A.	equity
Consorcio Agua Azul S.A.	Peru	PEN	69,001,000	25.5		25.5	Impregilo Intern. Infrastruc. N.V.	equity
Enecor S.A.	Argentina	ARS	8,000,000	30		30	Impregilo Intern. Infrastruc. N.V.	equity
Metro de Lima Linea 2 S.A.	Peru	PEN	166,200,000	18.25	18.25			equity
Puentes del Litoral S.A.	Argentina	ARS	43,650,000	26	22	4	Iglys. S.A.	equity
Sistranyac S.A.	Argentina	ARS	3,000,000	20.1		20.1	Impregilo Intern. Infrastruc. N.V.	equity
Yacylec S.A.	Argentina	ARS	20,000,000	18.67		18.67	Impregilo Intern. Infrastruc. N.V.	equity
Yuma Concessionaria S.A.	Colombia	COP	26,000,100.000	40	40			equity

Consolidation scope

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
ITALIAN JOINT VENTURES								
ANBAFER S.c.r.l. (in liq.)	Italy	Euro	25,500	50		50	Imprepar S.p.A.	equity
Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	50		50	Imprepar S.p.A.	equity
Aquilgest S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	Imprepar S.p.A.	equity
Aquilpark S.c.r.l. (in liq.)	Italy	Euro	10,000	51		51	Imprepar S.p.A.	equity
B.O.B.A.C. S.c.a.r.l. (in liq.)	Italy	Euro	10,200	50		50	SGF INC S.p.A.	equity
C.P.R.2	Italy	Euro	2,000	27.14		27.14	Todini Costruzioni Generali S.p.A.	equity
C.P.R.3	Italy	Euro	2,000	27.95		27.95	Todini Costruzioni Generali S.p.A.	equity
C.U.S. Consorzio Umbria Sanità (in liq.)	Italy	Euro	10,000	24.09		24.09	Todini Costruzioni Generali S.p.A.	equity
Cagliari 89 S.c.r.l. (in liq.)	Italy	Euro	10,200	49		49	Sapin S.r.l.	equity
CE.S.I.F. S.c.p.a. (in liq.)	Italy	Euro	250,000	24.18	24.18			equity
CO. MAR. S.c.r.l. (in liq.)	Italy	Euro	10,200	84.99		84.99	Imprepar S.p.A.	equity
Cogefar/C.I.S.A./Icla/Fondedile - Sorrentina S.c.r.l. (in liq.)	Italy	Euro	46,480	25		25	Imprepar S.p.A.	equity
Colle Todi S.c.r.l. (in liq.)	Italy	Euro	10,000	51.81		51.81	Todini Costruzioni Generali S.p.A.	equity
Con. Sal S.c.n.c. (in liq.)	Italy	Euro	15,000	30	30			equity
Consorzio Agrital Ricerche (in liq.)	Italy	Euro	138,405	20		20	Fisia Italimpianti S.p.A.	equity
Consorzio Alta Velocità Torino/Milano - C.A.V.TO.MI.	Italy	Euro	5,000,000	74.69	74.69			equity
Consorzio Astaldi-Federici-Todini (in liq.)	Italy	Euro	46,000	25.91		25.91	Todini Costruzioni Generali S.p.A.	equity
Consorzio Astaldi-Federici-Todini Kramis	Italy	Euro	100,000	38.85		38.85	Todini Costruzioni Generali S.p.A.	equity
Consorzio C.A.V.E.T. - Consorzio Alta Velocità Emilia/Toscana	Italy	Euro	5,422,797	75.98	75.98			equity
Consorzio Caserma Donati	Italy	Euro	300,000	84.2	84.2			equity
Consorzio Cociv	Italy	Euro	516,457	68.25	64	4.25	C.I.V. S.p.A.	equity
Consorzio Consavia S.c.n.c. (in liq.)	Italy	Euro	20,658	50		50	Imprepar S.p.A.	equity
Consorzio CPS Pedemontana Veneta Costruttori Progettisti e Servizi	Italy	Euro	100,000	35	35			equity
Consorzio del Sinni	Italy	Euro	51,646	43.16		43.16	Imprepar S.p.A.	equity
Consorzio di Riconversione Industriale Apuano - CO.RI.A. S.c.r.l.	Italy	Euro	46,481	10		10	Imprepar S.p.A.	equity
Consorzio Edilizia Sociale Industralizzata Lazio - CESIL (in liq.)	Italy	Euro	49,993	19.79		19.79	Imprepar S.p.A.	equity
Consorzio Ferrofir (in liq.)	Italy	Euro	30,987	33.33		33.33	Imprepar S.p.A.	equity
Consorzio Ferroviario Milanese	Italy	Euro	154,937	18.26		18.26	Imprepar S.p.A.	equity
Consorzio Imprese Lavori FF.SS. di Saline - FEIC	Italy	Euro	15,494	33.33		33.33	Imprepar S.p.A.	equity
Consorzio Iniziative Ferroviarie - INFER	Italy	Euro	41,316	35		35	Imprepar S.p.A.	equity
Consorzio Iricav Due	Italy	Euro	510,000	27.28	27.28			equity
Consorzio Lavori Interventi Straordinari Palermo - Colispa S.c.r.l. (in liq.)	Italy	Euro	21,420	29.76		29.76	Imprepar S.p.A.	equity
Consorzio MARC - Monitoraggio Ambientale Regione Campania (in liq.)	Italy	Euro	25,822	10		10	Effepi S.r.l.	equity
Consorzio MITECO	Italy	Euro	10,000	44.16	44.16			equity

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Consorzio MM4	Italy	Euro	200,000	31.05	31.05			equity
Consorzio NOG.MA	Italy	Euro	600,000	14	14			equity
Consorzio Pedelombarda 2	Italy	Euro	10,000	40	40			equity
Consorzio Pizzarotti Todini-Kef-Eddir.	Italy	Euro	100,000	38.86		38.86	Todini Costruzioni Generali S.p.A.	equity
Consorzio Sarda Costruzioni Generali - SACOGEN	Italy	Lit	20,000,000	25		25	Sapin S.r.l.	equity
Consorzio Sardo d'Imprese (in liq.)	Italy	Euro	103,291	34.38		34.38	Sapin S.r.l.	equity
Consorzio Scilla (in liq.)	Italy	Euro	1,000	51	51			equity
Torre Consortium	Italy	Euro	5,000,000	94.6	94.6			equity
Consorzio Trevi - S.G.F. INC per Napoli	Italy	Euro	10,000	45		45	SGF INC S.p.A.	equity
Consorzio/Vianini lavori/Impresit/Dal Canton/Icis/Siderbeton - VIDIS (in liq.)	Italy	Euro	25,822	60		60	Imprepar S.p.A.	equity
Corso Malta S.c.r.l. (in liq.)	Italy	Euro	40,800	42.5		42.5	Imprepar S.p.A.	equity
Depurazione Palermo S.c.r.l. (in liq.)	Italy	Euro	10,200	50		50	Imprepar S.p.A.	equity
Diga Ancipa S.c.r.l. (in liq.)	Italy	Euro	10,200	50		50	Imprepar S.p.A.	equity
EDIL.CRO S.c.r.l. (in liq.)	Italy	Euro	10,200	16.65		16.65	Bocoge S.p.A.	equity
Edil.Gi. S.c.r.l. (in liq.)	Italy	Lit	20,000,000	50		50	Imprepar S.p.A.	equity
Eurolink S.c.p.a.	Italy	Euro	150,000,000	45	45			equity
FE.LO.VI. S.c.n.c. (in liq.)	Italy	Euro	25,822	32.5		32.5	Imprepar S.p.A.	equity
Forum S.c.r.l. (in liq.)	Italy	Euro	51,000	20	20			equity
Galileo S.c.r.l. (in liq.)	Italy	Euro	10,000	31.08		31,08	Todini Costruzioni Generali S.p.A.	equity
Imprese Riunite Genova Irg S.c.r.l. (in liq.)	Italy	Euro	25,500	26.3		26,3	Imprepar S.p.A.	equity
Imprese Riunite Genova Seconda S.c.r.l. (in liq.)	Italy	Euro	25,000	26.3		26,3	Imprepar S.p.A.	equity
Isibari S.c.r.l.	Italy	Euro	15,300	55		55	Bocoge S.p.A.	equity
La Quado S.c.a.r.l.	Italy	Euro	10,000	35	35			equity
Librino S.c.r.l. (in liq.)	Italy	Euro	45,900	66		66	Imprepar S.p.A.	equity
Melito S.c.r.l. (in liq.)	Italy	Euro	77,400	66.67		66,67	Imprepar S.p.A.	equity
Metro Blu S.c.r.l.	Italy	Euro	10,000	50	50			equity
Metrogenova S.c.r.l.	Italy	Euro	25,500	35.63	35.63			equity
Monte Vesuvio S.c.r.l. (in liq.)	Italy	Euro	45,900	50		50	Imprepar S.p.A.	equity
Montenero S.c.r.l. (in liq.)	Italy	Euro	10,400	61.11		61,11	Imprepar S.p.A.	equity
Nautilus S.c.p.a. (in liq.)	Italy	Euro	479,880	34.41		34,41	Fisia Italimpianti S.p.A.	equity
Olbia 90 S.c.r.l. (in liq.)	Italy	Euro	10,200	24.5		24,5	Sapin S.r.l.	equity
Pantano S.c.r.l. (in liq.)	Italy	Euro	41,000	10.5	10.5			other
Passante di Mestre S.c.p.A.	Italy	Euro	10,000,000	42	42			equity
Pedelombarda S.c.p.a.	Italy	Euro	80,000,000	47	47			equity
Pietrarossa S.c.r.l. (in liq.)	Italy	Euro	10,200	50		50	Imprepar S.p.A.	equity
Quattro Venti S.c.r.l. (in liq.)	Italy	Euro	51,000	40	40			equity
RCCF Nodo di Torino S.c.p.a. (in liq.)	Italy	Euro	102,000	26		26	INCAVE S.r.l.	equity
Reggio Calabria - Scilla S.c.p.a.	Italy	Euro	35,000,000	51	51			equity
Riviera S.c.r.l.	Italy	Euro	50,000	10.54	10.54			equity
S. Anna Palermo S.c.r.l. (in liq.)	Italy	Euro	40,800	71.6	71.6			equity
S. Leonardo Due S.c.r.l. (in liq.)	Italy	Euro	40,800	60		60	Imprepar S.p.A.	equity
S. Ruffillo S.c.r.l.	Italy	Euro	60,000	35	35			equity

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Saces S.r.l. (in liq.)	Italy	Euro	26,000	37		37	Imprepar S.p.A.	equity
Salerno-Reggio Calabria S.c.p.a.	Italy	Euro	50,000,000	51	51			equity
San Benedetto S.c.r.l. (in liq.)	Italy	Euro	25,823	57		57	Imprepar S.p.A.	equity
San Giorgio Caltagirone S.c.r.l. (in liq.)	Italy	Euro	25,500	33		33	Imprepar S.p.A.	equity
SCAT 5 S.c.r.l. (in liq.)	Italy	Euro	26,000	19.43		19.43	Todini Costruzioni Generali S.p.A.	equity
Sclafani S.c.r.l. (in liq.)	Italy	Euro	10,400	41		41	Imprepar S.p.A.	equity
SEDI S.c.r.l.	Italy	Euro	10,000	26.42		26.42	Todini Costruzioni Generali S.p.A.	equity
Sirjo S.c.p.A.	Italy	Euro	30,000,000	40	40			equity
Società di Progetto Consortile per Azioni M4	Italy	Euro	360,000	29	29			equity
Soingit S.c.r.l. (in liq.)	Italy	Lit	80,000,000	29.49		29.49	Imprepar S.p.A.	equity
Strade e Depuratori Palermo S.c.r.l.	Italy	Euro	10,200	16		16	Imprepar S.p.A.	equity
Trasimeno S.c.r.l. (in liq.)	Italy	Euro	10,000	23.31		23.31	Todini Costruzioni Generali S.p.A.	equity
Trincerone Ferroviario S.c.r.l. (in liq.)	Italy	Euro	45,900	60		60	Imprepar S.p.A.	equity
Unicatanzaro S.c.r.l. (in liq.)	Italy	Euro	15,300	56		56	Bocoge S.p.A.	equity
VE.CO. S.c.r.l.	Italy	Euro	10,200	25	25			equity
Villagest S.c.r.l. (in liq.)	Italy	Euro	13,944	50		50	Fisia Italimpianti S.p.A.	equity
Vittoria S.c.r.l. (in liq.)	Italy	Euro	20,400	58		58	Imprepar S.p.A.	equity
EU JOINT VENTURES (excluding Italy)								
Churchill Construction Consortium	Great Britain			30		30	Impregilo New Cross Ltd	equity
Churchill Hospital J.V.	Great Britain			50		50	Impregilo New Cross Ltd	equity
Consorcio Normetro	Portugal			13.18	13.18			equity
Consorzio Kallidromo	Greece	Euro	29,347	16.09		16.09	Todini Costruzioni Generali S.p.A.	equity
Italsagi SP. ZO.O	Poland	PLN	10,000	66	33	33	Imprepar S.p.A.	equity
Joint Venture Kallidromo	Greece	Euro	8,804	17.87		17.87	Todini Costruzioni Generali S.p.A.	equity
Wohnanlage Hohenstaufenstrasse Wiesbaden	Germany			62.7		62.7	Imprepar S.p.A.	equity
NON-EU JOINT VENTURES								
Arbeitsgemeinschaft Tunnel Umfahrung Saas (ATUS)	Switzerland			32		32	CSC S.A.	equity
Arge Haupttunnel Eyholz	Switzerland			36		36	CSC S.A.	equity
Arge Sisto N8	Switzerland			50		50	CSC S.A.	equity
Arge Uetlibergtunnel	Switzerland			15		15	CSC Zurich	equity
CGR Consorzio Galliera Roveredo	Switzerland			37.5		37.5	CSC S.A.	equity
CMC - Consorzio Monte Ceneri lotto 851	Switzerland			40		40	CSC S.A.	equity
Consorzio Biaschina	Switzerland			33.34		33.34	CSC S.A.	equity
Consorzio CEMS	Switzerland			33.4		33.4	CSC S.A.	equity
Consorzio CGMR	Switzerland			40		40	CSC S.A.	equity
Consorzio Felce	Switzerland			25		25	CSC S.A.	equity
Consorzio Felce BP	Switzerland			33.34		33.34	CSC S.A.	equity
Consorzio Felce lotto 101	Switzerland			25		25	CSC S.A.	equity
Consorzio MPC	Switzerland			33		33	CSC S.A.	equity

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Consorzio Piottino	Switzerland			25		25	CSC S.A.	equity
Consorzio Portale Vezia (CVP Lotto 854)	Switzerland			60		60	CSC S.A.	equity
Consorzio SI.VI.CI.CA.	Switzerland			25		25	CSC S.A.	equity
Consorzio SIVICICA 3	Switzerland			25		25	CSC S.A.	equity
Consorzio SIVICICA 4	Switzerland			25		25	CSC S.A.	equity
Consorzio Stazione Mendrisio	Switzerland			25		25	CSC S.A.	equity
Consorzio TAT-Tunnel Alp Transit Ticino, Arge	Switzerland	-	-	25	17.5	7.5	CSC S.A.	equity
CSLN Consorzio	Switzerland	-	-	28		28	CSC S.A.	equity
Gaziantep Hastane Sanglik Hizmetleri Isletme Yatrim Joint Stock Company	Turkey	TRY	10,000,000	28	28			equity
SI.VI.CI.CA. 2	Switzerland			25		25	CSC S.A.	equity
AFRICA JOINT VENTURES								
CMC - Mavundla - Impregilo J.V.	South Africa			39.2	39.2			equity
Consorzio Libyan Expressway Contractor	Italy	Euro	10,000	58	58			equity
Groupement Hydrocastoro	Algeria	DZD	2,000,000	49.98		49.98	INC Algerie Sarl	equity
Salini Acciona Joint Venture	Ethiopia	Euro	20,000	50	50			equity
Salini Strabag Joint Ventures	Guinea	Euro	10,000	50	50			equity
LATIN AMERICA JOINT VENTURES								
Consorcio Cigla-Sade	Brazil	-	-	50		50	Cigla S.A.	equity
Consorcio Contuy Medio	Venezuela	-	-	29.04	29.04			equity
Consorcio Federici/Impresit/Ice Cochabamba	Bolivia	USD	100,000	25		25	Imprepar S.p.A.	equity
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles	Venezuela	-	-	33.33	33.33			equity
Consorcio Imigrantes	Brazil	-	-	50		50	Cigla S.A.	equity
Consorcio OIV-TOCOMA	Venezuela			40	40			equity
Consorcio Serra do Mar	Brazil			50	25	25	Cigla S.A.	equity
Consorcio V.I.T. - Tocoma	Venezuela	-	-	35	35			equity
Consorcio V.I.T. Caroni - Tocoma	Venezuela			35	35			equity
Consorcio V.S.T.	Venezuela	-	-	35		35	Suropca C.A.	equity
Consorcio V.S.T. Tocoma	Venezuela	-	-	30	30			equity
Consorzio Constructor M2 Lima	Peru			25.5	25.5			equity
Constructora Ariguani SAS	Colombia	COP	100,000,000	51	51			equity
Constuctora Embalse Casa de Piedra S.A. (in liq.)	Argentina	ARS	821	72.93		72.93	Imprepar S.p.A.	equity
E.R. Impregilo/Dumez y Asociados para Yaciretê - ERIDAY	Argentina	USD	539,400	20.75	18.75	2	Iglys S.A.	equity
Empresa Constructora Angostura Ltda	Chile	CLP	50,000,000	65	65			equity
Empresa Constructora Lo Saldes L..t.d.a.	Chile	CLP	10,000,000	35	35			equity
Grupo Empresas Italianas - GEI	Venezuela	VEB	10,000,000	33.33	33.33			equity
Grupo Unidos Por El Canal S.A.	Panama	USD	1,000,000	48	48			equity
Techint S.A.C.I.- Hochtief A.G.- Impregilo S.p.A.-Iglys S.A. UTE	Argentina	-	-	35	26.25	8.75	Iglys S.A.	equity

Consolidation scope

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
OTHER								
ITALY								
Acqua Campania S.p.A.	Italy	Euro	4,950,000	0.1		0.1	Impregilo Intern. Infrastruc. N.V.	cost
CAF Interregionale Dipendenti S.r.l.	Italy	Euro	275,756	0.03		0.03	Todini Costruzioni Generali S.p.A.	cost
Calpark S.c.p.A.	Italy	Euro	512,569	1.89		1.89	Bocoge S.p.A.	cost
CE.DI.R. S.c.r.l. (in liq.)	Italy	Euro	10,200	1		1	Imprepar S.p.A.	cost
Consorzio Aree Industriali Potentine (in liq.)	Italy	Euro	408,000	2		2	Fisia Italimpianti S.p.A.	cost
Consorzio Casale Nei	Italy	Euro	22,466	3.45		3.45	Bocoge S.p.A.	cost
Consorzio CON.SI (in liq.)	Italy	Euro	22,724	2.27	2.27			cost
Consorzio Costruttori TEEM	Italy	Euro	10,000	0.01	0.01			cost
Consorzio infrastruttura area metropolitana - Metro Cagliari (in liq.)	Italy	Euro	129,114	7.5		7.5	Sapin S.r.l.	cost
Consorzio Nazionale Imballaggi - CO.NA.I.	Italy	Euro	130	1	1			cost
Consorzio Terme di Sardara - CON.TER. SAR. (in liq.)	Italy	Lit	50,000,000	0.1		0.1	Sapin S.r.l.	cost
Consorzio TRA.DE.CI.V.	Italy	Euro	155,535	8.06	8.06			cost
Emittenti Titoli S.p.A.	Italy	Euro	4,264,000	0.24	0.24			cost
G.T.B. S.c.r.l.	Italy	Euro	51,000	0.01	0.01			cost
GE.A.C. S.r.l.	Italy	Euro	10,400	4		4	Imprepar S.p.A.	cost
Grassetto S.p.A. (in liq.)	Italy	Euro	56,941,500	0.001		0.001	Imprepar S.p.A.	cost
Hobas Italiana S.p.A. (in liq.)	Italy	Lit	350,000,000	8.83		8.83	Imprepar S.p.A.	cost
I_Faber S.p.A.	Italy	Euro	5,652,174	8	8			cost
Immobiliare Golf Club Castel D'Aviano S.r.l.	Italy	Euro	3,891,720	0.44	0.44			cost
Istituto per lo Sviluppo Edilizio ed Urbanistico - ISVEUR S.p.A.	Italy	Euro	2,500,000	1.4		1.4	Imprepar S.p.A.	cost
Istituto Promozionale per l'Edilizia S.p.A. - Ispredil S.p.A.	Italy	Euro	111,045	0.42		0.12 0.3	ILIM Srl Bocoge S.p.A.	cost
Lambro S.c.r.l.	Italy	Euro	200,000	0.01	0.01			cost
M.N. 6 S.c.r.l.	Italy	Euro	51,000	1	1			cost
Manifesto S.p.A. (in liq.)				0.36		0.36	CO.GE.MA. S.p.A.	cost
Markland S.r.l. (in liq.)	Italy	Euro	66,810	1.9	1.9			cost
Metropolitana di Napoli S.p.A.	Italy	Euro	3,655,397	5.18	5.18			cost
Nomisma - Società di Studi Economici S.p.A.	Italy	Euro	6,605,830	0.19		0.19	Todini Costruzioni Generali S.p.A.	cost
Parco Scientifico e Tecnologico della Sicilia S.c.p.a.	Italy	Euro	13,531,173	0.04		0.04	Imprepar S.p.A.	cost
Rimini Fiera S.p.A.	Italy	Euro	42,294,067	2.09	2.09			cost
S.I.MA. GEST 3 S.c.r.l. (in liq.)	Italy	Euro	50,000	0.01	0.01			cost
Sarmento S.c.r.l. (in liq.)	Italy	Euro	10,200	0.01		0.01	Bocoge S.p.A.	cost
Seveso S.c.a.r.l. (in liq.)	Italy	Euro	10,000	4		4	Imprepar S.p.A.	cost
Skiarea Valchiavenna S.p.A.	Italy	Euro	10,568,180	0.98	0.98			cost
SO.C.E.T. Societa' Costruttori Edili Toscani S.p.A. (in liq.)	Italy	Euro	350,753	0.08		0.08	Imprepar S.p.A.	cost
Società di gestione aeroporto di Cuneo - GEAC S.p.A.	Italy	Euro	1,485,470	0.84		0.84	Imprepar S.p.A.	cost
Tangenziale Esterna S.p.A.	Italy	Euro	100,000,000	3.75	3.75			cost

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
UE (except Italy)								
Impregilo S.p.A.-Avax S.A.-Ate Gnomon S.A., J.V.	Greece	GRD	3,000,000	1		1	Imprepar S.p.A.	cost
Joint Venture Aktor S.A. - Impregilo S.p.A.	Greece	-	-	0.01	0.01			cost
Normetro - Agrupamento Do Metropolitano Do Porto, ACE	Portugal	PTE	100,000	2.12	2.12			cost
Road Link Ltd	Great Britain	GBP	1,000	18.8		18.8	Imprepar S.p.A.	cost
Transmetro - Construcao de Metropolitano A.C.E.	Portugal			5	5			cost
NON-EU								
Società di gestione SSIC-TI	Switzerland	CHF	1,000,000	5		5	CSC S.A.	cost
MIDDLE EAST								
Salini Saudi Arabia Company L.t.d.	Saudita Arabia			5		5	CO.GE.MA. S.p.A.	cost
AFRICA								
Wurno Construction Materials - WUCOMAT Ltd	Nigeria	NGN	3,300,000	5.07		5.07	Impresit Bakolori Plc	cost
LATIN AMERICA								
Empr. Constr. Delta S.A., JosÅ Cartellone Constr. Civ. S.A., Iglys S.A. U.T.E.	Argentina		-	5		5	Iglys S.A.	cost
JOINT OPERATION								
EU JOINT OPERATIONS (excluding Italy)								
Aegek-Impregilo-Aslom J.V.	Greece			45.8	45.8			
Executive J.V. Impregilo S.p.A. Terna S.A. - Alte S.A. (in liq.)	Greece	-	-	33.33	33.33			
Impregilo-Terna SNFCC J.V.	Greece	Euro	100,000	51	51			
Joint Venture Aegek-Impregilo-Ansaldo-Seli-Ansaldobreda	Greece			26.71	26.71			
Joint Venture Aktor Ate - Impregilo S.p.A. (Constantinos)	Greece	-	-	40	40			
Joint Venture Impregilo S.p.A. - Empedos S.A. - Aktor A.T.E.	Greece	-	-	66	66			
Joint Venture Terna - Impregilo	Greece	-	-	45	45			
Line 3 Metro Stations	Greece			50	50			
Thessaloniki Metro CW J.V.	Greece			42.5	42.5			
ASIA JOINT OPERATIONS								
Ghazi-Barotha Contractors J.V.	Switzerland	-	-	57.8	57.8			
Nathpa Jhakri J.V.	India	USD	1,000,000	60	60			
MIDDLE EAST JOINT OPERATIONS								
Arriyad New Mobility Consortium	Saudi Arabia			33.48	33.48			
Civil Works Joint Ventures	Saudi Arabia			29	29			
Impregilo - Rizzani de Eccher J.V.	Switzerland			67	67			
Impregilo-SK E&C-Galfar al Misnad J.V.	Qatar			41.25	41.25			
Tristar Salini Joint Venture	Arab Emirates			40	40			
NORTH AMERICA JOINT OPERATIONS								
Barnard Impregilo Healy J.V.	Montana			45	25	20	Healy S.A.	
Healy-Yonkers-Atlas-Gest J.V.	USA	-	-	45		45	Healy S.A.	
Impregilo-Healy-Parsons J.V.	USA	USD		65	45	20	Healy S.A.	

Name	Country	Currency	Share/quota capital subscribed	% invest-ment	% direct	% indi-rect	Held indirectly companies	Method 06.30.2014
Interstate Healy Equipment J.V.	USA			45		45	Healy S.A.	
SFI Leasing Company	USA			30	30			
Shimmick CO. INC. - FCC CO S.A. - Impregilo S.p.A - J.V.	USA			30	30			
LATIN AMERICA JOINT OPERATIONS								
Consorcio Contuy Medio Grupo A C.I. S.p.A. Ghella Sogene C.A., Otaola C.A.	Venezuela	-	-	36.4	36.4			
Consorcio Impregilo - OHL	Colombia			70		70	Impregilo Colombia SAS	
Constructora Mazar Impregilo-Herdoiza Crespo	Ecuador	-	-	70	70			

Certification of the Condensed consolidated interim financial statements

Statement on the Condensed interim financial statements

pursuant to article 81-ter of Consob Regulation no. 11971 of May 14, 1999 (as amended)

1. Considering the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of February 24, 1998, Pietro Salini, as CEO, and Massimo Ferrari, as manager in charge of financial reporting, of Salini Impregilo S.p.A., hereby state:
- that the administrative and accounting procedures are adequate given the group's characteristics;
- that they were actually applied during the first half of 2014 to prepare the consolidated financial statements.

2. No significant issues arose.

3. Moreover, they state that:

3.1 The condensed financial statements:

a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;

b) are consistent with the accounting records and entries;

c) are suitable to give a true and fair view of the financial position at December 31, 2013 and the results of operations and cash flows for the year then ended of the Issuer and its consolidated companies.

3.2 The Interim Directors' Report includes a reliable analysis of the important events that took place during the first six months of the year and their impact on the Condensed interim financial statements, together with information about the key risks and uncertainties for the remaining six months of the year. The Interim Directors' Report also includes a reliable analysis of information on significant transactions with related parties.

Milan, August 5, 2014

Chief Executive Officer
Pietro Salini

Manager in charge
of financial reporting
Massimo Ferrari

Independent auditors' report

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

To the shareholders of
Salini Impregilo SpA

1 We have reviewed the consolidated condensed interim financial statements of Salini Impregilo SpA and its subsidiaries ("Salini Impregilo Group") as of 30 June 2014, which comprise the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flows and related notes. The Directors of Salini Impregilo SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by Consob, the national stock exchange commission, with Resolution n° 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The limited review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

The consolidated condensed interim financial statements present, for comparative purposes, the prior year consolidated financial statements figures and the prior year consolidated condensed interim financial statements figures. As disclosed in the notes, directors restated some comparative figures related to the prior year consolidated financial statements, in respect to the figures previously presented and on which another auditor issued its report on 14 April 2014. Likewise, directors restated some comparative figures related to six months ended 30 June 2013, in respect to the figures previously presented and on which another auditor issued its report on 20 September 2013.
The methods used to restate the comparative figures and the disclosures presented in the notes have been examined by us for the purposes of issuing of the auditors' report on the review of consolidated condensed interim financial statements for the six months ended 30 June 2014.

3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Salini Impregilo Group as of 30 June 2014 have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

PricewaterhouseCoopers SpA

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4 We draw your attention to the following circumstances described in more details in the Directors' report and in the notes to the consolidated condensed interim financial statements as of 30 June 2014:

(i) "USW Campania Projects"

Directors have disclosed the developments of the issues connected to the activity related to the realization and management of the Urban Solid Waste disposal plants in Campania (USW projects) operated by Fibe SpA and Fibe Campania SpA (merged in Fibe SpA).
Details are reported in chapter "Non-current assets held for sale and discontinued operations" of the Directors' report – Part II.

(ii) "Libya"

Directors have disclosed the situation of the Group's activities in Libya.
Details are reported in paragraph "Libya" of the notes to the consolidated condensed interim financial statements and in paragraph "Risk Areas" of the chapter "Operating performance by geographic region" of the Directors' report– Part II.

Milan, 8 August 2014

PricewaterhouseCoopers SpA

Signed by
Andrea Brivio
(Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.
We have not examined the translation of the consolidated condensed interim financial statements referred to in this report.

This document is available at:
www.salini-impregilo.com

Salini Impregilo S.p.A.

Salini Impregilo S.p.A., a company subject to
management and coordination by Salini Costruttori S.p.A.

Salini Impregilo S.p.A.
Share capital € 544,740,000

Registered office in Milan, Via dei Missaglia 97
Tax code and Milan Company Registration no 00830660155
R.E.A. no. 525502 - VAT no. 02895590962

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