Consolidated Financial Statements and Notes thereto at 31 December 2014

Astaldi Società per Azioni

Corporate and Head Offices: Rome (Italy), Via Giulio Vincenzo Bona n. 65

Registered with the Companies Register of Rome

Tax Code and VAT Number: 00398970582

R.E.A. no. 152353

VAT n. 0080281001

Share Capital: Euro 196,849,800.00 fully paid-in

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EUR/000	Notes	31/12/2014	*31/12/2013 Restated
Revenue	1	2,540,388	2,381,413
of which with related parties		*521,436*	*422,086*
Other Operating Revenue	2	112,177	126,947
of which with related parties		*4,423*	*10,174*
Total Revenue		**2,652,565**	**2,508,360**
Purchase costs	3	(401,399)	(423,566)
Service costs	4	(1,488,958)	(1,403,297)
of which with related parties		*(118,974)*	*(159,437)*
Personnel expenses	5	(420,006)	(320,512)
amortisation, depreciation and impairment losses	6	(70,633)	(85,235)
Other operating costs	7	(37,252)	(43,293)
of which with related parties		*(550)*	*(166)*
Total Costs		**(2,418,249)**	**(2,275,903)**
(Capitalisation of internal construction costs)	8	516	1,652
Operating profit		**234,832**	**234,108**
Financial income	9	98,286	96,827
of which with related parties		*11,450*	*4,302*
Financial charges	10	(237,156)	(208,365)
of which with related parties		*(40)*	*(2,126)*
Effect of equity accounting	11	34,769	7,386
Total Financial Area and investments		**(104,101)**	**(104,152)**
Profit before tax from continuing operations		**130,731**	**129,956**
Tax	12	(47,980)	(54,817)
PROFIT FROM CONTINUING OPERATIONS		**82,751**	**75,139**
PROFIT (LOSS) RELATED TO DISPOSAL GROUPS	**13**	**(2,006)**	**(4,575)**
PROFIT FOR THE YEAR		**80,745**	**70,564**
Profit attributable to owners of the parent		81,559	67,337
Profit (loss) attributable to non-controlling interests		(814)	3,227
Earnings per share	14		
Basic		Euro 0.83	Euro 0.69
Diluted		Euro 0.75	Euro 0.68

* Following retrospective application of IFRS 11 – Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

CONSOLIDATED COMPREHENSIVE INCOME

EUR/000	Notes	31/12/2014	*31/12/2013 Restated
Profit for the year (A)		**80,745**	**70,564**
Components to be reclassified subsequently in Profit (Loss) for the year	27		
Change in Subsidiaries hedging reserve net of tax effect		600	8,761
Change in Associated hedging reserve net of tax effect		(12,261)	10,112
Change in Subsidiaries Translation Reserve		(32,650)	(10,393)
Change in Associates Translation Reserve		15,336	(18,722)
Gains (Losses) on equity accounting of AFS financial assets		161	(194)
Comprehensive income related to disposal groups		2,117	(34)
Total Other comprehensive expenses net of tax effect to be reclassified subsequently in Profit (Loss) for the year (B1)		**(26,698)**	**(10,471)**
Items not to be reclassified subsequently in Profit (Loss) for the year	27		
Defined benefit plan actuarial Gains (Losses)		(389)	683
Defined benefit plan actuarial Gains (Losses) deriving from equity accounting		(330)	203
Total Other comprehensive income (expenses) net of tax effect not to be reclassified subsequently in Profit (Loss) for the year (B2)		**(719)**	**886**
Total Other comprehensive expense net of tax effect (B1)+(B2)=(B)		**(27,417)**	**(9,585)**
TOTAL COMPREHENSIVE PROFIT (A)+(B)		**53,328**	**60,979**
of which attributable to owners of the parent		54,210	57,706
of which attributable to non-controlling interests		(882)	3,272

* Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR/000	Notes	31/12/2014	*31/12/2013 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	15	223,111	203,973
Investment property	16	1,054	1,086
Intangible assets	17	32,555	58,971
Equity investments	18	436,909	384,151
of which:			
Equity accounted investees		433,619	382,119
Non-current financial assets	19	186,732	96,840
of which with related parties		*137,756*	*55,567*
Other non-current assets	20	56,935	53,634
Deferred tax assets	12	30,611	17,118
Total non-current assets		**967,907**	**815,773**
Current assets			
Inventories	21	64,870	61,711
Receivables from customers	22	1,165,348	1,261,797
of which with related parties		*81,210*	*60,447*
Trade receivables	23	903,041	961,893
of which with related parties		*46,308*	*47,137*
Current financial assets	19	40,273	46,391
of which with related parties		*18,316*	*4,913*
Tax assets	24	97,834	104,612
Other current assets	20	329,128	383,467
of which with related parties		*19,825*	*21,800*
Cash and cash equivalents	25	530,212	373,226
Total current assets		**3,130,705**	**3,193,097**
Assets related to disposal groups	26	**0**	**60,273**
Total Assets		**4,098,612**	**4,069,144**

*Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

EUR/000	Notes	31/12/2014	*31/12/2013 Restated
EQUITY AND LIABILITIES			
Equity	27		
Share Capital		196,850	196,850
Treasury shares		(1,793)	(1,040)
Reserves:			
Legal reserve		27,934	26,201
Extraordinary reserve		256,581	244,376
Retained earnings		102,373	75,844
Other reserves		491	114
Other comprehensive expense		(89,937)	(62,588)
Total share capital and reserves		**492,499**	**479,756**
Profit for the year		81,559	67,337
Total Equity attributable to owners of the parent		**574,058**	**547,093**
Profit (loss) attributable to non-controlling interests		(814)	3,227
Other comprehensive income items attributable to non-controlling interests		(118)	(51)
Share Capital and Other Reserves attributable to non-controlling interests		6,931	41,925
Equity attributable to non-controlling interests		**5,998**	**45,101**
Total Equity		**580,056**	**592,193**
Non-current liabilities			
Non-current financial liabilities	28	1,178,999	970,042
of which with related parties		*1,634*	*1,645*
Other Non-current liabilities	29	17,034	16,696
Employee benefits	30	9,595	8,003
Deferred tax liabilities	12	11,402	10,957
Total Non-current liabilities		**1,217,030**	**1,005,699**
Current liabilities			
Payables to customers	22	589,785	676,569
of which with related parties		*126,606*	*74,134*
Trade payables	31	1,031,736	1,116,633
of which with related parties		*59,057*	*92,785*
Current financial liabilities	28	395,070	388,440
Tax Payables	32	103,997	73,666
Provisions for current risks and charges	33	13,407	22,591
Other Current liabilities	29	167,530	153,404
of which with related parties		*792*	*1,254*
Total Current liabilities		**2,301,526**	**2,431,304**
Liabilities related to disposal groups	26	**0**	**39,947**
Total liabilities		**3,518,556**	**3,476,950**
Total equity and liabilities		**4,098,612**	**4,069,144**

*Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Change in equity at 31 December 2014

EUR/000	*Share Capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve net of tax effect*	*Translation Reserve*	*Actuarial Gains (Losses)*	*Gains (Losses) on equity accounting of AFS investees.*	*Other reserves*	*Accrued income*	*Profit for the year*	Total Group Equity	*Non-controlling interest*	Total Equity
Balance at 01 January 2014 Published	195,810	26,201	244,376	(23,314)	(35,209)	*(66)*	(147)	114	75,844	75,213	**558,822**	45,101	**603,923**
Effects deriving from the application of IFRS 11	0	0	0	(3,853)	0	*0*	0	0	0	(7,876)	**(11,729)**	0	**(11,729)**
Balance at 01 January 2014 Restated	**195,810**	**26,201**	**244,376**	**(27,167)**	**(35,209)**	***(66)***	**(147)**	**114**	**75,844**	**67,337**	**547,093**	**45,101**	**592,193**
Profit of continuing operations 2013	0	0	0	0	0	*0*	0	0	0	81,559	**81,559**	(814)	**80,745**
Other comprehensive income (expenses	0	0	0	(9,467)	(17,326)	*(669)*	113	0	0	0	**(27,349)**	(68)	**(27,417)**
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**(9,467)**	**(17,326)**	***(669)***	**113**	**0**	**0**	**81,559**	**54,210**	**(882)**	**53,328**
Transactions with shareholders and other Change in equity:													
Treasury shares	(753)	0	(1,585)	0	0	*0*	0	210	0	0	**(2,128)**	0	**(2,128)**
Dividends	0	0	0	0	0	*0*	0	0	0	(18,701)	**(18,701)**	0	**(18,701)**
Provision pursuant to Art.27	0	0	0	0	0	*0*	0	0	0	(520)	**(520)**	0	**(520)**
Transactions with non-controlling interests	0	0	0	0	0	*0*	0	0	(6,063)	0	**(6,063)**	(1,392)	**(7,455)**
Change in consolidation scope	0	0	0	0	0	*0*	0	0	0	0	**0**	(36,827)	**(36,827)**
Allocation of profit from continuing operations 2013	0	1,733	13,790	0	0	*0*	0	0	32,592	(48,115)	**0**	0	**0**
Other Change	0	0	0	0	0	*0*	0	0	0	0	**0**	0	**0**
Stock Option allocation reserve	0	0	0	0	0	*0*	0	168	0	0	**168**	0	**168**
Balance at 31/12/2014	***195,057**	**27,934**	***256,581**	**(36,634)**	**(52,535)**	***(735)***	**(34)**	**491**	**102,373**	**81,559**	**574,058**	**5,998**	**580,056**

*The amount shown in the highlighted item is shown net of overall investment in treasury shares totalling EUR/000 5,198 of which EUR/000 1,793, corresponding to the nominal value of the shares, recognised as a reduction of share capital, and EUR/000 3,405 recognised as a reduction of Extraordinary reserve.

Change in equity at 31 December 2013 – Restated

EUR/000	*Share Capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve net of tax effect*	*Translation Reserve*	*Actuarial Gains (Losses)*	*Gains (Losses) on equity accounting AFS investees*	*Other reserves*	*Accrued income*	*Profit for the year*	Total Group Equity	*Non-controlling interests*	Total Equity
Balance at 01 January 2013*	**195,633**	**23,930**	**218,262**	**(45,676)**	**(6,412)**	**(869)**	**0**	**(921)**	**48,971**	**74,133**	**507,050**	**46,897**	**553,948**
Profit from continuing operations 2013	0	0	0	0	0	0	0	0	0	67,337	**67,337**	3,227	**70,564**
Other comprehensive income (expense)	0	0	0	18,509	(28,797)	804	(147)	0	0	0	**(9,631)**	46	**(9,585)**
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**18,509**	**(28,797)**	**804**	**(147)**	**0**	**0**	**67,337**	**57,706**	**3,272**	**60,979**
Transactions with shareholders and other Change in equity:													
Treasury shares	176	0	(16)	0	0	0	0	330	0	0	**490**	0	**490**
Dividends	0	0	0	0	0	0	0	0	0	(16,639)	**(16,639)**	(167)	**(16,806)**
Provision pursuant to Art.27	0	0	0	0	0	0	0	0	0	(681)	**(681)**	0	**(681)**
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	(1,539)	0	**(1,539)**	(7,014)	**(8,553)**
Change in consolidation scope	0	0	0	0	0	0	0	0	0	0	**0**	2,112	**2,112**
Allocation of profit from continuing operations 2012	0	2,271	26,130	0	0	0	0	0	28,412	(56,813)	**0**	0	**0**
Other Change	0	0	0	0	0	0	0	(193)	0	0	**(193)**	0	**(193)**
Stock Option allocation reserve	0	0	0	0	0	0	0	898	0	0	**898**	0	**898**
Balance at 31/12/2013	****195,810**	**26,201**	****244,376**	**(27,167)**	**(35,209)**	**(66)**	**(147)**	**114**	**75,844**	**67,337**	**547,093**	**45,101**	**592,193**

* Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated. The values highlighted also include the effects of the application of IAS 19 (2011), already published in the consolidated financial statements at 31/12/2013.

** The amount shown in the highlighted item is shown net of the overall investment in treasury shares of EUR/000 2,859 of which EUR/000 1,040, corresponding to the nominal value of the shares, recognised as a reduction of share capital, and EUR/000 1,819 recognised as a reduction of the Extraordinary reserve.

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT OF OPERATING ACTIVITY	31/12/2014	*31/12/2013 Restated
Profit for the year attributable to owners of the parent and non-controlling interests	**80,745**	**70,564**
Tax	47,980	54,817
Pre-tax profit	**128,724**	**125,381**
Adjustments for:		
Non monetary items		
Depreciation of property, plant and equipment and investment property and amortisation of intangible assets	66,087	71,141
Impairment losses	4,547	14,074
Effect of application of equity accounting	(34,769)	(24,225)
Post-employment benefits and defined benefit plans	2,327	774
Costs for employee incentives plans	1,325	1,450
Provisions for risks and charges	1,534	4,463
Impairment losses (Reversal of impairment losses) following the adoption on fair value	(562)	11,860
Losses (Gains) from actualization	36,005	0
Subtotal	**76,493**	**79,538**
Investment management items		
Gains/losses on disposal	(2,162)	(2,447)
Other adjustments necessary to reconcile profit with cash flow from operating activities		
Net interest receivable and payable and dividends received (Coverage of losses)	92,813	72,845
Subtotal	**90,651**	**70,398**
Cash flow from operating activity before the Change in net working capital	**295,868**	**275,317**
Change in working capital		
Trade receivables	20,400	(135,875)
of which with related parties	*829*	*(15,883)*
Inventories and Receivables from customers	93,291	(169,825)
of which with related parties	*(20,763)*	*(18,494)*
Trade payables	(85,141)	8,205
of which with related parties	*(33,728)*	*(51,734)*
Provisions for risks and charges	(11,238)	(8,773)
Payables to customers	(85,119)	207,938
of which with related parties	*52,473*	*(28,996)*
Other operating activities	53,964	(60,415)
of which with related parties	*1,975*	*6,822*
Other liabilities operative	25,615	4,742
of which with related parties	*(462)*	*68*
Payments of post-employment benefits and defined benefit plans	(1,126)	(1,387)
Subtotal	**10,645**	**(155,390)**
Change in Translation Reserve of subsidiaries	(32,663)	(10,069)
Cash flows from operating activity	**273,850**	**109,858**
Interest and dividends received (coverage of losses)	7,371	2,178
Interest paid	(100,665)	(63,369)
Tax paid	(50,957)	(40,642)
A) Net cash flows from operating activity	**129,599**	**8,025**

*Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

	31/12/2014	*31/12/2013 Restated
CASH FLOW STATEMENT OF INVESTMENT ACTIVITY		
Construction		
Net investment in property	(5)	0
Net investment in intangible assets	(591)	3,480
Investment in property, plant and equipment	(61,657)	(27,910)
Sale – purchase of property, plant and equipment	14,795	16,160
Change in investee financing activity	1,379	(1,413)
of which with related parties	*357*	*(1,134)*
Acquisitions of interest in associates and other investees	(388)	(6,936)
Amounts obtained from the sale of investments in associates and other investees	33	28
Sale – purchase of Securities	11	(60)
Change in other net financial receivables	(3,760)	4,606
Subtotal	**(50,182)**	**(12,044)**
Concessions		
Change in receivable rights from concessions	64,192	11,759
Net investment in property, plant and equipment	1,579	0
Change in investee financing activities	(132,076)	(22,445)
of which with related parties	*(127,239)*	*(22,445)*
Acquisitions of interest in associates and other investees	(25,271)	(80,598)
Amounts obtained for sale of investments in associates and other investees	1,985	0
Change in other net financial receivables	21,905	(20,668)
Increase of receivables for financial leasing with respect to investments	(8,984)	(18,604)
Subtotal	**(76,669)**	**(130,556)**
Change in consolidation scope	33,069	0
B) Cash flows used in investment activities	**(93,783)**	**(142,600)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to Astaldi shareholders	(18,701)	(16,639)
Dividends distributed to other Shareholders	(0)	(167)
Net investment in treasury shares	(2,339)	160
Sale – acquisition of treasury shares	210	330
Bond issues	150,000	730,000
repayments and other net changes in bond issues	0	(19,110)
repayments and other net changes financial payables	36,320	(553,819)
Change in other financial liabilities	5,224	126
of which with related parties	*(11)*	*(104)*
repayment of financial leasing	(11,504)	(12,654)
Change in consolidation scope and other changes	(38,648)	(6,001)
C) Cash flows from financing activities	**120,562**	**122,226**
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C)	**156,379**	**(12,350)**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**373,833**	**386,183**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**530,212**	**373,833**

*Following the application (retrospective) of IFRS 11– Joint Control Agreements, data for 31/12/2013, shown for comparative purposes, have been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

The Astaldi Group has been active for over 90 years in Italy and abroad in the segment of the design and construction of major civil engineering works, and is one of the most important corporate groups operating in the construction sector on the International level; it is a leader in Italy as general contractor and a promoter of project finance initiatives.
The Group operates through the Parent Astaldi S.p.A., a public company with registered offices in Rome, Via Giulio Vincenzo Bona 65, listed on the STAR division of the Milan Stock Exchange since June 2002.
The duration of the Company is currently set up to 31 December 2100.
On the date of the drawing up of the consolidated financial statements, Astaldi S.p.A. was not subject to the management and coordination of any of its shareholders since the Parent's Board of Directors makes, in full and complete independence and autonomy, any and the most appropriate decisions with regard to managing the Parent's activity. These consolidated financial statements at 31 December 2014 were approved by the Board of Directors of the Parent at the meeting of 10 March 2015.

Form, contents and segment information

The consolidated financial statements of the Astaldi Group S.p.A. at 31 December 2014 have been drafted in compliance with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to EC Regulation n° 1606/2002 in force at the end of the year.
Reference has likewise been made to CONSOB regulations implementing Para. 3, Art. 9 of Legislative Decree 38/2005.
It is pointed out that following the application of the new international accounting principle IFRS 11 “Joint control agreements”, comparative data for the previous period have been listed again.
In particular, in accordance with the transition rule stated in IFRS 11, the Group has applied this principle retroactively from 1 January 2014 adjusting the opening values of the income and financial situation at 1 January 2013 and data for comprehensive income of 2013 so that the effect of the changes is transferred to the operations, events and circumstances shown in the financial statements, also with reference to the past.
For further details regarding the effects on the income and financial situation of the Group deriving from the application of IFRS 11, see the section below entitled “Accounting Principles and interpretation, newly issued and approved, effective from 1 January 2014”.
The Consolidated financial statements for 2014 consist of the following statements:

1. Consolidated Income Statement;
2. Consolidated Statement of Comprehensive Income;
3. Consolidated Statement of Financial Position;
4. Consolidated Statement of Cash Flows;

5. Consolidated Statement of Changes in Equity;
6. Notes to the Consolidated Financial Statements.

In this regard it is pointed out that the Group has decided to present the Statement of comprehensive income in two separate statements, allowed by IAS 1.81. The income statement thus consists of a statement showing the profit (loss) items for the year (consolidated income statement) and a second statement which starts from the profit (loss) for the year and algebraically adds “other comprehensive income” (consolidated statement of comprehensive income).

It is likewise pointed out that the income statement is prepared based on a classification of each individual item by nature. This classification reflects the management reporting methods used in the Group and is therefore considered more representative compared to presentation of items according to their destination, providing more relevant indications with respect to their specific segment.

With reference to the statement of financial position, it was decided to enter items by separating assets and liabilities into current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and following of IAS 1.

The statement of cash flows shows cash flows for the year, broken down into operations, investments and financing activities; cash flows from operating activities are recognised using the indirect method. It should likewise be observed that investing activities are distinguished between those regarding construction and those regarding concessions.

With reference to the statement of financial position, a form of presentation was adopted with the distinction of assets and liabilities between current and non-current, in accordance with paragraph 60 and following of IAS 1.

The statement of changes in equity was prepared in compliance with IAS 1, obviously taking into account the comprehensive economic result.

Finally, with regard to sector disclosure, the so-called management approach was applied, meaning that the elements that top management uses for taking its strategic and operational decisions are considered. The operating sectors subject to disclosure referred especially to the various geographical areas where the Group works, and were determined on the basis of the same accounting standards used for drawing up the consolidated financial statements. Refer to note 37 for the presentation of the models of the segment information.

BASIS OF PREPARATION

The consolidated financial statements were drafted applying the historical cost principle, except for the items in the financial statements which are entered at fair value. In this regard it is pointed out that since there is no hedging of fair value, there are no financial instruments with costs subject to adjustments in relation to the fair value of fair value attributable to the risk hedged. All the values are shown in thousands of Euro unless otherwise indicated. Therefore, in some statements, the totals could be slightly different from the sum of the single amounts composing them, due to round-offs.

The consolidated financial statements have been drawn up with the prospect of the Group's ability to continue as a going concern.

Accounting standards

The Accounting Principles adopted for drafting the consolidated financial statements at 31 December 2014 are shown below.

Consolidation scope

At 31 December 2014, the consolidation scope of the Astaldi Group consists of the following:

	Type of influence	Method of consolidation	Construction	Concessions	Maintenance and plant	Total
Parent	Control	Full	44	6	8	58
- *of which Italy*			*21*	*1*	*7*	*29*
Joint Ventures	Joint control	Equity	17	6	0	23
- *of which Italy*			*13*	*6*	*0*	*19*
Joint control enterprises	Joint control	Proportional	36	0	0	36
- *of which Italy*			*3*	*0*	*0*	*3*
Associates	Significant influence	Equity	37	13	1	51
- *of which Italy*			*29*	*8*	*1*	*38*

The Astaldi Group companies

Subsidiaries

Construction	Registered office	Operating headquarters	Share Capital Nominal value	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Italy								
AR.GI S.c.p.A.	Rome	Italy	35,000,000 EUR	EUR	99.99%	99.99%	0.00%	
AS. M. S.c.r.l.	Naples	Italy	10,000 EUR	EUR	75.91%	75.91%	0.00%	
Bussentina S.c.r.l. in liquid.	Rome	Italy	25,500 EUR	EUR	78.80%	78.80%	0.00%	
C.O.MES. in liquid. S.r.l.	Rome	Italy	20,000 EUR	EUR	55.00%	55.00%	0.00%	
CO.ME.NA. S.c.r.l. in liquid.	Naples	Italy	20,658 EUR	EUR	70.43%	70.43%	0.00%	
CO.MERI S.p.A.	Rome	Italy	35,000,000 EUR	EUR	99.99%	99.99%	0.00%	
Forum S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	79.99%	79.99%	0.00%	
Garbi Line 5 S.c.a.r.l.	Rome	Italy	10,000 EUR	EUR	100.00%	100.00%	0.00%	
Infraflegrea Progetto S.p.A.	Naples	Italy	500,000 EUR	EUR	51.00%	51.00%	0.00%	
Italstrade IS S.r.l.	Rome	Italy	16,515,578 EUR	EUR	100.00%	100.00%	0.00%	
Messina Stadio S.c.r.l. in liquid.	Milan	Italy	45,900 EUR	EUR	100.00%	100.00%	0.00%	
Mormanno S.c.r.l. in liquid.	Rome	Italy	10,200 EUR	EUR	74.99%	74.99%	0.00%	
Ospedale del Mare S.C.r.l. in liquid.	Rome	Italy	50,000 EUR	EUR	100.00%	100.00%	0.00%	
Partenopea Finanza di Progetto S.c.p.A.	Naples	Italy	9,300,000 EUR	EUR	99.99%	99.99%	0.00%	

Portovesme S.c.r.l. in liquid.	Milan	Italy	25,500 EUR	EUR	99.98%	99.98%	0.00%	
S. Filippo S.c.r.l. in liquid.	Rome	Italy	10,200 EUR	EUR	80.00%	80.00%	0.00%	
S.P.T. - Società Passante Torino S.C.r.l.	Rome	Italy	50,000 EUR	EUR	74.00%	74.00%	0.00%	
Scuola Carabinieri S.C.r.l.	Rome	Italy	50,000 EUR	EUR	61.40%	61.40%	0.00%	
SIRJO Società Consortile per Azioni	Rome	Italy	30,000,000 EUR	EUR	60.00%	60.00%	0.00%	
Susa Dora four S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	90.00%	90.00%	0.00%	
Toledo S.c.r.l.	Naples	Italy	50,000 EUR	EUR	90.39%	90.39%	0.00%	

Foreign

Asocierii Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa	Bucharest (Romania)	Romania	- - - -	EUR	40.00%	40.00%	0.00%	
Astaldi Algerie - E.u.r.l.	Algiers (Algeria)	Algeria	54,979,619 DZD	DZD	100.00%	100.00%	0.00%	
Astaldi Arabia Ltd.	Riyadh (Saudi Arabia)	Saudi Arabia	5,000,000 SAR	USD	100.00%	60.00%	40.00%	Astaldi International Ltd.
Astaldi Bulgaria LTD	Sofia (Bulgaria)	Bulgaria	5,000 BGN	BGN	100.00%	100.00%	0.00%	
Astaldi Canada Inc	Montréal (Canada)	Canada	20,000 CAD	CAD	100.00%	100.00%	0.00%	
Astaldi Construction Corporation	Davie (Florida-USA)	USA	6,000,000 USD	USD	100.00%	100.00%	0.00%	
Astaldi de Venezuela C.A.	Caracas (Venezuela)	Venezuela	110,300 VEF	EUR	99.80%	99.80%	0.00%	
Astaldi International Inc.	Monrovia (Liberia)	Liberia	3,000,000 USD	EUR	100.00%	100.00%	0.00%	
Astaldi International Ltd.	London (United Kingdom)	United Kingdom	2,000,000 GBP	GBP	100.00%	100.00%	0.00%	
Astaldi Polska Sp. z o.o.	Warsaw (Poland)	Poland	120,000 PLN	PLN	100.00%	100.00%	0.00%	
Astaldi-Astaldi International J.V.	Maputo (Mozambique)	Mozambique	10,000 USD	EUR	100.00%	100.00%	0.00%	
Astaldi-Max Bogl-CCCF JV S.r.l.	Bucharest (Romania)	Romania	40,000 RON	EUR	66.00%	66.00%	0.00%	
Astalnica S.A.	Managua (Nicaragua)	Nicaragua	2,000,000 NIO	NIO	96.00%	96.00%	0.00%	
Astalrom S.A.	Calarasi (Romania)	Romania	3,809,898 RON	RON	99,64%	99,64%	0.00%	
Astur Construction and Trade AS	Ankara (Turkey)	Turkey	3,000,000 TRY	EUR	99,98%	89,97%	10,01%	Astaldi Arabia Ltd
Consorcio Rio Pallca	Lima (Peru)	Peru	- - - -	USD	60.00%	60.00%	0.00%	
Constructora Astaldi Cachapoal Limitada	Santiago (Chile)	Chile	10,000,000 CLP	CLP	99.90%	99.90%	0.00%	
Italstrade CCCF JV Romis S.r.l.	Bucharest (Romania)	Romania	540,000 RON	EUR	51.00%	51.00%	0.00%	
Redo-Association Momentanée	Kinshasa (Congo)	Congo	50,000 ZRZ	EUR	100.00%	75.00%	25.00%	Astaldi International Ltd.
Romairport S.p.A.	Rome (Italy)	Romania	500,000 EUR	EUR	99,26%	99,26%	0.00%	
Romstrade S.r.l.	Bucharest (Romania)	Romania	1,000,000 RON	EUR	100.00%	100.00%	0.00%	
Seac S.p.a.r.l. in liquid.	Kinshasa (Congo)	Congo	200,000,000 ZRZ	EUR	100.00%	100.00%	0.00%	
T.E.Q. Construction Enterprise Inc.	Montréal (Canada)	Canada	323 CAD	CAD	100.00%	0.00%	100.00%	Astaldi Canada Inc.

Concessions

Italy

Astaldi Concessioni S.p.A.	Rome	Italy	83,000,000 EUR	EUR	100.00%	100.00%	0.00%	

Foreign

Cachapoal Inversiones Limitada	Santiago (Chile)	Chile	41,234,761 USD	USD	100.00%	0.00%	100.00%	Inversiones Assimco Limitada
Inversiones Assimco Limitada	Santiago (Chile)	Chile	40,633,000 USD	USD	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
Mondial Milas - Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A.S.	Ankara (Turkey)	Turkey	37,518,000 TRY	EUR	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
Valle Aconcagua S.A.	Santiago (Chile)	Chile	6,647,991,411 CLP	CLP	55.00%	0.00%	55.00%	Astaldi Concessioni S.p.A.

Sociedad Concesionaria Metropolitana de Salud s.a.	Santiago (Chile)	Chile	15,000,000,000 CLP	CLP	99.99%	0.00%	99.99%	Astaldi Concessioni S.p.A.

Maintenance and plant

Italy

NBI S.p.A.	Rome	Italy	7,500,000 EUR	EUR	100.00%	100.00%	0.00%	
Bielle Impianti S.c.a.r.l.	Bologna	Italy	100,000 EUR	EUR	75.00%	0.00%	75.00%	NBI S.p.A.
CO.VA. Società a Responsabilità Limitata	Bologna	Italy	10,000 EUR	EUR	60.00%	0.00%	60.00%	NBI S.p.A.
Consorzio Stabile Busi	Bologna	Italy	100,000 EUR	EUR	95.00%	0.00%	95.00%	NBI S.p.A. 3E System S.r.l.
Sartori Tecnologie Industriali S.r.l.	Brindisi	Italy	1,000,000 EUR	EUR	100.00%	100.00%	0.00%	
Tione 2008 Scrl	Bologna	Italy	100,000 EUR	EUR	76.00%	0.00%	80.00%	Consorzio Stabile Busi
3E System Srl	Bologna	Italy	50,000 EUR	EUR	100.00%	0.00%	100.00%	NBI S.p.A.

Foreign

nBI Elektrik Elektromekanik Tesisat Insaat Sanayi Ve Ticaret L.S.	Istanbul (Turkey)	Turkey	200,000 TRY	TRY	100.00%	0.00%	100.00%	nBI S.p.A Astur Construction and Trade A.S.

Main Joint Control and associates agreement*

Joint Ventures	Registered office	Op. headquarters	Op. sector	Share Capital Nominal value	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.s.	Istanbul (Turkey)	Turkey	CO	15,000,000 TRY	TRY	51.00%	5.00%	46.00%	Astaldi Concessioni S.p.A.
Re.Consult Infrastrutture Società per Azioni	Milan (Italy)	Italy	CO	340,000,000 EUR	EUR	0.00%	31.85%	31.85%	Astaldi Concessioni S.p.A.

Joint control entities

AGP Metro Polska	Warsaw (Poland)	Poland	C	- - - -	EUR	45.00%	45.00%	0.00%
Asocierea Astaldi - FCC - Delta ACM- AB Construct	Bucharest (Romania)	Romania	C	- - - -	EUR	47.50%	47.50%	0.00%
Asocierea Astaldi S.P.A. – Max Boegl Romania S.R.L. Nadlac-Arad JV	Bucharest (Romania)	Romania	C	- - - -	EUR	50.00%	50.00%	0.00%
Aster Astaldi S.p.A.,Tm.and. S.p.a. Termomeccanica ecologia S.C.	Warsaw (Poland)	Poland	C	- - - -	EUR	51.00%	51.00%	0.00%
Consorzio Łódź	Łódź (Poland)	Poland	C	- - - -	EUR	40.00%	40.00%	0.00%
Consorzio Rio Mantaro	Lima (Peru)	Peru	C	- - - -	USD	50.00%	50.00%	0.00%
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	Ankara (Turkey)	Turkey	C	- - - -	EUR	17.50%	17.50%	0.00%
Ic Içtas - Astaldi Insaat A.S.	Ankara (Turkey)	Russia	C	2,000,000 TRY	EUR	50.00%	50.00%	0.00%
Ica Astaldi -Ic Ictas WHSD Insaat AS	Ankara (Turkey)	Russia	C	2,000,000 TRY	RUB	50.00%	50.00%	0.00%
ICA ICTAS – ASTALDI Joint Venture	Ankara (Turkey)	Turkey	C	- - - -	USD	33.30%	33.30%	0.00%
Metro Blu S.c.r.l.	Milan (Italy)	Italy	C	10,000 EUR	EUR	50.00%	50.00%	0.00%

Associates

Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Kuzey Marmara Otoyolu Yatirim Ve Isletme AS	Ankara (Turkey)	Turkey	CO	400,000,000 TRY	USD	33.33%	33.33%	0.00%
Metro 5 S.p.A.	Milan (Italy)	Italy	CO	53,300,000 EUR	EUR	38.70%	38.70%	0.00%
METRO C S.c.p.a.	Rome (Italy)	Italy	C	150,000,000	EUR	34.50%	34.50%	0.00%

				EUR					
Otoyol Yatirim Ve Isletme A.S.	Ankara (Turkey)	Turkey	CO	1,500,000,000 TRY	TRY	18.86%	18.86%	0.00%	
Pacific Hydro Chacayes	Santiago (Chile)	Chile	CO	127,843,221 USD	USD	27.35%	0.00%	27.35%	Cachapoal Inversiones Limitada
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Mestre (VE) (Italy)	Italy	CO	20,500,000 EUR	EUR	37.00%	31.00%	6.00%	Astaldi Concessioni S.p.A.

* Of relevance here are those associates and Joint Ventures with a book value exceeding Euro mln 15 and Joint control activities with production value exceeding Euro mln 15.

C = Construction; CO = Concessions; M = Maintenance and plant

Interest in non-consolidated Structured Entities

Astaldi S.p.A., also through subsidiaries, does not hold stakes in Structured Entities as defined in para. B21 of IFRS 12.

Information on fully consolidated Group Companies with significant non-controlling stakes

Non-controlling stakes in the Group companies do not comprise holdings that can individually affect in a significant way the main economic, assets and financial data of the Group. Furthermore, even if evaluated as a whole, the quota pertaining to non-controlling stakes in net assets of the Group, in the cash flows and in overall profit should be considered marginal with respect to the corresponding consolidated figures, as shown below:

	31/12/14	%	31/12/13	%
Revenue	26.649	1.00%	40.182	1.60%
Operating profit	(1.140)	-0,49%	(59)	-0,03%
Net profit (loss)	(814)	-1,01%	3.227	4,57%
Net financial resources (Overall financial debt)	8.323	-1,04%	10.037	-1,21%
Net cash flows produced (used)	(1.203)	-0,77%	(5.040)	40,81%
Dividends paid to non-controlling stakes	0		167	

The proportional quota of voting rights possessed by the non-controlling stakes in most cases reflects the proportional quota of the stake held in the companies.

Evaluations and assumptions used in the definition of the consolidation scope

Some evaluations and assumptions were needed to identify the correct inclusion of some stakes, in particular with reference to:

- **Companies that are subsidiaries although the Group owns less than half the voting rights:**

The Group considers the investee association “Asocieri Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa” (Line 4 Bucharest), as a subsidiary although it holds 40% of the voting rights. This is because the Parent, main shareholder and leader of the initiative, following the internal agreements signed in 2013 to regulate the governance of the association as to the functioning of the Executive Committee, has the de facto power of autonomously determining the management and financial policies of that company.

- **Companies that are not subsidiaries although the Group has over half the voting rights:**

Astaldi S.p.A. has stakes in various initiatives conducted in partnership with other companies in the sector, where the unanimous approval be the parties is required for decisions concerning the major activities. Consequently, in some of these entities - referring to initiatives not especially significant for the business of the Group - although Astaldi S.p.A. holds over half the voting rights, these entities have been classified as Joint Control agreements.

- **Companies in which the Group exercises considerable influence although holding less than 20% of the voting rights:**

The Group, considering the occurrence of the circumstances stated in IAS 28 paragraph 6, considers that it can exercise considerable influence on the investees that are developing the initiative regarding the Gebze-Orhangazi-Izmir Motorway in Turkey although its holds less than 20% of the voting rights in these entities (Astaldi S.p.A. holds 18.86% of the voting rights). Especially, the analysis conducted leads us to believe that the Parent can actively participate in the definition of the corporate policies of the investees in the light of the following considerations:

(i) The capital of the investees is held by 6 shareholders, 5 of which all hold quotas of approximately 20%;
(ii) None of the shareholders of the initiative can, individually or in combination with others, exercise control or joint control over these entities;
(iii) The Parent has adequate representation on the board of the investees.

- **Type of Joint Control agreement when the Joint Arrangement is structured through a separate vehicle:**

During the first half of 2014 an overall assessment was made on all the Joint Arrangements (JA) in order to identify the relevant elements (legal form of the vehicle, terms of the contract agreement and any other fact or circumstance) for purposes of their classification as Joint Control Activities (JO) rather than Joint Ventures (JV).

especially, the analysis was conducted, with the specific support of specific opinions issued in this regard and on the basis of the interpretations issued by the IFRIC Committee in the updates of July and November 2014, in order to verify whether the contract agreements of which the Company is a party have conferred on it the same rights and direct obligations on the assets and liabilities of the JA.

Following the analyses made, it was found that certain Joint Arrangement activities examined, in relation to the contract terms involved, were set up in such a way that the legal aspects resulted in their definition as Joint Control activities.

Main changes in the consolidation scope

The following table shows the changes in the consolidation scope compared to the previous year:

Consolidation scope at 31/12/2013* Consolidated companies nr.		60
	Included in consolidation scope in 2014	
Name	Event	Method 31/12/2014
Astaldi Polska Sp. z o.o.	Setting up	Full
Astalnica S.A.	Setting up	Full
Sociedad Concesionaria Metropolitana de Salud S.A.	Setting up	Full
	Excluded from consolidation scope in 2014	
Name	Event	Method 31/12/2013

Ast VT Parking S.r.l.	Sale 95% quotas	Full
Ast B Parking S.r.l.	Sale 95% quota	Full
Astaldi Aedifica S.r.l. in liquid.	Liquidated	Full
A.I.2 S.r.l.	Merger by incorporation in Re.Consult	Full
Quattro Venti S.c.r.l. in liquid.	Liquidated	Full
Consolidation scope at 31/12/2014		
Consolidated companies nr.		**58**

*Value restated following the application of IFRS 11 – Joint Control Agreements.

With reference to the main changes in the consolidation scope the following is pointed out.

<u>Losses of control over investees occurring during the year</u>

- **Sale of quotas in Ast VT Parking S.r.l. and Ast B Parking S.r.l.**

The subsidiary Astaldi Concessioni S.p.A., following the agreements signed on 23 December 2013, sold 95% of the investees Ast VT Parking S.r.l. and Ast B Parking S.r.l. (the companies) to a group of institutional investors on 28 March 2014 and 18 July 2014 respectively.

Following these sales, the companies were then classified pursuant to IAS 39, within financial assets available for sale (AFS) like other investees.

The fair value of the assets and liabilities maintained in the companies on the date of loss of the controlling interest, substantially aligned with the corresponding carrying amount, was considered equal to the fair value of the shares at the time of initial classification under AFS financial instruments, so that no difference has therefore emerged.

In accordance with IAS 39 the cost method was subsequently used for the accounting and representation in the consolidated financial statements of the stake held by the Group in the two investees.

- **Merger by incorporation of the subsidiary A.I.2 S.r.l into Re.Consult Infrastrutture S.p.A.**

In order to fulfil the commitments undertaken in the investment agreement signed in April 2012, as amended by the Addendum in August 2013, starting from 1 January 2014 the merger by incorporation started for the subsidiary **A.I.2 S.r.l** into **Re.Consult infrastrutture S.p.A**. (Re.Consult or the vehicle company). The final outcome of this operation has allowed for the concentration in a single entity of the shareholdings held by the Shareholders in A4 Holding, allowing the new vehicle company to control, starting from the current year, the absolute majority of the A4 Group, which holds the Brescia-Padua Motorway concession.

After the merger process, Astaldi Concessioni S.p.A. became holder of 31.85% of the vehicle company, and under the governance agreements signed with the other is able to exercise joint control over the economic and financial policies of the investee.

For the purposes of drafting these consolidated financial statements, in the light of the provisions of IAS 28, equity accounting was thus used for the valuation, accounting and subsequent representation of the stake in Re.Consult; on the basis of paragraph 32 of the aforesaid accounting principle, this produced an estimate at the start of the year of joint control over the investee of the current value (fair value) of the assets and liabilities acquired.

The fair value was calculated on the basis of a specific expert opinion drafted by an independent expert.

In particular, the fair value of assets and liabilities of Re.Consult was calculated by the use of assets, revenue and financial data of that company, the A4 holding and the single companies in which that company has a controlling interest of investments (the investee companies).

With regard to the techniques for valuation of the economic capital of the individual investees, it is pointed out that the main asset of the A4 Group, namely the Brescia-Padua Motorway – the concessionaire – (equivalent to 95% of overall valuation), was assessed with a number of criteria, widely applied in practical terms for these types of enterprises, namely: (i) the financial criterion in the unlevered version; (ii) the criterion of stock market multiples with the use of the "Enterprise Value/Ebitda" ratio.

Considering the relevance of this investment, the simultaneous use of two criteria has allowed the results of each one to emerge on a reciprocal basis.

With more specific regard for the financial criterion, the economic value of the concessionaire was estimated by actualizing the expected cash flows derived from the 2013 economic and financial plan. This document is an update of the economic and financial forecasts for the BS-PD Motorway business already presented in 2007 to the concession granting body ANAS S.p.A. and to the Ministry of Infrastructures and Transport. The plan covers over 30 years (2014-2046) and is subdivided into two sub-periods: (i) period of validity of the existing convention (2014-2026); (ii) period of renewal of the existing convention (2027-2046). With regard to the calculation of the discount rate (WACC) it has been decided to differentiate the cost of own capital, and consequently the WACC, in order to take into account in the final period the higher risk level related to a range of factors, such as the uncertainty of renewal of the concession. The cash flows estimated for the years 2014-2026 have thus been actualized at a rate of 7.55%, representing the WACC of the concessionaire in the period of validity, while a rate of 8.36% was used for the estimate of the current value of cash flows for the period 2027-2046. The other minor assets were assessed at fair value or value of use. For quantifying the fair value of the stake in Re.Consult the "control premium" for the A4 Group was also taken into account, since the vehicle company, starting from the current year, has exercised control over the majority of the voting rights of A4 Holding.

Subsequently, the stake held by the Group in the fair value of assets and liabilities of Re.Consult, also considering the majority premium estimated by the expert, was close to the carrying amount of the stake at the merger date, without any significant differences.

<u>Changes in the Group stake in the subsidiaries after operations not involving the loss of control over these investees</u>

There follow the main changes occurring in the year:

December 2014	% purchased	Amount paid	Adjustment of non-controlling stake
Romstrade S.r.l.	49.00%	239	(1,391)
Mondial Milas - Bodrum A.S.	0.00%	1,102	0
Astalrom S.A.	0.04%	1	(1)

In particular the following is pointed out:

- In the month of February the Parent purchased 196 quotas (corresponding to 49% of the share capital) held by the non-controlling parties in the company registered under Romanian law ROMSTRADE S.r.l. for an overall amount of EUR/000 239. Following this operation Astaldi S.p.A. became the single shareholder of the investee company.
- During first half of 2014 the subsidiary Astaldi Concessioni S.p.A. became the direct holder of the stake in the company registered under Turkish law Mondial Milas-Bodrum AS, upon the occurrence of some conditions stated in the agreements signed in 2013 for the acquisition of 7.15% of the company in question, paid the potential amount of EUR/000 1,102.

Reference date of the financial statements of the consolidated companies

The reference date of the financial statements of the subsidiaries coincide with that of the Parent except for Astaldi de Venezuela C.A. which closed its financial year on 30 November 2014. If significant facts and operations occurred between the reference date of this entity and 31/12/2014, the effect of these with respect to the income statement and statement of financial position would in any case be reflected in the consolidated financial statements.
With regard to a limited number of associates and Joint Ventures (approximately 2 % of the total enterprises included in equity) it is pointed out that the last last accounting statements officially sent to the Parent, though referring to a date not coinciding with the reference date, has been used to draft these consolidated financial statements.
It is pointed out that the companies involved, of which the Group does not control the administrative management, generally within specific projects for contracted work awaiting commissioning or nearing completion. It should in any case be stressed that the economic effects of these initiatives are in general reflected in the consolidated accounts since these companies are characterized by the fact of pursuing their activities exclusively for the purpose of consortiums (so-called special purpose vehicles – Consortium Companies and Consortiums), with all the charges they incur for executing the works to the partners companies in the consortium belonging to the Astaldi Group.

Principles of consolidation

Starting from the current year, the new International Accounting Principles “IFRS 10 consolidated financial statements” and “IFRS 11 Joint Control Agreements” have come into force, and provide a new framework to follow in the drafting of the consolidated financial statements.
See the section below entitled “Accounting Principles and interpretation, newly issued and approved, effective from 1 January 2014” for further details on the effects of the assets and financial situation of the Group deriving from the application of these new principles.

Translation of items and financial statements in foreign currency

The consolidated financial statements of the Astaldi Group are drawn up in Euro, which is the operation and presentation currency of the Parent.

Translation of operations in foreign currency into the functional currency

The balances included in the financial statements of each Group company are recorded in the currency of the primary economic ambient where the entity operates (functional currency). In the context of the individual financial statements, the items expressed in a currency other than the functional currency, whether monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money) or non-monetary (inventories, works in progress, advances to suppliers of goods and/or services, goodwill, intangible assets etc.) are initially recognised at the exchange rate in force on the transaction date. The items are subsequently translated into the functional currency on the basis of the exchange rate at the reporting date, and the resulting differences are recognised in profit or loss. With regard to the latter it should be pointed out that the exchange rate differences are classified in the income statement, on the basis of the type of equity item that has generated them.

The non-monetary items are kept at the translation rate at the transaction date, except in the end of an ongoing unfavourable trend in the reference exchange rate. The exchange rate differences relating to non-monetary items are recognised (income statement or equity) in the same was as changes in the amount of these items.

Translation of the financial statements in the presentation currency

The rules for the translation of the financial statements expressed in foreign currency into the presentation currency are as follows:

(i) The assets and liabilities recognised in the financial statements are converted at the exchange rate on the reporting date;

(ii) Costs and revenues, income and charges recognised in the financial statements are translated at the average exchange rate for the year, or at the exchange rate on the transaction date should this differ significantly from the average rate;

(iii) Equity items, excluding profit for the year, are translated at historical exchange rates;

(iv) The “translation reserve” comprises both the exchange rate differences generated by translation of income statement items at a different exchange rate from the year-end rate, and those generated by translation of opening equity balances at a different exchange rate from the year-end rate.

The following main exchange rates were used for the translation into Euro of income statement and statement of financial position amounts of companies with a functional currency other than the Euro:

CURRENCY	*Final December 2014*	*Average 12 months 2014*	Final December 2013	Average 12 months 2013
Dinar - Algeria	106.6067	106.8672	107.7868	105.5803
New Lev - Bulgaria	1.9558	1.9558	1.9558	1.9558
Dollar - Canada	1.4063	1.4661	1.4671	1.3685
Peso - Chile	737.2967	756.9327	724.7688	658.2664
Kroner - Denmark	7.4453	7.4548	7.4593	7.4579
Dirham – Arab Emirates	4.4594	4.8796	5.0654	4.8782
Dirham - Morocco	10.9802	11.1630	11.2538	11.1684
Cordoba Oro - Nicaragua	32.2931	34.4737	34.9351	32.8396
Nuevo Sol - Peru	3.6326	3.7678	3.8587	3.5904

Pound Sterling - UK	0.7789	0.8061	0.8337	0.8493
Zloty - Poland	4.2732	4.1843	4.1543	4.1971
New Leu - Romania	4.4828	4.4437	4.4710	4.4193
Rouble - Russia	72.3370	50.9518	45.3246	42.3248
Dollar - US	1.2141	1.3285	1.3791	1.3281
Lira - Turkey	2.8320	2.9065	2.9605	2.5329
Bolivar - Venezuela	7.6392	8.3591	8.6774	8.0012

It should be pointed out that the exchange rate expresses the amount of foreign currency required to purchase 1 Euro.

In case of economies showing hyper-inflation under the definition set forth in IAS 29, the measurement provided for in this standard shall apply.

Property, plant and equipment

Property, plant and equipment are valued at purchase or production cost, net of accrued depreciation and any impairment losses. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.
Charges incurred for routine and/or cyclical maintenance are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or the improvement of facilities owned or used by third parties are capitalized exclusively within the limits in which they can meet the requirements for separate classification as an asset.

The value of an asset is adjusted by systematic depreciation, calculated in relation to the residual possibility of based on its useful life. Depreciation is applied when the asset becomes available for use. The useful life estimated by the Group for the various categories of assets is as follows:

	Years
Buildings	20 - 33
Plant and equipment	5 - 10
Equipment	3 - 5
other goods	5 - 8

Land, including land pertaining to buildings, is not depreciated.
Should the asset subject to depreciation be composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the asset, depreciation is applied separately for each of the components forming the asset, applying the component approach policy.
Profits and losses deriving from the sale of assets or groups of assets are calculated by comparing the fair value, net of costs to sell, with the relevant carrying amount.

Leased property, plant and equipment

In leases, the lessor transfers to the lessee the use of an asset for a set period of time, in exchange for a payment or series of payments.

In some types of leases, the economic substance of the operation may qualify them as leasing contracts even when they do not have this legal form.

The valuation of the eventual existence of a lease within a contract agreement not expressly containing this form must, as stated in accounting interpretation IFRIC 4, be based on the substance of the agreement and requires the fulfilment of two conditions:

- *The fulfilment of the agreement depends on the use of one or more specific assets; and*
- *The agreement conveys the right to use the asset*.

The first condition is fulfilled only if a given supply of goods or services can be provided exclusively through the use of a specific asset, i.e. when it is not economically suitable or feasible for the supplier to fulfil its obligation by the use of assets alternative to the one identified, also implicitly.

The second requisite is fulfilled when *one of the following conditions is satisfied:*

A) *The purchaser has the capacity or right to manage the asset or direct others to manage it in such a way that the purchaser obtains or controls more than an insignificant amount of the production or other benefit of the asset;*

B) *The purchaser has the capacity or right to control physical access to the underlying asset while obtaining or controlling more than an insignificant amount of the production or other benefit of the asset;*

C) *The facts and circumstances indicate that an acquisition by one or more parties other than the purchaser of a more than insignificant amount of the production or other benefit produced or generated by the asset in the year of the agreement is a remote eventuality, and the price to be paid by the purchaser for the production is not fixed by contract for unit of product and is not equal to the current market price for unit of product at the time of the distribution of production.*

In the context of IAS 17 there are two main types of lease:

Finance lease

Property, plant and equipment held under ***finance lease***, by which the risks and rewards related to ownership are substantially transferred to the Group, are recognised in the financial statements, on the commencement of the lease term, as assets of the Group at their current amount or, if lower, at the current amount of the minimum lease payment, including the amount to be paid for exercising the option to purchase. The corresponding liability towards the lessor is recognised in the financial statements under financial liabilities.

If there is no reasonable certainty that ownership of the assets will be acquired upon the expiry of the lease, the leased assets are depreciated over the period of the duration of the leasing contract or the useful life of the asset, whichever is shorter.

Operating lease:

Leases by which the lessor substantially retains all the risks and benefits related to the ownership of the assets are classified as **operating lease**. The instalments for operational leasing are entered in the income statement in the years of duration of the lease term.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recognised in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring them into operation, net of accumulated amortisation (with the exception of assets with an indefinite useful life, where the carrying amount is subjected to the impairment tests pursuant to IAS 36) and any impairment losses. Amortisation is calculated from when the asset becomes available for use, and is systematically spread according to the remaining possibility of use, i.e. on the basis of its useful life. In the year in which the intangible asset is recorded for the first time, a rate taking its actual use into account is applied.

Industrial patents and intellectual property rights are recognised net of amortisation and impairment losses accumulated over time.

Amortisation is calculated starting from the financial year in which the rights for which ownership has been acquired make the asset available for use, and takes into account the useful life (2 –5 years).

Licenses and similar rights are recognised at cost net of amortisation and impairment accrued over time. Amortisation is calculated starting from the financial year in which the purchased right is available for use and takes into account the useful life.

Rights for the utilization of infrastructures under concession are amortised over the duration of the concession, with criteria reflecting the way in which the economic benefits are estimated to accrue to the company. This means criteria that reflect the way in which the economic benefits are expected to accrue to the company; the amortisation rates are thus calculated taking into account, among other things, the dynamics, if significant, of the fees receivable on the basis of estimated traffic duration the concession period (revenue-based method). Amortisation is calculated from the time when the right for the exploitation of the concession infrastructures start to produce the relative economic benefits.

Goodwill, recorded in relation to business combination operations, is allocated to each cash generating unit identified and is recorded under intangible assets. It represents the positive difference between the cost incurred for the acquisition of a company or business unit and the quota of interest acquired with regard to the current value of these assets and liabilities composing the capital of that company or business unit. The potential assets and liabilities (including the respective non-controlling interests) acquired and identifiable are recognised at their current amount (fair value) on the date of acquisition. The eventual negative difference, on the other hand, is recognised in profit or loss at the time of purchase. Goodwill, after the initial recognition, is not subject to amortisation, but tested for impairment.

Annually, or more frequently if specific events or changed circumstances indicate that goodwill may have been impaired, it is subjected to checking to identify any impairment losses, in accordance with the provisions of IAS 36 (Impairment of assets).

Business combinations

At the time of the first application of IFRS rules, the Group decided not to apply IFRS 3 (Business Combinations) in retrospectively for acquisitions made before 1 January 2004.

The business combinations previous to 1 January 2010 and completed within that financial year are recognised in accordance with the provisions of IFRS 3 (2004). In particular, these combinations are recognised using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition. This cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable for the acquisition relative to fair value. Any surplus of acquisition costs compared to fair value of the share in net assets attributable to the Parent is recorded as goodwill; if the difference is negative, it is recognised in profit or loss. When the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. The value of equity attributable to non-controlling interests is determined proportionally to the non-controlling stake held in net assets. In business combinations undertaken in several phases, at the time of acquisition of the controlling stake, the adjustments at fair values for the net assets previous owned by the purchaser are shown under net equity. Any adjustments deriving from the completion of the valuation process are detected within twelve months of the acquisition date.

Business combinations after 1 January 2010 are recognised in accordance with the provisions of IFRS 3 (2008). In particular, these combinations are recognised using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition, plus any equity instruments issued by the purchaser. The costs directly attributable to the acquisition are recorded in profit or loss. The acquisition cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable of the purchase at fair value on the acquisition date. Any surplus between the amount of the assets transferred, and the amount of any non-controlling interests, compared to the net value of the amounts of assets and liabilities identifiable in the acquisition, measured at fair value, is recognised as goodwill; or, if the balance is negative, in profit or loss. The value of equity attributable to non-controlling interests is determined proportionally to the non-controlling stake held in net assets identifiable in the acquisition, or their fair value on the acquisition date.

If the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. Any adjustments deriving from the completion of the valuation process are detected within twelve months of the acquisition date, with adjustment of corresponding figures.

In business aggregations undertaken in several phases, at the time of acquisition of the controlling stake, the net assets previously owned by the purchaser are adjusted at fair value, and any differences (positive of negative) are shown in profit or loss.

Business combinations undertaken in 2014

During the year no business combination operations were undertaken.

Investment property

Investment property is recognised as an asset when it held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.

Investment property is measured at purchase or production cost, increased by any additional costs, net of accrued depreciation and any impairment.
The useful life of the property is between 20 and 33 years.

Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment of assets

Assets with an undefined useful life are not subject to systematic amortisation, but are subjected to an impairment test, at least once a year. Such test checks the recoverability of the value recognised in the financial statements.
For assets subject to systematic amortisation and depreciation, the presence of any indicators leading to the possibility of impairment is assessed; consequently the realizable amount of the asset is estimated.
Such amount is defined as the greater between the fair value net of costs to sell and the asset's value in use, with any surplus recognised in profit or loss.
Should the prerequisites for the previously performed impairment cease to exist, such impairment loss is reversed within the limits of the carrying amount of the asset. Any reversal of impairment loss is recognised in profit or loss. Conversely, impairment losses on goodwill or an intangible asset with an indefinite useful life are never restored.
When the realizable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit to which it belongs.
It is pointed out that in 2014 the impairment tests performed according to the procedure adopted by the Group and on the basis of the provisions of IAS 36, have not resulted in any need to recognise any depreciation loss on the investments.
With regard to intangible assets It is pointed out that the Group, as a result of the tests conducted, has performed a partial impairment of the intangible concession rights connected with the management of the Milas Bodrum Airport in Turkey. For further details see note 17 below.
Furthermore, in 2014, the procedure adopted by the Company in accordance with IAS 36, have not shown any impairment indicators for property, plant and equipment, and therefore, there was no need to verify the realizable amount of these assets.

Service concession arrangements

Service concession arrangements, in which the authority granting the concession is an entity of the public sector and the concessionaire is an entity of the private sector, falls under the application of IFRIC 12 if the following conditions occur:

- The authority granting the concession controls or regulates the services that the concessionaire must provide with the infrastructure, to whom it must supply them and at what price;
- The authority granting the concession controls any remaining interest in the infrastructure at the expiry date of the agreement through its ownership or in another way.

According to the interpretation, in particular, under an agreement for service concession, the concessionaire operates as a service provider which essentially involves:

- Construction and improvement services: the concessionaire builds or improves the infrastructure to be used by the same concessionaire to provide the public service;
- Management service: the concessionaire manages and maintains the infrastructure throughout the duration of the concession.

The amount payable to the granting authority for the concession of services is thus distributed over the services provided in relation to to the respective fair value amounts in order to reflect the substance of the operation.

With regard to the measurement of the state of advancement of the contract activities, the concessionaire measures the amounts for the service it provides (i) in accordance with IAS 11 para. 22 with regard to the construction and improvement phase and (ii) in accordance with IAS 18 para. 20 for the management service.

The interpretation also states that if the concession agreement has certain characteristics, the right to use the infrastructure (asset in concession) for providing the service can be recognised as:

- *A financial asset*, when there is an unconditioned right of the concessionaire to receive a fee whatever the effective use of the infrastructure by the public (guaranteed minimum).Under this model, the concessionaire recognises a financial asset in its financial statements - IAS 39 "financing and credit" - on which interest receivable accrues. This financial asset is initially recognised for an amount corresponding to the fair value of the infrastructures built, and subsequently at amortised cost. The credit is settled by the payments of the guaranteed minimums received by the granting authority. The interest receivable calculated on the basis of of the effective interest rate (i.e. the rate exactly discounting the future payments or receipts estimated over the expected lifetime of the credit), are recognised under financial income;

- *An intangible asset*, when there is a right to charge the users for the use of the public service (charging right). In this regard, IFRIC 12 specifies that the services under concession, in terms of recognition and measurement, come within the sphere of application of IAS 38. With regard to the method for amortising the intangible asset, it is pointed out that this asset is amortised under systematic criteria over the duration of the concession in such a way as to reflect the procedures by which it is presumed that the future economic benefits deriving from the use of the infrastructures will be received by the Group;

- *Both an intangible asset and a financial asset (so-called "mixed method")*, when the concessionaire is paid for the construction of the infrastructure with both of the above forms. In this case the intangible asset is calculated as the difference between the fair value of the investment made and the amount of the financial asset obtained by the discounting of cash flows deriving from the minimum guaranteed amount. With regard to the measurement of the current value of the guaranteed minimums, it is pointed out that the discount rate used by the Group for concession agreements is equal to the effective interest rate recognised for each individual project as already remarked with reference to the financial assets model.

There follows a brief description of the main concession projects of the Astaldi Group.

Concessions	Segment	Main Activity	Subject to IFRIC 12	Accounting model	Expiry	Country	%
Subsidiaries							
Mondial Milas – Bodrum A.S.	Airports	Milas – Bodrum International Airport	Yes	Mixed	2015	Turkey	100.00%
Sociedad Concesionaria Metropolitana de Salud s.a.	Healthcare	Felix Bulnes Hospital	Yes	Financial Assets	2033	Chile	99.99%
Valle Aconcagua S.A.	Mines	Relaves mining facility	No	N.A.	2032	Chile	55.00%

Joint Ventures	Segment	Main Activity	Subject to IFRIC 12	Accounting model	Expiry	Country	%
Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S.	Healthcare	Etlik Hospital complex	Yes	Financial Assets	2042	Turkey	51.00%
Autostrada Brescia Verona Vicenza Padova S.p.A.	Motorways	Brescia Verona Vicenza Padua Motorway	Yes	Intangible assets	2026	Italy	14.29%
Associates							
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Healthcare	New Hospital of Venice - Mestre	Yes	Financial Assets	2032	Italy	37.00%
Metro 5 S.p.A.	Metro lines	Milan Metro Line 5	Yes	Financial Assets	2038 - 2040	Italy	38.70%
Pacific Hydro Chacayes	Water	Chacayes hydroelectric plant	No	N.A.	Perpetual	Chile	27.35%
Otoyol Yatirim ve Isletme A.S.	Motorways	Gebze - Orhangazi – Izmir Motorway	Yes	Financial Assets	2034	Turkey	18.86%
ICA Ic ICTAS - Astaldi Üçüncü Bogaz Köprüsü ve Kuzey Marmara Otoyolu Yatirim ve Isletme AS	Motorways	Third Bridge on the Bosphorus and Northern Marmara Highway	Yes	Financial Assets	2024	Turkey	33.33%

Investments

Investments in companies other than subsidiaries, associates and joint ventures, for which the consolidation scope should be referred to (generally with share of less than 20%) are classified, at the time of purchase, under "equity investments" classifiable in the category of financial instruments available for sale as defined by IAS 39. These instruments are initially recognised at cost, recorded at the date when the transaction took place, as representing fair value, inclusive of transaction costs directly referring to the transaction.

After initial accounting, these investments are measured at fair value, if determinable, with recognition of the effects in the statement of comprehensive income, and, then in a specific equity reserve. At the time of realization or recognition of an impairment loss, in case of objective evidence that these instruments have undergone a significant and prolonged reduction of value, the profits and losses recognised in this reserve are reclassified in profit or loss.

If at the updating of the corresponding fair value the impairment loss has been wholly or partially reversed, the relative effects will also be recognised in the statement of comprehensive income, while then charging the specific reserve set up previously.

If the fair value cannot be reliably determined, the investments classified among the financial instruments available for sale are measured at cost, adjusted for impairment.

Inventories

Inventories are recognised at cost or the net recoverable amount, whichever is lower. The amount of inventories is calculated at weighted average cost, applied to homogeneous categories of goods. The cost includes all charges related to purchase and transformation and all other costs incurred to bring inventories to the site where being used and in the conditions to be suitable for the production process.

Construction contracts

Contract works in progress are recognised in accordance with the percentage of completion method, calculated by applying the "incurred cost" (cost to cost) criterion.

The measurement reflects the best estimate of works performed at the reporting date. Assumptions, underlying measurements, are periodically updated. Any income statement effects deriving therefrom are accounted for in the year in which such update is made.

Contract revenue comprises:

The contract amounts agreed, changes in works, price reviews and incentives, to the extent to which these are likely to be reliable, with application of the conditions set forth in IAS 11 "construction contracts". In this regard they refer to:

- Specific legislation in regarding public works and international legislation;
- Contract clauses;
- The status of negotiations with the customer and likelihood that these negotiations will have a positive result;
- When necessary due to the complexity of specific situations, technical-legal studies also conducted with external consultants, to confirm that the valuations made are reliable.

Contract costs include:

All costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.

Such costs moreover include:

- Pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as
- -Post-operating costs incurred after completion of the contract (site removal, return of equipment/machinery to base, insurance, etc.), and additionally
- Costs for services to be performed after the completion of works, remunerated in the contract referring to the contract activity (for example, periodic maintenance, assistance and supervision during the first phase of operation of individual works).

It is likewise pointed out that contract costs include financial charges, as allowed by the amendment to IAS 11 in connection with the IAS 23 standard, resulting from financing specifically referred to works carried out. In fact, during the call for tenders, specific terms of payment are defined on the basis of legal conditions that require the Group to perform structured financing transactions on the contract's invested capital, the relative charges for contract fee calculation.

Should forecasts suggest that completion of a contract may generate a loss, this shall be entirely recognised in the financial year when reasonably expected.

When the outcome of a long-term contract cannot be reasonably estimated, the amount of work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.

When favourable or unfavourable events attributable to present situations at the reporting date occur after the reporting date, the amounts recognised in the financial statements are adjusted to reflect the consequent income statement and statement of financial position effects.

Contract work in progress is presented net of any allowance for impairment and/or losses on contracts, as well as of any advances for the contract in progress.

In this regard, it is noted that invoiced amounts related to individual progress reports (Advances) reduce the gross contract amount, if the latter is higher, and any surplus is recognised under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always recognised among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of the contract.

With reference to allowance for losses on contracts, it is noted that should the said allowance exceed the contract amount recognised among assets, such excess is recognised under "Payables to customers".

The aforementioned analyses are conducted on a contract-by-contract basis: in case the differential is positive (due to work in progress being greater than the amount of advances), such amount is classified among assets under "Receivables from customers"; on the other hand, in case this differential is negative, the amount is classified among liabilities, under "Payables to customers".

Receivables and financial assets

The Group classifies financial assets in the following categories:

- Assets at fair value through profit or loss;
- Receivables and loans;
- Held to maturity investments;
- Financial assets available for sale.

Classification depends on the reasons why the asset was acquired, the nature thereof and the valuation made by management at the purchase date.

Initially all the financial assets are recognised at fair value, increased by additional charges in case of assets other than those classified at fair value through profit or loss.

The Group determines the classification of its own financial assets after initial recognition and, if appropriate and allowed, reviews such classification at the end of each financial year.

Financial assets at fair value through profit or loss

This category comprises financial assets acquired for short-term trading or financial assets originally designated for this purpose by management. Assets held for trading include all assets purchased in order to be sold in the short term. Derivatives, including separated derivatives, are classified as held-for-trade financial instruments unless designated as effective hedging instruments. Gains or losses on assets held for trading are recognised in profit or loss. Upon initial recognition, financial assets may be classified as financial assets at fair value through profit or loss, if the following conditions are met: (i) the designation eliminates or significantly reduces the inconsistency of recognition which would arise by measuring the assets or recognising gains and losses generated by such assets in accordance with a different criterion; or (ii) the assets are part of a group of managed financial assets and their return is measured on the basis of their fair value, in accordance with a documented risk management strategy.

Receivables and loans

This category comprises assets which are not derivatives and that are not quoted in an active market, from which fixed or calculable payments are expected. Such assets are measured at the amortised cost based on the effective interest rate method. Any impairment losses calculated through the impairment test are recognised in profit or loss. These assets are classified as current assets, except for portions whose terms expire after more than 12 months, which are included within non-current assets.

Held to maturity investments

This category comprises assets which are not derivatives, with a pre-set maturity and for which the Group has the intention and capacity to hold to maturity. Such assets are measured at the amortised cost based on the effective interest rate method. Assets with a contract maturity within the subsequent 12 months are included within current assets. Any impairment calculated through the impairment test is recognised in profit or loss.

Financial assets available for sale

This category comprises financial assets which are not derivatives, have been designated as such or are not classified in any of the three previous categories. They are measured at fair value, with changes in the amount shown against a specific equity reserve ("reserve for assets available for sale"). This reserve is recognised in profit or loss only when the financial asset is effectively transferred, or if there is real evidence that it has undergone a significant impairment loss. Its classification as a current or non-current asset depends on the intentions of management and the real negotiability of the asset; items expected to be realized in the subsequent 12 months are recorded under current assets.

Losses on financial assets

At the end of each financial year the Group verifies whether any financial asset or group of financial assets were impaired according to the following criteria.

Assets measured at amortised cost

If there is actual evidence that financing or a receivable recognised at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the carrying amount of the asset and the current value of estimated future cash flows (excluding losses on future amounts receivable not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial recognition). The carrying amount of the asset will be reduced by application of an allowance. The amount of the loss will be recognised in profit or loss.

In particular, with reference to trade receivables, impairment losses are recognised when there is evidence, largely based on the nature of the counterpart, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment decreases, the decreased value may be restored. Any subsequent restorations of value are recognised in profit or loss, to the extent in which the asset's carrying amount does not exceed the amortised cost at the date of reversal.

Financial assets available for sale

In case of impairment loss of a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortisation) and its current fair value is deducted from equity and recognised in profit or loss, net of any impairment loss previously recognised in profit or loss.

Reversal of value relating to equity investments classified as available for sale is not recognised in profit or loss. Reversal of values relating to debt instruments is recognised in profit or loss if the increase in instrument's fair value may be objectively attributed to an event which occurred after the impairment losses were recognised in profit or loss.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralizing the underlying assets, liabilities or commitments assumed by the Group, unless these instruments are considered as assets held for trading in which case they are measured at fair value through profit or loss.

In particular, the Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of cash flows expected with regard to contractually defined or highly probable transactions (cash flow hedge). In particular, fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are recognized in a specific reserve charged to the statement of comprehensive income ("hedging reserve"), which is then recognized in the income statement when the income statement effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately recognized in the income statement for the year. If the derivative instrument is transferred or no longer qualified as an effective hedge against the risk for which the transaction had been made, or the occurrence of the underlying transaction is no longer considered highly probable, the relative share of the "hedging reserve" is immediately reversed to the income statement. These derivatives are initially recognized at fair value at the stipulation date; subsequently, such value is periodically adjusted. Derivative instruments are recognized as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible gains or losses deriving from changes in the fair value of derivatives not suitable for hedge accounting are recognized directly in profit or loss in the year. The effectiveness of hedging transactions is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.

It is pointed out that the Group does not stipulate derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are recognized according to the rules of hedge accounting.

Calculation of fair value

Fair value is s defined by IFRS 13 as a criterion for market valuation, not specific for the entity, representing the price that would be received for the sale of an asset or the amount that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date.

When is not a price cannot be identified for an identical asset or liability, the fair value is assessed by applying a valuation technique that maximizes the use of significant observable inputs and reduces to a minimum the use of non-observable inputs.

It may be suitable to use single or multiple valuation techniques. If several valuation techniques are used to measure the fair value, the results must be assessed considering the reasonableness of the range of amounts indicated by these results.

The three most widely used valuation techniques are as follows:

- **Market approach:** this uses the prices and other significant information produced by market transactions regarding assets and liabilities, or a group of assets and liabilities, identical or comparable (i.e. similar);
- **Cost approach:** this reflects the amount that would be necessary at that time to replace the service capacity of an asset; and
- **Income approach:** this converts future amounts (for example, cash flows or income and expense) into a single current amount at current value.

On the basis of the extent to which the significant inputs used in the context of the valuation technique used are observable, the assets and liabilities measured at fair value in the consolidated financial statements are measured and classified according to the hierarchy of fair value set forth in IFRS 13:

- **Level 1**: refers to quoted prices (not adjusted) in active markets by identical assets or liabilities to which the entity can have access on the date of valuation.
- **Level 2**: inputs other than the quoted prices included in Level 1, directly or indirectly observable for the assets or liabilities.
- **Level 3:** refers to inputs that are not observable for the assets or for liabilities.

The classification of the entire value of fair value of an asset or of liability is made on the basis of the level of hierarchy corresponding to the one to which reference is made, at the lowest significant input used for calculation.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:

- The rights to receive cash flow from the asset have expired;
- The right to receive cash flow from the asset is retained, but according to contractual obligations such cash flow has to be paid immediately and entirely to a third party;
- The Group transferred the right to receive cash flows from the asset and the Group: (a) has substantially transferred all risks and rewards deriving from ownership of the financial asset, or (b) has neither transferred nor kept all the risks and rewards deriving from the asset, but has transferred the control of the asset.

When the Group has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and rewards or has not lost the control of the asset, the asset is recognized in the Group's financial statements to the extent of the Group's residual involvement in the asset itself. The residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is measured at the initial carrying amount of the asset or the maximum value of the consideration the Group may be required to pay, whichever is lower.
Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged. In the cases where an existing financial liability is replaced by another liability from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability with the consequent recognising in profit or loss of any differences between carrying amounts.

Cash and cash equivalents

These include cash, deposits or other amounts with banks or other financial institutions, available for current transactions, postal current accounts, and other equivalent securities, as well as investments with terms expiring within three months of the purchase date. Cash and cash equivalents are recognised at fair value, which normally corresponds to their nominal value.

Assets / Liabilities connected with disposal groups

The assets and liabilities connected with disposal groups, the carrying amount of which will be recovered mainly through sale rather than through continuing use, are shown separately from other assets and liabilities in the statement of financial position.

Immediately before being classified into two disposal groups, they are recognised on the basis of the specific IFRS rule

applicable for each asset and liability, and subsequently recognised at the carrying amount or presumed fair value, whichever is lower, net of the relative sales costs. Any losses are recognised immediately in profit or loss.
The overall income statement effects of these operations, net of the relative tax effects, are shown separately in a single item of the income statement.

Equity

Share capital

The share capital is the Parent's subscribed and paid up capital. Costs strictly related to share issues are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares

Treasury shares are recognised as a reduction of equity. Specifically, the nominal value of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal value is carried-over to reduce other reserves as resolved at the Shareholders' Meeting. Therefore, profits or losses relating to the purchase, sale, issue, or cancellation of treasury shares are not recognised in profit or loss.

Retained earnings (losses carried forward)

These include the profits or losses of previous years for the part not distributed or allocated to reserves (in case of profit) or balanced (in case of loss).

Other reserves

These are reserves deriving from first application of international financial reporting standards and other equity reserves (such as share option reserve).

Other items of comprehensive income

The items of comprehensive income (O.C.I. – Other Comprehensive Income) include income items recognised directly under the equity reserves in compliance with IFRS rules regarding their origin and changes.
The elements included in the statement of comprehensive income of these consolidated financial statements are presented according to type and grouped in two categories:

(i) Items not to be reclassified subsequently in profit or loss:

- Defined benefit plan actuarial gains and losses (IAS 19);

(ii) Items to be reclassified subsequently in profit or loss, when certain specific conditions occur as required by IFRS:

- Gains and losses from the translation of the financial statements of foreign operations using a functional currency other than the Euro (IAS 21);
- Gains and losses due to the recalculation of for sale financial assets (IAS 39);
- An effective part of gains and losses from hedging instruments (IAS 39).

Financial liabilities

Financial liabilities are initially recognised in the financial statements at fair value net of transaction costs, and are subsequently measured at their amortised costs.
Any difference between the sum received (net of transaction costs) and the nominal value of the payable is recognised in profit or loss by applying the actual interest rate method.
Financial liabilities are classified as current liabilities, unless the Group has the contract rights to fulfil their obligations at least more than 12 months after the reporting date.

It is noted that the Group has not designated any financial liability at fair value through profit or loss.

Convertible bonds

Convertible bonds are generally financial instruments consisting of a liabilities and an equity component. At the date of issue, the fair value of the liabilities component is estimated using the current market interest rate for similar non-convertible bonds. The difference between the net amount gained for the issue and the fair value assigned to the liabilities component, which represents the implicit option to convert the bonds into Group shares, is included under Equity.

On the other hand, convertible bonds offering the issuer with the choice between repayment through ordinary shares, or alternatively by payment in cash (Cash Settlement Option), are referred to as hybrid securities
In the latter case, the relative financial liabilities are recognised at amortised cost, while the implicit incorporated amount representing the conversion option is recognised at fair value through profit or loss

Trade payables and other payables

Trade payables, whose term of expiry falls within the normal commercial terms, are not discounted back and are recognised at cost (identified by their nominal value).

Tax expenses

Current taxes

Current taxes or the year and those of previous years are recognised at the amount expected to be paid to the tax authorities. Tax rates and tax laws used to calculate the amount are those substantially issued at the reporting date in the individual countries where the Group operates.

Deferred taxes

Deferred taxes are calculated by adopting the so-called liability method, applied to the temporary taxable or deductible differences between the carrying amount of assets and liabilities recognised in the financial statements and the taxable amount.

Deferred tax liabilities are recognised against all temporary taxable differences, except when:

- Deferred tax liabilities derive from the initial valuation of goodwill or an asset or liability in a transaction that is not a business combination and which at the moment of the transaction does not affect the profit for the year, calculated for the purpose of the financial statement, or the profit or loss calculated for tax purposes;
- Temporary taxable differences related to interests in subsidiaries, associates and joint ventures, the reversal of the temporary differences may be checked and it is likely that it will not occur in the future.

Deferred tax receivables are recognised against all deductible temporary differences and for tax losses carried forward, to the extent to which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial valuation of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.

The amount of deferred tax assets to be recognised in the financial statements is reassessed at each reporting date and reduced to the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not recognised are reassessed on an annual basis at the reporting date, and are recognised in the extent in which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be discharged, considering the rates in force and those already substantially issued at the reporting date.

Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.

Tax expense (deferred and current) directly related to equity items are recognised under equity and not in profit or loss.

Employee benefits

Benefits due to employees for early retirement

The benefits due for the termination of employment are amounts payable to employees following the decision by the company to terminate the employment of an employee before the retirement date and the decision by the employee to accept voluntary resignation in exchange for this compensation.

These benefits must be recognised as liabilities and expenses at the date nearest to (i) the time when the Company can no longer withdraw the offer of these benefits; and (ii)the time when the Company recognises the costs of restructuring coming under the application of IAS 37 which implies the payment of benefits due for the termination of employment. These liabilities are measured on the basis of the type of benefit granted. In particular, if the benefits granted are an improvement with respect to other benefits subsequent to the end of employment and recognised to the employees, the relative liabilities are measured in accordance with IAS 19 para. 50-60 “Benefits subsequent to the end of employment”, Otherwise, the rules to be applied for measuring the benefits due to employees for the termination of employment differ according to the time when such benefits are expected to be paid:

- If it is expected that the benefits will be fully settled within twelve months from the end of the year, the rules stated for short term employee benefits shall apply (IAS 19 para. 9-25);

- If it is not expected that the benefits will be fully settled twelve months from the end of the year, the rules stated for long term employee benefits shall apply (IAS 19 para. 153-158);

Benefits after employment

Liabilities for benefits guaranteed to employees, issued at the time of or subsequent to the termination of employment through defined benefits plans, are recognised in the year of maturity of the entitlement in relation to the employment period required to obtain the benefits, on the basis of actuarial tables and net of any advances paid. The valuation of the liabilities is conducted by independent actuaries using the "projected unit credit method".

In this context, the following income items are recognised in the section of the income statement regarding personnel expenses:

- The costs deriving from current employment services representing the actuarial estimates of the benefits to which employees are entitled in relation to the employment services rendered in the year;
- The net interest cost representing the change in the amount of liabilities in the year due to the effect of the elapse of time; and
- The costs and income deriving from amendments to defined benefits plans ("costs or income related to past employment services") fully recognised in the period in when the changes are made.

Furthermore, the changes in the amounts of liabilities for defined benefits plans regarding actuarial gains or losses, are fully recognised in the year of maturity in the section Other Comprehensive Income (OCI) of the statement of comprehensive income.

The liabilities referring to benefits guaranteed to employees, and paid out at the time of or subsequent to the termination of employment by a defined contributions plan, are recognised for the amount accrued at the end of the year.

Liabilities referring to other employee benefits are recognised for the amount accrued at the end of the year also on the basis of actuarial estimates if referring to medium-long term benefits.

Stock option plan

The Parent has formulated an Incentive Plan for top management (Chief Executive Officer and General Managers) consisting in the assignment to them, free of charge, of Company shares upon the achieving of specific economic and financial targets.

The share option plan structured in this way falls under the scope of application of IFRS 2 under the category of "equity settled" operations.

The cost of the Incentives Plan is spread over the period to which the incentive refers (vesting period) and is calculated with reference to the fair value of the right assigned to top management on the date when the commitment is made, in such a way as to reflect the market conditions on the date in question.

At every reporting date, the hypotheses are verified as to the number of options expected to mature.

The charges referring to the year are recognised in profit or loss, under personnel expenses, and are offset by an equity reserve.

Provisions for risks and charges

Allocations to provisions for risks and charges are recognised when, on the reporting date, there is a current obligation (legal or implicit) deriving from a past event, if there is a probable outlay of resources to satisfy the obligation, and a reliable estimate can be made on the amount of the obligation.

The provisions are recognised at the amount representing the best estimate of the amount that the company would pay to extinguish the obligation, or to transfer it to third parties on the closing date of the period. If the effect of discounting the value of money is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax discount rate reflecting the current market valuation. When the discount is applied, the increase in the provision due to the passing of time is recognised as a financial charge in the income statement.

Revenue other than contract work in progress

Revenue is stated at the fair value of the amount received, taking into account any discounts and reductions related to quantity.
Revenue for the sale of goods is recognised when the company has transferred significant risks and the benefits connected with ownership of the goods to the purchaser; in many cases this coincides with the transfer of ownership or possession to the purchaser, or when the amount of the revenue can be reliably determined.

Revenue from the supply of services is recognised when it can be reliably estimated, on the basis of the percentage of completion.

Government grants

Government Public contributions are recognised in profit or loss at fair value, when there is reasonable certainty that they will be received and all the relative conditions have been satisfied. When the grants are related to cost items, they are recognised as revenues, while being spread systematically over the years in such a way as to match the costs they are intended to offset. If the grant is related to an asset, the fair value is recognised as a decrease of the said asset. It is also accrued under liabilities if the asset to which it is related does not come into operations, or is in the construction phase, and the relative amount does not cover the value of the asset.

Financial charges

Interest is recognised on an accrual basis under the effective interest method. By using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transaction financially equivalent. Financial charges are capitalized in accordance with the provisions set out by IAS 23.

Dividends

Dividends are recognised when the shareholders become entitled to receive the payment that normally corresponds to the dividend distribution approved at the Shareholders' Meeting. Distribution of dividends to the shareholders is recognised as a liability in the financial statements for the year in which the distribution thereof is approved at the Shareholders' Meeting.

Costs

Costs are recognised on an accruals basis and on the basis of the Group companies' ability to continue as a going concern.

Earnings per share

The basic earnings per share are calculated by dividing the share of the Group's profit attributable to ordinary shares by the weighted average of outstanding ordinary shares, excluding treasury shares. Diluted earnings are calculated by adjusting the profit or loss attributable to the holders of ordinary shares, and the weighted average of the shares in circulation, as defined above, to take into account the effects of all the potential ordinary shares with a dilution effect.

Use of estimates

The drafting of the financial statements and notes in compliance with IFRSs requires the formulation of estimates and assumptions affecting the carrying amounts of assets and liabilities and the information regarding potential assets and liabilities.

In the light of the Banca d'Italia/ CONSOB/Isvap Joint Document N. 2 of 6 February 2009 it should be pointed out that such estimates are based on the most recent information available to top management at the time of preparing these financial statements, the reliability of which is, therefore unprejudiced. Estimates are used, among other things, to record the allowance for impairment, contract revenue, amortisation and depreciation, impairment losses on assets, employee benefits, taxes, other amounts allocated, and provisions.

The final results may differ from these estimates.

Estimates and assumptions are periodically reviewed and the effects of all changes are reflected in profit or loss of the period when the change occurred.

More in particular, taking into account the specific segment of the Group, which involves a payment amount at the time when the individual contracts are assigned, it is pointed out that the margins on these contracts, credited in the income statement on the basis of systematic calculation criteria, may undergo changes with respect to the initial estimate. This is related to the likelihood of being able to recover the higher charges that may be incurred during the execution of the works.

Accounting Principles and interpretations, newly issued and approved, effective from 1 January '14

There follows a summary of the new EU Regulations effective at 1 January 2014.

EU Regulation 1254/2012 of the Commission of 11 December 2012, published in Official Gazette L 360 of 29 December 2012: Adoption of International accounting principles IFRS 10 Consolidated financial statements,

IFRS 11 joint agreements, IFRS 12 Information on equity holdings in other entities, amendments to IAS 27 Separate financial statements and IAS 28 Equity holdings in associates and joint ventures.

In the light of the new rules, the standards applicable to the drafting of the consolidated financial statements are now as follows:

IFRS 10 consolidated financial statements

IFRS 10 provides a single reference principle to follow for the drafting of the consolidated financial statements involving control as the basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 Consolidated and separate financial statements and Interpretation SIC 12 – Special purpose entities.

More particularly, the new IFRS 10 defines in a more specific way the concept of "control" and consequently the basis for determining which entities come within the 'consolidation scope of the Group consolidated financial statements.

In the broader definition, a company controls an investee if and only if has at the same time:

a) The power over the investee: Effective significant capacity to manage the assets unilaterally;

(b) Variable liabilities or entitlements to income deriving from the relationship with the investee;

c) The capacity to exercise its power on the investee to affect the amount of its revenue:

The consolidation model set forth in IFRS 10 is thus not based, like the previous IAS 27, exclusively on risks and rewards, but is based on the "power" and capacity to exercise it in the management of the entity, thus being able to have greater influence on the "economic returns".

The adoption of the amendments to IFRS 10 does not involve significant effects on the consolidated financial statements of the Group since the subsidiaries of Astaldi S.p.A. are generally:

(i) set up specifically for the execution of specific projects, and thus regulated by governance agreements allowing the Parent, through the exercising of an ample majority of voting rights, to determine the strategic choices and management decisions of the company in order to obtains the relative benefits; and/or

(ii) set up on the basis of the industrial development lines set forth in the Business Plan and fully owned by the Parent.

IFRS 11 Joint Control Agreements

FRS 11 establishes the standards for recognition in the financial statements of activities conducted by entities forming part of joint agreements and replaces IAS 31 Shareholding in joint ventures and SIC-13 jointly controlled entities – non-monetary contributions by venturers.

IFRS 11 states that joint control occurs when several parties share control at the same time in an "arrangement", i.e. when the decisions concerning the significant activities connected with it require the unanimous consent of the parties.

With regard to the procedures for valuation and presentation, IFRS 11 has different procedures for:

- JOINT OPERATIONS (JO): an agreement for joint control in which the parties holding joint control have rights on the assets and obligations for the commitments stated in the agreement
- JOINT VENTURES (JV): an agreement for joint control in which the parties holding joint control have rights on the net assets of the agreement

The formulation of IFRS 11 with regard to the distinction between JO and JV is no longer based on the legal form of the jointly controlled entities, but rather on the rights and obligations on the co-venturers in relation to their participation in the joint arrangement, i.e. the substance of the relationship.

With regard to the recognition of JVs in the consolidated financial statements, IFRS 11 eliminates the accounting option in the current IAS 31, with regard to the consolidation of JVs, consisting in the application of the proportional or net equity method, providing for only one criterion for consolidation based exclusively on the equity method.

Under this method, since in a JO the participants in the agreement share the rights on the assets and accept the obligations for the liabilities related to the agreement, each joint operator must enter in its accounts the pro quota value of the assets, liabilities, costs and revenues of that JO.

The new accounting standard was adopted retroactively starting from 1 January 2014 in order to allow the standardised recognition of the results with respect to the information for previous years.

Effects on the financial statements related to the initial application of IFRS 11

With regard to the initial application of the standard, some limited differences were observed, basically in the concessions segment, with regard to the procedures for the measurement and recognition of some Special Purpose Vehicles that were qualified as Joint Ventures. These Entities, which in the previous year had been consolidated with the proportional method, were measured in the data restated in comparative terms, with equity accounting.

With regard to the construction segment, the effect of the initial application was extremely limited since the joint agreements, generally incorporated in specific vehicles, are drawn up in such a way that whatever their structure, the overall measurement of the contract terms, also with regard to the legal aspects, makes the Joint Arrangements definable as Joint Operations.

There follow data from the income statement and statement of financial position amounts as at 31 December 2013 showing the comparative effects deriving from the application of IFRS 11.

Consolidated Income Statement	**31/12/2013 Published**	**Effects of application of IFRS 11**	**31/12/2013 Restated**
Revenue	2,392,871	(11,458)	2,381,413
Other Operating Revenue	126,804	142	126,947
Total Revenue	**2,519,675**	**(11,315)**	**2,508,360**
Purchase costs	(423,764)	198	(423,566)
Service costs	(1,411,951)	8,654	(1,403,297)
Personnel expenses	(320,715)	204	(320,512)
Amortisation, depreciation and impairment losses	(85,252)	17	(85,235)
Other operating costs	(43,692)	399	(43,293)
Total Costs	**(2,285,375)**	**9,472**	**(2,275,903)**
Capitalisation of internal construction costs	1,652	0	1,652
Operating profit	**235,952**	**(1,843)**	**234,108**
Net financial revenue and charges	(103,667)	(7,871)	(111,538)
Effect of equity accounting	6,302	1,084	7,386
Pre-tax Profit (Loss) of continuing operations	**138,586**	**(8,630)**	**129,956**
Tax	(55,571)	754	(54,817)
Profit (Loss) related to disposal groups	**(4,575)**	**0**	**(4,575)**
Profit (Loss) for the year	**78,440**	**(7,876)**	**70,564**
Profit attributable to owners of the parent	75,213	(7,876)	67,337

Profit attributable to non-controlling interests	3,227	0	3,227
Earnings per share			
Base	Euro 0.77		Euro 0.69
Diluted	Euro 0.76		Euro 0.68

Statement of comprehensive income	**31/12/2013 Published**	**Effects of application of IFRS 11**	**31/12/2013 Restated**
Profit (loss) (A)	**78,440**	**(7,876)**	**70,564**
Components to be reclassified subsequently in Profit for the year	(6,618)	(3,853)	(10,471)
of which:			
Change in hedging reserve net of tax effect	22,726	(3,853)	18,872
Items not to be reclassified subsequently in Profit for the year	886	0	886
Total other Profit (Losses) net of tax effect (B)	**(5,732)**	**(3,853)**	**(9,585)**
TOTAL PROFIT (LOSS) (A)+(B)	**72,708**	**(11,729)**	**60,979**
of which attributable to owners of the parent	69,436	(11,729)	57,706
of which attributable to non-controlling interests	3,272	0	3,272

Consolidated financial position	**31/12/2013 Published**	**Effect of application of IFRS 11**	**31/12/2013 Restated**
Non-current assets			
Property, plant and equipment	203,977	(4)	203,973
Investment property	1,086	0	1,086
Intangible assets	58,971	(0)	58,971
Equity investments	395,564	(11,413)	384,151
of which:			
- Equity investments measured with the equity accounting	393,531	(11,413)	382,119
Non-current financial assets	99,786	(2,946)	96,840
Other non-current assets	54,723	(1,089)	53,634
Deferred tax assets	17,128	(10)	17,118
Total Non-current assets	**831,234**	**(15,461)**	**815,773**
Current assets			
Inventories	61,711	0	61,711
Receivables from customers	1,261,797	0	1,261,797
Trade receivables	961,860	33	961,893
Current financial assets	46,391	0	46,391
Tax assets	105,893	(1,281)	104,612
Other current assets	383,043	424	383,467
Cash and cash equivalents	373,772	(546)	373,226
Total current assets	**3,194,467**	**(1,370)**	**3,193,097**
Assets related to disposal groups	60,273	0	60,273
Total Assets	**4,085,974**	**(16,830)**	**4,069,144**
Equity			
Share Capital	196,850	0	196,850
Treasury shares	(1,040)	0	(1,040)
Reserves	287,799	(3,853)	283,946
of which:			
- Other items of comprehensive income	(58,735)	(3,853)	(62,588)
Profit (loss) for the year	75,213	(7,876)	67,337

Total equity attributable to owners of the parent	**558,822**	**(11,729)**	**547,093**
Equity attributable to non-controlling interests	45,101	0	45,101
Total Equity	**603,923**	**(11,729)**	**592,193**
Non-current liabilities			
Non-current financial liabilities	970,042	0	970,042
Other Non-current liabilities	16,698	(2)	16,696
Employee benefits	8,003	0	8,003
Deferred tax liabilities	10,957	0	10,957
Total Non-current liabilities	**1,005,701**	**(2)**	**1,005,699**
Current liabilities			
Payables to customers	674,738	1,831	676,569
Trade payables	1,117,990	(1,357)	1,116,633
Current financial liabilities	392,680	(4,240)	388,440
Tax Payables	73,679	(13)	73,666
Provisions for current risks and charges	22,591	0	22,591
Other Current liabilities	154,725	(1,321)	153,404
Total Current liabilities	**2,436,404**	**(5,099)**	**2,431,304**
Liabilities related to disposal groups	39,947	0	39,947
Total liabilities	**3,482,051**	**(5,101)**	**3,476,950**
Total equity and liabilities	**4,085,974**	**(16,830)**	**4,069,144**

Consolidated Statement of Cash Flows	**31/12/13 Published**	**Effect of application of IFRS 11**	**31/12/13 Restated**
A) Net cash flows produced by (used for) operating activity	9,965	(1,940)	8,025
B) Cash flows produced by (used for) investment activity	(158,619)	16,019	(142,600)
C) Cash flows produced by(used for) financial activity	122,818	(592)	122,226
NET INCREASE (DECREASE) OF CASH (A+B+C)	**(25,836)**	**13,486**	**(12,350)**
CASH AT START OF THE YEAR	400,215	(14,032)	386,183
CASH AT THE END OF THE YEAR	**374,379**	**(546)**	**373,833**

With regard to the overall amounts of equity and the profit, it is pointed out with specific reference to the company Veneta Sanitaria Finanza di Progetto S.p.A. (V.S.F.P.), that the carrying value of this investment was restated with respect to the published data for the year 2013 applying equity accounting retrospectively and with constant measurements in accordance with IFRS 11.

In accordance with the international reporting standard in force for the year 2013, on the date of loss of joint control the investment in V.S.F.P was recognised under “Equity investments measured with equity accounting” using the fair value to replace the cost (IAS 31 para. 45). Measurement at fair value of assets and liabilities of V.S.F.P. on the basis of of an expert opinion drawn up by an independent expert had shown a positive impact on the consolidated income statement and Group equity of EUR/000 11,729.

It is likewise pointed out that on the date of loss of joint control of the entity, the separate income statement of the Group recognised an amount of EUR/000 (3,853), and the effects related to the restatement from the other comprehensive income items of the net balance of the hedging reserve (IAS 31 para. 45B). This restatement, mad in the two separate equity items, did not change the overall net balance.

With reference to the restated data for 2013 the <u>cumulative effects of these items have been annulled</u> since the current standard (IFRS 11 para. 24) no longer contains the same rules set forth in IAS 31.

IFRS 12 Disclosure on investments in other entities

IFRS 12 combines, strengthens and replaces the requirements for the disclosure to be provided in the notes to the financial statements for subsidiaries, joint arrangements, associates and non-consolidated structured entities.

The application of the new principle will produce greater obligations for disclosure regarding (i) indication of the significant valuations used in defining the consolidation scope and (ii) analyses of the type of investments and the connected risks undertaken.

Other standards amended by EU Regulation 1254/2012

After these new IFRS rules, the IASB has also issued an amended IAS 27 that will regard only the separate income statement, and an IAS 28 amended in such a way as to include the provisions of IFRS 11 on Joint Arrangements.

EU Regulation 313/2013 of the Commission of 4 April 2013, published in Official Gazette L. 95 of 5 April 2013:

Guide to transitory provisions (Amendments to IFRS 10, 11 and 12).

The amendments limit the obligation to provide adjusted comparative information, for the transition to IFRS 10, IFRS 11 and IFRS 12, only to the previous comparative year.

They also clarify how to adjust the comparative period if the conclusions on consolidation at the "date of first application" are not the same under IAS 27 / SIC 12 and IFRS 10.

In particular, the following two cases could arise:

Consolidation in accordance with IFRS 10 of a previously non-consolidated company: this requires the retrospective application of IFRS 3 Business Combinations on the date of obtaining control, as defined by IFRS 10. Any difference between the assets, liabilities and non-controlling interests and the previous carrying amount of the interest will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date. There is no obligation if the shareholding was sold before the date of first application.

Non-consolidation in accordance with IFRS 10 of a previously consolidated company: retrospective application of IFRS 10. Any difference between the assets, liabilities and non-controlling interests previously recognised and the amount of the equity in accordance with IFRS 10 will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date.

Regarding information on non-consolidated structured entities, the obligation to present comparative information for the years previous to the date in which IFRS 12 is applied for the first time has been abolished.

The amendments to the aforesaid standards have been applied in the current year in order to implement the transitory rule for the initial application of the new standards on consolidation.

EU Regulation 1174/2013 of the Commission of 20 November 2013, published in Official Gazette L. 312 of 21 November 2013: Investment entities (Amendments to IFRS 10, 12 and to IAS 27).

The aim of the amendments is to make some modifications to IFRS 10 and 12 and IAS 27 in order to define the guidelines to follow for drafting the consolidated and separate financial statements of the "investment entities".

The main measures were as follows:

IFRS 10 was amended to require the *investment entities* to measure the subsidiaries at the fair value recognised in profit or loss rather than consolidating them, in order to better reflect their business model. In particular, an "investment entity" is defined, in the context of the principle (new paragraph 27), as an entity that obtains funds from one or more investors in order to obtain profits from the management of these investments in terms of capital gain or revenue. An "investment entity" (i) normally holds more than one investment; (ii) has more than one investor; (iii) has investors that are not "related parties"; (iv) holds equity in the form of equity instruments. An "'investment entity" also calculates and evaluates the yields of almost all the investments on the basis of "fair value".

IFRS 12 was amended to require the presentation of specific information with regard to the subsidiaries of the investment entity.

Paragraph 9A of IFRS 12 likewise states that the entity must provide information regarding the measurements significant hypotheses according to which, in compliance with paragraph 27 of IFRS 10, it comes within the category of "Investment entities".

The amendments to "IAS 27 Separate financial statements" have eliminated, in this area, the choice for "investment entities" to opt for the valuation of investments in certain subsidiaries at cost or at fair value.

IAS 27 likewise states that an investment entity is required to apply the exception to consolidation for all of its subsidiaries to present its own separate financial statements in individual financial statements, while indicating this in the notes.

The amendments to the aforesaid standards, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements.

EU Regulation 1374/2013 of the Commission of 19 December 2013 adopting recoverable amount disclosures for non-financial assets (Amendment to IAS 36).

The amendments aim to clarify the information to be provided in the disclosures on the recoverable amount of the assets measured at fair value net of disposal costs in which a loss or impairment loss or the reversal of a previous impairment was recognised during the year, following the impairment test.

In particular, in this respect, the new paragraphs 130 and 134 of IAS 36 introduce, for each CGU assigned with a significant part of the carrying amount for goodwill or of intangible assets with indefinite useful life, the requirement to indicate the following information in the disclosures:

- - The level of fair value hierarchy in which the valuation as a whole is classified (without considering whether "disposal costs" are observable);
- - For the valuations coming under categories 2 and 3 of the fair value hierarchy (i) the description of the

valuation techniques adopted to assess the fair value net of disposal costs; (ii) The key assumptions (including the discount rate used) on which management has based the determination of fair value.

The amendments to the aforesaid standard, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements.

EU Regulation 1375/2013 of the Commission of 19 December 2013 adopting the novation of derivatives and continuation of hedge accounting (Amendment to IAS 39).

On the basis of the amendments to paragraphs 91 and 101 of IAS 39 the novation of a derivatives contract, made following legislative or regulatory provisions, that implies the replacement of the original counterpart with a key counterpart, does not represent an event involving the cessation of hedge accounting.

The amendment to IAS 39 is applicable starting from the first financial year starting on 1 January 2014 or on a subsequent date.

The amendments to the aforesaid standard, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements..

Approved principles and interpretations not adopted by the Group on an anticipated basis

EU Regulation 634/2014 of the Commission of 13 June 2014, Published in Official Gazette L 175 of 14 June 2014: Adoption of IFRIC 21 interpretation on taxes.

The aim of the interpretation is to provide guidelines for the appropriate recognition of taxes coming within the scope of application of IAS 37 “Potential allocations, liabilities and assets”, in order to improve the comparability of the financial statements for users.

For the purposes of this interpretation, a tax represents a payment due, in accordance with current legislation, to a branch of the public administration, except for:

a) Income tax coming within the scope of application of IAS 12 Income tax; and

b) Fines or other sanctions levied for violation of laws.

IAS 37 “Potential allocations, liabilities and assets”, states that a liability is recognised when the event causing the obligation to arise has occurred (binding event).

Pursuant to IFRIC 21, the binding event is that event, typically specified in the Law of the jurisdiction concerned, for the occurrence of which the payment of tax is requested.

The interpretation considers different types of taxes:

- The tax requirement manifests gradually at the time when the entity produces revenue: the binding event is the production of revenue, as set forth in local rules, and the obligation will thus be recognised at the same time as the revenue is produced;

- The tax requirement arises fully when the entity produces the first revenue in a given year. There is no requirement if the amount to be paid is based on the sales of the previous year;
- The tax requirement arises fully if the company is operational on a certain date: in this case, even if the amount of the tax is calculated on the basis of balances of the previous year, no obligation is recognised until the specific date is reached. The basic assumption of the continuation of the company as a going concern therefore does not imply as such the need to recognise and obligation before the specific date;
- The tax requirement arises if the entity produces revenue over a certain specified minimum threshold, and only at that time a liability is recognised, independently from the probability/reasonable certainty of exceeding this threshold.

The interpretation will be applied starting from the financial years starting on 17 June 2014 or subsequently with limited effects from the point of view of the measurement of financial statement items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Revenue: EUR/000 2,540,388 (EUR/000 2,381,413)

Revenue from works at 31 December 2014 totalled EUR/000 2,540,388, up compared to the previous year by EUR/000 158,975. This item consists of the following:

	31/12/14	31/12/13	Change
Revenue from works	2,504,776	2,338,597	166,179
Concessions - Commercial services under arrangement	24,127	17,487	6,640
Periodical instalments on plant maintenance contracts	5,072	3,912	1,160
Final inventories of assets and plant under construction	6,413	21,417	(15,004)
Total	**2,540,388**	**2,381,413**	**158,975**

The item “Revenue from works” shows the amount of the works completed and accepted by the respective customers, including the proportional amount of long term works undertaken during the year, but not yet completed.

This item has shown net increase of EUR/000 166,179 deriving from the growth of the major foreign contracts, which have recorded highly positive performance in the most recently opened areas, Russia and Canada, as well as in Turkey, Poland, Algeria, Romania, Peru, where the Group has operated on a permanent basis for much longer.

The item “Concessions – Commercial services under arrangement” comprises the amounts accrued for infrastructure management services, essentially regarding: (i) the Milas-Bodrum Airport (EUR/000 14,929); (ii) and the four Hospitals in Tuscany with specific regard, to the San Jacopo Hospital in Pistoia and the Hospitals in Prato and Lucca inaugurated from the second half of 2013 of (EUR/000 9,198).

The item “Periodical instalments on plant maintenance contracts” on the other hand, refers to the activities undertaken in the year by the subsidiary NBI, the company operating in the plant and facility management segment, complementary to the current activities of the Group, but also useful for providing it with relevant industrial and commercial synergies, with the contribution of top level professional skills.

the item “Final inventories, of assets and plant under construction” records the increase in the carrying amount of the plant constructed in Chile (Relaves Project), for the treatment and recovery of the copper and molybdenum contained in the waste products of the “Codelco” (Chilean National Mining Corporation) mine.

Under the Relaves Project the Chilean subsidiary Valle Aconcagua A.S. has the right to the management of the facility for 20 years.

In this contract, Codelco has agreed to purchase the amount of copper and molybdenum extracted from the mine processing waste, thus guaranteeing the recovery of the investment during the management period.

In the light of the above points, the Company believes that the contract terms, pursuant to IFRIC 4, constitute a lease and has therefore made the relevant accounting entries.

The revenue in terms of geographical breakdown is as follows.

	31/12/14	%	31/12/13	%	Difference
Italy	620,545	24.43%	803,452	33.74%	(182,907)

Europe	1,106,101	43.54%	1,017,866	42.74%	88,235
America	633,005	24.92%	371,508	15.60%	261,497
Africa	154,730	6.09%	144,194	6.05%	10,536
Asia	26,007	1.02%	44,393	1.86%	(18,386)
Total	**2,540.388**	**100.00%**	**2.381.413**	**100.00%**	**158.975**

On the domestic level, production has been affected by the forecast reduction of activities of some contracts under way (the Bologna High Speed Station, the Turin Railway Bypass, the Jonica State Highway, Line 5 of the Milan Metro and the four Hospitals in Tuscany which are coming to their planned completion while maintaining significant levels of production. This effect is partially mitigated by the positive advancement of works under way on the Blue Line of the Milan Metro and the resumption of the activities for the construction of the Ospedale del Mare Hospital in Naples.

On the domestic level, there is also a positive contribution from the works for the Pedemontana Lombarda Motorway, Line C of the Rome Metro and the segment referring to plan, maintenance and management of complex systems.

In relation to the geographical breakdown of revenue, we should point out a significant increase in the European area which has benefited from the positive contribution of the works in progress in Turkey (Gebze-Orhangazi-Izmir Motorway Phase 1 and Third Bridge on the Bosphorus), Poland (Kraków-Balice Airport, Kraków-Balice Railway, Warsaw Metro Line 2, Łódź Fabryczna Station) and Romania (Bucharest Metro Line 4 and 5, Arad Nadlac Motorway Lot 1, Mihai Bravu Overpass) but which at the same time, compared to' the previous year, has also been affected by the planned fall in production volumes due to the substantial completion of the works for the Pulkovo International Airport in St. Petersburg, Russia.

There has been a considerable increase in the contribution to production recorded in the American area, thanks to the positive effect of works in progress on the hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Àguila) and mining projects in Chile (Chuquicamata), and the start-up of the preparatory activities for the construction of the Metropolitano Occidente Hospital in Santiago.

With reference to the latter area, especially Venezuela, in order to allow an overall evaluation of the situation in the country, it is interesting to point out that during the year concrete institutional initiatives have started to safeguard the interests of Italian enterprises working in the area.

We can recall that after these initiatives, the Venezuelan Government has allocated significant amounts to the budget for the Puerto Cabello-La Encrucijada railway line, both to settle previous amounts owed and for allocations in the coming years; in the second half of the year there was a partial settlement of the amounts owed (Euro mln 68 equivalent at 31 December 2014). Nevertheless, although this shows a concrete attempt to start up a process, albeit gradual, for the normalization of the contract relationship, the activities of the Group, conducted in partnership with two other major Italian companies in the segment, have still been very limited and definitely lower with respect to the great potentials of these projects.

The African area has recorded an increase over the previous year thanks to the Algerian railway works (Saida-Moulay Slissen Railway and Saida-Tiaret Railway), also following the full start-up of works after the definition of some technical and contract revisions.

The Asian area shows a decrease in production totalling EUR/000 18,386, thus confirming the effects of the gradual withdrawal of the Group from Saudi Arabia and the completion of the activities in Oman.

For further information on this item refer to note 37 on segment reporting pursuant to IFRS 8.

2 Other revenue: EUR/000 112,177 (EUR/000 126,947)

Other revenue, totalling EUR/000 112,177, comprises items not directly related to the core business of the Group, but nevertheless accessory to the core business. This item decreased with respect to the previous year by EUR/000 14,770 and consists of the following:

	31/12/14	31/12/13	Difference
Revenue from sale of goods	12,217	22,473	(10,256)
Services to third parties	52,872	59,006	(6,134)
Services for the management of joint initiatives	5,094	2,871	2,223
Rent and lease receivables	2,940	2,823	117
Net gains from the disposal of property, plant and equipment	3,507	5,593	(2,086)
Gains from the disposal of leased assets	837	0	837
Other	34,710	34,181	529
Total	**112,177**	**126,947**	**(14,770)**

The item “Revenue from sale of goods” decreased compared to 2013 by EUR/000 10,256 above all with reference to the domestic level and in particular due to the lower volumes recorded in 2014 for activities related to works on Maxi Lot 2 - DG-22 of the Jonica State Highway (SS-106).

The decrease of the item “Services to third parties” on the other hand, is essentially due to the Turkish area (Third Bridge on the Bosphorus - North Marmara Highway), which had contributed in 2013 to the production for the year, also through the greater development of the accessory activities related to the main contract. This decrease is, however, partially offset by revenue from payments obtained by the Parent during 2014, for the studio and acquisition of specific contracts in operating initiatives undertaken abroad in Joint Ventures with other partners in the segment.

3 Purchase costs: EUR/000 401,399 (EUR/000 423,566)

Purchase costs comprise changes in inventories of raw materials and consumables for 2014, totalling EUR/000 401,399, showing a decrease of EUR/000 22,167 compared to the previous year:

	31/12/14	31/12/13	Difference
Purchase costs	405,655	412,959	(7,304)
Change in inventories of raw materials, supplies, consumables and goods	(4,256)	10,607	(14,863)
Total	**401,399**	**423,566**	**(22,167)**

There follows a detailed analysis of the geographical breakdown of this item.

	31/12/14	%	31/12/13	%	Difference
Italy	87,988	21.92%	106,567	25.16%	(18,579)
Europe	197,379	49.17%	196,838	46.47%	541
America	88,894	22.15%	92,962	21.95%	(4,068)
Africa	27,131	6.76%	23,993	5.66%	3,138
Asia	7	0.00%	3,206	0.76%	(3,199)
Total	**401.399**	**100.00%**	**423.566**	**100.00%**	**(22.167)**

The significant decrease recorded on the domestic level is essentially related to the completion of some work phases related to the execution of the works of Line 5 of the Milan Metro.

With reference to the European area, on the other hand, we can point out, (i) a definite increase related to the greater production volumes from the Third Bridge on the Bosphorus in Turkey, substantially offset (ii) by the reduction recorded in the Russian area due to the completion of the works for the construction of the Pulkovo International Airport in St. Petersburg.

As for the American area we can point out a significant decrease related to the substantial completion of the works in progress in Honduras (road works) and Chile ("Relaves" project), partially offset by the greater volumes recorded with reference to the Cerro del Àguila (Peru) and Muskrat Falls (Canada) hydroelectric projects.

On the international level we can likewise point out (i) an increase in consumption in the Algerian area (Saida-Tiaret Railway) directly related to the higher production volumes recorded during 2014 and (ii) the reduction recorded in the Asian area.

4 Service costs: EUR/000 1,488,958 (EUR/000 1,403,297)

Service costs totalling EUR/000 1,488,958 rose by EUR/000 85,661 compared to 2013. This item consists of the following:

	31/12/14	31/12/13	Difference
Consortium costs	191,953	211,287	(19,334)
Subcontracting and other services	1,073,294	941,051	132,243
Technical, administrative and legal consulting	100,613	122,342	(21,729)
Directors' and statutory auditors' fees	3,664	3,816	(152)
Utilities	11,303	14,012	(2,709)
Travel and transfers	5,838	5,775	63
Insurance	24,575	20,679	3,896
Rentals and other costs	29,020	47,879	(18,859)
Rent and condominium expenses	9,465	8,196	1,269
Maintenance costs on leased assets	732	682	50
Other	38,501	27,578	10,923
Total	**1,488,958**	**1,403,297**	**85,661**

Consortium costs related to the execution of works, in association with other enterprises in the segment, show a decrease of EUR/000 19,334 compared to the previous year, mainly due: (i) to the lower contribution of initiatives for construction works of the Pedemontana Motorway and Line C of the Rome Metro; (ii) only partially offset by the increase recorded in Poland for construction works on the Łódź Fabryczna Station.

On the other hand, with regard to the item "Subcontracting and other services", up compared to to the previous year by EUR/000 132,243, the geographical breakdown is shown below:

	31/12/14	%	31/12/13	%	Difference
Italy	238,067	22.18%	308,738	32.81%	(70,671)
Europe	541,152	50.42%	431,992	45.91%	109,160
America	210,290	19.59%	129,847	13.80%	80,443

Africa	54,711	5.10%	33,410	3.55%	21,301
Asia	29,074	2.71%	37,064	3.94%	(7,990)
Total	**1,073,294**	**100.00%**	**941,051**	**100.00%**	**132,243**

The changes of this item substantially reflect production trends in the year which, as specified in note 1, show a growth in volumes for works being executed in Turkey (Third Bridge on the Bosphorus), Poland (Kraków-Balice Airport, Kraków-Balice Railway, Warsaw Metro Line 2, Łódź Fabryczna Station), Romania (Bucharest Metro Line 4, Arad Nadlac Motorway Lot 1, Mihai Bravu Overpass), Algeria (railway works) and on the hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Àguila), partially offset by the effects of the reduction of the amounts for works in progress in Italy and Asia.

On the other hand we should point out the decrease compared to the previous year of costs for technical, administrative and legal consulting recorded basically with reference to the works in progress in on the domestic level, Poland, Peru, Russia and Turkey.

With reference to the decreases shown in the foreign sector we should observe that the higher volumes recorded during 2013 were especially attributable to the start-up phase and start-up of the production stage of the new initiatives, involving especially significant legal and financial assistance activities for defining the work contracts as well as the planning of the works.

We should likewise point out a fall in costs for rentals mainly attributable to; (i) the domestic area and especially to the reduction of the amounts recorded for the Parma-La Spezia and Line 5 of the Milan Metro contracts; and (ii)to the Russian area due to the substantial completion of the works for the Pulkovo International Airport in St. Petersburg.

The difference in the item “Other” is largely due to the costs incurred to cover contract obligations accessory to the construction of the works, required by the contract for the construction of the Motorway Link in St. Petersburg, Russia

5 Personnel expenses: EUR/000 420,006 (EUR/000 320,512)

This item consists of the following:

	31/12/14	31/12/13	Difference
Wages and salaries	302,675	220,949	81,726
Social security charges	65,039	44,673	20,366
Other costs	48,640	52,666	(4,026)
Other post-employment benefits	2,327	774	1,553
Cost of share-based payments	1,325	1,450	(125)
Total	**420,006**	**320,512**	**99,494**

Other personnel costs mainly refer to expenses incurred for employee training, costs for board and lodging, and the allocation of the cost of post-employment benefits, such as the defined benefits plan, as specified by IAS 19.

The allocation of the cost of post-employment benefits in the defined benefits programs is recognised in the item “other post-employment benefits”.

There follows the geographical breakdown of personnel costs:

	31/12/14	%	31/12/13	%	Difference

Italy	97,597	23.24%	111,899	34.91%	(14,302)
Europe	84,336	20.08%	85,102	26.55%	(766)
America	215,187	51.23%	96,692	30.17%	118,495
Africa	21,677	5.16%	21,398	6.68%	279
Asia	1,209	0.29%	5,421	1.69%	(4,212)
Total	**420,006**	**100.00%**	**320,512**	**100.00%**	**99,494**

With regard the geographical breakdown of personnel costs, there is a significant increase in the foreign sector related to the works in progress in Canada, and more specifically the Muskrat Falls hydroelectric plant in which, due to the overall complexity of the project, a type of organization using more direct works was required.

Average number of employees

The average number of employees by category is as follows:

Composition of personnel	31/12/14	31/12/13	Difference
Top management	274	235	39
Middle Management	188	187	1
White collars	3,145	3,214	(69)
Workers	5,995	5,942	53
Total	**9,602**	**9,578**	**24**

In 2014 the Group had an average workforce of 9,602 employees. On an aggregate basis, the figure is perfectly in line with the previous year, confirming the prevalence of personnel employed abroad (88.5% of the total), due to the significance of sales produced outside of Italy, but also to the presence abroad of a larger number of contracts in progress that involve direct works

Incentives plans for top management

Share option plan

The item "Cost of share-based payments" comprises the valuation of an incentives plan for top management linked to the achieving of specific economic and financial targets. The main features of the plan are described here.

The Plan consists of assigning to the Beneficiaries (Chief Executive Officer and General Managers) Astaldi shares free of charge. Six Beneficiaries have been identified: The CEO and five General Managers. The share assignment cycle refers to the 2013-2015 three-year period.

The CEO can be assigned a maximum number of 100,000 shares for each year of validity of the plan, and each General Manager can be assigned, free of charge, a maximum number of 40,000.

The maximum number of shares that can be assigned as a whole to the Beneficiaries during each year will equal 300,000 and they cannot exceed 900,000 shares during the three-year period of validity of the of the plan.

Assignment of the shares is subordinated every year to the Company's achievement of the economic and financial performance targets defined annually by the Board of Directors; the date of assignment of the shares, for the purposes of the Regulation, means the date of the resolution by which the Board of Directors ascertains the reaching of these targets and upon the occurrence of the aforesaid required conditions, consequently assigns the shares to the

Beneficiaries.

In connection with what has been described up to this point, the implementation of the plan has determined a cost of EUR/000 1,325, with an equity reserve.

There follow the actuarial assumptions regarding the measurement of the plan:

- Dividend rate: 3.22%;
- Volatility: 28%;
- Risk free rate: deducted from Euroswap rates at the valuation date.

The following probabilities of reaching the performance targets have likewise been hypothesised:

- 90% for 2014;
- 85% for 2015.

Management By Objectives (MBO) – short term incentive plan

The Board of Directors of the Parent of 14 May and 27 June 2013, after positive evaluation of the Remuneration Committee, approved a short term incentives plan with assignment to the Chairman and the CEO, in relation to the achieving of specific targets by 2014.

The maximum amount of the bonus to be paid upon achieving the set targets totals EUR/000 1,700.

At the end of the previous year the “RATING” target was deemed to have been achieve, with consequent assignment to the beneficiaries of the corresponding part of the bonus Bonus payable, totalling EUR/000 910.

With reference to the further target, due to the completion of a series of disposals defined on the basis of the guidelines of the Industrial Plan 2012-2017, it is pointed out that the hypothesis of a bonus suggested at that time for this target is now deemed no longer applicable.

It is pointed out that in relation to the new disposals plans, which seem to have a much broader scope than hypothesized in the industrial planning for 2012-2017, the Board of Directors of Parent is studying a new MBO for the adjustment of timing and amounts connected with the new incentives plan in accordance with the new development forecasts.

6 Amortisation, depreciation and impairment losses: EUR/000 70,633 (EUR/000 85,235)

Amortisation, depreciation and impairment losses totalling EUR/000 70,633 rose in absolute terms compared to the previous year by EUR/000 14,602.

This item consists of the following:

	31/12/14	31/12/13	Difference
Amortization intangible assets	23,597	27,959	(4,362)
Depreciation of property, plant and equipment	42,490	43,202	(712)
Other losses on assets	3,724	13,927	(10,203)
Impairment losses on receivables	822	147	675
Total	**70,633**	**85,235**	**(14,602)**

The item amortization of intangible assets is essentially attributable to the Turkish area and especially the management of the Milas-Bodrum International Airport (EUR/000 21,602).

The slight decrease in the depreciation of property, plant and equipment is recorded, especially, with reference to works in progress on the domestic level where production volumes recorded during 2014 are lower compared to the previous year.

The item "other losses on asset" totalling EUR/000 3,724 essentially regards impairment losses on intangible concession rights for the management of the Milas Bodrum Airport in Turkey, applied as a result of the impairment test conducted in 2014, as further remarked in note 17 below.

With regard to the measurements of the impairment of receivables, it is pointed out that the impairment losses applied 2014 have taking into account the substantially conclusive results of the activities undertaken on the domestic level, especially with reference to the plant, maintenance and management of complex systems segment.

7 Other operating costs: EUR/000 37,252 (EUR/000 43,293)

Other operating costs total EUR/000 37,252 and show a decrease of EUR/000 6,041 compared to the previous year.

Details are shown in the following table:

	31/12/14	31/12/13	Difference
Provision for risks and charges	1,534	4,463	(2,929)
Prior year expense and inexistant assets	3,948	3,525	423
Tax charges	7,683	12,681	(4,998)
Other administrative and sundry costs	24,087	22,624	1,463
Total	**37,252**	**43,293**	**(6,041)**

the item "Provision for risks and charges", totalled EUR 4,463 in the previous year, refers to items recorded on the domestic level directly connected with previous operational situations in which the proposed settlement definition involved the probable charges to be incurred.

The decrease of the item "Tax charges" is in largely attributable to the Algerian area which in 2013 had incurred tax charges due for the acquisition of rights for the exploitation of concessions for the extraction of aggregate from quarries, mainly used for the production of concrete, for the execution of the railway projects under way.

8 Capitalization of internal production costs: EUR/000 516 (EUR/000 1,652)

The item comprises capitalised costs incurred for the internal construction of assets, especially on the domestic level.

9 Financial income: EUR/000 98,286 (EUR/000 96,827)

Financial income rose compared to the previous year by EUR/000 1,459 and consists of the following:

	31/12/14	31/12/13	Difference
Income from associates and Joint Ventures	753	1,153	(400)
Bank interest income and fees	3,384	3,462	(78)
Sureties fees	2,039	5,620	(3,581)
Exchange rate gains	56,121	28,453	27,668
Financial income on leases	1,534	665	869

Income on derivatives	808	1,501	(693)
Interest income on financial receivables from concessions	2,001	4,859	(2,858)
Other financial income	31,646	51,114	(19,468)
Total	**98,286**	**96,827**	**1,459**

The item “other Financial income” basically comprises: (i) the amount of default interest payable by single customers for a total of EUR/000 20,105, for contract works in progress in Italy and abroad; (ii) the interest on the loans granted to associates, Joint Ventures and partners in joint initiatives totalling EUR/000 8,580.

This item has decreased compared to the previous year substantially due to the default interest recorded in 2013 on the works in progress in Venezuela, details of which are analysed in the note to the consolidated financial statements for the year 2013.

We can also point out, with regard to currency management, an increase in the item exchange rate gains, mainly involving the European area.

Finally, with regard to the item “Interest income on financial receivables from concessions” it should be pointed out that during first half of 2013 this item also included the effects provided by the “Parking Facilities Business Unit” (consisting of the following parking facilities: “Riva Reno” and “Piazza VII Agosto” in Bologna, “C.so Stati Uniti” and “Porta Palazzo” in Turin, “P.zza Cittadella” in Verona). To this end, it should be recalled that starting from 1 July 2013 the income statement items related to this Business Unit are restated under Profit (Loss) related to disposal groups as further remarked in note 13 below.

10 Financial charges: EUR/000 237,156 (EUR/000 208,365)

Financial charges rose compared to the previous year by EUR/000 28,791 and consist of the following.

	31/12/14	31/12/13	Difference
Interest on bond Issue	59,169	9,239	49,930
Sureties fees	37,636	31,579	6,057
Bank interest expenses and fees	41,614	55,130	(13,516)
Exchange rate losses	30,045	68,057	(38,012)
Losses on derivatives	7,353	10,691	(3,338)
Fair value charges on the convertible bond issue incorporated derivative	245	4,389	(4,144)
Financial charges on leases	1,486	728	758
Interest for extended payment terms on trade items	5,463	5,794	(331)
Charges for transfer of receivables without recourse	8,038	9,699	(1,661)
Discount charges	35,974	0	35,974
Other financial charges	9,892	12,764	(2,872)
Total	**236,915**	**208,070**	**28,845**
Impairment losses on investments	31	(1)	32
Impairment losses on securities and receivables	210	296	(86)
Total	**241**	**295**	**(54)**
Total financial charges	**237,156**	**208,365**	**28,791**

Among the main changes for the year there are higher amounts for the following:

- Interest on senior unsecured bonds (EUR/000 49,395) issued starting from the second half of 2013 (for detailed information on these bond issues refer to note 28);

- Interest on convertible bonds (EUR/000 535) issued by the Group In the month of January 2013;
- Charges recorded after the process for discounting a proportional amount of receivables for the stretches of the Venezuelan railways EUR/000 35,974;
    - The increase in commitments for operational guarantees deriving from the increased average value of the initiatives concerning the Group, above all with regard to the foreign sector. This has produced higher sureties fees totalling EUR/000 6,057 recognised, in particular, with reference to the Muskrat Falls hydroelectric project in Canada.

On the other hand there has been a significant reduction in the following:

- Charges for currency management of EUR/000 38,012, substantially due to the amounts attributable to the previous devaluation of the strong Bolivar made by the Venezuelan Government in early 2013;
- Charges deriving from financial transactions with banks, totalling EUR/000 13,516 substantially due to the different financial structure of the Group compared to the previous year, reflecting the benefit of the bond issues placed in 2013 and in the first half of 2014.

The item discount charges refers to receivables for the railway works in progress in Venezuela and namely: (i) Chaguaramas-Cabruta and (ii) San Juan de Los Morros-San Fernando de Apure.

This item was calculated thanks to a complex process of discounting related to the lack of financial coverage of these investments in the State budget for 2015.

The rate applied to the nominal values of receivables subject to discounting was established on the basis of the macroeconomic items specifically referring to Venezuela. In particular, this takes into account Country Risk, expected inflation rate and the price of bonds denominated in strong currencies and issued by the Venezuelan Government.

It should be pointed out, however, that the institutional initiatives taken in 2014 reflect the importance for the country of the rail transport infrastructure works. This confirms that in the medium term we can in any case expect the complete settlement of all the contract amounts coming due.

With regard to the composition of the item “Other financial charges” it should be pointed out that this basically refers to: (i) EUR/000 3,383 for commissions on borrowing (e.g. agency, commitment etc.); (ii) the tranche of EUR/000 5,887, after a settlement agreement with the customer, for previous contested items regarding charges made by the Parent for default interest accruing on receivables assigned to activities undertaken over time in areas of East Africa, now no longer operational.

11 Effects of equity accounting: EUR/000 34,769 (EUR/000 7,386)

The quota of profits and losses for equity accounted investees rose by EUR/000 27,383 compared to the previous year and consists of the following:

	31/12/2014	31/12/2013	Difference
Associates	38,459	7,801	30,658
Joint Ventures	(3,690)	(415)	(3,275)
Total	**34,769**	**7,386**	**27,383**

The increase of EUR/000 27,383 is essentially due to the development of important initiatives regarding transport infrastructures (Underground Lines, Motorways) in the concessions segment, characterized by considerable yield margins on the projects under way.

The balance of the item in 2014 especially refers to the following: (i) EUR/000 16,325 for the design, construction and management of the Third Bridge on the Bosphorus; (ii) EUR/000 12,661 for the company M5 S.p.A., concessionaire of the Milan Metro Line 5; (iii) EUR/000 5,653 for Otoyol Yatirim Ve Isletme A.S, concession holder for the design, construction and management of the new Gebze-Orhangazi-Izmir motorway in Turkey.

It is likewise pointed out that the Group, while having no direct obligations for recapitalisation, has fully taken on its own quota of the losses in Joint Ventures and associates, both for the year (EUR/000 17) and accumulated (EUR/000 1,109), even if such amounts are equal to or higher than the Group stake in these companies.

12 Tax expenses: EUR/000 47,980 (EUR/000 54,817)

The overall amount of tax for the year was EUR/000 47,980.

The tax rate for the year, including the impact of IRAP, is 37% (2013: 42%). The decrease, compared to the previous year, reflects the different geographical mix of the business and comprises the tax effects related to some foreign countries where the Group operates.

	31/12/14	31/12/13	Difference
Current income tax (*)	58,959	40,130	18,829
Deferred income tax (*)	(17,562)	11,105	(28,667)
IRAP current tax	5,820	6,124	(304)
IRAP Deferred tax	158	(35)	193
Substitute and other ta	605	(2,507)	3,112
Total	**47,980**	**54,817**	**(6,837)**

(*) Income tax refers to IRES for Italy and similar taxes for other countries

The change in deferred taxes mainly regards: (i) the effects certain tax systems for long term contracts in come of the foreign countries where the Group operates; (ii) the tax position for the discounted receivables in Venezuela, applied as already remarked in note 8.

There follows a breakdown of deferred tax assets totalling EUR/000 30,611 and Deferred tax liabilities totalling EUR/000 11,402.

	31/12/14	31/12/14	31/12/13	31/12/13
Statement of financial position	***IRES***	***IRAP***	***IRES***	***IRAP***
a) Deferred tax assets deriving from:	**49,570**	**283**	**34,561**	**415**
- Taxed provisions for risks	14,940	283	5,981	280
- Taxed allowance for impairment - default interest	2,347	0	194	0
- Exchange rate differences	11,595	0	17,365	0
- Tax losses	3,709	0	423	0
- Other minor items	16,979	0	10,598	135
b) Deferred tax liabilities deriving from:	**(30,112)**	**(532)**	**(28,283)**	**(532)**
- Buildings recognised at fair value in substitution of cost	(3,752)	(532)	(3,752)	(532)
- Dividend taxable share	(180)	0	(196)	0
- Default interest to be collected	(18,836)	0	(16,658)	0
- Foreign items taxable in subsequent years	(10,292)	0	(10,850)	0
- Other + hedging reserve	2,948	0	3,173	0

c) Net deferred tax assets (a + b)	**19,458**	**(249)**	**6,278**	**(117)**
d) Deferred taxes for the year recognised in profit or loss	**(17,562)**	**158**	**11,105**	**(35)**

Reconciliation, for tax purposed only, between tax recognised in the accounts (current and deferred) and the theoretical tax resulting from the application of the current tax rate in Italy (27.5%) to the pre-tax profit is the following:

	31/12/14	**%**	**31/12/13**	**%**
Pre-tax profit	**130,731**		**129,956**	
Theoretical income tax	35,951	27.50%	35,738	27.50%
Net effect of permanent increases (decreases)	(4,177)	-3.20%	5,055	3,89%
Net effect of deferred and current taxation of foreign entities and other adjustments	9,623	7,36%	10,442	8,04%
Substitute tax and other	605	0,46%	(2,507)	-1,93%
IRAP (current and deferred)	5,978	4,57%	6,089	4,69%
Income tax recognised in financial statements (current and deferred)	**47,980**	**36.70%**	**54,817**	**42,18%**

13 Profit (Loss) related to disposal groups: EUR/000 -2,006 (EUR/000 -4,575)

This item comprises charges and revenue, net of tax, recorded on a comprehensive basis in relation to the Car Parks Business Unit of Astaldi Concessioni classified as a disposal group starting from the second half of 2013. More in detail, the Group, for the through its subsidiary Astaldi Concessioni S.p.A., signed an agreement in 2013 for the sale to a group of institutional investors of 95% of the companies AST VT S.r.l. and AST B S.r.l. holders of the concessions for the "Parking Facilities Business Unit" (consisting of the following parking facilities: "Riva Reno" and "Piazza VII Agosto" in Bologna, "C.so Stati Uniti" and "Porta Palazzo" in Turin, "P.zza Cittadella" in Verona) which involved the closing of the transaction by the first half of 2014.

In 2014, upon the occurrence of the suspension conditions contained in the agreement, the transfer of the shares in the companies concerned was in any case duly completed.

	01/01/14-18/07/14	**01/07/13-31/12/13**	**Difference**
Revenue	332	377	(45)
Reversal of impairment losses	27	0	27
Costs of production	(102)	(93)	(9)
Personnel costs	(36)	(39)	3
Impairment losses	0	(8,239)	8,239
Other operating costs	(373)	(321)	(52)
Operating profit	**(152)**	**(8,315)**	**8,163**
Charges and Financial income	(2,324)	1,543	(3,867)
Profit (Loss) pre-tax	**(2,476)**	**(6,772)**	**4,296**
Tax	469	2,197	(1,728)
Net loss	**(2,006)**	**(4,575)**	**2,569**

With regard to the profit and loss items recognised for the Parking Facilities Business Unit, it is pointed out that they express accounting effects based on:

- The ordinary management of the parking facilities in the year, showing a positive result of EUR/000 82;
- The restatement, totalling EUR/000 -2,116, from other items in comprehensive income of the net balance of the hedging reserve recorded at the time of sale of the shares in the companies involved;

- Reversal of impairment loss on the net investments for the parking facilities recognised after the new measurement of the fair values at the closing of the contracts for the sale of the investment stake, totalling EUR/000 27.

14 Earnings per share: EUR 0.83 (EUR 0.69)

Basic earnings per share are calculated as follows:

	31/12/14	31/12/13
Numerator (EUR/000)		
Profit of the Parent's ordinary shareholders	81,559	67,337
Denominator (in units)		
Weighted average number of the shares (all ordinary)	98,424,900	98,424,900
Weighted average number of the treasury shares	(538,435)	(544,024)
Weighted average number of the shares to be used for the calculation of the basic earnings per share base	**97,886,465**	**97,880,876**
Basic earnings per share - (Euro)	**0.8332**	**0.6879**

The diluted earnings per share (EUR 0.7453) were calculated by dividing the profit for the year pertaining the shareholders of the Parent – adjusted for the amount of the revenue items that it is assumed will not be incurred after the conversion of the potential ordinary shares (EUR/000 4,845) – for the average weighted number of Astaldi S.p.A. shares in circulation in the year, excluding treasury shares, incremented by the weighted average of shares that could potentially be placed in circulation (n. of shares 18,040,007) in relation to:

(i) Share option plans for management personnel with strategic responsibilities, and more precisely the shsres already assigned to the beneficiaries and awaiting delivery, referring to the period 2011-2014, and those that could be assigned for 2015.

(ii) The possible year of the conversion option for the Equity Linked bond issue of EUR/000 130,000, placed with qualified Italian and foreign investors in January 2013. To this end it is pointed out that the bonds could become convertible at a fixed conversion price of 7.3996 Euro, into ordinary shares of the Company, existing or newly issued, after a year has elapsed from the issue. The Parent shall be entitled to settle any eventual conversion by cash payment or a combination of ordinary shares and cash.

15 Property, plant and equipment: EUR/000 223,111 (EUR/000 203,973)

During the year property, plant and equipment increased by EUR/000 19,138, reflecting the effects of new investments totalling EUR/000 74,223.

There follows the statement of property, plant and equipment held at the beginning and the end of the year, with the changes that have occurred:

	Land and buildings	Generic and specific plant	Excavators, Loaders and Vehicles	Various equipment and machines	Assets under construction and payments on account	Total
Amount at 31.12.13, net of depreciation (1)	43,902	84,436	41,850	22,805	10,980	203,973
Increases deriving from acquisitions	178	23,662	15,755	15,646	18,982	74,223
Gross amount	**44,079**	**108,098**	**57,606**	**38,451**	**29,962**	**278,196**
Depreciation	(1,240)	(15,386)	(14,494)	(11,333)	0	(42,452)

Other disposals	(240)	(8,558)	(1,852)	(1,695)	(57)	(12,402)
Reclassification and transfers	86	(1,020)	2,816	4,234	(6,116)	0
Exchange rate differences	192	52	177	(587)	(88)	(255)
Change in consolidation scope and other changes	(11)	191	(14)	(102)	(41)	24
Amount at 31.12.14, net of depreciation (2)	**42,867**	**83,378**	**44,238**	**28,969**	**23,660**	**223,111**
(1) of which						
- Cost	54,840	162,164	136,641	81,431	10,980	446,055
- Accumulated depreciation	(10,938)	(77,728)	(94,790)	(58,626)	0	(242,082)
Net amount	**43,902**	**84,436**	**41,850**	**22,805**	**10,980**	**203,973**
(2) of which						
- Cost	55,071	167,567	144,726	87,321	23,660	478,345
- Accumulated depreciation	(12,204)	(84,190)	(100,487)	(58,353)	0	(255,234)
Net amount	**42,867**	**83,378**	**44,238**	**28,969**	**23,660**	**223,111**

Among the most significant changes the following are pointed out:

- The increases of EUR/000 74,223 mainly regard the investments made works in progress in Canada and Russia;
- Depreciation for the year totalling EUR/000 42,452;
- The disposals made in the year totalled EUR/000 12,402 and mainly regard the disposal of the assets of contracts being completed in Arabia, Italy and Central America.

The amount of property, plant and equipment comprises a component of leased assets amounting to EUR/000 22,415 as shown below:

Amount at 31.12.2014, net of of depreciation	**Land and buildings**	**Specific plant**	**Excavators, Loaders and Vehicles**	**Various equipment and machines**	**Total**
Historical cost	1,196	11,097	16,882	2,164	31,339
Accumulated depreciation	(120)	(4,331)	(3,797)	(676)	(8,924)
Net amount	**1,076**	**6,766**	**13,085**	**1,488**	**22,415**

16 Investment property: EUR/000 1,054 (EUR/000 1,086)

The item investment property, totalling EUR/000 1,054, comprises the amount of non-instrumental land and buildings, with a substantially stable value compared to the previous year, basically decreasing due to the normal rate of depreciation (EUR/000 38). With regard to the amount of the fair value, it is pointed out that given the lack of reliable indicators and the low significance of the investments in question, it was not deemed necessary to list a precise measurement nor a range of fair values.

17 Intangible assets: EUR/000 32,555 (EUR/000 58,971)

Net intangible assets consist of the following:

	31/12/14	**31/12/13**	**Difference**
Intangible assets – Rights on infrastructures under concession	14,527	39,535	(25,008)
Goodwill	14,745	14,745	0
Other intangible assets	3,283	4,691	(1,408)

Total	**32,555**	**58,971**	**(26,416)**

Intangible assets – Rights on infrastructures under concession: EUR/000 14,527 (EUR/000 39,535)

This item exclusively comprises the value of the investment for the construction of the Mondial Milas-Bodrum International Airport in Turkey.

With regard to this initiative, it should be pointed out that the passenger traffic volumes recorded for 2014 were lower than expected, and the management of the subsidiary Mondial Milas Bodrum S.A., concessionaire of the aforesaid initiative, drew up a new Business Plan reflecting the new development plans hypothesized for the year 2015, using a more prudent estimate of cash flow forecasts based on the growth rates of the average number of passengers in transit measured on a historical basis in the years 2013 - 2014 and projected onto the residual period of the concession.

This circumstance, as a specific impairment indicator, has involved the conducting of an impairment test in order to measure the extent to which the investment can be recovered in accordance with IAS 36.

The recoverable amount of the investment was thus identified on the basis of the use value of the Cash Generating Unit, referring to the aforesaid concession, calculated by discounting the available cash flows for the shareholder (DCF for the shareholder) on the basis of the new Business Plan approved by the Board of Directors of the Subsidiary.

For purposes of the application of this method, the discount rate of expected cash flows (Ke-cost of equity) adopted for the estimate of the recoverable amount of the CGU was defined as being 10,9%.

The result of the impairment test conducted by the management of the subsidiary has resulted in a net impairment of intangible concession rights totalling EUR/000 3,409 reflected in the item "depreciation" of the income statement.

It is stressed that the sensitivity analysis performed highlights that the +5%/-5% change of the growth rate for revenue would correspond to a change of approximately EUR/000 733/(733) in the project's economic value.

Intangible assets – Goodwill: EUR/000 14,745 (EUR/000 14,745)

This item does not show changes compared to the previous year. In particular the amount of EUR/000 14,745 comprises the following:

- EUR/000 11,634 for goodwill recognised following the acquisition of the BUSI IMPIANTI, business unit, completed in 2012, with reference to the plant and maintenance segment, allocated to the *Cash Generating Unit "Plant and maintenance",* which comprises the assets of NBI and its investees. This combination represents the basis reference unit within the Group for which goodwill is monitored by management for management purposes, and thus to determine whether or not to retain it in the financial statements.

At the end of the year, the impairment test was performed on the carrying amount of the CGU by comparison with the relative recoverable amount. In particular, the recoverable amount of the CGU was considered to be equal to the use value calculated by the Discounted Cash Flow (DCF) method, using the future cash flows expected by company management. For the purposes of the application of this method, the economic and financial plan approved by the Board of Directors of the subsidiary for the period 2015-2017. The rate used to discount the cash flows 8.5% (WACC).

The result of the impairment test confirmed the full recoverability of the goodwill recognised for the CGU "plant and maintenance". Therefore no impairment was applied.

It is likewise pointed out that the sensitivity analysis conducted shows that the reasonable change in the measurement of the financial parameters for white collars in connection with the calculation of the discount rate has no significant impact on the results of the estimate.

- EUR/000 3,111 for goodwill recognised, as already mentioned in the "business combinations" section of these Notes to the financial statements, following the acquisition of T.E.Q Construction Enterprise Inc. which was allocated to the Cash Generating Unit involving the Investee Company alone. This is because it is believed that the CGU will produce financial revenue deriving from the continuity of company business, quite independent from revenue from other Group activities.

At the end of the year, the impairment test was conducted on the carrying amount of the CGU by the comparison with the recoverable amount. In particular, the recoverable amount of the CGU was considered to equal the fair value identified by the market method using multiples of comparable companies, applied to the 2014 EBITDA, as stated in the IAS/IFRS Reporting Package approved by the Board of Directors of the investee. The multiple used is the Enterprise Value/EBITDA ratio recognised as the "Average without outliers" on a sample of comparable companies. The implicit goodwill was thus calculated by adjusting the Enterprise Value to take into account the net invested capital.

The result of the impairment test on goodwill, undertaken after the acquisition of T.E.Q. Construction Enterprise Inc., did not involve the need to apply impairment.

Other Intangible assets: EUR/000 3,284 (EUR/000 4,691)

The following table shows the changes of the item with no leasing assets being present.

	Intellectual property rights	Contract and assets rights	Total
Amount at 31.12.2013, net of amortization (1)	**770**	**3,921**	**4,691**
Increases deriving from acquisitions	555	32	587
Gross amount	**1,325**	**3,953**	**5,279**
Amortization	(525)	(1,470)	(1,995)
Amount at 31.12.2014, net of amortization (2)	**800**	**2,484**	**3,284**
(1) of which			
- Cost	2,521	11,783	14,304
- Accumulated amortization	(1,751)	(7,861)	(9,613)
Net amount	**770**	**3,921**	**4,691**
(2) of which			
- Cost	2,746	11,700	14,446
- Accumulated amortization	(1,946)	(9,216)	(11,163)
Net amount	**800**	**2,484**	**3,284**

The item contract and other assets rights comprises mainly (EUR/000 1,857) the net value of the rights acquired by third parties, mainly on the domestic level (Ospedale del Mare Hospital in Naples), for the execution of contracts in the construction segment. This item is substantially stable compared to the previous year and the changes are mainly due to the normal amortization rate (EUR/000 1,395).

18 Equity investments: EUR/000 436,909 (EUR/000 384,151)

The amount of investment in associates, Joint Ventures and other enterprises net of impairment funds, totals EUR/000 436,909, up by EUR/000 52,758 compared to 2013.

	31/12/14	31/12/13	Difference
Equity investments measured at cost	3,290	2,032	1,258
Equity investments measured at Equity	433,619	382,119	51,500
Total	**436,909**	**384,151**	**52,758**

With regard to this item, it is pointed out that the main changes occurring in the year, besides the overall economic effects resulting from the measurement equity holdings in the investees, is also related to the following main factors:

- Capital account injections, totalling EUR/000 31,289, made in relation to made in relation to the development company "Otoyol Yatirim Ve Isletme A.S", an entity set up under Turkish law that will develop the concession for the design, construction and management of the new Gebze-Orhangazi-Izmir motorway in Turkey;
- Capital account injections, totalling EUR/000 24,952, made in relation to the Turkish entity that is developing the concession for the design, construction and management of the Third Bridge on the Bosphorus;
- The decrease in the carrying value of the investment in A4 Holding (EUR/000 43,909) recognised due to the merger by incorporation of the subsidiary A.I.2 S.r.l. in Re.Consult Infrastrutture S.p.A., as already remarked in more detail in these Notes, and essentially due to the accounting offset of the investment quota pertaining to the non-controlling shareholders of A.I.2.

It should furthermore be pointed out that during the year, considering the presence of impairment indicators, a test was conducted on the recoverable amount of the investment in the company Metro 5 S.p.A.

The recoverable amount of Metro 5 S.p.A. was considered as equal to the relative value in use calculated by the "Dividend Discount Model" (DDM) model, discounting the flows of future dividends expected by corporate management at a rate of 8.3%, representing the Ke (cost of equity) of this company. For purposes of the application of this method the economic and financial plan of the associate was was projected over the duration of the concession held by that company (2015-2040).

The result of the impairment test did not show any need to impair the carrying value of the investment. Moreover, it is pointed out that the sensitivity analysis performed highlights how the change in the measurement of the discount rate (+50/-50 bps) does not significantly affect the estimate results.

With regard to the verification of recoverability of the value of other investments recognised in these consolidated financial statements, we do not believe that any indicators of impairment have emerged to determine the need for further specific tests.

Finally, it is pointed out that the carrying amounts of the investments, as in the previous year, are shown net of payments still to be made for quotas and/or shares underwritten.

Information on the main Joint Ventures and Investees

The following table shows the main financial data derived from the IAS/IFRS Reporting Packages of the main Joint Ventures and Investees measured with the equity accounting.

It is likewise pointed out that the data on equity and overall profit shown in the tables below include, when applicable, the component related to non-controlling stakes.

Main economic data at 31/12/2014 of Associates and Joint Ventures

	Re.Consult Infrastrutture (*)	Ankara Etlik Hastante (**)	Non-relevant JVs	**Total Joint Ventures**	Otoyol Yatirim Ve Isletme A.S	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro 5	Metro C	Veneta Sanitaria	Non-relevant Investees	**Total Associates**	**Total Associates and Joint Ventures**
Main assets data													
Current assets	253,447	5,234	22,148	**280,828**	105,857	227,350	30,157	119,843	290,846	85,102	810,669	**1,669,824**	1,950,653
Non-current assets	2,080,060	7,509	2,927	**2,090,495**	1,823,272	1,190,105	353,607	619,994	11,443	121,502	298,999	**4,418,922**	6,509,417
Total assets	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**383,764**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,088,746**	8,460,070
Current liabilities	1,010,705	11,261	25,605	**1,047,570**	503,364	1,035,521	25,821	386,983	242,921	41,875	856,817	**3,093,301**	4,140,871
Non-current liabilities	346,363	(0)	0	**346,363**	877,810	154,362	263,184	289,345	2,351	120,548	144,269	**1,851,870**	2,198,232
Equity	976,439	1,481	(529)	**977,391**	547,955	227,573	94,759	63,508	57,018	44,182	108,582	**1,143,576**	2,120,967
Total assets and liabilities	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**383,764**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,088,746**	8,460,070
Main profit and loss data													
Revenue	561,040	1,406	630	**563,076**	126,202	48,979	67,091	107,652	163,282	53,361	383,698	**950,264**	1,513,340
Amortisation, depreciation and impairment losses	(141,080)	(1)	0	**(141,082)**	0	0	(6,712)	(197)	(6,636)	(93)	(2,395)	**(16,034)**	(157,116)
Operating profit	64,212	575	62	**64,850**	120,272	48,979	14,034	26,949	2,487	7,824	(390)	**220,154**	285,004
Financial income and charges	(48,946)	(353)	(73)	**(49,372)**	(82,303)	0	(16,238)	13,564	(1,536)	4,617	8,772	**(73,123)**	(122,495)
Tax	(10,254)	0	(15)	**(10,269)**	(7,998)	0	(766)	(7,898)	(950)	(4,157)	(3,342)	**(25,111)**	(35,379)
Net profit	5,012	222	(25)	**5,209**	29,971	48,979	(2,970)	32,615	0	8,284	5,041	**121,920**	127,129
Other overall profit and loss items	(1,008)	997	(12)	**(23)**	10,446	31,350	(8,293)	(7,100)	0	(6,081)	(7,491)	**12,831**	12,808
Total profit and loss	**4,005**	**1,218**	**(37)**	**5,186**	**40,417**	**80,329**	**(11,262)**	**25,515**	**0**	**2,204**	**(2,450)**	**134,751**	139,937
Group quota													
Investment	31,85%	51.00%			18.86%	33.33%	27.35%	38.70%	34.50%	37.00%			
Carrying amount	**130,880**	**690**	**443**	**132,012**	**103,344**	**75,850**	**25,916**	**24,578**	**19,671**	**16,347**	**35,901**	**301,608**	**433,619**
Net profit	***(3,793)	113	(10)	**(3,690)**	5,653	16,325	(812)	12,622	0	3,065	1,606	**38,459**	34,768
Other profit and loss items	(166)	508	2	**344**	1,970	10,449	(2,268)	(2,748)	0	(2,250)	(2,591)	**2,562**	2,906
Net overall profit (loss)	**(3,959)**	**621**	**(9)**	**(3,346)**	**7,623**	**26,774**	**(3,080)**	**9,874**	**0**	**815**	**(985)**	**41,021**	**37,674**
Dividends received	0	0	0	**0**	0	0	0	0	0	0	0	**0**	0

* Cash and cash equivalents and equivalent means totalling EUR/000 42,304; Current financial liabilities totalling EUR/000 648,033; Non-current financial liabilities totalling EUR/000 260,925.

** Cash and cash equivalents and equivalent means totalling EUR/000 215; Current financial liabilities totalling EUR/000 10,111.

*** Including EUR/000 (2,504) for the effects of adjusting the quota of the stake held by the Astaldi Group in the fair value of assets and liabilities of Re.Consult, at merger date.

Main economic data at 31/12/2013 of Investees and Joint Ventures

Amounts at 31/12/13	Ankara Etlik Hastante (*)	Non-relevant JVs	**Total Joint Ventures**	A4 Holding	Otoyol Yatirim Ve Isletme A.S	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro C	Veneta Sanitaria	Non-relevant Investees	**Total Collegate**	**Total Collegate and Joint Ventures**
Main assets data												
Current assets	4,781	30,011	**34,792**	201,787	17,782	82,929	31,080	452,581	67,400	859,415	**1,712,974**	**1,747,766**
Non-current assets	5,804	2,927	**8,731**	2,034,291	806,378	247,758	317,942	19,589	124,131	308,884	**3,858,972**	**3,867,703**
Total assets	**10,586**	**32,938**	**43,523**	**2,236,078**	**824,159**	**330,688**	**349,021**	**472,170**	**191,532**	**1,168,298**	**5,571,946**	**5,615,470**
Current liabilities	9,989	32,849	**42,838**	830,884	164,103	73,769	16,680	312,910	31,756	1,235,008	**2,665,109**	**2,707,947**
Non-current liabilities	(0)	0	**(0)**	248,249	318,422	180,231	233,405	102,242	117,797	30,912	**1,231,258**	**1,231,258**
Equity	597	88	**686**	1,156,946	341,635	76,687	98,937	57,018	41,978	(97,622)	**1,675,579**	**1,676,264**
Total assets and liabilities	**10,586**	**32,938**	**43,523**	**2,236,078**	**824,159**	**330,688**	**349,021**	**472,170**	**191,532**	**1,168,298**	**5,571,946**	**5,615,470**
Main profit and loss data												
Revenue	4,447	11,486	**15,934**	651,276	0	289,487	76,106	197,951	55,867	480,477	**1,751,165**	**1,767,098**
Operating profit	337	114	**451**	176,325	(2,696)	34,683	16,641	6,959	10,256	(44,683)	**197,485**	**197,936**
Amortisation, depreciation and impairment losses	(2)	0	**(2)**	(92,967)	0	(16)	(6,324)	(8,016)	(95)	(6,519)	**(113,938)**	**(113,940)**
Financial income and charges	(1,154)	(102)	**(1,256)**	(34,830)	2,153	(34,683)	(17,087)	(5,445)	4,559	(59,161)	**(144,495)**	**(145,751)**
Tax	0	(3)	**(3)**	(17,548)	(109)	0	89	(1,514)	(4,453)	(4,128)	**(27,663)**	**(27,666)**
Net profit	(817)	9	**(807)**	146,563	(652)	(0)	(357)	(0)	10,361	(107,973)	**47,942**	**47,135**
Other profit and loss items	(1,185)	(27)	**(1,211)**	111	(71,106)	(13,639)	13,165	0	4,115	(7,180)	**(74,535)**	**(75,747)**
Total profit and loss	**(2,001)**	**(17)**	**(2,019)**	**146,673**	**(71,758)**	**(13,639)**	**12,807**	**(0)**	**14,476**	**(115,153)**	**(26,593)**	**(28,612)**
Group quota												
Investment	51.00%			15.45%	18.86%	33.33%	27.35%	34.50%	37.00%			
Carrying amount	**290**	**461**	**751**	**178,748**	**64,432**	**24,711**	**27,059**	**19,671**	**15,532**	**51,215**	**381,369**	**382,119**
Net profit (loss)	(416)	1	**(415)**	19,803	(123)	0	(98)	0	3,834	**(15,615)	**7,801**	**7,386**
Other overall profit and loss items	(604)	(13)	**(617)**	13	(13,411)	(4,542)	3,601	0	1,522	(2,872)	**(15,688)**	**(16,306)**
Net overall profit (loss)	**(1,021)**	**(12)**	**(1,032)**	**19,816**	**(13,534)**	**(4,542)**	**3,503**	**0**	**5,356**	**(18,487)**	**(7,887)**	**(8,920)**
Dividends received	0	0	**0**	0	0	0	2,503	0	608	0	**3,111**	**3,111**

* Cash and cash equivalents and equivalent means totalling EUR/000 322; Current financial liabilities totalling EUR/000 8,313.

** The item comprises the loss recorded by the associate entity COMET JV (liquidated during 2014), in the context of the works, now completed, for the construction of thei Copenhagen Metro, following the definition on 27 August 2013 of an arbitration settlement of the dispute that arose with the customer Metroselskabet I/S, for a totla of EUR/000 16,839.

The items “Non-relevant JVs” and “Non-relevant Investees” include investees that are not strategic for the development of the Group business, and generally undertake their business for exclusively consortium purposes (so-called special purpose vehicles – Consortium Companies and Consortiums), with a carrying value lower than EUR mln 15.

Significant restrictions on investees and Joint Ventures

On 31 December 2014, the commitments of the Group with respect to the companies measured with the equity method and operating in the concessions segment, defined as future capital injections or subordinated loans, for initiatives currently involving a defined total commitment of approximately EUR mln 120.

With regard to the investees and joint ventures operating in the concessions segment, the agreements on project financing generally involve covenants which can, in case of non-compliance, limit the payments of the dividends of these enterprises or the repayments on the subordinated loans granted by the Group.

19 Financial assets

Non-current financial assets: EUR/000 186,732 (EUR/000 96,840)

The following table shows the composition of non-current financial assets:

	31/12/14	31/12/13	Difference
Rights on receivables arising from concessions	6,776	15,603	(8,827)
Non-current financial receivables	133,652	46,439	87,213
Other financial assets from investees	8,994	10,401	(1,407)
Lease receivables	37,281	24,397	12,884
Total	**186,732**	**96,840**	**89,892**

In 2014, the total balance of rights on receivables arising from concessions exclusively comprise the non-current quota of the current value of minimum payments guaranteed by the concession grantors, related to the Chile area and especially the concession for the Metropolitano Occidente Hospital in Santiago. The decrease of this item compared to the previous year is due to the ordinary reduction of the receivables after the payments received during the year in the Turkish area, and especially with reference to the concession for the Milas-Bodrum Airport. With reference to the latter initiative, it should be pointed out that considering the forthcoming natural expiry of the concession scheduled for October 2015, the residual balance of the current value of the minimum payments guaranteed by the concession grantor is fully classified in current financial assets.

The item “non-current financial receivables” substantially refers to financial contributions paid to investees and expressing the investment strategy of the Group, especially in the concessions business.

The main changes of this item compared to the previous year are due to the following factors:

- Increase of EUR/000 55,650 recorded due to the funding granted to the investee developing the concession for the construction and management of the Third Bridge on the Bosphorus in Turkey;
- Increase of EUR/000 9,079 basically due to the funding granted to the associate Metro 5 S.p.A. to support the concession works;
- Increase of EUR/000 16.161 recorded for the higher amounts paid for the funding granted to the associate

Otoyol Yatirim Ve Isletme A.S which is partially offset by the amount recognised for the year to offset the amount due for the increase in share capital approved by the investee on 28 March 2014 (EUR/000 31,289).

Receivables for leasing finance regard the transaction, pursuant to IFRIC 4, of the item from the subsidiary Valle Aconcagua A.S with reference to the Relaves Project as already commented in note 1.

On the basis of the applicable reporting standard and interpretations, the Group has removed from assets the plant for the treatment and recovery of copper and molybdenum, covered in the contract, replacing the relative carrying amount with the financial payable, with the gradual crediting of the relative financial income on the basis of the duration of the lease contract using the effective interest rate applicable to the lease.

For "Other financial assets from investees" see the detailed information on the transactions with related parties attached to these Notes.

Current financial assets: EUR/000 40,273 (EUR/000 46,391)

Current financial assets totalling EUR/000 40,273 rose by EUR/000 6,118 compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Rights to receivables arising from concessions	17,813	15,447	2,366
Securities in portfolio	1,396	1,407	(11)
Derivatives	194	164	30
Current financial receivables	20,870	29,373	(8,503)
Total	**40,273**	**46,391**	**(6,118)**

The item "Rights to receivables arising from concession" is attributable to the current assets in Bodrum for the management of the international airport terminal.

The item "current financial receivables" substantially comprises: (i) EUR/000 1,102 for financial resources made available temporarily and for a period limited to the funding of the start-up phase of some activities undertaken by the Group in partnership in Turkey; (ii) EUR/000 18,315 for the funding granted to the associate Consorzio MM4 in order to support the works in progress; and (ii) EUR/000 1,453 for the quota of short term receivables for leasing contracts related to the Relaves project.

In any case, for the agreements in the funding contracts mentioned above, also in terms of the remuneration of the investment, the repetition of these amounts is expected in the first half of the year 2015.

20 Other assets

Other Non-current assets: EUR/000 56,935 (EUR/000 53,634)

The composition of the item is shown in the following table:

	31/12/14	31/12/13	Difference
Indirect tax	13,367	16,807	(3,440)
Direct tax	22,485	8,439	14,046
Tax assets	**35,852**	**25,246**	**10,606**

Advances to suppliers and subcontractors	1,216	2,268	(1,052)
Surety deposits	3,805	3,794	11
Prepayments on insurance premiums	7,901	12,064	(4,163)
Prepayments for commissions on sureties	6,010	8,754	(2,744)
Other prepayments	2,151	893	1,258
Other sundry receivables	0	615	(615)
Other assets	**21,083**	**28,388**	**(7,305)**
Total	**56,935**	**53,634**	**3,301**

Changes in "tax assets" is substantially due to; (i) the increase of receivables for direct tax recorded, due to the greater impact related to the increase of production volumes, of tax withholding undertake by customers in initiatives in progress in the Turkish area which could be used to offset the tax due only upon completion of the relative contracts; (ii) the decrease in indirect tax, also due in the Turkish area and attributable to the VAT amounts collected by the tax authorities in relation to contracts for which there are structurally receivables, considering the special tax system applicable.

The item "Other assets" decreased due to the ordinary issue of prepayments for sureties fees and on insurance premiums (EUR/000 6,907) related to the ordinary undertaking of works in progress.

Other current assets: EUR/000 329,128 (EUR/000 383,467)

the item Other current assets totalling EUR/000 329,128 is lower compared to the previous year by EUR/000 54,339.

	31/12/14	31/12/13	Difference
Receivables from associates and Joint Ventures	19,825	22,598	(2,773)
Receivables from other enterprises	2,479	134	2,345
Advances to suppliers and subcontractors	145,529	209,077	(63,548)
Receivables from third parties for providing goods and services	132,567	127,393	5,174
Receivables from employees	3,372	2,915	457
Social security receivables	3,634	2,647	987
Prepayments on insurance premiums	2,293	4,282	(1,989)
Prepayments on commissions on sureties	5,488	2,055	3,433
Other prepayments	1,863	1,940	(77)
Other sundry receivables	12,078	10,426	1,652
Total	**329,128**	**383,467**	**(54,339)**

The item "Advances to suppliers and subcontractors" fell by EUR/000 63,548 essentially with reference to the contracts for works in progress in the Russian area, and in particular due to the ordinary use, mostly related to the substantial completion of the Pulkovo International Airport in St. Petersburg, of the contract advances paid to offset the amount due for services provided by subcontractors.

The item "Receivables from third parties for providing goods and services" totalling EUR/000 132,567 increased by EUR/000 5,174 compared to the previous year and refers to its counterpart mentioned in the item Other revenue, for individual items not directly related to production for works by the Company, but nevertheless accessory to the core business and conducted on a continuing basis over time.

There follows the geographical breakdown of the item Receivables from third parties:

	31/12/14	%	31/12/13	%	Difference
Italy	26,842	20,25%	30,663	24,07%	(3,821)

Europe	75,101	56,65%	64,139	50,35%	10,962
America	16,199	12,22%	18,345	14,40%	(2,146)
Africa	12,841	9,69%	12,730	9.99%	111
Asia	1,584	1,19%	1,516	1,19%	68
Total	**132,567**	**100.00%**	**127,393**	**100.00%**	**5,174**

For more details on receivables from associates and Joint Ventures, totalling EUR/000 20,739, see the attached information on related parties.

It is pointed out that the recoverable amount of receivables from third parties was adjusted as shown below:

	31/12/13	Allocations	Use		Delta exchanges and other changes	31/12/14
			Income	Equity		
Allowance for impairment	(4,741)	(531)	0	0	(53)	**(5,325)**
Total	**(4,741)**	**(531)**	**0**	**0**	**(53)**	**(5,325)**

21 Inventories: EUR/000 64,870 (EUR/000 61,711)

This item consists of the following:

	31/12/14	31/12/13	Difference
Raw materials, supplies and consumables	62,967	59,656	3,311
Work in progress and semi-finished products	0	114	(114)
Finished products and goods	1,590	1,594	(4)
Goods and materials in transit	313	347	(34)
Total	**64,870**	**61,711**	**3,159**

The following table shows the geographical breakdown of this item:

	31/12/14	%	31/12/13	%	Difference
Italy	3,483	5.37%	4,379	7.10%	(896)
Europe	18,509	28.53%	19,000	30.79%	(491)
America	33,624	51.83%	30,199	48.94%	3,425
Africa	9,254	14.27%	8,023	13.00%	1,231
Asia	0	0.00%	110	0.18%	(110)
Total	**64,870**	**100.00%**	**61,711**	**100.00%**	**3,159**

The increase of this item mainly regards the American area and in particular relates to the advancement of the works, only fully under way starting from current year, for the construction of the “Muskrat Falls” hydroelectric plant in Canada.

With regard the foreign sector we should also point out the decrease recorded in the Russian area, mainly related to the substantial completion of the work for Pulkovo International Airport in St. Petersburg, offset in terms of amounts by the increase recorded in Turkey with reference the works for the construction of the Third Bridge on the Bosphorus. With regard to the African area, the increase of the item substantially refers to the Algerian railway works, in particular the Saida Tiaret Railway. Finally, we can point out the decrease recorded in on the domestic level, closely related to the lower production volumes recorded in 2014.

22 Receivables from customers: EUR/000 1,165,348 (EUR/000 1,261,797)
Payables to customers: EUR/000 589,785 (EUR/000 676,569)

These items consist of the following:

	31/12/14	31/12/13	Difference
CURRENT ASSETS			
Contract work in progress	10,796,783	9,804,070	992,713
Allowance for impairment losses on contracts	(8,827)	(10,642)	1,815
Total contract works in progress	**10,787,956**	**9,793,428**	**994,528**
Payments on account from customers	(9,622,608)	(8,531,631)	(1,090,977)
Total receivables from customers	**1,165,348**	**1,261,797**	**(96,449)**

CURRENT LIABILITIES			
Contract work in progress	2,773,862	1,840,650	933,212
Allowance for impairment losses on contracts	1,020	(2,889)	3,909
Total contract works in progress	**2,774,882**	**1,837,761**	**937,121**
Payments on account from customers	(2,973,936)	(2,066,156)	(907,780)
Subtotal	**(199,054)**	**(228,395)**	**29,341**
Contract advances	(390,731)	(448,174)	57,443
Total payables to customers	**(589,785)**	**(676,569)**	**86,784**

Contract works in progress, considered separately between values recognised under receivables from customers and those contained under payables to customers, have recorded a general decrease, especially with reference to works in progress on the domestic level, related to the completed certification of important milestones, in particular in transport infrastructures (Lots DG-21, DG-22 of the Jonica State Highway),

On the other hand, in the foreign sector there was an increase in these items with reference to the start-up of the activities concerning the Muskrat Falls hydroelectric project in Canada, and for the development of the work in progress in Poland (Warsaw Metro Line 2, Kraków-Balice Airport), Turkey (Gebze-Orhangazi-Izmir Motorway Phase 1) and Algeria (Saida - Moulay Slissen Railway).

We should also point out, for the European area, the decrease of the works in progress in Russia as a result of (i) the planned reduction of production volumes due to the substantial completion of the works for Pulkovo International Airport in St. Petersburg and (ii) the ordinary process of certification of the contract amounts by the customer with reference to the works undertaken for the Motorway Link in St. Petersburg.

Finally, we can point out the decrease of the item contract advances, mainly due to the partial recovery of the contract amounts accrued in the year, in the context of the construction work on the Motorway Link in St. Petersburg, Russia. This effect is, however, partially offset by the amounts collected in the year for construction works for the Third Bridge on the Bosphorus in Turkey.

23 Trade receivables: EUR/000 903,041 (EUR/000 961,893)

Trade receivables rose by approximately EUR/000 58,852 compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference

Receivables from clients	862,114	928,121	(66,007)
Receivables from associates and Joint Ventures	46,305	41,791	4,514
Receivables from parent companies	3	10	(7)
Receivables from other investees	7,411	4,510	2,901
Impairment funds	(12,792)	(12,539)	(253)
Total	**903,041**	**961,893**	**(58,852)**

The following table shows the geographical breakdown of this item:

	31/12/14	%	31/12/13	%	Difference
Italy	315,426	34.93%	391,478	40.70%	(76,052)
Europe	218,142	24.16%	162,315	16.87%	55,827
America	334,866	37.08%	359,633	37.39%	(24,767)
Africa	22,829	2.53%	31,160	3.24%	(8,331)
Asia	11,778	1.30%	17,307	1.80%	(5,529)
Total	**903,041**	**100.00%**	**961,893**	**100.00%**	**(58,852)**

With regard to the geographical breakdown of trade receivables, there was a significant reduction, recorded largely in on the domestic level, due to the collection of part of the amounts accrued in relation to works undertaken for the construction of the Milan Metro Line 5 and the Pedemontana Lombarda Motorway.

On the other hand, the increase recorded in the European area is substantially due to the contracts in progress in Romania and Russia. The American area has benefited from the resumption of the payments process by the Venezuelan Government, with an equivalent amount totalling Euro mln 68 at 31 December 2014. This effect was partially offset by the start-up of the activities for the Muskrat Falls hydroelectric project in Canada.

With regard to the position of the Group with respect to the Venezuelan Government, totalling Euro mln 253 at the end of the year, net of Euro mln 12 for contract advances (in 2013 Euro mln 306), it is pointed out that the business model based on prudential criteria has confirmed, as already stated in note 1, the reduction of the activities for the projects in progress in that country.

Nevertheless, in 2014 the initiatives undertaken on the institutional level have, as mentioned previously, allowed the resumption of the payments process. This concrete behaviour enables us to forecast that there may be normalization process, albeit gradual and slow, in the overall contract relationship.

For completion information on the receivables in Venezuela, it is pointed out that the amounts falling due for the Venezuelan Chaguaramas-Cabruta and San Juan de Los Morros-San Fernando de Apure railway contracts were recognised at their corresponding current amount, as calculated on the basis the data provided under financial charges in note 10 above.

In this regard, it should be stressed that taking as a whole the circumstances described here, also in the presence of continuing delays in payments – which have continued in the early months of 2015 at approximately Euro mln 6 – do not provide objective elements leading to the need to increase the collection risk for these receivables with consequent *impairment*.

With regard the foreign sector, and in particular the African area, we should also point out the collection, after a settlement agreement with the customer, the contract amounts accrued for previous contract work in East Africa and now no longer operational (EUR/000 11,647).

Finally, we should point out the decrease attributable to the Asian area, especially the collection of part of the receivables for works undertaken for the contracts for the Jedda & KAEC and Jubail Stations in Saudi Arabia.

The changes in the fund for impairment losses on receivables are as follows:

	31/12/13	Allocations	Use		Delta exchanges and other changes	31/12/14
			income	equity		
Fund for impairment losses on receivables	(10,767)	(253)	0	0	0	**(11,020)**
Fund for impairment losses on default interest	(1,772)	0	0	0	0	**(1,772)**
Total	**(12,539)**	**(253)**	**0**	**0**	**0**	**(12,792)**

24 Tax assets: EUR/000 97,834 (EUR/000 104,612)

This item consists of the following:

	31/12/14	31/12/13	Difference
Receivables for indirect tax	72,377	72,179	198
Receivables for direct tax	25,655	32,631	(6,976)
Funds for impairment losses	(198)	(198)	0
Total	**97,834**	**104,612**	**(6,778)**

The decrease of this item is attributable in particular to the item "Receivables for direct tax" recognised above all with reference to the domestic, Turkish and Venezuelan areas, and especially due to the use, in accordance with the provisions of the law, by the Parent and investees for tax receivables offsetting tax payables.

25 Cash and cash equivalents: EUR/000 530,212 (EUR/000 373,226)

Cash and cash equivalents rose compared to 2013 by EUR/000 156,986 and consist of the following:

	31/12/14	31/12/13	Difference
Bank and post office deposits	529,848	372,793	157,055
Cash and cash equivalents	364	433	(69)
Total	**530,212**	**373,226**	**156,986**

In terms of geographical breakdown this item is as follows:

	31/12/14	%	31/12/13	%	Difference
Italy	213,386	40.25%	159,093	42.63%	54,293
Europe	227,528	42.91%	167,144	44.78%	60,384
America	73,958	13.95%	34,147	9.15%	39,811
Africa	15,332	2.89%	12,834	3.44%	2,498
Asia	8	0.00%	8	0.00%	0
Total	**530,212**	**100.00%**	**373,226**	**100.00%**	**156,986**

information on the Consolidated Statement of Cash Flows

The cash flow rates for 2014, including the change in bank deposits referring to disposal groups (EUR/000 607), show an overall increase in cash and cash equivalents of EUR/000 156,379, compared to a reduction of EUR/000 12,350 recorded in 2013.

Cash flows from operating activities

The cash flow produced by the operating activity in 2014, totalling EUR/000 129,599 shows an increase of EUR/000 117,574, compared to the previous year (EUR/000 8,025),

This change is attributable to: (i) the recognition and achieving of important milestones on the domestic level; (ii) the collection of part of the amounts accrued in relation to works gradually undertaken in Venezuela; (iii) the decrease of the item “Advances to suppliers and subcontractors” due in particular to contract works in progress in the Russian area; partially offset by the decrease (i) in the item contract advances recognised, above all, in relation to the recovery of part of the advance received after the substantial completion of Pulkovo International Airport in St. Petersburg (ii) and payables to suppliers and subcontractors due to an attentive policy of support to production activity, constantly adopted y the Group.

It should likewise be pointed out that this item also included the effects of exchange rate differences deriving from the translation of the financial statements by the foreign entities denominated in functional currencies other than the currency for the presentation of these consolidated financial statements (EUR/000 32,663).

Cash flows from investment activities

The cash flow used for investment activities for 2014 totalled EUR/000 93,783 and is essentially due to the following:

- The injection made to pay the capital increases approved by the companies operating in the concessions segment, totalling EUR/000 56,561; in particular in Turkey – for the concessions for the construction and management of the Gebze – Orhangazi - Izmir Motorway and of the Third Bridge on the Bosphorus;
    - The financial support provided to concession initiatives being started up in Turkey – essentially due to the initiatives of the Gebze – Orhangazi - Izmir Motorway and the Third Bridge on the Bosphorus – totalling EUR/000 87,383;
- The capital invested in technical facilities and equipment, for undertaking the construction contracts in the start-up phase in Canada and for works in progress in Russia totalling EUR/000 61,657.

These increases were partially offset: (i) by the adjustment of the amount of the equity contribution in A4 Holding - for the proportional amount attributable to the non-controlling stakes at 31 December 2013 - recorded due to the merger by incorporation of the subsidiary A.I.2 S.r.l. in Re.Consult Infrastrutture S.p.A. - as already described in the introduction to these Notes (EUR/000 33,069); and (ii) by the change in rights to receivables for concessions (EUR/000 64,192) recorded due to the sale of the Parking Facilities Business Unit, and for the amount attributable to the collection of part of the receivables from the concession for the management of the Milas-Bodrum International Airport in Turkey.

Cash flows from financing activities

In 2014, the management of financing activities generated net cash flows totalling EUR/000 120,562, basically regarding net cash and cash equivalents acquired:

- In February 2014 by the issue of another tranche of the senior unsecured bonds of EUR/000 150,000;
- Following the partial use of the new Revolving Loan of Euro mln 500 (EUR/000 65,000 used at 31/12/14);
- Following the Committed Revolving Loan agreement signed with Cariparma, up compared to the previous one (EUR/000 50,000 used at 31/12/14);
- By the use of short term lines (uncommitted) of approximately EUR/000 110,000.

Partially offset by:

- EUR/000 30,000 from anticipated repayment of the residual capital of the committed loan of Euro mln 110 signed with Banca Popolare di Milano and Centrobanca;
- EUR/000 10,000 from anticipated repayment of the bilateral committed borrowing of Euro mln 10 signed with BBVA;
  - EUR/000 12,000 from anticipated repayment of the bilateral committed borrowing signed with Portigon (formerly WestLB);
- EUR/000 1,844 from repayment of the last instalment of the borrowing signed by Astaldi Concessioni with Banca Popolare di Milano;
- EUR/000 37,000 from anticipated repayment of the committed Revolving Loan signed by Mondial A.S. with HSBC and Isbank;
- EUR/000 75,000 from repayment of the instalments of the committed loans with repayment plan.

It should also e pointed out that the item “Change in consolidation scope and other changes” of overall cash flows from financing activities mainly contains the results of the change in consolidation scope especially referring to the merger by incorporation of the subsidiary A.I.2 S.r.l. in Re.Consult Infrastrutture S.p.A. (EUR/000 33,069).

26 Assets/Liabilities related to disposal groups classified as held for sale: 0 (EUR/000 60,273) - EUR/000 0 (EUR/000 39,947)

At 31/12/2013 this item, as already remarked in note 13 above, contained the assets and liabilities related to the CGU for the Parking Facilities Business Unit, disposed during 2014.

27 Equity: EUR/000 580,056 (EUR/000 592,193)

Share capital: EUR/000 196,850 (EUR/000 196,850)

The share capital signed and fully paid-in comprises n. 98,424,900 ordinary shares with a nominal value of EUR 2 and totals EUR/000 196,850.

On 31 December 2014, according to the results of the Shareholders' Book and other pertinent information required by law (pursuant to Art 120 of Legislative Decree 58/98), the shareholders of Astaldi S.p.A. holding shares in excess of 2%, are shown below:

DIRECT SHAREHOLDER	Number of shares	Investment %
Fin.Ast S.r.l.	39,505,495	40.138%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,833,462**	**52.663%**
Pioneer Asset Management S.A.	4,990,821	5.071%

UBS Group AG	4,686,477	4.761%
Pictet Asset Management Ltd	2,065,633	2.099%
FMR LLC	1,999,104	2.031%
Total holders of major investments	**65,575,497**	**66.625%**
Treasury shares	896,501	0.911%
Market	31,952,902	32.464%
Grand total	**98,424,900**	**100.000%**

Shares in circulation at 31 December 2014 therefore totalled 97,528,399 (97,904,780 shares at 31/12/2013) and recorded a decrease compared to the previous year of 376,381 shares calculated as follows:

Shares in circulation in 2014	
01/01/2014	**97,904,780**
Withdrawals for buy back	(1,002,324)
Entries for buy back and share option plan	625,943
31/12/2014	**97,528,399**

Parent shares regularly consigned to employees under the share option plan totalled 1,230,971 shares at the end of the year (1,091,800 shares at the end of 2013).

Other financial instruments offering the right to subscribe newly issued shares

During previous year, the Parent launched an equity linked bond offer with a duration of 6 years, for a nominal value of Euro mln 130, completely placed with qualified Italian and foreign investors.

From the current month of January the bonds may become convertible into existing or newly-issued ordinary company shares. The bond conversion price has been set at EUR 7.3996 that incorporates a conversion premium of 35% of the average weighted price for Astaldi shares traded on the Italian Stock Exchange during the interval from the bond launch to pricing, equal to EUR 5.4812.

The Company shall be entitled to settle any conversion through payment in cash or a combination of ordinary shares and cash (cash settlement option).

To this end at their meeting of 23 April 2013, the shareholders approved the approved the proposed share capital increase, reserved exclusively and irrevocably to serve the equity-linked bond loan, in cash, by payment and in tranches, with exclusion of the right of option pursuant to Article 2441, subsection 5 of the Italian Civil Code for a maximum nominal value of EUR/000 35,137, to be released on one or on several occasions through the issue of a maximum of 17,568,517 ordinary company shares of a nominal value of EUR 2.00 with the same characteristics as ordinary shares in circulation. The number of shares involved in the eventual conversion shall be calculated by dividing the nominal value of shares, in relation to which the conversion application was submitted, by the conversion price.

It is likewise pointed out that on the closing date of these consolidated financial statements no applications for conversion have been made to the Parent.

Treasury shares held by the Parent: EUR/000 1,793 (EUR/000 1,040)

The treasury shares owned by the Parent at the end of the year totalled n. 896,501 equivalent to 0.911% of the share capital (520,120 shares in 2013), with the nominal value totalling EUR/000 1,793 being recognised in accordance with international financial reporting standard as a decrease of share capital.

Equity reserves: EUR/000 297,442 (EUR/000 283,946)

A breakdown of equity reserves is shown in the following table:

	31/12/14	31/12/13	Difference
Legal reserve	27,934	26,201	1,733
Extraordinary reserve	256,581	244,376	12,205
Retained earnings	102,373	75,844	26,529
Other reserves	491	114	377
Other comprehensive expense	(89,937)	(62,588)	(27,349)
Total	**297,442**	**283,947**	**13,495**

- **Legal reserve**

The legal reserve rose by EUR/000 1,733 in relation to to the provision set forth in Art. 2430 of the Italian Civil Code.

- **Extraordinary reserve**

The extraordinary reserve rose compared to the previous year by EUR/000 12,205. This results from: EUR/000 13,715 as the remaining amount of the allocation of profit of the Parent for 2013; EUR/000 (1,585) as a result of buy-back operations; EUR/000 75 as the remaining amount of the allocation of the profit for the year 2013 of the subsidiaries.

With regard to the buy-back operations it is pointed out that the overall amount of the reserve for treasury shares held, set up pursuant to Art. 2357 ter of the Civil Code, totals EUR/000 5,198. In accordance with the relative reporting standard, EUR/000 3,405 is used to reduce the extraordinary reserve and EUR 1,793, corresponding to the nominal value of the treasury shares held, to reduce the share capital.

- **Retained earnings**

Retained earning totalling EUR/000 102,373 reflected the effects arising from the consolidation of investments in subsidiaries, and from the application of equity accounting.

The item likewise includes entries related to transactions regarding the acquisition of minority investments in entities that are already Group subsidiaries as governed by IAS 27.

- **Dividends distributed**

In 2014 dividends totalling EUR 18,700,731 were paid (EUR 16,639,053 in 2013). The dividend approved at the General Meeting of 30 April 2014 of EUR 0.19 per share (EUR 0.17 in 2013), was paid on 15 May 2014, ex dividend date on 12 May 2014; likewise part of the profit for the 2013, EUR/000 520, was allocated to the provision pursuant to Art 27 of the Company's by-laws.

- **Other reserves**

A breakdown of the item is shown in the table below:

	31/12/14	31/12/13	Difference

Share Option reserve	3,093	2,925	168
IFRS transition reserve	(13,373)	(13,373)	0
Reserve for the first time application of IFRIC 12	10,396	10,396	0
Treasury share negotiation reserve	2,744	2,534	210
Other	(2,369)	(2,368)	(1)
Total	**491**	**114**	**377**

The Share Option reserve represents the amount of shares assigned to employees, but not yet delivered, calculated on the basis of current regulations and the relative actuarial valuation.

The IFRS transition reserve represents: (i) the total amount of adjustments recorded under the opening balance for equity in the first financial statements drawn up in accordance with international financial reporting standards; (ii) the amount recorded following subsequent IFRS approvals on first-time application; (iii) the amount of cumulative translation differences at the time of transition to IFRSs, not restated following exercise of the exemption set forth in IFRS 1 para. 13; (iv) the amount of the consolidation differences emerging from business combinations prior to the transition date to IFRSs, not restated following exercise of the option set forth in IFRS 1 para. 13.

The reserve for first-time application of IFRIC 12 has been calculated, as regards service concession arrangements, during first-time application of IFRIC 12, with specific reference to the identification, measurement and classification of individual investments (Financial or Intangible assets).

The treasury share negotiation reserve includes the progressive effects (surplus/deficit) arising from the buy-back plan.

Other reserves include minor items arising from equity accounting of some associates.

- **Other comprehensive income**

There follow the composition and changes in other comprehensive income:

	Hedging reserve	Translation Reserve	ASF Financial assets	Defined benefit plan actuarial gains and losses	Total
Balance 01/01/2013	(45,676)	(6,412)	0	(869)	(52,957)
Change for the year	18,509	(28,797)	(147)	803	(9,632)
Balance 31/12/2013	**(27,167)**	**(35,209)**	**(147)**	**(66)**	**(62,588)**
Change for the year	(9,467)	(17,326)	113	(669)	(27,349)
Balance 31/12/2014	**(36,634)**	**(52,535)**	**(34)**	**(735)**	**(89,937)**

When analyzing other comprehensive income, note must be taken of: (i) the negative effect arising from the translation of items listed in currencies other than the Euro, specifically attributable to the translation of the items expressed in Rouble for the Joint Operations in Russia, partially offset by the corresponding change recorded from the translation of the financial statements expressed in dollars in consolidated companies with equity accounting; (ii) the increase in the hedging reserve is, on the other hand, attributable to the decrease in the interest rate curve in the Euro area compared to 31 December 2013.

A breakdown of the item is shown in the table below:

	31/12/14	31/12/13	Difference
Parent/Subsidiaries HR	(12,412)	(16,047)	3,635

Fiscal effect	3,375	4,293	(918)
Value net of fiscal effect	**(9,037)**	**(11,754)**	**2,717**
Associate HR	(27,856)	(15,594)	(12,262)
Total	**(36,893)**	**(27,348)**	**(9,545)**

Attributable to owners of the Parent	(36,634)	(27,167)	(9,467)
Attributable to non-controlling interests	(259)	(181)	(78)

Equity attributable to non-controlling interests: EUR/000 5,998 (EUR/000 45,101)

Equity attributable to non-controlling interests fell by EUR/000 39,102 mainly as a result of the change in the consolidation scope occurring in 2014 and especially, with EUR/000 37,765, for the amount related to the merger by incorporation of the subsidiary A.I.2 S.r.l in Re.Consult Infrastrutture S.p.A. as already described in these Notes.

The changes in other comprehensive income attributable to non-controlling interests is shown below.

	Hedging reserve	Translation Reserve	AFS Financial assets	Defined benefit plan actuarial gains and losses	Total
Balance 01/01/2013	(510)	447	0	(34)	(97)
Change for the year	329	(318)	(48)	83	46
Balance 31/12/2013	**(181)**	**129**	**(48)**	**49**	**(51)**
Change for the year	(78)	13	48	(50)	(67)
Balance 31/12/2014	**(259)**	**142**	**0**	**(1)**	**(118)**

Capital Management

There follows the disclosure provided for in IAS 1 – para. 134.

A) Qualitative disclosure

The Group uses the term share capital to refer to both capital injections from shareholders, and the value generated by the Group itself in terms of operating results (retained earnings and other reserves). While the Group does not include in this definition the equity items identified subsequent to the valuation of cash flow hedge derivatives since these will be offset in future years by opposite revenue items, thus allowing the company to achieve the goal of hedging.

The goals identified by the Group regarding share capital management are the creation of value for shareholders as a whole, the safeguarding of the continuation of business and support to the growth of the Group itself. The Group thus intends to maintain a suitable level of capitalisation in order to achieve both a satisfactory economic return for shareholders and to guarantee economic access to external sources of funding. The Group constantly monitors the evolution of the level of debt in relation to equity and taking into account the generation of cash flow from operating activities with the effects of investment in the construction and concessions segments. All of the above in complete compliance with the Group's relative Business Plan. In order to achieve the above goals, the Group pursues constant improvement of the profitability of the business segments where it operates.

In order to provide complete qualitative disclosure, it must be noted that the Group has complied with the financial covenant levels required as regards corporate "committed" borrowing with banks financing the Group.

For further information see note 28 below.

B) Quantitative disclosure

There follows the quantitative breakdown of the individual share capital items, as defined in the paragraph above.

	31/12/14	31/12/13
A - Overall financial debt	**(803,854)**	**(800,235)**
Total equity	580,056	592,193
Minus sums accrued among equity related to financial flow hedging	(36,893)	(27,347)
B – Adjusted share capital	**616,949**	**619,540**
C – Debt/Capital ratio (A/B)	**1.30**	**1.29**

28 Financial liabilities

Non-current financial liabilities: EUR/000 1,178,999 (EUR/000 970,042)*

Non-current financial liabilities show an overall increase of EUR/000 208,957 and consist of the following:

	31/12/14	31/12/13	Difference
Convertible bonds	130,000	130,000	0
Senior unsecured bonds	750,000	600,000	150,000
Bond issues - Nominal value	**880,000**	**730,000**	**150,000**
Issue and placement commission	(9,731)	(16,732)	7,001
Cash Settlement option – fair value	4,635	4,389	246
Total bond issues	**874,904**	**717,657**	**157,247**
Bank loans	287,082	230,653	56,429
Loans backed by personal guarantees	4,812	4,896	(84)
Financial leasing payables	18,021	15,992	2,029
Banks loans and borrowings and due to leasing companies - Nominal value	**309,915**	**251,541**	**58,374**
Loan commissions	(15,918)	(9,927)	(5,991)
Hedging derivatives	7,879	9,032	(1,153)
Total bank loans and borrowings and due to leasing companies	**301,876**	**250,646**	**51,230**
Financial payables to associates and Joint Ventures	**1,634**	**1,645**	**(11)**
Financial payables to other investees	**585**	**94**	**491**
Total	**1,178,999**	**970,042**	**208,957**

(*) Included in NFP a value of EUR/000 1,164,266 (31 December 2013: EUR/000 954,881)

The general increase in this item compared to 2013 is related to investments made in Turkey in the concessions segment.

With regard to the concessions segment it should also be pointed out that the relative debt is by definition "without-recourse", or in any case self-liquidating, also taking into account the receivable rights guaranteed by the party granting the concession.

Lastly, it is also useful to recall, in line with the 2013-2018 Business Plan, the basic focus of the debt structure on the medium-long term, targeted to consolidate an optimal sources/uses structure to meet the Group's financing and development requirements.

Bond issues

The Bonds item comprises the fair value of the cash settlement option equal to EUR/000 4,389 related to the equity-linked bond loan falling due in 2019, in addition to the nominal value of loans, calculated and expressed on the basis of the relative amortised cost.

This option grants the subscriber the right to exercise the right of conversion from 01/02/2014 through to the due date..

In December 2014 the bond issues of the Group were as follows:

- The issue of an equity-linked bond loan in January 2013, reserved for qualified Italian and foreign investors. The bond loan with a nominal value of EUR/000 130,000 has a six-year duration (falling due on 31 January 2019) and has a six-monthly coupon at a fixed rate of 4.50%, payable on 31 January and 31 July of each year. The bonds may become convertible into existing or newly-issued ordinary company shares as from 1 February 2014, save for the Company's right to settle any conversion application through the consignment of ordinary shares, or through payment in cash, or through a combination of ordinary shares and cash (cash settlement option). The bond conversion price has been set at EUR 7.3996 and incorporates a conversion premium of 35% compared to the average price of Astaldi shares traded on the Italian Stock Exchange on 14 January 2013.
- The issue of a senior unsecured fixed-rate bond loan in December 2013, for the sum of EUR/000 500,000, falling due in 2020. The bonds have an annual coupon of 7.125% and the issue price is equal to 100%. The bonds were rated B1 (Moody's), B+ (Fitch) and B+ (S&P) and offered exclusively to qualified investors and listed on the official list of the Luxembourg Stock Exchange.
- The issue of an integration of the aforementioned senior unsecured fixed-rate bond loan in December 2013, for the sum of EUR/000 100,000, falling due in 2020 (so-called Tap). The bonds, which had the same characteristics, terms and conditions of those issued pursuant to the senior loan for the sum of EUR/000 500,000 and could be completely combined with these, were placed at a price equal to 102.250% of their nominal value by the same banks that placed the first senior unsecured loan.

The following table shows the main figures related to the aforementioned bond issues:

Type of loan	Expiry	Coupon	Outstanding 31/12/14
Bond Issue (Equity Linked)	January 2019	half-yearly 4.5%	130,000
Bond Issue (Senior Unsecured)	December 2020	half-yearly 7,125%	750,000
Total bond issues			**880,000**

In relation to In relation to indication of the fair value of bond loans, it must be noted that, on the basis of market prices recorded at the end of 2014, the value of the equity-linked bonds was 101.03 while the value of the senior unsecured bonds was 102.46

Therefore, the total fair value of bond loans at 31 December 2014 was EUR/000 899,848.

Bank loans and loans backed by personal guarantees

Among the main financial transactions in the year we can point out that the "Forward Start Facility" loan for Euro mln 325, signed on 2 December 2011, was refinanced on 07 November 2014 with a new revolving line Credit Facility for Euro mln 500, arranged by Unicredit S.p.A., BNP Paribas and Intesa Sanpaolo and subscribed by a pool of domestic and international banks, with expiry in November 2019.

The new revolving line, besides improving the Group's liquidity rate, provides for a considerable reduction of financial charges compared to the previous year, thanks to the improvement of the margin, and involves a range of contract commitments and financial parameters in lines with the Industrial Plan 2013-2018 presented by the Group.

This Revolving Loan at 31 December 2014 is available for use for an amount of Euro mln 435, thus providing an important source of committed funding for the Group.

The main bank loan transactions undertaken in 2014 were as follows:

- Committed revolving Loan of Euro mln 50 agreed with Cariparma (with counter guarantee by SACE for 60% of the amount), to support the coverage of the misalignment between costs and revenue from Group operations abroad, through its own branches or joint ventures, with expiry in June 2017.
- Committed revolving Loan of Euro mln 45 signed with BNP Paribas (with counter guarantee by SACE for 70% of the amount), to support the coverage of the misalignment between costs and revenue from operations for contracts for the construction of infrastructure works in Venezuela, Canada, U.S.A., Chile, Peru and other countries in Central America, with expiry January 2016.
- Committed bilateral loan of Euro mln 23, signed in December 2014 with Banca Do Brasil and with final expiry in January 2016.
- Amendment to the committed loan of Euro mln 60 signed with Cacib and BBVA (counter guaranteed by SACE for 66% of the amount), to obtain the funds necessary to support sustain the investments in equity in the concessions, in Italy and abroad and, in particular, related to the concession project for the Gebze-Izmir-Orhangazi Highway in Turkey. This loan, which originally expired in July 2017 was extended up to July 2018; at 31 December 2014 it was available for use for an amount of Euro mln 12 and represents another resource for the Group.

With regard to loan repayments in 2014 we can make note of the following:

- Anticipated repayment of the committed revolving of Euro mln 35 signed with Cariparma (and counter guaranteed by SACE for 70% of the amount).
- Anticipated repayment of the committed loan of Euro mln 110 signed with Banca Popolare di Milano and Centrobanca, residual quota at 30 June 2014 totalling Euro mln 30.
- Anticipated repayment of the committed loan of Euro mln 30 signed with Portigon (formerly WestLB AG) residual quota at 30 June 2014 totalling Euro mln 4.
- Repayment of the final loan instalment of Euro mln 13.8 signed by Astaldi Concessioni with Banca Popolare di Milano.
- Anticipated repayment of the committed loan of Euro mln 80 signed by Mondial A.S. with HSBC and Isbank, residual quota at 31 December 2014 totalling Euro mln 37.

The following table shows the key figures related to the Group's main bank loans at 31 December 2014.

Type of loan	Company	Outstanding 31/12/2014	Signing date	Expiry*
Bilateral - BNP Paribas	Astaldi S.p.A.	45,000	06/08/2013	15/01/2016
Bilateral - Banco do Brasil	Astaldi S.p.A.	23,000	11/12/2014	04/01/2016
Bilateral - Cariparma	Astaldi S.p.A.	50,000	27/06/2014	27/06/2017
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	Astaldi S.p.A.	15,506	17/05/2013	R.P. 30/06/2016
Bilateral - Banca Popolare	Astaldi S.p.A.	25,000	14/07/2008	R.P. 14/07/2016
Bilateral - Banca Popolare dell'Emilia Romagna	Astaldi S.p.A.	13,717	04/12/2013	R.P. 04/12/2016
Pool	Astaldi S.p.A.	65,000	07/11/2014	07/11/2019
Pool	Astaldi S.p.A.	16,625	22/06/2011	R.P. 30/06/2016
Pool	Astaldi S.p.A.	4,990	02/02/2012	R.P. 30/06/2016
Pool	Astaldi S.p.A.	48,000	22/12/2014	R.P. 31/07/2018
Pool	Inversiones Assimco Limitada	7,791	05/08/2009	R.P. 08/08/2016
Bilateral - Is Bank	Mondial Milas - A. S.	9,286	12/08/2011	R.P. 31/07/2015
Other corporate loans		343,947		
Total bank loans		**667,862**		
of which non-current		291,894		
of which current		375,968		

*R.P. = with repayment plan

It is pointed out that with the agreement for the new revolving line Credit Facility (RCF line) for Euro mln 500, the financial covenants applicable at 31 December 2014 were modified as follows:

- Ratio between Group's Net Financial Position and Equity: less than or equal to 2.00x
- Ratio between Group's Net Financial Position and operating profit; less than or equal to 3.60x
- Priority Leverage Ratio less than or equal to 0,5x.

After the signature of the CRL, the financial covenants of all the other corporate loans are fully aligned to the levels of these financial covenants.

Non-compliance with financial covenants, if not recovered within a period specified in the agreements (the "cure period"), may involve cancellation of granting of the loan and hence a request by the lending banks to accelerate repayments.

All covenants were fully complied with.

In addition to financial covenants, the loan agreements, in keeping with international practice, include clauses that place restrictions on the Group's financial operations and other undertakings such as clauses regarding pari passu, negative pledges and change of control.

All the covenants at 31/12/2014 have been complied with.

Finance lease payables

During the year the Group signed finance leases totalling EUR/000 11,417. The contracts regarded assets comprising the fiscal categories of heavy vehicles, generic plant and equipment, specific plant and equipment, light constructions, excavators and mechanical loaders; these contracts contain a redemption cause. The following table shows the amount of future instalments deriving from finance leases and the current value of the relative instalments.

	31/12/14		31/12/13	
	Instalments	current value	Instalments	Current value
Within one year	9,916	8,802	10,958	9,770
Over one year and within five years	15,843	13,121	12,830	10,311
Over five years	5,459	4,901	6,470	5,680
Total lease instalments	**31,218**		**30,258**	
Financial charges	4,394		4,497	
Current amount	**26,824**	**26,824**	**25,761**	**25,761**

Current financial liabilities: EUR/000 395,070 (EUR/000 388,440)

Current financial liabilities increased by EUR/000 6,630 compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Accrued expenses - Bonds	6,494	5,692	802
Issue and placement commissions	(1,818)	(2,378)	560
Total bond	**4,676**	**3,314**	**1,362**
Current bank loans	338,495	304,021	34,474
Current portion medium/long term loans	37,251	66,720	(29,469)
Loans backed by personal guarantees – current portion	221	212	9
Finance lease payables	8,803	9,770	(967)
Bank loans and borrowings and due to leasing companies - Nominal value	**384,770**	**380,723**	**4,047**
Loan commissions	(4,815)	(6,032)	1,217
Accrued expenses - interest on bank loans	2,956	3,940	(984)
Hedging derivatives	7,483	6,325	1,158
Total loans and borrowings and due to leasing companies	**390,394**	**384,956**	**5,438**
Loans and borrowings and from other financial backers	**0**	**170**	**(170)**
Total	**395,070**	**388,440**	**6,630**

(*) Included in NFP for a value of EUR/000 387,587 (2013: EUR/000 382,115)

The item "bond issues" refers to instalment on interest falling due and not yet settled, adjusted by a proportional amount of the costs of issue and placement in such a way as to reflect the value of the bonds upon expiry, calculated on the basis of the effective interest.

Current bank loans rose mainly due to the partial use of the short term revolving lines (committed and uncommitted) in order to continue the general policy of support to production activity, by financing the contract working capital, a policy pursued by the Group with continuity despite the particularly complex macroeconomic context.

Group's Net Financial Position

The following table shows the amount of net financial position with a breakdown of the main items as requested by CONSOB DEM/6064293 statement of 28 July 2006 which refers to the European Securities and Markets Authority – ESMA (formerly CESR) Recommendation dated 10 February 2005.

			31/12/2014	31/12/2013 Restated
A	Cash and cash equivalents		530,212	373,226
B	Securities held for trading		1,396	1,407
C	**Available funds**	**(A+B)**	**531,607**	**374,633**
-	Short term financial receivables		20,870	29,412
-	of which from related parties:		18,316	4,913
-	Current portion of rights to receivables arising from concessions		17,813	15,477
D	**Current financial receivables**		**38,683**	**44,859**
E	Current bank loans and borrowings		(336,636)	(301,929)
F	Current portion of payables for issued bonds		(4,676)	(3,315)
G	Current portion of non-current debt		(37,472)	(66,931)
H	Other current financial payables		(8,803)	(9,940)
I	**Current financial debt**	**(E+F+G+H)**	**(387,587)**	**(382,115)**
J	**Net current financial debt current**	**(I+D+C)**	**182,703**	**37,377**
K	Non-current bank loans and borrowings		(275,976)	(225,622)
L	Issued bonds		(870,269)	(713,268)
M	Other non-current payables		(18,021)	(15,992)
N	**Non-current financial debt**	**(K+L+M)**	**(1,164,266)**	**(954,881)**
O	**Net financial debt - Continued operation**	**(J+N)**	**(981,563)**	**(917,504)**
P	**Net financial position - Disposal groups**			**30,680**
Q	**Net financial debt**	**(O+P)**	**(981,563)**	**(886,824)**
-	Non-current financial receivables		37,281	24,547
-	Subordinate Loans		133,652	46,439
	of which to related parties		*133,652*	*46,439*
-	Non-current portion of rights to receivables arising from concessions		6,776	15,603
R	**Non-current financial receivables**		**177,709**	**86,589**
S	**Total financial debt**	**(Q+R)**	**(803,854)**	**(800,235)**

Total financial debt takes into account not only the net financial debt (letter Q in the above table) calculated in accordance with European Securities and Markets Authority ESMA (formerly CESR), Recommendation of 10/02/2005, but also non-current financial receivables mainly from associates set up for project financing activities and rights to receivables arising from concessions.

It should likewise be pointed out that the Parent holds treasury shares in its portfolio totalling EUR/000 5,198 which generate a net financial position totalling EUR/000 (798,656). It is likewise pointed out that the net financial position, also in comparative terms, does not contain the amount of derivatives used in hedging activities since, by their very nature, they do not represent financial amounts.

The increase in total debt recorded compared to last year is to be attributed to planned investments in the concessions segment in the Turkish areas.

On the whole, the financial structure benefited from the bonds placed in 2013 and 2014, and from the new revolving line of EUR/000 500,000 signed in November 2014, which refinanced and extended the line for EUR/000 325,000, thus extending the expiry dates and providing more funds to existing credit lines in order to support the future operational growth of the Group. The amount of available funds (EUR/000 531,607) combined with the possible use of revolving credit lines, committed and uncommitted (totalling approximately EUR/000 750,000), provide the Group with a more than sufficient capacity to meet planned financial undertakings.

29 Other liabilities

Other Non-current liabilities: EUR/000 17,034 (EUR/000 16,696)

Other non-current liabilities, totalling EUR/000 17,034 did not show significant differences compared to the previous year and mainly comprise payables to Simest S.p.A. (EUR/000 11,593) for the acquisition of non-controlling interest of the subsidiary Inversiones Assimco Limitada.

Other current liabilities: EUR/000 167,530 (EUR/000 153,404)

Other current liabilities totalled EUR/000 167,530 and consist of the following:

	31/12/14	31/12/13	Difference
Due to to associates	1,507	1,058	449
Due to other entities	1,359	1,381	(22)
Due to personnel	22,722	20,951	1,771
Due to social security bodies	11,446	10,792	654
Accrued expenses and deferred income	6,884	3,518	3,366
Other	123,612	115,704	7,908
Total	**167,530**	**153,404**	**14,126**

This item rose compared to 2013 by EUR/000 7,908 with reference mainly to the foreign sector (Romania, Poland and Algeria) and mainly contains the effects of the consolidation of the Group's various operating entities with reference to the value of existing relations with various partners in joint initiatives.

The item Due to personnel likewise rose as a result of the constant growth of production activities, which has required more human resources, and the item accrued expenses and deferred income also rose, mainly due to the operations undertaken by the Parent in the contracts under way in the Russian area.

As for relations with Group companies, please consult the annexe on related parties. It should also be pointed out that payables to associates for capital to be paid and not yet called-up by the individual Boards of Directors, have been reclassified, as per the previous year, as a direct reduction of the respective carrying amounts of investments..

30 Employee benefits: EUR/000 9,595 (EUR/000 8,003)

The amount of this item, and the changes occurring during the year, are shown in the table below.

Actuarial value	post-employment benefits fund	Liabilities for incentives for early retirement	31/12/14
a) Amount at 01/01/2014	**8,003**	**0**	**8,003**
b) Increases during the year			
b.1) Social security cost of current services	878	1,158	2,036
b.2) Interest payable/Financial charges	158	0	158
b.3) Actuarial Gains (Losses) from experience	37	0	37
b.4) Actuarial Gains (Losses) from change in demographic theories	89	0	89
b.5) Actuarial Gains (Losses) from change in financial hypotheses	264	0	264

c) Amount of the year	(992)	0	(992)
f) Total amount of obligation at 31/12/2014 *(Defined Benefit obligation)*	**8,437**	**1,158**	**9,595**

Additional information on the post-employment benefits fund (IAS 19 – para. 135 and subsequent)

Characteristics of the plan

At 31 December 2006, the post-employment benefits fund of Italian companies was considered to be a defined benefit plan. Regulation of this provision was amended under Law No. 296 of 27 December 2006 (2007 Finance Act) and subsequent decrees and regulations issued in the early part of 2007. In the light of said amendments, and with specific regard to companies with a minimum of 50 employees, said provision is to be classified as a defined benefit plan solely for sums accrued prior to January 1 2007 (and still to be paid at the reporting date), while subsequent to this date it is to be considered a defined contribution plan.

The item post-employment benefits, recognised Group's statement of financial position, net of any advance payments made, show (i) the Group's obligation as regards the sums acknowledged to employees up to 31 December 2006 that will be paid upon the employee leaving the company, as regards companies with more than 50 employees, (ii) the progressive amount of benefits due to employees, accrued during their working life, recognised on an accruals basis in keeping with the provision of services needed to obtain benefits, as regards other companies.

Main assumptions used

There follows a summary of the main assumptions used for the actuarial estimate of post-employment benefits at 31 December 2014:

- Annual discount rate: 1,49%
- Annual rate of inflation:
  - 0.60% for 2015
  - 1.20% for 2016
  - 1.50% 2017 and 2018
  - 2.00% from 2019 onward
- Annual rate of increase in post-employment benefits: 75% of inflation plus 1.5 percentage points
- Annual rate of wage increase:
  - Management: 2.50%
  - Middle Management / White collars / Workers: 1.00%

Sensitivity analysis

There follows a summary of the potential effects which would be recorded for the obligation for defined benefits after hypothetical changes in the actuarial rates reasonably possible at the reporting date:

	Fred. Turnover	Inflation rate		Discounting rate	
	+ 1%	+1/4 %	-1/4 %	+1/4 %	-1/4 %
Change in the total amount of the obligation	(45)	123	(120)	(174)	180

Effect of the defined benefits plan on the Group's future cash flows

There follows a summary, based on the estimates reasonably possible at the reporting date, of effects on the Group's future cash flows with regard to the defined benefits plan:

- Forecast plan contributions for 2015: EUR/000 965
- Weighted average duration of the obligation for benefits: 11.13 years
- Forecast disbursements:
  - 2015: EUR/000 862
  - 2016: EUR/000 726
  - 2017 and subsequent: EUR/000 19,397.

Liabilities for incentives for early retirement

The item "liabilities for incentives for early retirement" comprises the estimate of the charges related to offers for agreed early retirement deriving from organizational requirements.
The recognition of the value for the year reflects the application of the agreement reached by the Company during the year with some employees of the Italian head office, on the basis of the rules set forth in Art. 4, para. 1 – 7*ter* of Law 92 of 2012, the so-called "Fornero Law".

Features of the plan

On 9 June 2014, the Parent and the trade union representatives of the Rome office, in the presence of the Provincial Secretaries of Filca-CISL and Fillea-CGIL, signed a framework agreement to govern an early retirement plan reserved to the employees of the Company's registered office, applying the provisions set forth tin Art. 4, para. 1 to 7-ter Law n. 92/2012.
The plan, with adherence by voluntary agreement, had become necessary and advisable in order to handle in a way that is not traumatic the excess personnel existing in some organizational facilities in the head office due to the completion of various production activities in Italy, identifying the provisions of Art. 4 of Law 92/2012 as the suitable instrument for the flexible management of excess personnel. The agreement guarantees to employees accepting early retirement the payment of an amount equal to the retirement amount to which they would be entitled on the basis of the existing rules and the accruing of the further retirement contribution amounts necessary for reaching the minimum retirement requisites.
After the workers had expressed interest in early termination of employment and after the minimum number of such terminations deemed necessary for the efficacy of the initiative had been reached, an implementation agreement was signed on 01 August 2014 was signed in order to submit the validation application to the social security body.
On 27 November 2014, the Istituto Nazionale della Previdenza Sociale (INPS) accepted the application for validation of the company agreement, after ascertaining the possession of the necessary requisites by 8 workers.

Main assumptions used

The annual discount rate used for the calculation of the current value of the obligation, equal to 0.185%, was calculated with reference to the Eurirs index for two years (in line with the duration) of the plan concerned.

31 Trade payables: EUR/000 1,031,736 (EUR/000 1,116,633)

This item consists of the following:

	31/12/14	31/12/13	Difference
Payables to suppliers	962,959	1,014,110	(51,151)
Payables to associates	59,498	92,822	(33,324)
Payables to other investees	9,279	9,701	(422)
Total	**1,031,736**	**1,116,633**	**(84,897)**

The decrease of this item by EUR/000 84,897, set against the increase of production volumes recorded during the year, once more testifies the careful policy to support production activities adopted by the Group in an ongoing manner despite the macroeconomic situation characterised by especially complex items, if we are also to consider the unfavourable overall reference framework.

In particular, payables to suppliers showed an overall decrease of EUR/000 51,151 which comprises a reduction of approximately EUR/000 170,000 recorded on the domestic level and in Russia partially offset by an increase of approximately EUR/000 126,000 attributable to the works in progress in Turkey, Poland, Peru, Canada and Algeria directly related to the revenue levels produced.

On the domestic level, payables to associates rose, basically due to the works for the Pedemontana Lombarda Motorway.

32 Tax liabilities: EUR/000 103,997 (EUR/000 73,666)

Tax liabilities rose by EUR/000 30,331 compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Liabilities for indirect taxation	54,631	31,891	22,740
Liabilities for direct taxation	44,904	36,242	8,662
Liabilities for withholding taxes applied	4,462	5,533	(1,071)
Total	**103,997**	**73,666**	**30,331**

The increase in this category is mostly attributable to the item “Liabilities for indirect taxation”, recognised essentially with reference to the domestic area, and mainly related to trends in the process of invoicing the contract amounts to customers, and more specifically to the achieving of the important milestones invoiced In the month of December 2014 in the transport infrastructures sector.

33 Provisions for risks and charges: EUR/000 13,407 (EUR/000 22,591)

The composition of provisions for risks and charges is as follows:

	Provisions for contract obligations	Provisions for investment risks	Provision for potential losses	Provision as per Art.27 Company by-laws	Total
Balance at 31/12/2013	**16,218**	**2,643**	**1,700**	**2,030**	**22,591**
Allocations	53	50	952		1,055
Use	(8,942)		(1,302)	(515)	(10,759)
Allocation of 2013 profit				520	520
Restatement	(177)		177		0
Balance at 31/12/2014	**7,152**	**2,693**	**1,527**	**2,035**	**13,407**

- Provisions for contract obligations mainly include a conservative assessment of charges relating to works that have already been performed, but for which the final phase of the respective contracts has not yet been defined, as well as activities related to work in progress;
- Provisions for equity investment reflect the deficit, attributable to the owners of the Parent, compared to the individual carrying amounts of the investments;
- The provision for potential losses includes the allocation of charges measured through a precise analysis of individual cases, carried out with the help of external consultants and based on both objective and evaluation elements;
- The provision as per Art. 27 of the By-laws was used for donation purposes and increased through the allocation of profits in accordance with specific resolutions.

information on potential risks

It is pointed out that on 3 November 2010, the Group Company COMERI S.p.A. received a Formal Notice of Assessment from the Italian Tax Police, Rome Unit, following a general check made for the purposes of direct and indirect taxation.

There were no further developments in 2014, thus confirming what was already stated in this regard with reference to the Financial Statements for 2013, 2012 and 2011.

For complete information, we can recall that the aforementioned Notice of Assessment contains an objection concerning taxation of the agreement signed between Astaldi and ANAS S.p.A. on 3 May 2010, regarding the definition of technical reserves included in the construction site accounts up to 31.12.2008, some of which were erroneously considered by the Tax Police to be higher fees rather than penalties for compensation of damage, and thus fully subject to 20% VAT.

In relation to the objection raised, it was shown that COMERI S.p.A. had previously registered the out-of-court settlement in question with the Internal Revenue Office on 15 June 2010; on this occasion the internal revenue office requested and accepted payment of the proportional registration tax on the aforesaid reserves, thus conclusively confirming the tax treatment for these amounts for the purposes of indirect taxation, considering them to be compensatory and thus excluded from VAT taxation.

On the basis of the aforesaid, and through the presentation of detailed observations on the circumstances involved, COMERI S.p.A. presented an application to the Internal Revenue Office on 30.12.2010 requesting them not to proceed in this respect with the issue of a notice of assessment notification regarding the objection raised in the preliminary assessment report made by the Tax Police, since otherwise this would give rise to double taxation of a single taxable item.

There has been no response to this application to date, nor has the Internal Revenue Office issued any notice of assessment. Therefore, also with the support of the consultants, the risk of assessment is considered remote.

To complete the information provided regarding provisions for risks and charges, there follows a summary of the allowances and provisions recognised in the financial statements with indication of their nature and specific category.

		31/12/14	31/12/13	Notes
Allowances as a direct reduction of assets		**27,151**	**28,128**	
Allowance for impairment losses on investments	Investments	8	8	18
Allowance for impairment losses on contracts	Receivables from Customers	8,827	10,642	22
Allowance for impairment	Trade receivables	11,020	10,767	23
Allowance for impairment - default interest	Trade receivables	1,772	1,772	23
Allowance for impairment -default interest to tax authorities	Tax assets	198	198	24
Allowance for impairment losses on other assets	Other current assets	5,326	4,741	20
Provisions recognised under liabilities				
Provision for risks and charges		**14,052**	**25,480**	**33**
of which:				
• For investment risks	Provisions for risks and charges	2,693	2,643	33
• For contract losses	Provisions for risks and charges	7,152	15,552	33
• For contract losses	Payments on account	645	2,889	20
• Other provisions for risks and charges	Provisions for risks and charges	3,562	4,396	33
Total provisions / allowances +		**41,203**	**53,608**	

34 Fair value measurement

The following table provides the fair value hierarchy of the Group's assets and liabilities:

			measurement a fair value with		
	Measurement date	Total	Prices quoted in active markets (Level 1)	Observable significant inputs (Level 2)	Unobservable significant inputs (Level 3)
Assets measured at fair value					
Forward exchange contracts	31/12/14	(342)		(342)	
Forward Knock-In	31/12/14	(883)		(883)	0
Securities	31/12/14	1,396	1,396		
Liabilities measured at fair value					
Interest Rate Swaps	31/12/14	(13,659)		(13,659)	
Conversion options - bond issues	31/12/14	(4,635)			(4,635)

Measurement techniques and inputs used to process measurements

Assets and liabilities measured at fair value on a recurring basis

- **Interest rate swaps**

The fair value of derivatives was measured using a pricing tool. The indexed floating leg was measured by generating the forward rates for the deadlines provided for in the contract, and subsequently by calculating the present value by discounting relative cash flows.

The indexed fixed leg was measured by calculating the present value of flows.

The forward rates and discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves at 31 December 2014.

When calculating the fair value of derivatives, the so-called Debit Value Adjustment (DVA) was also measured in order to take into account the default risk.

The overall value of the derivative is obtained from the difference of the present values of the floating and fixed item.

As regards the efficacy of operations, it is obtained through internal valuation models using the Dollar Offset Method, employing the hypothetical derivative to calculate the difference in fair value of the underlying derivative.

- **Forward exchange contracts**

The instruments in question were measured by using a pricing tool.

Measurement was performed by discounting the value upon contract expiry, calculated as the difference between the forward exchange rate upon expiry, quoted by the market at the measurement date, and the yearly exchange rate provided for in the contract, weighted by the nominal value provided for in the contract.

The discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves at 31 December 2014. The forward exchange rates were estimated through linear interpolation starting from the forward exchange curve acquired by the info providers.

- ***Currency Knock-in collar***

Options with barriers are Put or Call options activated only when a barrier value is reached. In the case of knock-in options, option is activated if the spot value of the underlying factor reaches or exceeds a pre-set barrier value.

The fair value of these derivatives was measured by the use of a pricing tool. In particular, the Black & Scholes model was used for the calculation. The overall value of the instrument is given by the difference between the fair value of the Put option and the Call option.

The forward rates and discount rates were calculated starting from zero coupon implicit Euro and USD rates of the short term rates curve (deposits quotation) and long term rates (swap rates quotation) at 31 December 2014. the volatility is estimate by linear interpolation from the EUR-USD volatility surface made available by the info providers.

- **Securities**

The The fair value of securities is equal to the market price of bid prices at the reference date of the period considered.

- **Conversion options - Bond Issue**

A convertible bond grants the holder the possibility to convert the bond into a set number of shares of the issuing company. Therefore, the instrument can be compared to a standard bond that incorporates the sale of a call option.

A pricing tool is used to measure the convertible bond.

The measurement model breaks up the instrument into its basic parts: an equity part and a debt part. To this end it defines the "cash only part of the convertible bond" as a hypothetical instrument. The value measurement of the two aforesaid items is calculated on the basis of the Black- Scholes equation.

The model uses the following inputs: the market price of the Company's shares, the rate (swap and deposit) curves, share price volatility and the company's credit spread.

As regards the aforementioned inputs, the company's credit spread is not currently observable on the market.

Assets and liabilities measured at fair value on a non-recurring basis

At 31/12/2014 there were no assets and liabilities measured at fair value on a non-recurring basis.

- **Transfers of financial instruments between different fair value hierarchy levels**

During the year there were no transfers between different fair value hierarchy levels.

35 Information on risk management, financial instruments and guarantees

Financial risk management

The Astaldi Group operates in an international context where transactions are conducted in different currencies; moreover, in order to support and develop its own industrial activities, it makes use of external sources of financing in Euros and foreign currencies.

Astaldi Group is exposed to the following financial risks:

- Market risk: the Group's exposure to fluctuations in interest rates and exchange rates between the Euro and the other currencies in which it operates;
- Liquidity risk: related to the possibility that Astaldi Group might not be able to meet its financial commitments resulting from contractual undertakings and, more generally, from its short-term financial commitments;
- Credit risk: the Group's exposure to potential loss resulting from default on obligations undertaken by counterparts.

The various types of risk are monitored in such a way as to evaluate in advance their potential negative effects, and take suitable mitigating actions. The optimisation and reduction of risk levels is pursued through a suitable organisational structure, the adopting of rules and procedures, the implementation of targeted sales and procurement policies, and the use of insurance policies and hedging derivatives.

In order to maintain corporate value, Astaldi Group has drawn up guidelines for controlling its exposure to market risks and entrusted to an internal Financial Risks Committee the definition of policies and strategies to manage risks through derivatives and the monitoring of hedged positions.

As regards said policies, Astaldi Group mainly uses cash flow hedging to cover exposure to fluctuations in financial flows attributable to a specific risk associated with an asset or liability, or to a planned transaction likely to have an effect on the income statement.

There follow the hedging derivative operations at 31 December 2014, with distinction between hedge accounting, representing most of Astaldi Group's transactions, and non-hedge accounting transactions with the fair value, notional value and changes in the respective reserves and income statement listed for each. For transactions in currencies other than the Euro, the amounts are converted into Euros at the exchange rate at year-end.

- **Interest rate risk**

Group exposure to the risk of changes in interest rates is mainly related to floating-rate financial debt; changes in interest rates affect the market value of financial assets and liabilities of the company and the level of net financial charges.

Astaldi Group, also taking into account contractual obligations, duly assesses exposure to the risk of changes in interest rates and manages these risks through non-speculative derivatives, in order to pursue a Cash Flow Hedge strategy. The Group's hedging policy, regulated by a specific interest rate risk management policy, involves the definition of an ideal mix between fixed rate and floating rate borrowing in the borrowing structure in order to minimise the risk of interest rate fluctuation, mainly the Euribor, while pursuing set financial structure targets. Astaldi Group therefore undertakes hedging transactions through simple derivatives ("plain vanilla"), on a cash flow hedge basis, in order to convert the floating rate into a fixed rate (Interest Rate Swap), or to allow a limited interest rate fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk exposure level (Cap). These instruments are generally at zero cost.

In 2014, the notional value of derivative hedging on the interest rate risk totalled Euro mln 329. Taking into account said hedging and the fixed-rate debt associated with bond issues, the percentage of fixed rate debt equalled approximately 78% of the gross debt.

The following tables show details of the aforesaid transactions, all designed to hedge financial flows, and subdivided into cash flow hedges and transactions for which Astaldi Group decided not to apply hedge accounting.

Type of derivative	Underlying	Notional remainder 31/12/14	Fair Value 2014	Fair Value 2013
IRS	Medium-Long term debt	274,010	(12,635)	(16,501)
Total		**274,010**	**(12,635)**	**(16,501)**

With reference to the aforementioned Hedge Accounting transactions, the change in value had an impact above all on equity attributable to the owners of the Parent, generating a final balance of the hedging reserve of Euro mln 12.4, together with the related effect for deferred taxes of Euro mln 3.4.

There follow details of changes in the hedging reserve in 2014:

Hedging reserve – interest rate risk	**31/12/14**	**31/12/13**
Opening reserve	(16,224)	(34,507)
Impact on hedging reserve net of release to profit or loss	3,812	18,283
Closing reserve	**(12,412)**	**(16,224)**
Ineffectiveness	(222)	(277)

With regard to transactions for which hedge accounting was not employed, the changes of value of these financial instruments were recognised directly in profit or loss.

Type of derivative	Underlying	Notional remainder 31/12/14	Fair Value 2014	Fair Value 2013
IRS	Medium-Long term debt	55,045	(1,024)	(1,218)
Total		**55,045**	**(1,024)**	**(1,218)**

Sensitivity analysis

There follows a summary of the potential effects of a hypothetical marginal increase or decrease in interest rates on the Group's Income Statement and Statement of financial position in terms of greater or lower interest payable over the entire remaining duration of floating-rate financial payables.

The analysis was conducted based on market curves at 31/12/2014 and considers a parallel rate shock by 1% upwards (shock up) and 0.30% downwards (shock down) on interest rates.

Interest rate risk	**Income statement**		**Equity**	
sensitivity analysis	**Shock up 31/12/14**	**Shock down 31/12/14**	**Shock up 31/12/14**	**Shock down 31/12/14**
Financial liabilities				
• cash flow	(6,678)	2,004		
Hedging derivatives				
• cash flow	2,241	(530)		
Total	**(4,437)**	**1,474**	**0**	**0**
• *fair value*	315	(96)	5,395	(1,700)

With reference at 31/12/2014 the analysis shows how, considering a hypothetical increase of 1% in interest rates, due to the positive impact of derivative hedging (approximately Euro mln 2,2), there would be an increase in financial charges of Euro mln 4,4; in this hypothetical scenario, the fair value of hedging recognised in the income statement, compared to the effective amount recorded at 31/12/2014, would show an increase of EUR 0.3 million, while the equity reserve (negative) would drop by approximately Euro mln 5,3.

Similarly, as can be seen from the table, a shock down of 0.30% in interest rates would lead to a decrease in financial charges of approximately Euro mln 1.4.

- **Currency risk**

With reference to currency risk, the Astaldi Group Astaldi Group performs cash flow hedges for specific foreign contracts in order to neutralise or mitigate the effect of exchange rate fluctuations on related foreign-currency costs or revenue.

The Group policy is aimed at hedging a percentage of exposure to currency risk, depending on business characteristics and the specific volatility of certain currencies, for the entire duration of the works with regard to specific contracts, and when this is not possible, for a period of 12 months.

Hedging is performed by using forward plain vanilla derivatives, cost zero cylinders and cross currency interest rate swaps.

As regards specific foreign currencies especially those of emerging countries whose financial markets do not allow for mitigation of currency risk through derivatives, Astaldi Group tends to protect the imbalance between trade receivables and payables in local currency through financial debt in the same currency (so-called "natural hedging")

At 31 December 2014 the notional value of existing hedging for the exchange risk, amounted to a total counter-value of Euro mln 54.7.

Type of derivative	Underlying	Notional remainder 31/12/14	Fair Value 2014	Income statement
Forward Buy CAD / Sell EUR	Hedging of funding for AST Canada	13,511	194	194
Forward Buy EUR / Sell USD	Hedging of receivables Turkey	20,591	(536)	(536)
Forward Knock-in Buy EUR / Sell USD	Hedging of receivables Turkey	20,591	(883)	(883)
Total		**54,693**	**(1,225)**	**(1,225)**

There follow details of changes in the hedging reserve recorded in 2013 due to currency risk hedging:

Hedging reserve - currency risk	31/12/14	31/12/13
Opening reserve	177	22
Impact on hedging reserve net of release to profit or loss	(177)	155
Closing reserve	**0**	**177**
Ineffectiveness	(1.,13)	0

- **Liquidity risk**

The main factors contributing to the Group's liquidity risk are, on the one hand, the financial resources generated by or used in the Group's operating and investing activities, and on the other, financial debt maturity and use of cash, as well as the contingent conditions of financial markets.

The Astaldi Group aims to maintain a sufficient cash margin to allow for coverage of financial requirements with the availability of committed and uncommitted credit facilities.

Cash flows, the need for financing and liquidity are monitored in an ongoing manner and managed with the aim of ensuring effective and efficient financial resource management.

The following table shows the timeframe of the Group's financial liabilities:

Analysis of maturities	Use	On sight	2015	2016	2017	2018	2019	Over
Short term loans	(329,210)	329,210						
Medium / Long term loans*	(365,475)		55,560	138,032	65,321	26,759	67,764	12,039
Equity linked bonds	(130,000)						130,000	
Senior unsecured bonds	(750,000)							750,000
Total	**(1,574,685)**	**329,210**	**55,560**	**138,032**	**65,321**	**26,759**	**197,764**	**762,039**
Derivatives								
- interest rate risk derivatives**	(13,659)	0	5,433	4,901	1,741	1,530	33	21
- currency risk derivatives**	(1,225)		1,225					
Total	**(14,884)**	**0**	**6,658**	**4,901**	**1,741**	**1,530**	**33**	**21**
EXPOSURE at 31.12.2014		**329,210**	**62,218**	**142,933**	**67,062**	**28,289**	**197,797**	**762,060**

Note:

* The figure shown in the table coincide with the nominal value of financial liabilities and therefore do not include (i) commission directly related to the granting of loans that in turn are included in the measurement at amortised cost of the financial liabilities, and (ii) accrued interest not yet settled.
** The figure coincides with the total amount of the derivatives, both receivable and payable, and do not include the accrual on the differentials accrued and not yet settled.

The Astaldi Group has adopted a series of policies and processes aimed at making the most of management of financial resources, reducing the liquidity risk, such as, specifically:

- tendency towards centralized management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Group operates and in keeping with the rules for managing the financial flows of individual contracts;
- maintenance of a suitable level of available liquidity;
- existence of an investment portfolio with a corresponding liquid market and whose securities are available for sale in order to cope with any liquidity needs;
- diversification of instruments for obtaining financial resources and ongoing focus on capital markets;
- obtaining of suitable bank credit facilities (committed and uncommitted), guaranteeing an adequate availability of committed lines (not used);
- access to debt capital markets;
- monitoring of future liquidity conditions in relation to corporate planning.

- **Credit risk**

The credit risk represents the Group's exposure to the potential default risks of a counterpart.
The Group's credit risk is limited by the solvency characteristics of the customers served. The portfolio of receivables falling due is constantly monitored by the relevant departments.
The type of Group customers is basically government and public bodies, by their very nature solvent.
Therefore, the credit risk, represented by the possible default of customers, is considered to have little significance, also considering the insurance coverage that can be obtained through specific policies stipulated with insurance companies.
It should be noted that for some countries, collection times may go beyond the usual terms. At 31 December 2014 the percentage of overdue trade receivables was 29.93%, of which 19.60% for receivables overdue by more than 12 months. Nevertheless, the analysis of credit risk exposure according to maturity is not very significant since the receivables are measured in relation to other working capital items, and in particular payables to subcontractors and suppliers typical in the segment, the due dates of which tend to be aligned to customer collection time (back-to-back), as regards the management of operating leverage.

With particular regard to Russia, it is pointed out that although the country going through an economic slowdown due to; (i) the political uncertainty linked to the Ukrainian crisis and the consequent international sanctions and (ii) the fall in the price of petroleum, the Group believes that there is no reason to raise the risk rate in relation to the overall recoverability of the amounts accrued, since the works in progress in the country consist in contracts with private counterparts with a high financial standing, and with financial coverage already guaranteed, which do not come with the embargo imposed on the country in relation to the situation in the Ukraine.

With regard to Venezuela, see the extensive explanations in notes 1, 10 and 23.

Guarantees and sureties

Personal guarantees

The overall amount of the guarantees provided is EUR/000 2,823,157 and refers to the following items:

- Sureties opening credit facilities, in order to ensure the regular cash flow of individual contracts, issued in the interest of associates and other investees, set up for this purpose under the laws in force, for a total amount of EUR/000 46,722 of which EUR/000 20,876 referring to Joint Ventures;
- Sureties for works, issued for various purposes by banks and insurance companies in the interest of the Group, in favour of commissioning bodies, on the Group's own account and that of subsidiaries, jointly-controlled entities, associates and other investees, for a total amount of EUR/000 2,733,798 of which EUR/000 38,992 referring to Joint Ventures;
- Other sureties issued for various purposes for a total amount of EUR/000 42,637 of which EUR/000 1,020 referring to Joint Ventures.

Third party sureties in favour of the Group

The item amounting to EUR/000 272,013 represents the guarantees issued by banks and insurance companies in the interest of Italian and foreign suppliers and subcontractors, in relation to contract obligations undertaken by the latter with the Group.

36 Disclosure on transaction with related parties and fees due to Directors, Statutory Auditors, General Managers and other key management personnel

In accordance with IAS 24 as well as CONSOB Communication n° 6064293 of 28 July 2006, Annexe 1 of these Notes the shows the totals of existing transactions and balances resulting from financial and commercial relations with related parties. In this regard, it must be noted that the relevant transactions were carried out at market conditions. Moreover, it is specified that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific segment in which the Group operates, are to be related to receivables due from third parties, recognised under the item trade receivables (note 23), and not summarised in the annex regarding transactions with related parties.

As regards the disclosure on fees due to Directors, Statutory Auditors, General Managers and other key management personnel of the Parent, reference is made to the table below, referring to the Remuneration Report as per Art. 123-ter of the Single Budget Law for more details

Category	Fixed fees	Fees for attending committee meetings	Variable non-equity fees (bonuses and other incentives)	Non-monetary benefits	Other fees	Total	Fair Value of equity fees
Directors	4,010	28	0	40	16	4,095	442
Statutory Auditors	120	0	0	0	0	120	0
General Managers	1,560	0	0	36	32	1,627	883
Key management personnel n°9	1,871	0	545	37	76	2,529	0

37 Segment reporting

The operating segments subject to segment reporting were determined in accordance with reporting used by the top management as an information set for their decisions. This reporting is specifically based on the various geographical areas where the Group operates, and it is determined by applying the same accounting standards used to draw up the consolidated financial statements.

The following tables show segment reporting as per IFRS 8.

Reporting 31.12.2014	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and cancellations	Consolidated total
Revenue	796,534	1,121,585	626,845	154,125	26,007	491	(185,199)	**2,540,388**
Operating profit	83,804	97,353	27,397	31,870	(8,184)	70	2,521	**234,832**
Net financial charges								**(138,870)**
Share of profit (loss) of equity accounted investees								**34,769**
Profit before-tax and non-controlling interests								**130,731**
Tax expense								**(47,980)**
Profit of the year								**81,559**
Assets and liabilities								
Segment assets	1,670,116	2,125,302	1,235,525	323,754	23,440	1,867,905	(3,147,430)	**4,098,612**
- of which investment						893,910	(457,001)	**436,909**
Segment liabilities	(1,354,263)	(2,068,786)	(1,159,230)	(321,800)	(23,990)	(1,490,467)	2,899,980	**(3,518,556)**
Other segment reporting								
Property, plant and equipment	11,828	74,559	90,298	8,467	674	44,244	(6,959)	**223,111**
Intangible assets	14,184	14,779	1	0	0	480	3,111	**32,555**
Depreciation of property, plant and equipment	1,887	15,262	17,057	4,390	243	4,700	(1,087)	**42,452**
Provisions						1,534		**1,534**

Reporting 31.12.2013	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and eliminations	Consolidated total
Revenue	1,010,889	1,026,902	400,504	145,001	35,532	(135)	(237,280)	**2,381,413**
Operating profit	86,986	150,010	(6,740)	35,619	(5,154)	(13,764)	(12,849)	**234,108**
Net financial charges								**(111,538)**
Share of profit (loss) of equity accounted investees								**7,386**

Profit before-tax and non-controlling interests								**129,956**
Income tax								**(54,817)**
Profit of the year								**67,337**
Assets and liabilities								
Segment assets	1,864,605	2,037,982	1,116,532	291,974	38,188	1,748,714	(3,028,851)	**4,069,144**
- of which investment						1,004,968	(620,817)	**384,151**
Segment liabilities	(1,298,369)	(1,986,979)	(1,078,081)	(272,696)	(43,549)	(1,389,715)	2,592,439	**(3,476,950)**
Other sector information								
Property, plant and equipment	10,096	52,816	76,436	12,684	1,838	51,408	(1,306)	**203,973**
Intangible assets	15,593	39,805	7	0	3	452	3,111	**58,971**
Depreciation of property, plant and equipment	1,871	12,957	15,720	5,239	872	6,577	(72)	**43,164**
Provisions						4,463		**4,463**

The amounts shown in the column other assets for operating profit refers to general expenses incurred by the Parent,

38 Other information

Non-recurring significant events and transactions

The status of the Astaldi Group for purposes of the income statement and statement of financial position was not influenced in 2014 by significant non-recurring events and operations significant as defined in CONSOB Communication n. DEM/6064293,

Positions or transactions deriving from atypical and unusual transactions

In 2014 the Astaldi Group did not undertake any atypical and unusual transactions as defined in CONSOB Communication n. DEM/6064293.

Authorization for publication

The publication of the Financial Statements was authorized by the Board of Directors of the Parent on 10 March 2015. During the aforesaid meeting, the Board of Directors likewise resolved to submit to the approval of the Shareholders at their Meeting to be held on 23 April 2015 the proposal regarding the distribution of a dividend totalling €0.2 per share (ex dividend date 11 May 2015, record date on 12 May 2015, payment on 13 May 2015).

Events after the reporting date

There follows information on the events after the reporting date.

In February, in Chile the Consortium *Nuevo Pudahuel*, an Astaldi investee (15%), Aéroports de Paris (45%) and Vinci Airports (40%) was selected by the Chilean government since it presented the best bid in the tender announcement for assigning the concession for the construction and subsequent management of the Arturo Merino Benítez International Airport in Santiago de Chile, the 6th largest airport in South America, with traffic of 16.1 million passengers/year in 2014 (over half international). The concession contract, which will become operational starting from 1 October 2015 (at the expiry of the contract now in force), provides for the following: (i) modernization and enlarging of the existing terminal; (ii) financing, design and construction of a new passenger terminal measuring 175.00 m^2, to enhance the capacity of the airport to 30 million passengers/year, with an expansion potential up to 45 million passengers/year; (iii) commercial management and development for 20 years of the main related areas and services (the new and existing terminal, parking areas and future commercial activities). The construction will be undertaken by Astaldi (50%) and Vinci Construction Grands Projets (50%). The insertion of the quotas pertaining to Astaldi in the Group portfolio will take place after the formal assignment and confirmation of the loan, expect by the 1st half of 2015.

Also in February, a bridge loan for Euro mln 50 was finalized in Turkey with a major Turkish bank, previous to the undertaking the ordinary business activities of the Etlik Ankara hospital complex. The bridge loan will allow the advancement of the construction phases while awaiting the so-called financial closing.

Also in February, in Italy, Astaldi signed an agreement with the Extraordinary Administrator of the Impresa and DIRPA companies (both under extraordinary administration), for the completion of the works for the expansion of the Perugia Ancona Highway and modernization of the March Pedemontana road, the so-called Maxi Lot 2 of the Marche-Umbria Quadrilateral. The amount of the works to be undertaken is over Euro mln 500. In detail, the aim of the agreement is the leasing for six months of the Quadrilatero business unit of Impresa, for the completion of the first part of the work or Lots 1.1 and 1.2, and comes in the context of a broader understanding involving the subsequent purchase by Astaldi of the DIRPA industrial complex and of the aforesaid business unit, in the context of the procedure for extraordinary administration of Impresa and DIRPA, for the construction of the entire infrastructure. Maxi Lot 2 of the Marche Quadrilatero-Umbria is a complex work involving the construction under general contracting of the works for enlarging the Perugia Ancona Highway, along the stretches Fossato di Vico-Cancelli and Albacina-Galleria Valtreara-Serra San Quirico of SS-76 (Lot 1.1 – Sub Lots 1.1.1, 1.1.2, 1.1.3) and Pianello-Val Fabbrica of SS-318 (Lot 1.2), and the modernization of the Marche Pedemontana road, along the stretch between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). The overall amount of the works totals Euro mln 745, of which over Euro mln 500 has yet to be undertaken. Its insertion in the portfolio of the Group will take place immediately for the proportional amount of the works connected with period of rental, after the definitive assigning of the remaining part.

It is likewise pointed out that in March 2015, the Warsaw Metro Line 2 in Poland was inaugurated and opened to the public (6 kilometres, 7 stations): a great operating success definitively consolidating the operating capacity of the Astaldi Group in that country. The event follows the inaugurations in January for the project of the Pedemontana Lombarda Motorway in Italy, which has marked two important objective: the opening of an initial lot of the Varese by-pass and the inauguration of Stretch A of the Pedemontana Lombarda.

Finally, we can recall that in January, Astaldi Shareholders' meeting appointed Piero Gnudi and Filippo Stinellis to replace the outgoing board members Guido Guzzetti and Mario Lupo. Both board members will remain in office until the normal expiry of the current Board of Directors of the Company, i.e. up to the meeting for the approval of the financial statements at 31 December 2015. That same meeting also approved the introduction of the majority mechanism of the voting rights (so-called majority vote) in the governance of the Group, in order to favour the presence among the shareholders of stable investors, by providing a loyalty reward as an incentive to the holding of the investment for a longer period more in line with the timelines of the Group's growth strategies, typically medium / long term. The rule introduced calls for the attribution of two votes for each ordinary share belonging to the same shareholder for a continuous period of not less than 2 years, starting from the date of registration in a special “list” set up and kept by the Company.

Fees payable to independent auditors KPMG and their network pursuant to Art. 149-duodecies of the Issuers Regulations

There follow the fees paid during 2014 to KPMG on the basis of their audit engagement for the financial years 2011-2019 assigned by a shareholders' resolution of 18 April 2011:

Type	31/12/14
A) Auditing services	**1,020**
- Referred to Parent Astaldi S.p.A. (*)	470
- Referred to subsidiaries	550
B) Attestation services (**)	**357**
C) Other services	**267**
Total fees	**1,644**

(*) Amount inclusive of expenses and CONSOB contribution

(**) Referred to Parent Astaldi S.p.A.	341
of which:	
1) For fees related to comfort letters issued at the same time as the bond loan issue	83
2) For fees related to agreed-upon procedures, signing of tax returns and other attestation activities	258

Stefano Cerri

Chief Executive Officer

Paolo Citterio

Manager in charge of financial reporting