



*Company subjected to the direction and  
coordination of Autostrade per l'Italia S.p.A.*

# *Financial Statements*

## *at 31 December 2013*

*Registered office - 00159 Roma, Via Giuseppe Donati n° 174  
Corporate capital € 10,116,452.45 fully paid in  
Registration with Rome Register of Companies and Tax Code no. 00481670586  
VAT no. 00904791001, R.E.A. (administrative economic index) no. 526702*

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## **CORPORATE BODIES**

### **Board of Directors**

*in office for the 2012 - 2014 three-year period*

President (*)	Roberto Zianna
Vice President (*)	Eurigio Di Paolo
CEO and General Manager (**)	Franco Tolentino
Director	Amedeo Gagliardi
Director	Concetta Testa

the Board of Auditors

*in office for the 2013 - 2015 three-year period*

President (*)	Francesco Mariano Bonifacio
Regular Auditor	Fernando Sbarbati
Regular Auditor	Silvio Laganà
Alternate auditor	Giuseppe Pizzonia
Alternate auditor	Mario Francesco Anaclerio

### **Auditing Company**

*for the 2012 - 2020 period*

Deloitte & Touche S.p.A.

(\*) Legal representation powers; powers to supervise all company activities.

(\*\*) Management powers within limits contractual matter commitments.

# *Directors' Report*

## GENERAL CONSIDERATIONS

Dear Shareholders,

The final balance sheet for the period that has just ended shows a profit of € 329 thousands compared to a loss of €7,738 thousands in 2012.

Total production, €351,686 thousands, decreased (by about 30.60%) compared to 2012, caused by the lower volumes connected to completion of infrastructural works assigned by Autostrade per l'Italia (on the A14 and the A9) in previous periods. Moreover, revenue from both Società Autostrada Tirrenica and Stalexport decreased.

We need to bear in mind that both the 2013 and 2012 balance sheets were affected by adoption, for calculation of fees paid on infrastructural orders, of final reductions decided by the MIT. For the Autostrada Milano – Napoli Expansion to three lanes of the stretch Barberino di Mugello – Incisa di Valdarno (Lot 0) order, the company applied a reduction communicated by the Customer Autostrade per l'Italia of 8.44% instead of the temporary one of 15% .

During 2013, further allocations to reserves for greater costs sustained on the Fiano-Gra order were entered in the balance sheet for €521 thousands.

Since February, following the reduction in production volumes, the Company has applied personnel cost optimisation policies by using the extraordinary earnings equalisation fund for maintenance personnel and solidarity contracts for office personnel.

Please find more details as follows:

### Maintenance Activities - Paving

Total production amounts to €104,887 thousands of which work carried out for Autostrade per l'Italia, € 104,723 thousands. This figure increases by € 4,892 thousands compared to the previous period.

### Other maintenance activities Acoustic rehabilitation– Barriers and Junctions

Their value amounts to €87,145 thousands of which €80,453 thousands related to Autostrade per l'Italia. In 2013, those activities mainly concerned laying noise barriers, and replacing and

strengthening lateral metal borders; the decrease of € 5,975 thousands compared to 2012 is mainly due to less maintenance that was not paving and a drop in junction activities.

#### Other activities for other customers

The total value of those activities is €26,968 thousands with an increase of €18,830 thousands.

#### Construction of Infrastructures

The total value is € 129,895 thousands, of which € 124,675 thousands with Autostrade per l'Italia , and has dropped by € 172,531 thousands compared to 2012 as some infrastructural orders are in their finishing stage. Here are details of the main orders:

#### Autostrada A1 Milano – Napoli, stretch between Station Roma Nord Junction Settebagni and Junction Castelnuovo di Porto

The works assigned in April 2009 were opened to traffic in July 2011, about 9 months earlier than the original completion date set. Activities on those infrastructural works have been completed. Progressive production entered as at 31 December 2013 amounts to € 100,987 thousands, inclusive of reserves entered but not yet acknowledged for € 1,994 thousands and acceleration bonuses for €7,721 thousands already acknowledged by the Customer.

#### Autostrada A14 Bologna – Bari – Taranto Expansion to three lanes in the stretch Fano – Senigallia (Lot 3)

The order was assigned in June 2009. The North lane was opened to traffic on 20 July 2011 and the South lane on 19 December 2011, respectively, 12 and 9 months earlier than the original completion date set. Progressive production executed as at 31 December 2013 amounts to € 229,045 thousands and includes the entire additional acceleration bonus invoiced to the Customer (€ 11,091 thousands) and € 3,097 thousands for reserves entered but not yet acknowledged. Activities for that infrastructural job are just about completed.

#### Autostrada A14 Bologna – Bari – Taranto Expansion to three lanes in the stretch Rimini Nord - Pedaso (Lot 1A)

Works were assigned in September 2009. The motorway was functionally opened to traffic again at the end of September 2012 , six months before the original completion date set.

Progressive production executed as at 31 December 2013 amounts to €58,375 thousands and includes, for €3,208 thousands, the additional amount accrued and invoiced to the Customer and €361 thousands reserves entered but not yet acknowledged. Activities for that infrastructural job are just about completed.

Autostrada A14 Bologna – Bari – Taranto Expansion to three lanes in the stretch Rimini Nord - Cattolica (Lot 1B)

Works were assigned in May 2010. Progressive production as at 31 December 2013 amounts to € 298,696 thousands and includes the entire acceleration bonus (€ 14,800 thousands) and reserves entered but not yet acknowledged for €2,447 thousands. The entire acceleration bonus (€14,800 thousands) acknowledged by the Customer was invoiced in the year.

The completion percentage as at 31 December 2013 was about 99%.

Autostrada A9 Lainate – Como – Chiasso Expansion to three lanes at the Lainate interconnection between the A8 and the A9

Works were assigned in June 2009. The interconnection was functionally opened to traffic again on 31 July 2011, 5 months before the original completion date set.

As at 31 December 2013, progressive production amounts to €239,112 thousands and includes reserves entered and not yet acknowledged by the Customer for € 1,099 thousands and the additional acceleration bonus acknowledged for €7,961 thousands.

Activities for that infrastructural job are just about completed.

Autostrada Milano – Napoli Expansion to three lanes of the stretch Barberino di Mugello – Incisa di Valdarno (Lot 0)

Works were assigned in January 2011. As at 31 December 2013, progressive production amounts to € 95,605 thousands, and includes the increase in value from the final 8.44% reduction communicated by the parent company Autostrade per l'Italia, instead of the temporary 15% reduction applied from the 2011 balance sheet. The recalculation effect on production value amounts to €5,892 thousands.

Completion as at 31 December 2013 was 64.41%.

Completion works on lots 4,5 (“Stretch B”) and 7,8 (“Stretch C”) from progr. Km 287+314.72 to progr. Km 300+891.69 located in the stretch Firenze Nord - Firenze Sud of Autostrada Milano – Napoli

Works assigned in 2012 for € 16,989 thousands increased by € 6,895 thousands with an additional deed. Progressive production as at 31 December 2013 amounts to €22,196 thousands. As at 31 December, the Company allocated a loss fund for that order fully attributable to period 2014 amounting to €420 thousands.

Falcone and Borsellino Airport - Palermo: Expansion of aircraft apron

During the period, there was a variation to Pavimental participation in the Consortium Trinacria, incorporated with Intercantieri Vittadello S.p.A. and Costruzioni Bruno Teodoro S.p.A. to execute works; from 53% to 47.729%. Progressive Pavimental production as at 31 December 2013 was €9,242 thousands, amount inclusive of reserves entered and acknowledged by the Customer for €1,182 thousands.

Lot 1 of the Tangenziale di Como – Lot 1 of the Tangenziale di Varese and Stretch A8-A9 of the Motorway Connection Dalmine-Como-Varese-Valico del Gaggiolo

In April 2013, a works contract was signed for the final Planning and execution, and implementation of Lot 1 of the Tangenziale di Como, Lot 1 of the Tangenziale di Varese and the Stretch A8-A9 of the motorway connection Dalmine-Varese-Valico del Gaggiolo with the Customer Pedelombarda S.c.p.A..

The supply contract amount is €13,950 thousands; production carried out as at 31 December 2013 amounts to €9,198 thousands..

Activities in Poland were carried out by the local branch of Pavimental S.p.A. in TC with Pavimental Polska S.p. z o.o., and recorded period production for €1,081 thousands. The permanent Polish facility ended 2013 with a loss of €206 thousands.

Division by business area for activities as at 31 December 2013 is summed up in the following table:



Production value										
Business areas 2013					Total	Business areas 2012				Total
Paving maintenance	Extra paving works	Infrastructural Works	Other Customers			Paving maintenance	paving works	Infrastructural Works	Other Customers	
Maintenance	104.723	3.617			108.340	98.493	7.406			105.899
Service areas		463			463		24			24
Other works		23.372			23.372		22.670			22.670
Junction GRA Roma SUD										
Expansion 3rd lane A9 Lainate - Como			10.336		10.336			70.251		70.251
Other works North Area			115		115					
A4 - 4th Dynamic Lane			5.655		5.655					
Modena - Bologna			51		51					
Bologna By-pass								99		99
Barberino Lot 0			37.305		37.305			38.658		38.658
Junctions		828			828		3.487			3.487
Fiano GRA			521		521			(11.976)		(11.976)
Adriatica Lot 6A			1.790		1.790			1.313		1.313
ADS Esino Est			504		504					
La Certosa			19.906		19.906			2.290		2.290
Expansion 3rd lane Adriatica Lot 3			2.371		2.371			40.951		40.951
Expansion 3rd lane Adriatica Lot 1A			691		691			5.926		5.926
Expansion 3rd lane Adriatica Lot 1B			45.430		45.430			153.378		153.378
Noise rehabilitation		52.173			52.173		47.827			47.827
<b>From Autostrade per l'Italia</b>	<b>104.723</b>	<b>80.453</b>	<b>124.675</b>	<b>8.857</b>	<b>309.851</b>	<b>98.493</b>	<b>81.414</b>	<b>300.890</b>	<b>1.200</b>	<b>480.797</b>
<b>From Atlantia</b>										
<b>From others Atlantia Group</b>										
Soc. Autostrade Tirrenica Strada dei Parchi						(173)		1.482		1.309
Soc. Autostrade Meridionali (SAM)			5.220		5.220			54		54
Stalexport Malopolska S.A.		1.081			1.081		8.362			8.362
Lambro				1.807	1.807				355	355
Consorzio Costruttori TEEM				3.278	3.278				845	845
Coima Scarl				3.772	3.772					
Noise Barriers Tang. Naples By-pass		1.403			1.403					
<b>Works for Gruppo Atlantia</b>	<b>104.723</b>	<b>82.937</b>	<b>129.895</b>	<b>8.857</b>	<b>326.412</b>	<b>98.320</b>	<b>89.776</b>	<b>302.426</b>	<b>1.200</b>	<b>491.722</b>
<b>For Other Customers</b>										
In Airports				2.571	2.571				2.755	2.755
Other works				4.856	4.856				39	39
Autostrade centro padane									1.258	1.258
Torino - Savona	164	4.208			4.372	1.675	3.344			5.019
Pedelombarda				9.198	9.198					
<b>Total works</b>	<b>104.887</b>	<b>87.145</b>	<b>129.895</b>	<b>25.482</b>	<b>347.409</b>	<b>99.995</b>	<b>93.120</b>	<b>302.426</b>	<b>5.252</b>	<b>500.793</b>
Revenue for sales				270	270				2.730	2.730
Revenue for services				1.216	1.216				156	156
<b>Typical Production Value *</b>	<b>104.887</b>	<b>87.145</b>	<b>129.895</b>	<b>26.968</b>	<b>348.895</b>	<b>99.995</b>	<b>93.120</b>	<b>302.426</b>	<b>8.138</b>	<b>503.679</b>

\* amount net of other proceeds and revenue

In compliance with article 2428 Italian civil code, this report aims to provide a faithful, balanced, exhaustive analysis of the Company situation and relative management trend, both as a whole and in the different areas the company is active in, also through subsidiaries and associated companies. This with special reference to costs, revenue and investments, and to the main risks and uncertainties the company is exposed to and which, where present, are highlighted and described in this document. In particular, in that area the analysis also refers to the main result

indicators pertinent to specific Company activities, and to information included on the environment and human resources.

### *Environmental management*

2013 was affected by the further suspension for producers of the SISTRI (Waste traceability control system) coming into force. As we know, the starting date of 1 October 2013 only concerned those managing hazardous waste and transporters. During the year, the organisational and management commitment in line with the Company's operating commitments continued.

For said purpose:

- for 9 company plants qualified to produce bituminous mix with a recycled component, the company maintained registration with the Provincial Register of Companies and/or the National Roll of Environmental Managers;
- considerable milled material quantities were taken to registered and/or authorised Third party plants. This was necessary to reduce critical aspects created by the huge quantities of milled materials produced compared to quantities recyclable and usable in maintenance and infrastructure activities;
- the Certification Body, BSI, renewed ISO 14001:2004 certification for all activities carried out by Pavimental;
- punctual, assiduous environmental monitoring of all operating sites was guaranteed, to check ongoing compliance with regulatory and authorisation limits on both atmospheric emissions and waste waters and waste;
- environmental training and information activities for company figures involved in managing environmental matters continued in line with the company training plan;
- the efficiency of fire-fighting systems present in the Company's Operating Units was maintained and guaranteed.

### *Managing health and safety in the workplace*

Activities carried out on safety were in line with laws in force. Careful to comply with their obligations, to improve and raise the health and safety levels already reached.

In particular:

- monitoring of worker exposure to physical/chemical/cancerous/ mutagenic agents continued in 2013; Permanent monitoring, on a sample basis, carried out every year has still highlighted negligible risk levels and has guaranteed correct, updated control of the phenomenon;
- during 2012, 15 Operating Units and the Rome Head Office obtained OHSAS 18001/2007 Certification for the works Safety Management System (SGSL). In 2013, certification of the Infrastructural sector was also obtained. Hence, the entire Company is now certified.
- Work to integrate and update the Company Risk Assessment Document continued throughout the year, with analysis of new activities, new work sites set up, new risks connected to the use of new equipment and new substances. The Document is representative of the complex, varied Company structure;
- over 160 inspections were carried out of Company works areas during 2013. Controls involved every company working activity at least once a year;
- Company worker training and information activities continued, with specific, dedicated courses in line with the latest directives.

**WORKS PORTFOLIO**

As at 31 December 2013, the following works in portfolio valued at € 283,745 thousands remain to be carried out:

	€ Thousands
<u>Autostrade per l'Italia:</u>	
- Ordinary paving maintenance	107.586
- Infrastructural works	77.464
- Noise barriers, side border barriers	34.371
- Other motorway works	565
	<u>219.986</u>
<u>Other Atlantia Group companies</u>	
- Infrastructural works	9.337
- Other motorway works	3.270
	<u>12.607</u>
<u>Other Customers</u>	
- Airport works	828
- Other works	50.324
	<u>51.152</u>
Total Works Portfolio	<u><u>283.745</u></u>

## **SUMMARY OF ECONOMIC, ASSET AND FINANCIAL MANAGEMENT RESULTS**

### **PREAMBLE**

This paragraph illustrates and comments Tables on profitability results, asset structure and the 2013 Financial Report, compared with values for the previous period.

Please note that reclassified layouts contain slight differences to the official layouts illustrated in the Notes. In particular:

- the "revenue results analysis" introduces the "Gross operating margin" (EBITDA)" which is not included in the statutory income statements. That margin is calculated starting from production value found in the statutory income statement and subtracting all production costs except for depreciation and devaluation, provisions for funds and other rectified allocations. By subtracting the latter cost types from the gross operating margin you obtain your "Earnings before interest and taxes (EBIT)" which substantially coincides with the "Difference between production value and costs" entered in the statutory income statement. Under operating earnings, the two layouts show no differences in intermediate values and results; there is only a difference for greater synthesis in the "Analysis of profitability results" statement";
- the "Analysis of asset structure" differs from the statutory one due to greater synthesis, in particular defining the following indicators:
  - "Working capital": calculated as the difference between inventories, trade receivables, other current activities, trade payables, short term provisions for risks and charges and other current liabilities;
  - "Capital invested, having deduced period liabilities and medium-long term provisions for risks and charges": calculated as an algebraic sum of assets, working capital and medium-long term provisions for risks and charges;
  - "Equity": coincides with net worth in the balance sheet layouts;
  - "Net financial debt": is an indicator of the financial structure and results from the sum of:
    - "Net medium-long term financial debt": resulting from the algebraic sum of medium-long term financial debts and medium-long term financial assets;
    - "Net short term financial debt": resulting from the algebraic sum of short

term financial debt, liquidity and short term financial credits and net financial accruals;

- the “Financial statement”, presented and commented below, shows flows, by activity area, for which the algebraic sum justifies the passage from initial net financial position to the final one. In particular, please note that the:
  - “initial net financial position” coincides with the "net financial debt" value as at 31 December of the previous period;
  - “final net financial position” coincides with the "net financial debt" value as at 31 December of the current period;

## HIGHLIGHTS

**Ebitda:** difference between production value and costs gross of depreciation, allocations and devaluations.

**Ebit:** difference between production value and costs.

**Ebitda Margin:** Ebitda/Revenue from sales and services.

**Ebit Margin:** Ebit/Revenue from sales and services.

**Net Invested capital:** algebraic sum of assets, working capital and medium-long term provisions for risks and charges.

**Cash Flow:** sum of net result+depreciation+allocations and devaluations.

**ROI:** Operating earnings (Ebit) /Net capital invested

**ROE:** Net profit /(Equity - Net profit)

€ Thousands		2013	2012
Revenue		348.895	503.679
EBITDA		18.882	5.454
Ebitda Margin	%	5,41%	1,08%
EBIT		4.646	(8.122)
Ebit Margin	%	1,33%	-1,61%
Net Result		329	(7.738)
Average workforce		631,02	789,41
Labour cost		40.620	48.721
Labour cost/ Revenue		11,64%	9,67%
Cash Flow		14.603	5.957
ROE		0,9%	-16,8%
ROI		2,5%	-10,2%

€ Thousands		31 December 2013	31 December 2012
Net Invested capital		183.541	79.827
Net financial debt		144.966	41.592
Treasury Stock		38.575	38.235

## **ECONOMIC MANAGEMENT (as in table page 18)**

Please note that period 2012 was affected by application of final reductions communicated by the Ministry for Infrastructures, instead of the provisional contractual ones, on infrastructural orders, on those to create junctions and on some orders involving the laying of noise barriers; as well as the substantial completion of contracts on the expansion of the A14 in Lots 1A and 3, the A9 and the A12. All this not only affected production value but also had a considerable, negative effect on 2012 period results.

The typical production value for 2013, €351,686 thousands (gross of other income and revenue for €2,791 thousands) has decreased by €155,045 thousands (-30.6%) mainly caused by the drop in production on infrastructural works ordered by Autostrade per l'Italia (€176,215 thousands). Furthermore, revenue from Società Autostrada Tirrenica S.p.A. and Stalexport Autostrada Małopolska also dropped whilst the company started new activities for other group companies and for third parties.

Other sales and services revenue decreased by €1,400 thousands basically through the drop in sales to third parties (€2,461 thousands) partially compensated by an increase in services supplied to third parties (€1,028 thousands).

External production costs decreased by €159,006 THOUSANDS; this variation concerns both cost of materials (€72,028 thousands) and costs for services (€86,981 thousands) due to a lower production volume and to a cost optimisation policy implemented by the Company.

Labour costs, amounting to €40,620 thousands has decreased by €8,101 thousands (-16.6% circa) due to both the reduction in the average salaried workforce (down from 789.41 to 631.02 units) and to cost optimisation measures adopted from the start of the period such as extraordinary earnings equalisation fund for maintenance staff and solidarity contracts for office staff.

The EBITDA amounts to €18,882 thousands, showing an improvement (€13,428 thousands) compared to the previous period.

Depreciation, €10,191 thousands, has dropped by 13.34% (€1,569 thousands) against 2012 due to lower tangible asset investments and divestments that took place during the year.

In 2013, the company entered provisions of €3,195 thousands for devaluation of credits that are difficult to recover.



Furthermore, in 2013 allocations were made to a fund to cover future losses related to completion of lots 4,5 on the Firenze Nord - Firenze Sud stretch of the Autostrada Milano – Napoli (La Certosa) for €420 thousands and for the Foggia junction, €430 thousands.

The EBIT improved by € 12,768 thousands against 2012 due to the above.

Net financial charges have increased by € 745 thousands against the previous period. This variation is partly attributable to registration of lower late payment interest received from Customers for €886 thousands (€1,827 thousands in 2012, of which €1,638 thousands from the Customer Autostrade Centro Padane and €941 thousands in 2013). That depreciative effect was partly compensated by lower payable interest on the intercompany financing account for €112 thousands and to the banking system for €75 thousands.

Exchange charges and revenue caused lower costs for €70 thousands.

Adjustments to the value of long-term investments (€38 thousands) were allocated for possible expenses due to liquidation of the company RFCC.

Net extraordinary Charges amount to €445 thousands and include expenses for bonuses paid to workers leaving the workforce for €361 thousands.

Taxes entered caused a net expense of €2,528 thousands against tax revenue entered in 2012 for €1,301 thousands. Taxes for the period arise from those entered for IRES (corporate income tax) for €1,699 thousands, IRAP (regional income tax) for €1,702 thousands net of prepaid and deferred taxes for €873 thousands. Please note that during 2012 the company accrued a fiscal loss for IRES (€2,123 thousands) transferred to the parent company Atlantia following adhesion to the National Consolidated Tax System with the parent company.

The 2013 result is positive for €329 thousands (€-7,738 thousands in 2012).

## TABLE FOR THE ANALYSIS OF PROFITABILITY RESULTS

Euro Thousands

	Year 2013	Year 2012	Variations	
			Value	%
<b>REVENUE:</b>				
Revenue for works	292.742	604.937	(312.195)	(51,61)
Other revenue from sales and services	1.486	2.886	(1.400)	(48,51)
Other proceeds and revenue	2.791	3.052	(261)	(8,55)
<b>A. TOTAL REVENUE</b>	<b>297.019</b>	<b>610.875</b>	<b>(313.856)</b>	<b>(51,38)</b>
Variation to contract work in progress	54.667	(104.144)	158.811	(152,49)
<b>B. PRODUCTION VALUE "TYPICAL"</b>	<b>351.686</b>	<b>506.731</b>	<b>(155.045)</b>	<b>(30,60)</b>
External production costs	(290.735)	(449.741)	159.006	(35,36)
Other costs	(1.449)	(2.815)	1.366	(48,53)
<b>C. ADDED VALUE</b>	<b>59.502</b>	<b>54.175</b>	<b>5.327</b>	<b>9,83</b>
Cost of net labour	(40.620)	(48.721)	8.101	(16,63)
<b>D. GROSS OPERATING MARGIN (EBITDA)</b>	<b>18.882</b>	<b>5.454</b>	<b>13.428</b>	<b>246,20</b>
Depreciation	(10.191)	(11.760)	1.569	(13,34)
Other provisions rectified	(3.195)	(1.816)	(1.379)	75,94
Provisions for risks and charges	(850)		(850)	
<b>E. EARNINGS BEFORE INTEREST AND TAXES (EBIT)</b>	<b>4.646</b>	<b>(8.122)</b>	<b>12.768</b>	<b>(157,20)</b>
Financial revenue and expenses	(1.167)	(422)	(745)	176,54
Profits and losses on exchange	(139)	(209)	70	(33,49)
Adjustments to value of financial assets	(38)	(119)	81	(68,07)
<b>F. RESULT BEFORE EXTRAORDINARY COMPONENTS AND TAXES</b>	<b>3.302</b>	<b>(8.872)</b>	<b>12.174</b>	<b>(137,22)</b>
Extra.revenue and expenses	(445)	(167)	(278)	166,47
<b>G. RESULT BEFORE TAXES</b>	<b>2.857</b>	<b>(9.039)</b>	<b>11.896</b>	<b>(131,61)</b>
Current, deferred and prepaid taxes on period revenue	(2.528)	1.301	(3.829)	(294,31)
<b>H. PROFIT FOR THE PERIOD</b>	<b>329</b>	<b>(7.738)</b>	<b>8.067</b>	<b>(104,25)</b>

## ASSET STRUCTURE (as in table page 21)

“**Capital invested minus period liabilities and funds for M/L term risks and charges**” as at 31/12/2013 amount to €189,107 thousands (€85,709 thousands as at 31/12/2012). The item is as follows:

“**Assets**” for € 41,286 thousands as at 31/12/2013; that item decreases by € 850 thousands against 31/12/2012 (€ 42,136 thousands) mainly due to the negative period balance between investments and depreciation, essentially made up of:

- new investments for tangible and intangible assets for €7,282 thousands;
- decrease for period depreciation, €10,191 thousands;
- sale of tangible assets net of relative funds for €386 thousands;
- net increase in shareholdings of € 2,445 thousands, mainly due to subscription of the increase in capital for Tangenziale Esterna S.p.A.;

“**Working capital**” of €147,821 thousands as at 31/12/2013; compared to 31/12/2012, that item has increased by € 104,248 thousands caused by the combined effect of variations to the following items:

- “**Inventories**” for €244,746 thousands (€188,949 thousands as at 31/12/2012) show an increase of €55,797 thousands due to the algebraic sum between stock decreases for € 2,083 thousands following use of materials needed for current production and those increasing in Inventories for work in progress for €57,880 thousands;
- “**Trade receivables**” for €49,993 thousands (€ 53,462 thousands as at 31/12/2012) move for € 3,469 thousands. That variation is mainly attributable to what was paid by the Customer Autostrade Centro Padane to Pavimental in August amounting to € 22,058 thousands, a decrease partly compensated by the increase in payables from Autostrade per l’Italia (€ 12,708 thousands) and Pedelombarda (€4,721 thousands).
- “**Other activities**” for € 12,867 thousands (€ 13,054 thousands as at 31/12/2012). The item, substantially unvaried as an amount, includes reimbursement of the credit resulting from adhesion to the tax consolidation system claimed by Atlantia S.p.A.;
- “**Trade payables**” for €136,823 thousands (€184,967 thousands as at 31/12/2012) drop by € 48,144 thousands, due to less production in the year and to supplier payment dynamics;

- “Provisions for risks and charges” for € 6,008 thousands (€ 5,214 thousands as at 31/12/2012) increase by €794 thousands. In 2013, allocations were made to a fund to cover future losses related to completion of lots 4,5 on the Firenze Nord - Firenze Sud stretch of the Autostrada Milano – Napoli (La Certosa) for €420 thousands and for the Foggia junction, €430 thousands.
- “Other liabilities” for €16,954 thousands (€21,711 thousands as at 31/12/2012); the item decreases by € 4,757 thousands; that effect is mainly related to the fact that at 31 December 2012 the company owed the Revenue Office € 6,964 thousands for VAT whilst, as at 31 December 2103 the company had a VAT credit.

The “**Provisions for M/L term risks and charges**” amount to € 5,566 thousands (€ 5,882 thousands as at 31/12/2012) down by €316 thousands solely due to use of Severance Indemnity following personnel leaving the company.

Consistency of “**Equity**” is €38,575 thousands and shows an increase of €340 thousands (€ 38,235 thousands as at 31/12/2012) mainly due to period profit.

As at 31 December 2013, the Company has a positive “**Financial position**” (net financial indebtedness) of €144,966 thousands (€41,592 thousands as at 31 December 2012)

and records an increase of €103,374 thousands due to:

- greater use of the credit line granted by the Parent Company (€148,627 thousands). As at 31 December 2012, use of that credit line amounted to €48,114 thousands following the end of year collections and payments dynamics, and increased in 2013 because of higher current needs;
- the drop in liquid assets present in current accounts for €426 thousands;
- the decrease in financial receivables because of reimbursement of the loan by the subsidiary Pavimental Polska S.p.z o.o. for €400 thousands.

## TABLE ANALYSING ASSET STRUCTURE

Euro Thousands

	31.12.2013	31.12.2012	Variations
<b>A. FIXED ASSETS</b>			
Intangible Assets	1.993	1.723	270
Tangible Assets	33.897	37.462	(3.565)
Long-term Investments	5.396	2.951	2.445
	<b>41.286</b>	<b>42.136</b>	<b>(850)</b>
<b>B. WORKING CAPITAL</b>			
Inventories	244.746	188.949	55.797
Trade Receivables	53.155	53.462	(307)
Other activities	9.705	13.054	(3.349)
Trade Payables	(138.995)	(184.967)	45.972
Funds for risks and charges	(6.008)	(5.214)	(794)
Other liabilities	(14.782)	(21.711)	6.929
	<b>147.821</b>	<b>43.573</b>	<b>104.248</b>
<b>C. CAPITAL INVESTED</b> minus period liabilities (A + B)	<b>189.107</b>	<b>85.709</b>	<b>103.398</b>
<b>D. FUNDS FOR RISKS AND CHARGES MEDIUM TERM AND LONG TERM</b>			
Severance Indemnity	5.566	5.882	(316)
	<b>5.566</b>	<b>5.882</b>	<b>(316)</b>
<b>E. CAPITAL INVESTED</b> minus period liabilities and funds for risks and charges M/L term (C - D)	<b>183.541</b>	<b>79.827</b>	<b>103.714</b>
Covered by:			
<b>F. TREASURY STOCK</b>			
Corporate capital paid up	10.116	10.116	
Reserves and results carried forward	28.130	35.857	(7.727)
Profit for the period	329	(7.738)	8.067
	<b>38.575</b>	<b>38.235</b>	<b>340</b>
<b>G. NET FINANCIAL INDEBTEDNESS MEDIUM/LONG TERM</b>			
Medium/ long-term financial assets	(816)	(180)	(636)
	<b>(816)</b>	<b>(180)</b>	<b>(636)</b>
<b>H. NET FINANCIAL INDEBTEDNESS SHORT TERM</b> (Net cash or cash equivalents)			
Short term financial debts	151.289	48.114	103.175
Availability and short term financial credits	(5.507)	(6.342)	835
	<b>145.782</b>	<b>41.772</b>	<b>104.010</b>
<b>TOTAL (AVAILABILITY*) NET FINANCIAL INDEBTEDNESS (G + H)</b>	<b>144.966</b>	<b>41.592</b>	<b>103.374</b>
<b>I. TOTAL, AS IN E (F + G + H)</b>	<b>183.541</b>	<b>79.827</b>	<b>103.714</b>

## **FINANCIAL MANAGEMENT (as in table page 23)**

The "Net initial financial position" is negative for €41,592 thousands.

The "Monetary flow for period activities" is negative for € 94,306 thousands. This is the monetary flow absorbed by operating activities reflected in the negative variation to operating capital justified by the increase in commercial activities (basically works in progress for Autostrade per l'Italia) and in the decrease in trade payables, only partially compensated by the positive effects of period profit and depreciation.

The "Monetary flow for investments" is negative for €9,079 thousands and mainly refers to intangible asset (€1,000 thousands) and tangible asset (€6,282 thousands) investments, which remain substantially unvaried and in line with the different company needs as some infrastructural orders had just about been completed, and long-term investments (€ 2,449 thousands) basically referred to the increase of capital in Tangenziale Esterna S.p.A..

Due to the above dynamics, indebtedness as at 31 December 2013 amounts to € 144,966 thousands and records an increase of €103,374 thousands; that variation in needs was covered by greater use of the credit line granted by the Parent Company, Autostrade per l'Italia.

## FINANCIAL STATEMENT TABLE

Euro Thousands

	Year 2013	Year 2012
<b>A. NET INITIAL FINANCIAL POSITION</b>		
Net short term financial position	(41.772)	(83.290)
Net medium/long term financial position	180	159
	<b>(41.592)</b>	<b>(83.131)</b>
<b>B. MONETARY FLOW FROM /(FOR) PERIOD ACTIVITIES</b>		
Profit for the period	329	(7.738)
Depreciation	10.191	11.760
Variation to M/L term funds for risks and charges	(316)	(440)
Capital gains (losses) from sale of assets	(262)	(176)
Asset (revaluations) or devaluations	38	119
Variation to working capital	(104.248)	45.381
Recl. of assets in period cap. and other non monetary var.	(38)	(119)
	<b>(94.306)</b>	<b>48.787</b>
<b>C. MONETARY FLOW FROM /(FOR) INVESTMENT ACTIVITIES</b>		
Investments in fixed assets		
intangible	(1.000)	(549)
tangible	(6.282)	(7.267)
long-term	(2.449)	(1.208)
Collection price, or asset reimbursement value	652	442
	<b>(9.079)</b>	<b>(8.582)</b>
<b>D. MONETARY FLOW FROM / (FOR) FINANCIAL MANAGEMENT</b>		
Variation to other reserves	11	881
New loans		
Contributions from shareholders		
contributions to capital		453
Loan reimbursements		0
Reimbursements of paid-in capital		
	<b>11</b>	<b>1.334</b>
<b>E. DISTRIBUTION OF PROFITS</b>		
<b>F. MONETARIO FLOW OF THE PERIOD (1)</b>	<b>(103.374)</b>	<b>41.539</b>
<b>G. NET FINAL FINANCIAL POSITION</b>		
Net short term financial position	(145.782)	(41.772)
Net medium/long term financial position	816	180
	<b>(144.966)</b>	<b>(41.592)</b>
<b>(1) of which :</b>		
variation to net short term financial position	(103.374)	41.539
variation to net medium/long term financial position		

## **INVESTMENTS**

Investments made in 2013 amounting to €7,282 thousands, are substantially unchanged and in line with the different company needs as activities in the infrastructural order segment had been just about completed. Please note that, during 2013, the Company capitalised pre-operating costs for €977 thousands related to the Barberino – Firenze Nord Lot 1 order assigned by Autostrade per l'Italia.

The following table sums up period investments, divided by category:

€ Thousands	Assets Intangible	Assets Tangible	Total
- Pre-operational costs	977		977
- Improvements to leased assets			
- Software	20		20
- Software licences	3		3
- State-owned land concessions			
- Industrial land and buildings		498	498
- Plants and machinery		2.987	2.987
- Lorries and vehicles supporting activities		652	652
- Other tangible assets		160	160
- Assets in progress		1.985	1.985
	<u>1.000</u>	<u>6.282</u>	<u>7.282</u>

## **RESEARCH & DEVELOPMENT**

In 2013, activities to develop mixes with a high content of materials recovered from demolished paving continued as part of the three-year research project carried out in conjunction with Università Politecnica delle Marche, .

Tests carried out have positive results, both in the lab and on pilot motorway sites, on using recycled materials, 15%, when preparing mixes for draining ware. Those results, validated by the Customer, will enable us to start production with this type of mix in 2014 for the main Pavimental. preparation plants

In parallel, the study on traditional closed mixes with high milled material percentages (40% for the binder layer against 25% used at present) continued: having finished the binder study stage, laboratory tests on real mixes were started. We are expecting the first results in March 2014; if



positive, having checked and compared notes with the Customer, we expect to lay the first experimental amounts in the first semester 2014.

Still in 2013, we laid an experimental stretch using the Asphalt Rubber binder (asphalt modified with addition of rubber powder obtained from used tyres). That experiment aims to check the possible benefits had in noise absorption and less noisy emission terms on using this type of paving.

### **QUALITY SYSTEM**

Activities connected to Quality were intense in 2013. In particular:

- the obligation to apply the UNI EN 13808 standard – “Framework of specifications for bituminous cationic emulsions” – meant Pavimental has to make sure it maintained the FPC certificate, by the Certifying Body ICMQ, for the bituminous cationic emulsion produced in the Magliano Sabina operating unit during 2013;
- still to meet harmonised regulations, especially for EC marking purposes related to asphalt modified by polymers in compliance with UNI EN 14023 – “Asphalts and bituminous binders. Framework of specifications for asphalts modified by polymers”, during 2013, Pavimental maintained the FPC certificate for asphalt modified by polymers for the Loreto, Zola Predosa (Bologna) and Marcianise operating units.
- in compliance with standard UNI EN 13108 on bituminous mixes, internal and external audits were carried out on all the certified operating units. ISO 9001 certification is also confirmed for 12 (twelve) production plants, expiring in 2014, for specialised company activities. The general Pavimental company certificate was also confirmed and is valid until end of 2014;
- yard personnel was trained, both in the classroom and on the job. Moreover, internal audits were carried out on the main motorway infrastructural yards, on noise and safety barrier yards and on airport activities;
- the FPC Manuals on the production of bituminous cationic Emulsion, the Production of asphalt modified with polymers and on Bituminous Mixes were updated during 2013. And the Quality Manual was monitored and updated. For what concerns procedures, ten documents and their annexes were revised;

- moreover, in March 2013 Pavimental obtained the "Maker it Sustainable" certificate for sustainability, still through the ICMQ Body for the Zola Predosa (Bologna) operating unit. That certificate is valid from year to year.

## **HUMAN RESOURCES**

From an organisation point of view, 2013 involved considerable reorganisation for the Company, to align its structure to business changes and requests from Customers. With this in mind and to guarantee more effective coordination of operating structures and optimise support processes, the Company's organisation was reviewed; more specifically by:

- setting up the Maintenance, Extra-paving and Airport Works area, to control activities linked to paving maintenance and other extra-paving works (airports, noise barriers, lateral border barriers, service areas, etc.);
- setting up the Infrastrutture Nord area, dedicated to infrastructural works in the Milan area and, in general, in Northern Italy;
- setting up the Infrastrutture e Centro-Sud area, dedicated to infrastructural works linked to expanding Autostrada A1 and Autostrada A14 and, in general, all other actions related to large infrastructures in Italy;
- setting up the Interconnections, Junctions and Other Infrastructures area, mainly dedicated to works to adjust Italian motorway junctions and interconnections.
- establishing the Environmental Protection Unit to strengthen control over environmental matters.

At the same time, actions also continued to update the company procedures plan, to adapt the procedure structure of Pavimental to the Management and Control Model (set forth in Legislative Decree 231/01).

For what concerns human resource **Selection, Growth and Training** aspects, in 2012, the company pursued its personnel growth and training objectives, to raise professional levels and further develop and strengthen company culture on safety in the workplace.

Most of the training was carried out using financed training, through Professional Funds for ongoing training which Pavimental adhered to.

In particular, specific technical training sessions like updating on Environment, Safety and Quality and on the job training for use of the multi-year order management software application (STR Vision).

In 2013, the company organised training for a total of 3,512 hours.

In 2013, Industrial Relations were mainly to to attain and manage welfare support provisions and, more specifically, obtain the Extraordinary Earnings Equalisation Fund for Reorganisation for workers employed in 12 Maintenance Units and have access to the Solidarity system for personnel employed in the Rome registered office. On 30 July 2013 and on 1 August 2013, Pavimental obtained the ministerial decrees regarding, respectively, authorisation of salary integration for workers assigned to the registered office and approval of the reorganisation plan.

During 2013, monitoring activities continued with trade unions, in the Infrastructural Areas, on the employment status of workers employed there (Infrastrutture Nord and Centro Sud), seeing as how, some works had almost been completed.

The Company also finalised the union agreements established by provisions in Legislative Decree no. 196/2003 and Law no.300/1970, for correct management of video-surveillance plants in the workplace. Those agreements were signed with the OO.SS. (trade unions) at national level on 5 November 2013, to regulate plants located in the UU.OO. and in the registered office and with territorial OO.SS; on 5 December 2013, to regulate plants located on sites of the three-lane expansion order of the stretch Barberino del Mugello-Incisa Valdarno.

Special attention has also been dedicated to settling conflict with territorial unions representing workers employed by Pavimental sub-contractors, to limit the economic repercussions on Pavimental, as jointly liable.

The following table compares company workforce consistency as at 31 December, for years 2013 and 2012 respectively, in consideration of the various labour relationships, set time period and permanent:

	31 December 2013			31 December 2012			Delta
	TI	TD	TOTAL	TI	TD	TOTAL	
Executives	7		7	7		7	
Middle Managers	26		26	25		25	1
Office workers	293	7	300	299	18	317	(17)
Blue collar workers	381	12	393	390	13	403	(10)
	<u>707</u>	<u>19</u>	<u>726</u>	<u>721</u>	<u>31</u>	<u>752</u>	<u>(26)</u>

The decrease in company workforce numbers is due to the completion of some infrastructural orders.

For what concerns average workforce values, 2013 ended with an average of 631.02 units, against 789.41 in 2012.

The average workforce, divided by category, is as follows:

	2013			2012			Delta
	TI	TD	TOTAL	TI	TD	TOTAL	
Executives	7,25		7,25	7,92		7,92	(0,67)
Middle Managers	25,67		25,67	26,42		26,42	(0,75)
Office workers	279,82	10,01	289,83	307,63	21,83	329,46	(39,63)
Blue collar workers	296,50	11,77	308,27	382,48	43,13	425,61	(117,34)
	<u>609,24</u>	<u>21,78</u>	<u>631,02</u>	<u>724,45</u>	<u>64,96</u>	<u>789,41</u>	<u>(158,39)</u>

## **RELATIONS WITH CORRELATED PARTIES**

Related to Art. 2427 clause 22bis of the Italian Civil Code regarding information with correlated parties, please note that the following commercial and/or financial relations are in force with the Companies listed below and that those relations are carried out at normal market conditions or based on the percentage part of common costs sustained, in the interest of Company activity development.

### **Controlling Companies**

- **Autostrade per l'Italia** (ASPI): direct controlling company, exercised direction and coordination activities during 2013. Consistent commercial and financial relations are ongoing with that company; from an asset point of view, these consisted in both ordinary and extraordinary maintenance of motorways assigned in concession to ASPI and in the construction of infrastructures. Execution of works assigned by the Parent Company represented around 89% of the the Company's entire production. From a liabilities point of view, relations concerned re-debiting motorway toll, emoluments paid to directors, outsourced services, detached personnel, penalties for works, extraordinary charges.

Financial relations with ASPI are constituted by a current account credit line (regulated at market rates) which generates infra-group receivable and payable interest through which, under the Centralised Treasury, normal loan operations to cover bank overdrafts, insurance costs, manager salaries, items concerning taking part in fiscal consolidation are managed, along with items of less importance. The above shows that relations generated are referred to ordinary operations.

Regarding ASPI, please note "sales commitments" representing execution of works still to be carried out for assignments received, and "sureties" concerning insurance and bank surety for the correct execution of works carried out for the Parent Company Autostrade per l'Italia;

- **Atlantia**: indirect controlling party; in 2012 the Company renewed the consolidated tax system option where Atlantia is the consolidator; it also involves a lease for the Company's registered office in villa Fassini.

Here below, you will find a summary, in table format, of economic relations referred to 2013, and capital relations in force as at 31 December 2013.

€ Thousands

**Relations with Controlling Companies (Commercial, financial and other)**

	Autostrade per l'Italia	Atlantia S.p.A.	Autostrade per l'Italia	Atlantia S.p.A.
	<b>31 December 2013</b>		<b>31 December 2012</b>	
<i>Receivables</i>				
Work in progress	232.988		184.835	
Trade Receivables	19.011		6.429	
-Devaluation fund	(1.185)		(1.185)	
Sundry receivables	64		4	
Advances to suppliers	1.415		1.289	
Tax credits		3.098		5.479
<i>Total Receivables</i>	<i>252.293</i>	<i>3.098</i>	<i>191.372</i>	<i>5.479</i>
Long-term investments	4		4	
Tangible assets				
<i>Total fixed assets</i>	<i>4</i>		<i>4</i>	
<i>Debts</i>				
Trade Payables	721	1.314	1.336	648
Advances on IPC/prepayments	12.644		17.166	
Sundry debts	479		436	
Financial debts	148.627		48.114	
Deferred revenue				
Tax debts		1.693		2
<i>Total Debts</i>	<i>162.471</i>	<i>3.007</i>	<i>67.052</i>	<i>650</i>
<i>Memorandum accounts</i>				
Sales commitments	219.986		462.132	
Guarantees - Surety	155.779	22	114.703	22
	<b>2013</b>		<b>2012</b>	
<i>Income</i>				
<i>Production value:</i>				
Works	314.058		480.797	
Services - Sales	1			
Sundry income	1.979		1.702	
Financial income				
Extraordinary income			20	
<i>Total Income</i>	<i>316.038</i>		<i>482.519</i>	
<i>Expenses</i>				
<i>Production costs:</i>				
Services	1.605		2.138	
Use of leased assets	42	549	42	539
Sundry expenses	473		516	
Provisions Multi-year orders	850			
Financial Charges	1.489		1.601	
Extraordinary expenses	25	2	223	5
<i>Total Expenses</i>	<i>4.484</i>	<i>551</i>	<i>4.520</i>	<i>544</i>

## Companies belonging to the Atlantia Group

- **Essediesse**: associated company, during 2013, SDS provided general service management in service activities;
- **Telepass**: associated company; relations with this company are of a commercial nature related to motorway journeys made by company vehicles for work purposes;
- **Società Autostrade Meridionali**: associated company; consistent commercial relations were held with this company for infrastructure construction works;
- **Tangenziale di Napoli**: associated company; consistent commercial relations were held with this company to re-qualify noise barriers;
- **Spea**: associated company; with this company relations involved re-debiting for detached personnel.

€ Thousands

### Relations with Correlated Parties (commercial, financial and other)

	31 December 2013							31 December 2012							
	SAT	Essediesse	SAM	Stalexport Malopolska S.A	Spea	Telepass	Tang. Naples By-pass	TOTAL	SAT	Essediesse	SAM	Stalexport Malopolska S.A	Spea	Telepass	TOTAL
<u>Receivables</u>															
Work in progress		546	2.685	541		1.403	5.175	689	54		1.112				1.855
Trade Receivables		3.754	310	1.676	22		5.762	3.582	34		3.248	127			6.991
Deferrals															
<b>Total Receivables</b>	<b>4.300</b>		<b>2.995</b>	<b>2.217</b>	<b>22</b>	<b>1.403</b>	<b>10.937</b>	<b>4.271</b>	<b>88</b>		<b>4.360</b>	<b>127</b>			<b>8.846</b>
<u>Debts</u>															
Trade Payables			26	18		1	45								
Prepayments		3.227					3.227	3.227							3.227
	<b>3.227</b>	<b>26</b>	<b>18</b>			<b>1</b>	<b>3.272</b>	<b>3.227</b>							<b>3.227</b>
<u>Memorandum accounts</u>															
Sales commitments				9		3.208	3.217	158		2.855					3.013
Guarantees - Surety		1.085	1.095			988	3.168	1.085		298					1.383
	<b>2013</b>							<b>2012</b>							
<u>Revenue</u>															
<u>Production value:</u>															
Works			5.220	564		1.403	7.187	1.309	54		8.362				9.725
Services															
Sundry/fin income			345		67		412		57		35	243			335
<b>Total revenue</b>	<b>0</b>		<b>5.565</b>	<b>564</b>	<b>67</b>	<b>1.403</b>	<b>7.599</b>	<b>1.309</b>	<b>111</b>		<b>8.397</b>	<b>243</b>			<b>10.060</b>
<u>Expenses</u>															
<u>Production costs:</u>															
Services and use of leased assets		85	17	22		11	135	83					12		95
Sundry/fin income			1	5			6					15			15
Extraordinary expenses			4	26		1	31								
<b>Total Expenses</b>		<b>85</b>	<b>22</b>			<b>12</b>	<b>172</b>	<b>83</b>			<b>15</b>	<b>12</b>			<b>110</b>

“Sales commitments” (€ 3,217 thousands) refer to works to be carried out for assignments received and are related to the “surety” (€3,168 thousands) of an insurance type, provided for Customers for assignment of said works.



## **ASSOCIATED COMPANIES AND CONSORTIUMS**

### *Pavimental Est*

Registered office in Moscow  
Corporate capital 4,200,000 of new rubles  
Shareholding 100%

The Company has been dormant since 1999. Provisions to cover any losses, currently expected to be sustained, amount to € 538 thousands. Pavimental has started the associated company's liquidation procedure.

### *Pavimental Polska Sp.z o.o.*

Registered office in Warsaw  
Corporate Capital 3,000,000 PLN  
Shareholding 100%

Production activities focussed on execution of:

- works on the “Balice collection Apron” order, acquired by Stalexport Autostrada Małopolska S.A. in 2013 for a contractual value of 8.5 million Zloty (“PLN”). The order was completed during 2013;
- Gliwice plant apron from General Motors - contractual value of 0.8 million PLN. The order was completed during 2013;
- paving works from the company Skanska - contractual value of 1.4 million PLN. The order was completed during 2013;
- A4 Motorway maintenance from Stalexport Autostrada Małopolska S.A. - contractual value of 1.2 million PLN. The order was completed during 2013;
- wupo from Autostrade Tech - contractual value of 2.4 million PLN of which 240 thousand carried out in 2013;
- works to organise disposal of waters on the A4 motorway, contracted by Stalexport Autostrada Małopolska S.A. and carried out in TC with Pavimental S.p.A. contractual value of 18.9 million PLN, of which 2.4 million carried out in 2013;
- modernization of the drainage canals on PPS, contracted out by the Airport of Balice Cracow and carried out in TC with Pavimental S.p.A. contractual value of 2.9 million PLN, of which 2.2. million PLN carried out in 2013.

Due to margins earned on works, to containing operating costs and reduced financial charges, 2013 closed with a net profit of 737 thousand PLN; this result took the Company's net worth up to 5,341 thousand PLN.

The average workforce went from 34.92 to 38.00 units.

The workforce as at 31 December is 49 units, of which 28 for a pre-set period.

*Elmas S.c.a r.l. (in liquidation)*

Registered office in Rome  
Corporate capital €10,000  
Shareholding 60%

Works to requalify the main runway, restructuring of runway 14-32 and adjustment of AVL plants of Cagliari Elmas Airport awarded to the TC between Pavimental S.p.A. and SAR.CO.BIT. S.r.l. with execution assigned to Elmas S.c.a r.l., were completed during 2009.

As part of the bankruptcy proceedings of the partner SAR.CO.BIT. S.r.l., on 4 October 2010 Cagliari Court of Law admitted the Pavimental application to prove debts in the bankruptcy proceedings for an amount of €1,408 thousands.

The Company was placed in liquidation on 12 June 2013.

*Trinacria S.c.a r.l.*

Registered office Limena (PD)  
Corporate capital €10,000  
Shareholding 47.729%

Following the tender being awarded to the TC between Pavimental S.p.A., Intercantieri Vittadello S.p.A. and la Costruzioni Bruno Teodoro S.p.A. for works to expand the aircraft apron of the “Falcone e Borsellino” Airport in Palermo, on 24 May 2007 a supply contract was stipulated between GESAP S.p.A. and said TC for the sum of €16,311 thousands (subsequently redefined as €14,478 thousands).

On 18 September 2007, the limited liability consortium, called Trinacria S.c.a.r.l was incorporated.

Works on that order were completed during 2013.

*Co.Im.A. S.c. a r.l.*

Registered office in Rome  
Corporate capital €10,000  
Shareholding 75%

On 26 July 2012, a limited liability consortium, Co.Im.A. S.c. a r.l. was incorporated. Its purpose is the implementation of public works and infrastructures by taking part in award procedures through tenders, contract tendering, concession or other awarding system. Corporate capital amounts to €10e thousands divided as follows:

- Pavimental S.p.A. 75%;
- Autostrade Tech S.p.A. 20%;
- Pavimental Polska S.p. z o.o 5%.

In 2012, the Consortium obtained the qualification as General Contracting Party of I Category, thus with the possibility to take part in General Contractor tenders for amounts up to 350 million Euro.

In January 2013, Co.Im.A. purchased 19.8% of capital of SAT Lavori for € 20 thousands; Company incorporated to implement and complete the A12 Livorno – Civitavecchia.motorway stretch.

*Consorzio R.F.C.C. (in liquidation)*

Registered office in Tortona (AL)  
Corporate capital €510,000.00  
Shareholding 30%

In line with what was said in the financial statements for previous periods, we need to confirm the complexity of this Consortium's situation, where receivables from the Customer have remained unvaried.

For what concerns updating of the state of litigation to establish reserves, we are waiting for the Administrative Court of Rabat which is expected to issue the first degree sentence.

For what concerns litigation of a tax nature with the Ministry of Finance, the Consortium is assessing whether to come to a settlement on the matter.

*Galileo S.c.a r.l. (in liquidation)*

Registered office in Perugia  
Corporate capital €10,000.00  
Shareholding 40%

Works on Pisa airport were completed in 2008.

The shareholders Pavimental S.p.A., Todini S.p.A. and Ediltevere S.p.A. hold respectively 40%, 40% and 20% of corporate capital. The certificate of approval was issued on 18 November 2010. The S.c.a r.l. was placed in liquidation in November 2012.

*Quadrante 300 S.c.a r.l. (in liquidation)*

Registered office in Rome  
Corporate capital €10,000.00  
Shareholding 40%

Following awarding to the TC between Pavimental S.p.A., CIC S.p.A. and Leonardo Costruzioni S.p.A. of works to repair and restore paving of airport aprons of the so-called Quadrante 300 in Leonardo da Vinci (Fiumicino) Airport, in October 2009 a S.ca.r.l.called Quadrante 300 was set up to overturn costs. The shareholders Pavimental S.p.A., CIC S.p.A. and Leonardo Costruzioni S.p.A. hold respectively 40%, 41% and 19% of corporate capital.

Activities have been concluded and the Company was closed in December 2013.

*Ramonti S.c.ar.l.*

Registered office in Tortona (AL)  
Corporate capital €10,000.00  
Shareholding 49%

Following final awarding of works ordered by Autostrade Centro Padane S.p.A. for construction of the motorway junction between the toll-gate of Ospitaletto (A4), the new Poncarale (A21) toll-gate and Montichiari airport, on 14 May 2008 a limited liability consortium called Ramonti S.c.a.r.l was incorporated with €10 thousands corporate capital.

The shareholders Itinera S.p.A. and Pavimental S.p.A. hold respectively 51% and 49% of corporate capital. The special purpose joint venture overturns costs onto single shareholders based on shares held. Activities have been completed.

In August 2013, Autostrade Centro Padane S.p.A. reimbursed the TC for about 46 million euro substantially reducing its debt.

*Società Tangenziale Esterna S.p.A.*

Registered office in Milan  
Corporate capital €464,945,000  
Shareholding 1%

On 31 July 2013, the Extraordinary Shareholders' Meeting of the above mentioned company resolved an increase to Share Capital with payment of around 245 million euro.

Pavimental S.p.A. (which holds 1% of corporate capital) subscribed to the percentage it was competent for (€2,449 thousands) taking holding value to €4,649 thousands

Furthermore, to guarantee the bank loan granted to that company, Pavimental signed a pledge agreement on the shares of the TE.

*Consorzio Miteco*

Registered office in Castelnuovo di Sotto (RE)  
Corporate capital €10,000  
Shareholding 1.3%

Consorzio Miteco, originally established to group together the construction companies of the Società TE, is dormant at present.

*Consorzio Costruttori TEEM*

Registered office in Milan  
Corporate capital €10,000  
Shareholding 1%

As part of the construction of the Tangenziale Est Esterna of Milan, Consorzio Miteco was established on 18 June 2009, including construction companies involved in the TEM initiative, with a consortium fund of €10 thousands; Pavimental holds 1%. In September 2011, Miteco shareholders, together with Impresa Pizzarotti & C. S.p.A., set up Consorzio Costruttori TEEM to act as constructor coordinator. The Miteco Board of Representatives resolved on its being wound up because shareholders mean to pursue activities forming the corporate purpose in an alternative way.

*Consorzio Lambro*

Registered office in Milan  
Corporate capital €200,000  
Shareholding 2.78%

Still referred to the Milan Tangenziale Est Esterna, a limited liability consortium with corporate capital of €200 thousands was incorporated on 19 December 2011. Its purpose is to execute works assigned to members of group A of the Consorzio Costruttori TEEM. Pavimental holds 2.78%.

During the year, following re-adjustment of the share held by Impregilo S.p.A. between Gruppo Gavio and Salini Costruzioni, Itinera S.p.A reached 97.22% of the Consortium.

Here below are details of the economic and financial data of said companies:

Economic Relations	2013	2012	Var.
<u>Works on order</u>			
Consorzio Co.Im.A.	3.771		3.771
Consorzio Costruttori TEEM	3.278	845	2.433
Consorzio Lambro	1.807	355	1.452
	<u>8.856</u>	<u>1.200</u>	<u>7.656</u>
<u>Other operating revenue</u>			
Consorzio Costruttori Teem	119		119
Consorzio Elmas		3	(3)
Consorzio Miteco	4	22	(18)
Consorzio Co.Im.A.	28	15	13
Pavimental Polska	150	157	(7)
Consorzio Galileo	3	40	(37)
Consorzio Ramonti	125		125
Consorzio Trinacria	94	162	(68)
	<u>523</u>	<u>399</u>	<u>124</u>
<u>Raw, subsidiary and consumable materials</u>			
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<u>Costs for services</u>			
Consorzio Galileo	15	47	(32)
Consorzio Ramonti	122	800	(678)
Consorzio Trinacria	3.038	4.191	(1.153)
Consorzio Elmas	3	158	(155)
Consorzio Co.Im.A.	3.449	27	3.422
Consorzio Costruttori TEEM	3.237	804	2.433
Consorzio Lambro	1.479	355	1.124
Pavimental Polska	1.066	8.195	(7.129)
Consorzio Miteco	4	10	(6)
	<u>12.413</u>	<u>14.587</u>	<u>(2.174)</u>
<u>Other costs</u>			
Consorzio Ramonti		99	(99)
Consorzio Trinacria	232	249	(17)
Consorzio Elmas	2		2
Consorzio Quadrante 300	1		1
Consorzio Lambro	28		28
	<u>263</u>	<u>348</u>	<u>(85)</u>
<u>Financial income</u>			
Pavimental Polska	4	7	(3)
	<u>4</u>	<u>7</u>	<u>(3)</u>
<u>Financial Charges</u>			
Consorzio RFCC	37	106	(69)
Pavimental Est		13	(13)
Consorzio Quadrante 300	1		1
	<u>38</u>	<u>119</u>	<u>(81)</u>
<u>Extraordinary Income</u>			
Consorzio Trinacria	28		28
	<u>28</u>	<u>-</u>	<u>28</u>
<u>Extraordinary Expenses</u>			
	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Asset Relations	31 December 2013	31 December 2012	Var.
<u>Commercial Assets</u>			
Consorzio Co.Im.A.	2.095	18	2.077
Aeroporti di Roma	14	44	(30)
Consorzio Costruttori TEEM	4.111	575	3.536
Consorzio Lambro	869	180	689
Consorzio Galileo	210	210	
Consorzio Ramonti		19	(19)
Consorzio Trinacria		162	(162)
Consorzio Elmas	548	548	
Consorzio Miteco	6	17	(11)
Pavimental Polska	309	65	244
Consorzio RFCC	124	124	
Consorzio Quadrante 300		39	(39)
	<u>8.286</u>	<u>2.001</u>	<u>6.285</u>
<u>Other current financial assets</u>			
Consorzio Trinacria	159	159	
Consorzio Elmas	1.030	1.030	
Pavimental Polska		400	(400)
Consorzio Lambro		67	(67)
Pavimental Est	510	557	(47)
Consorzio RFCC	2.245	2.227	18
Consorzio Co.Im.A.	20		20
	<u>3.964</u>	<u>4.440</u>	<u>(476)</u>
<u>Other current assets</u>			
Consorzio Galileo	75	75	
Consorzio Elmas	3	3	
Consorzio Trinacria		4	(4)
Consorzio Quadrante 300	3		3
Consorzio Ramonti	245		245
	<u>326</u>	<u>82</u>	<u>244</u>
<u>Commercial liabilities</u>			
Consorzio Costruttori TEEM	3.901	532	3.369
Consorzio Galileo	217	203	14
Consorzio Ramonti		6.927	(6.927)
Consorzio Trinacria	550	2.806	(2.256)
Consorzio Elmas	1.443	1.443	
Consorzio Lambro	652	183	469
Consorzio Miteco	7	14	(7)
Pavimental Polska	840	206	634
Consorzio Quadrante 300		3	(3)
Consorzio Co.Im.A.	1.867		1.867
	<u>9.477</u>	<u>12.317</u>	<u>(2.840)</u>
<u>Other current liabilities</u>			
Consorzio Elmas	3		3
Tangenziale Esterna	1.837	1.200	637
	<u>1.840</u>	<u>1.200</u>	<u>640</u>



## **REGISTERED OFFICE AND MAIN OPERATING UNITS**

Here below is a list of offices:

### REGISTERED OFFICE

ROMA - Via Giuseppe Donati n. 174

### OPERATING OFFICES

Yards:

- Anagni (Frosinone)
- Andria (BAT)
- Arezzo
- Barberino di Mugello (Firenze)
- Bologna
- Casina Rizzardi (Como)
- Calenzano (Firenze)
- Fiesso Umbertiano (Rovigo)
- Genova
- Guidonia Montecelio (Roma)
- Loreto (Ancona)
- Magliano Sabina (Rieti)
- Marcianise (Caserta)
- Origgio (Varese)
- Ortona (Chieti)
- Piacenza
- Rimini
- Trezzo sull'Adda (Milano)
- Uboldo (Varese)
- Roma
- Turate (Co)
- Senigallia (Ancona)
- Fiano Romano (Roma)
- Mondolfo (PU)
- Riccione
- Rosignano Marittimo (LI)
- Barberino di Mugello (Firenze)
- Rimini (RN)
- Località Cangiano
- Contrada Lamapaola
- Civitella in Val di Chiana, Via delle Case Rosse n. 12
- Località Bovecchio – Via Frascineta s.n.
- Via Prati 10 A
- Autostrada A9 Km 30 sud
- Via Madonna del Facchino snc
- Via Trento s.n.
- Autostrada A12 km 2 Direction Ge-Li
- Via Casal Bianco
- Località Leonessa
- Località Campitelli
- S.S. Sannitica km. 19+600
- Autostrada A9 Km 12 south
- Zona Industriale Località Tamarete n.10
- Località Borghetto di Roncaglia
- Frazione S.Martino in Riparotta
- S.P. 2 s.n. per Grezzago
- Via IV Novembre s.n.
- Fraz. Ponte Galeria, Via di Valle Lupara snc
- Via Puecher n.38
- S.S. Arceviese snc
- Via Salaria Km 15+750
- Via Sterpettine s.n.c.
- Via Ancona n. 9
- Località La Valle n. 9, Fraz.ne Vada
- Località Cornocchio
- Via Flaminia Conca n. 85

## **IMPORTANT FACTS OCCURRING AFTER THE END OF THE PERIOD**

On 30/1/2014, the Certification Company “La Soatech S.p.A.” issued a new Qualification to Execute Works certificate, valid for five years.

No other important facts occurred after the period had closed.

## **FORESEEABLE MANAGEMENT TREND**

The Company expects an increase in the production value 2014; this is mainly due to:

- infrastructural orders following the start of new works such as the Rho-Monza, lot 1 of the fourth dynamic lane on the A4, lot 1 of the expansion to three lanes of the stretch Barberino del Mugello-Incisa Valdarno.
- the increase in works in the non -maintenance segment due to the expected start of airport works and a further increase for works involving the laying of noise barriers.

## **INFORMATION PURSUANT TO ART. 2428 ITALIAN CIVIL CODE, CLAUSE 3 POINT 6 - BIS**

The Company operates in the motorway network maintenance sector and in implementing infrastructural works and airport activities, mainly for its Parent Company Autostrade per l’Italia S.p.A. and, to a lesser extent, third party customers and is not exposed to specific market risks, except for those that could be due to any variations to strategies set by the Parent Company.

The Company is not exposed to significant price variation risks on works carried out as remuneration for activities carried out is established contractually with customers.

In the past, the Company has not recorded any important cases of non recognition of additional amounts on infrastructural works.

The Company is not exposed to specific financial flow variation risks, except for those caused by the dynamics of credit collection from customers, mainly Autostrade per l’Italia S.p.A.

The Company is not exposed to significant credit risks nor has it had any significant cases of non compliance by a counterpart; except for receivables from Adriatica S.c.a r.l. and Sielpa for which Pavimental has prudentially set aside a sum in the balance sheet for the possible non recovery of credit; and for the amount receivable from Autostrade Centropadane S.p.A., with whom

negotiations have been concluded leading to a reduction in the credit through collection and receipt of adequate guarantees on coverage of the remaining amount.

At present, the Company is not exposed to liquidity risks as it feels it has access to enough finance sources, internal (also within its Group) and/or external, to satisfy foreseeable financial needs; this both for current operational management purposes and for financial needs to sustain new investments.

The Company is a party in civil and administrative proceedings and in legal actions linked to the normal execution of its activities. Based on the information available at present, the company feels that said proceedings and actions will have no important negative effects on its financial assets and net result, besides those already indicated in this balance sheet.

#### **Other information pursuant to art. 2428 Italian civil code**

The Company does not own treasury stock and shares in Controlling Companies, either directly or through trust companies or third parties. No actions were taken during the period on treasury stock or Controlling Company shares.

#### **INFORMATION ON APPLICATION OF LEGISLATIVE DECREE 196/03**

The Company has regularly fulfilled obligations set forth in the new laws on protecting personal data introduced by Legislative Decree 196/2003 which came into force on 1 January 2004.

The Programmed Safety Document (DPS), drawn up and updated within terms set in compliance with what is set forth in that decree, also contains indication of personal data processed by computers by the Company to carry out its management activities; risk analysis following processing; and prevention measures to be adopted to guarantee data integrity and confidentiality.

The same document also illustrates specific training programs for personnel involved to inform it of risks and prevention measures to avoid conduct that does not protect data managed.

## **INFORMATION ON APPLICATION OF LEGISLATIVE DECREE 231/01**

During 2013 the Supervisory Committee updated the Organisation, Management and Control Model following an increase in the number of offences considered in that Decree.

The Committee also monitored functioning and updating of company procedures and promoted audits to be carried out by the Internal Audit function on how appointments and consultancy was assigned, on payments, contributions and facilitated loans allocated by Public Authorities, selection and hiring of personnel, gifts, donations, taking part in tenders in Italy and abroad. At the date of this balance sheet, those audits are still in progress.

### **Certificate of attestation (SOA)**

In 2013, the Certification Company La Soatech S.p.A. made some changes to the Certificate and, in particular, on 4.03.2013 Certificate no. 15281/17/00 was issued and introduced Ex-Lege new categories. On 11/06/2013, Certificate no. 15890/17/00 which introduced the extension of category OS34 (anti-noise systems for mobility infrastructures) from the fifth to the eighth classification. On 04/07/2013, Certificate no. 16044/17/00 which introduced the extension of category OS8 (River works, defence, hydraulic reorganisation and reclamation) from the second to the seventh classification.

## **PROPOSALS TO THE SHAREHOLDERS' MEETING**

Dear Shareholders,

The draft Balance Sheet being presented to you for approval shows a net period profit of € 328,908

We therefore kindly invite you to approve, in documents presented to you, the Financial Statements for 2013 and this Directors' Report, proposing that:

- 5% be allocated to the legal reserve for an amount of €16,445;
- the remaining period profit for €312,463 be carried forward;

Roma 5 March 2014

# *Financial Statements*

*Balance Sheet*

*and*

*Income Statement*

<b>ASSETS</b>	<b>31/12/2013</b>		<b>31/12/2012</b>	
<b>A) SUBSCRIBED CAPITAL NOT YET PAID</b>				
<b>B) FIXED ASSETS</b>				
<b>I - INTANGIBLE ASSETS</b>				
1) Start-up and expansion costs				
3) Industrial patent and use rights for original work		469.856		634.344
4) Concessions, licences, trade marks and similar rights		198.048		464.185
7) Other		<u>1.325.437</u>	1.993.341	<u>625.090</u>
				1.723.619
<b>II - TANGIBLE ASSETS</b>				
1) Land and buildings		10.330.924		10.806.167
2) Plants and machinery		15.645.202		17.572.714
3) Industrial and commercial equipment		5.025.346		7.507.205
4) Other assets		801.950		979.243
5) Assets in course of acquisition and Advance Payments		<u>2.093.978</u>	33.897.400	<u>596.583</u>
				37.461.911
<b>III - LONG-TERM INVESTMENTS</b>				
1) Shareholdings in:				
a) subsidiaries		726.722		732.022
b) associated companies		13.673		12.900
c) other companies		<u>4.655.241</u>	5.395.636	<u>2.205.790</u>
				2.950.712
2) Receivables:	(*)			(*)
d) from others		<u>124.935</u>	<u>815.834</u>	<u>86.316</u>
			6.211.470	<u>179.522</u>
		<u>124.935</u>		<u>86.316</u>
				179.522
				3.130.234
<b>TOTAL FIXED ASSETS (B)</b>			<u>42.102.210</u>	<u>42.315.764</u>
<b>C) WORKING CAPITAL</b>				
<b>I - INVENTORIES</b>				
1) Raw, subsidiary and expendable materials		8.529.810		10.613.139
2) Contract work in progress:		<u>252.259.710</u>	260.789.520	<u>198.714.158</u>
				209.327.297
<b>II - RECEIVABLES</b>	(**)			(**)
1) from customers		29.156.329		45.730.860
2) from subsidiaries		2.500.876		2.974.184
3) from associated companies		3.058.625		2.694.655
4) from controlling companies		22.403.198		12.016.654
4 - bis) Taxes		4.393.085		2.478.913
4-ter) Prepaid taxes	1.713.225	1.854.297		1.001.786
5) From others		<u>2.284.648</u>	65.651.058	<u>2.894.631</u>
		<u>1.713.225</u>		<u>842.561</u>
				69.791.683
<b>IV - LIQUID ASSETS</b>				
1) Bank and postal deposits		1.522.779		1.949.688
2) Cash and securities at hand		<u>19.984</u>	1.542.763	<u>18.846</u>
				1.968.534
<b>TOTAL WORKING CAPITAL (C)</b>			<u>327.983.341</u>	<u>281.087.514</u>
<b>D) ACCRUALS AND DEFERRALS</b>				
Accruals and other deferrals			<u>1.266.923</u>	<u>1.133.666</u>
<b>TOTAL ASSETS</b>			<u>371.352.475</u>	<u>324.536.944</u>

(\*) Amounts collectable within the next period  
(\*\*) Amounts collectable after the next period



<b>LIABILITIES</b>	<b>31/12/2013</b>			<b>31/12/2012</b>		
<b>A - SHAREHOLDERS' EQUITY</b>						
I - CORPORATE CAPITAL			10.116.452			10.116.452
II - SHARE PREMIUM RESERVE			29.331.726			29.331.726
IV - LEGAL RESERVE			566.716			566.716
VII - OTHER RESERVES			- 141.003			- 152.369
VIII - PROFITS CARRIED FORWARD			- 1.627.763			6.110.043
IX - PROFIT FOR THE PERIOD			328.908			- 7.737.807
			<u>38.575.036</u>			<u>38.234.761</u>
<b>B) FUNDS FOR RISKS AND CHARGES</b>						
2) FOR TAXES, INCLUDING DEFERRED	6.520					27.074
3) OTHER:						
fund for lawsuits in progress	1.390.090					1.405.000
fund for environmental remediation expenses	72.390					130.000
fund for losses on multi-year orders	850.000					
fund for multi-year bonuses to employees						
fund for holding devaluation surplus	<u>3.689.012</u>	<u>6.008.012</u>	<u>6.008.012</u>	<u>3.652.012</u>	<u>5.214.086</u>	<u>5.214.086</u>
<b>C) SEVERANCE INDEMNITY FOR EMPLOYEES</b>						
			<u>5.565.527</u>			<u>5.881.735</u>
<b>D) DEBTS</b>						
4) Due to banks	(**)		2.662.256	(**)		
6) Advances			16.137.201			20.414.053
7) Due to suppliers			129.868.282			171.267.072
9) due to subsidiaries			4.153.084			4.579.540
10) due to associated companies			766.633			7.134.156
11) due to controlling companies			152.834.057			50.536.051
12) for taxes			1.488.898			8.197.725
13) Due to pension and social security institutes			234.305			1.401.110
14) Due to others			<u>13.059.185</u>	<u>321.203.901</u>		<u>11.671.164</u>
						<u>275.200.871</u>
<b>D) ACCRUALS AND DEFERRALS</b>						
Accruals and other deferrals						<u>5.491</u>
<b>TOTAL LIABILITIES</b>			<u>371.352.475</u>			<u>324.536.944</u>
<b>MEMORANDUM ACCOUNTS</b>						
<b>REAL GUARANTEES PROVIDED FOR OTHER PARTY OBLIGATIONS:</b>						
of associated companies			3.556.033			3.559.117
of other companies held						
<b>PURCHASE AND SELLING COMMITMENTS</b>			283.745.000			472.045.000
<b>OTHERS</b>			250.608.795			198.797.923
<b>TOTAL MEMORANDUM ACCOUNTS</b>			<u>537.909.828</u>			<u>674.402.040</u>
<p>(*) Amounts collectable within the next period  (**) Amounts collectable after the next period</p>						

<b>INCOME STATEMENT</b>	<b>2013</b>		<b>2012</b>	
<b>A) PRODUCTION VALUE</b>				
1) REVENUE FROM SALES AND SERVICES		294.228.172		607.823.178
3) VARIATION TO CONTRACT WORK IN PROGRESS		54.666.967		- 104.144.785
4) INCREASES TO CAPITALISATION FOR INTERNAL WORKS		977.004		384.306
5) OTHER INCOME AND REVENUES				
capital gains from sale of assets	310.989		201.662	
absorption of working capital funds				
absorption of funds for risks and charges			177.000	
sundry income	2.779.039		2.859.434	
other cost recoveries	<u>5.098.259</u>	<u>8.188.287</u>	<u>4.603.156</u>	<u>7.841.252</u>
		<u>358.060.430</u>		<u>511.903.951</u>
<b>B) PRODUCTION COSTS</b>				
6) FOR RAW, SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS		124.183.686		201.009.828
7) FOR SERVICES		168.590.996		255.022.777
8) FOR LEASED ASSETS		1.290.106		1.287.992
9) FOR PERSONNEL				
a) salaries and wages	28.398.574		33.317.046	
b) social security	10.398.706		12.071.728	
c) severance indemnity	203.317		360.981	
d) retirement pay and kindred outlays	1.983.363		2.129.452	
e) other costs	<u>285.600</u>	<u>41.269.560</u>	<u>347.187</u>	<u>48.226.394</u>
10) DEPRECIATION AND DEVALUATIONS				
a) depreciation of intangible assets	729.955		1.668.526	
a) depreciation of tangible assets	9.460.585		10.091.286	
d) devaluation of credits in working capital and liquid assets	<u>3.195.490</u>	<u>13.386.030</u>	<u>1.816.458</u>	<u>13.576.270</u>
11) VARIATIONS TO LEFTOVER RAW, SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS		2.083.329		- 2.114.429
12) PROVISIONS FOR RISKS				
13) OTHER PROVISIONS		850.000		
14) SUNDRY OPERATING EXPENSES		<u>1.761.062</u>		<u>3.017.113</u>
		<u>- 353.414.769</u>		<u>- 520.025.945</u>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A-B)</b>		<u>4.645.661</u>		<u>- 8.121.994</u>
<b>C) FINANCIAL INCOME AND CHARGES</b>				
16) OTHER FINANCIAL INCOME				
a) income from receivables entered in assets				
other	431		906	
d) income other than the above :				
interest and commission from others and sundry income	<u>980.727</u>	<u>981.158</u>	<u>1.912.394</u>	<u>1.913.300</u>
17) INTEREST AND OTHER FINANCIAL EXPENSES				
interest and commission to controlling companies	1.489.183		1.600.762	
interest and commission to others and sundry expenses	<u>658.866</u>	<u>- 2.148.049</u>	<u>734.507</u>	<u>- 2.335.269</u>
17-bis) PROFITS AND LOSSES ON EXCHANGE		<u>- 139.172</u>		<u>- 209.090</u>
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>		<u>- 1.306.063</u>		<u>- 631.059</u>
<b>D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS</b>				
19) DEVALUATIONS				
of shareholdings		<u>- 37.737</u>		<u>- 119.113</u>
<b>TOTAL ADJUSTMENTS</b>		<u>- 37.737</u>		<u>- 119.113</u>
<b>E) EXTRAORDINARY REVENUE AND EXPENSES</b>				
20) REVENUE				
contingent and non-existent assets	1.071.304		569.660	
other	<u>39.533</u>	<u>1.110.837</u>	<u>1.861.480</u>	<u>2.431.140</u>
21) EXPENSES				
contingent and non-existent liabilities	1.059.967		1.386.869	
taxes for previous periods			61.621	
bonuses to leave the company	361.200		1.103.850	
other	<u>134.689</u>	<u>- 1.555.856</u>	<u>45.327</u>	<u>- 2.597.667</u>
<b>TOTAL EXTRAORDINARY ITEMS</b>		<u>- 445.019</u>		<u>- 166.527</u>
<b>RESULT BEFORE TAXES</b>		<u>2.856.842</u>		<u>- 9.038.693</u>
<b>22) TAXES ON PERIOD REVENUE CURRENT, DEFERRED AND PREPAID</b>				
<b>CURRENT TAXES</b>				
IRES	1.699.000		- 2.123.523	
IRAP	<u>1.702.000</u>	<u>- 3.401.000</u>	<u>1.210.000</u>	<u>913.523</u>
<b>PREPAID TAXES</b>				
IRES	- 870.646		- 387.363	
IRAP	<u>- 2.420</u>	<u>873.066</u>		<u>387.363</u>
<b>TOTAL TAXES</b>		<u>- 2.527.934</u>		<u>1.300.886</u>
<b>23) PROFIT FOR THE PERIOD</b>		<u>328.908</u>		<u>- 7.737.807</u>

ASSETS		Values in thousands of Euro			
		31/12/2013		31/12/2012	
<b>A) SUBSCRIBED CAPITAL NOT YET PAID</b>					
<b>B) FIXED ASSETS</b>					
<b>I - INTANGIBLE ASSETS</b>					
1) Start-up and expansion costs					
3) Industrial patent and use rights for original work		470		634	
4) Concessions, licences, trade marks and similar rights		198		464	
7) Other		<u>1.325</u>	1.993	<u>625</u>	1.723
<b>II - TANGIBLE ASSETS</b>					
1) Land and buildings		10.331		10.806	
2) Plants and machinery		15.645		17.573	
3) Industrial and commercial equipment		5.025		7.507	
4) Other assets		802		979	
5) Assets in course of acquisition and Advance Payments		<u>2.094</u>	33.897	597	37.462
<b>III - LONG-TERM INVESTMENTS</b>					
1) Shareholdings in:					
a) subsidiaries		727		732	
b) associated companies		14		13	
c) other companies		4.655	5.396	2.206	2.951
2) Receivables:	(*)			(*)	
d) from others		- 125	816	<u>86</u>	180
		<u>125</u>	<u>816</u>	<u>86</u>	<u>180</u>
			6.212		3.131
<b>TOTAL FIXED ASSETS (B)</b>			<u>42.102</u>		<u>42.316</u>
<b>C) WORKING CAPITAL</b>					
<b>I - INVENTORIES</b>					
1) Raw, subsidiary and expendable materials		8.530		10.613	
2) Contract work in progress:		<u>252.259</u>	260.789	<u>198.714</u>	209.327
<b>II - RECEIVABLES</b> (*)					
1) from customers		29.156		45.731	
2) from subsidiaries		2.501		2.974	
3) from associated companies		3.059		2.695	
4) from controlling companies		22.403		12.016	
4 - bis) Taxes		4.393		2.479	
4-ter) Prepaid taxes	1.713	1.854		843	1.002
5) From others		2.285	65.651	2.895	69.792
		<u>1.713</u>		<u>843</u>	
<b>IV - LIQUID ASSETS</b>					
1) Bank and postal deposits		1.523		1.949	
2) Cash and securities at hand		<u>20</u>	1.543	<u>19</u>	1.968
<b>TOTAL WORKING CAPITAL (C)</b>			<u>327.983</u>		<u>281.087</u>
<b>D) ACCRUALS AND DEFERRALS</b>					
Accruals and other deferrals			<u>1.267</u>		<u>1.134</u>
<b>TOTAL ASSETS</b>			<u>371.352</u>		<u>324.537</u>

(\*) Amounts collectable within the next period

(\*\*) Amounts collectable after the next period

Values in thousands of Euro

<b>LIABILITIES</b>	<b>31/12/2013</b>	<b>31/12/2012</b>
<b>A - SHAREHOLDERS' EQUITY</b>		
I - CORPORATE CAPITAL	10.116	10.116
II - SHARE PREMIUM RESERVE	29.332	29.332
IV - LEGAL RESERVE	567	567
VII - OTHER RESERVES	-141	-152
VIII - PROFITS CARRIED FORWARD	-1.628	6.110
IX - PROFIT FOR THE PERIOD	329	-7.738
	<u>38.575</u>	<u>38.235</u>
<b>B) FUNDS FOR RISKS AND CHARGES</b>		
2) FOR TAXES, INCLUDING DEFERRED	6	27
3) OTHER:		
fund for lawsuits in progress	1.390	1.405
fund for environmental remediation expenses	73	130
fund for losses on multi-year orders	850	
fund for multi-year bonuses to employees		
fund for holding devaluation surplus	3.689	6.008
	<u>6.008</u>	<u>6.008</u>
	<u>3.652</u>	<u>5.214</u>
		<u>5.214</u>
<b>C) SEVERANCE INDEMNITY FOR EMPLOYEES</b>		
	<u>5.566</u>	<u>5.882</u>
<b>D) DEBTS</b>		
4) Due to banks	2.662	(**)
6) Advances	16.137	20.414
7) Due to suppliers	129.868	171.267
9) due to subsidiaries	4.153	4.580
10) due to associated companies	767	7.134
11) due to controlling companies	152.834	50.536
12) for taxes	1.489	8.198
13) Due to pension and social security institutes	234	1.401
14) Due to others	13.059	11.671
	<u>321.203</u>	<u>275.201</u>
	<u>-</u>	<u>-</u>
<b>D) ACCRUALS AND DEFERRALS</b>		
Accruals and other deferrals		5
	<u>371.352</u>	<u>324.537</u>
<b>TOTAL LIABILITIES</b>		
	<u>371.352</u>	<u>324.537</u>
<b>MEMORANDUM ACCOUNTS</b>		
<b>REAL GUARANTEES PROVIDED FOR OTHER PARTY OBLIGATIONS:</b>		
of associated companies	3.556	3.559
of other companies held		
<b>PURCHASE AND SELLING COMMITMENTS</b>		
	283.745	472.045
<b>OTHERS</b>		
	250.609	198.798
	<u>537.910</u>	<u>674.402</u>
<b>TOTAL MEMORANDUM ACCOUNTS</b>		
	<u>537.910</u>	<u>674.402</u>

(\*) Amounts collectable within the next period  
(\*\*) Amounts collectable after the next period

		Values in thousands of Euro			
INCOME STATEMENT		2013		2012	
<b>A) PRODUCTION VALUE</b>					
1) REVENUE FROM SALES AND SERVICES		294.228		607.823	
3) VARIATION TO CONTRACT WORK IN PROGRESS		54.667		-104.144	
4) INCREASES TO CAPITALISATION FOR INTERNAL WORKS		977		384	
5) OTHER INCOME AND REVENUES					
capital gains from sale of assets		311		202	
absorption of working capital funds					
absorption of funds for risks and charges				177	
sundry income		2.779		2.859	
other cost recoveries		5.098	- 8.188	4.603	- 7.841
			<u>358.060</u>		<u>511.904</u>
<b>B) PRODUCTION COSTS</b>					
6) FOR RAW, SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS		124.183		201.010	
7) FOR SERVICES		168.591		255.023	
8) FOR LEASED ASSETS		1.290		1.288	
9) FOR PERSONNEL					
a) salaries and wages		28.399		33.317	
b) social security		10.399		12.072	
c) severance indemnity		203		361	
d) retirement pay and kindred outlays		1.983		2.129	
e) other costs		286	41.270	347	48.226
10) DEPRECIATION AND DEVALUATIONS					
a) depreciation of intangible assets		730		1.669	
a) depreciation of tangible assets		9.461		10.091	
d) devaluation of credits in working capital and liquid assets		3.195	13.386	1.816	13.576
11) VARIATIONS TO LEFTOVER RAW, SUBSIDIARY MATERIALS, CONSUMABLES AND GOODS			2.083		- 2.114
12) PROVISIONS FOR RISKS					
13) OTHER PROVISIONS			850		
14) SUNDRY OPERATING EXPENSES			- 1.761		- 3.017
			<u>- 353.414</u>		<u>- 520.026</u>
<b>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A-B)</b>			<u>4.646</u>		<u>- 8.122</u>
<b>C) FINANCIAL INCOME AND CHARGES</b>					
16) OTHER FINANCIAL INCOME					
a) income from receivables entered in assets other				1	
d) income other than the above : interest and commission from others and sundry income		981	981	1.912	1.913
17) INTEREST AND OTHER FINANCIAL EXPENSES					
interest and commission to controlling companies		1.489		1.601	
interest and commission to others and sundry expenses		659	- 2.148	734	- 2.335
17-bis) PROFITS AND LOSSES ON EXCHANGE			- 139		- 209
<b>TOTAL FINANCIAL INCOME AND CHARGES</b>			<u>- 1.306</u>		<u>- 631</u>
<b>D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS</b>					
19) DEVALUATIONS of shareholdings			- 38		- 119
<b>TOTAL ADJUSTMENTS</b>			<u>- 38</u>		<u>- 119</u>
<b>E) EXTRAORDINARY REVENUE AND EXPENSES</b>					
20) REVENUE					
contingent and non-existent assets		1.071		570	
other		40	1.111	1.861	2.431
21) EXPENSES					
contingent and non-existent liabilities		1.060		1.387	
taxes for previous periods				62	
bonuses to leave the company		361		1.104	
other		135	- 1.556	45	- 2.598
<b>TOTAL EXTRAORDINARY ITEMS</b>			<u>- 445</u>		<u>- 167</u>
<b>RESULT BEFORE TAXES</b>			<u>2.857</u>		<u>- 9.039</u>
<b>22) TAXES ON PERIOD REVENUE CURRENT, DEFERRED AND PREPAID</b>					
<b>CURRENT TAXES</b>					
IRES		1.699		- 2.124	
IRAP		1.702	- 3.401	1.210	914
<b>PREPAID TAXES</b>					
IRES		- 871		- 387	
IRAP		- 2	873		387
<b>TOTAL TAXES</b>			<u>- 2.528</u>		<u>1.301</u>
<b>23) PROFIT FOR THE PERIOD</b>			<u>329</u>		<u>- 7.738</u>

# *Notes*

## 1. Factors of a General Nature

Pavimental S.p.A. (hereinafter also the Company) is held, for 99.40%, by Autostrade per l'Italia S.p.A.

The corporate purpose concerns undertaking, in Italy and abroad, also together with third parties, initiatives and activities of public and private interest, for the execution of :

- 1) earth works with any connected brick and reinforced concrete works of the current type, demolitions and excavations;
- 2) civil, industrial and monumental buildings complete with plants and works connected to accessory building works related to energy production and distribution complexes;
- 3) special reinforced concrete works;
- 4) road constructions and paving, airport and railway embankments;
- 5) paving using special materials;
- 6) hydraulic works, aqueducts, sewers, irrigation plants and hydraulic defence and settlement works;
- 7) maritime works, construction of docks, basins, quays, etc.; dredging works;
- 8) dams;
- 9) tunnels;
- 10) various special works, special foundations; stabilisation of ground; site reclamation, handling, collection, transport, storage, treatment, recovery and disposal of special and special hazardous waste.

The Company has adhered to the Group taxation system called "Tax Consolidation System".

The Company, which holds shares in subsidiaries, has not prepared a consolidated balance sheet as presuppositions held exempt it pursuant to art. 27, clause 3, of Legislative Decree 127/1991. The consolidated financial statements of the Group, that the Company and the above mentioned subsidiary belong to, will be prepared by Atlantia S.p.A., with registered office in Via Bergamini 50, Roma, and will be made public as established and foreseen by laws in force.

## **2. Period balance sheet structure and content**

The financial statements for the period closed as at 31 December 2013 was drawn up, as in the previous period, in an ordinary form, in compliance with the Civil Code, interpreted by the accounting standards issued by the National Board of Chartered Accountants and Expert Bookkeepers as amended by the O.I.C. (Italian Accounting Authority).and by documents issued by the OIC itself.

The financial statements as at 31 December 2013 include Balance Sheet and Income Statement layouts which respond, in both structure and content, to provisions in arts. 2423 ter, 2424, 2424 bis, 2425 and 2425 bis of the Italian Civil Code., and these Notes which are an integral part of the financial statements pursuant to art. 2423, clause 1, Italian Civil Code providing the information required by arts. 2427 and 2427 bis Italian Civil Code and other regulations, to be referred to.

The Financial Statements, drawn up with ongoing company activities in mind, are clear and true and correctly present the company's capital and financial situation and the economic result for the period.

No exceptional situations occurred during the period making it necessary to recur to exceptions in compliance with art. 2423 , clause 4, Italian civil code.

The Balance Sheet and Income Statement have been drawn up in both Euro units with no decimals, as set forth the art. 16 of Legislative Decree 213/1998 and by art. 2423, clause 5, Italian Civil Code, and rounded to thousands of Euro. Unless indicated otherwise, the information provided on the Balance Sheet and Income Statement items in these Notes is expressed in values rounded to thousands of Euro.

Pursuant to clause 5 of art. 2423 ter, the balance sheet is presented indicating the corresponding amount next to each item, for both 2013 and for the previous period.

The financial report can be found in the Directors' Report.

There are no assets nor loans intended for a specific deal.

For what concerns information on how Company business is progressing, the main events that occurred in 2013 and those that took place after its closure date, and on relations with subsidiaries, associated companies, parent companies and companies subjected to the control of the latter, please refer to the Directors' Report which accompanies these financial statements.

With reference to operations carried out with related parties, please note that, pursuant to art. 2427, clause 22bis of the Italian Civil Code, no important operations took place



during the period that were not finalised under normal market conditions, in both "price" terms and for motives lying behind the decision to carry them out.

Please note that, in compliance with art. 2497 bis clause 4 of the Italian Civil Code, the summary sheet with essential balance sheet data as at 31 December 2012 for Autostrade per l'Italia S.p.A. (last balance sheet approved when these Notes were prepared), the company that directed and coordinated Pavimental S.p.A. in 2012, has been attached to these Notes.

### 3. Accounting principles and assessment criteria

Criteria applied to value balance sheet items, when adjusting values and assessing values not originally expressed in the standard Italian currency are in line with what is set forth in the Italian Civil Code, including assessment criteria expressed in art. 2426 Italian Civil Code and in art. 2423 bis, interpreted by accounting principles prepared by the National Board of Chartered Accountants and Expert Bookkeepers as amended by the O.I.C.

In particular, when drafting the financial statements, the following principles, in line with art. 2423-bis Italian civil code, were complied with:

- a) items were assessed prudently and with the company's ongoing business in mind, and considering the economic function of the asset or liability item considered;
- b) it only includes profits realised at the balance sheet closure date;
- c) revenue and charges referred to the period were considered, independent of their collection or payment date;
- d) risks and losses for the period were entered, even if known after it had ended;
- e) heterogeneous elements found in dingle items were assessed separately;
- f) assessment criteria are the same as those applied in the previous period.

If items are not comparable, those for 2012 have been reclassified.

No items have been compensated.

Here below you will find a description of the assessment criteria applied to the most significant balance sheet items.

## **Assets**

Pursuant to art. 2424-bis Italian civil code, assets include elements that are expected to be used in a lasting manner.

Incremental costs for maintenance and repairs have been attributed to the assets referred to and depreciated related to the residual use possibilities.

## **Intangible Assets**

Intangible assets are entered, with Board of Auditors consent, where required, at purchase or production cost, including, where sustained, additional, directly attributable costs, calculated in compliance with art. 2426 no. 1 Italian civil code and have been systematically depreciated related to residual use possibilities and economic utility.

Depreciation, related to the single capitalised cost types, varies from a minimum of three periods to a maximum of twenty.

Pre-operation costs sustained to start new infrastructural works are depreciated in proportion with works carried out on the orders they refer to.

Costs sustained for tenders awarded and for those being awarded are entered in the income statement for the period they are sustained in as they are expenses of a recurrent nature needed to carry out normal commercial activities.

For what concerns the costs of state-owned land concessions, the depreciation percentage is calculated based on concession duration.

Depreciation on capitalisation of industrial patents is calculated with reference to the patent's twenty-year duration.

Last of all, for expenses capitalised for the purchase and implementation of the software “ERP”, “Board” and “STR” it will be fully depreciated in 7 years, as of its start-up date.

Intangible assets are devalued when their value is lastingly lower than their remaining possibility of use. If devaluation presuppositions should no longer exist in subsequent periods, the original value is restored, only adjusted by depreciation.

## **Tangible Assets**

Tangible assets are entered at purchase cost calculated in compliance with art. 2426, clause 1 Italian civil code. The cost includes, where conditions exist, increases for any directly attributable additional expenses, in accordance with statutory regulations and accounting standards referred to above.

Company assets contain no assets for which past monetary revaluation was carried out.

Tangible assets in currency are entered at the exchange rate of the day the purchasing operation took place.

The cost, calculated as specified above, of tangible assets with limited use over time, is depreciated systematically in each period based on the technical economic percentages indicated below, considered congruent related to the asset's remaining possibility of use. For assets coming into use in the period, depreciation was calculated from the date said use started.

Ordinary maintenance expenses and repairs are entered in the Income Statement of the period they are sustained in. Improvement and expansion expenses, when an increase in asset value or its useful lifespan is involved, are entered increasing the asset value.

Tangible assets are devalued when their value is lastingly lower than their remaining possibility of use. If devaluation presuppositions should no longer exist in subsequent periods, the original value is restored, only adjusted by depreciation.

### **Long-term Investments**

“Shareholdings” are entered in “Assets” or in “Working Capital” depending on whether holding them is considered a lasting fact or not.

Shareholdings entered in Long-term Investments are assessed at purchase or subscription costs. This cost is reduced for lasting losses if the holding has run up losses, also of a currency nature, and no profit that could absorb those losses is foreseen in the immediate future or when the holding's profitability prospects do not consent to fill recovery of its book value. Any losses exceeding book value are allocated to a specific liabilities fund. If the presuppositions for devaluation applied should no longer apply, the original value is restored within devaluation limits, with effects in the income statement. Liabilities also include a “Fund for surplus on holding devaluations” to cover any further expenses expected for managing said holdings.

Shareholdings were not revalued.

Any dividends are entered in the period the right to credit occurs in, even if the payment date has not yet been established.

Receivables from others are entered at nominal value considered representative of collection value.

### **Inventories: raw, subsidiary and expendable materials**

At the period closure date, "Raw, subsidiary and expendable materials" are valued at the lower amount between purchase cost, calculated applying the "average weighted cost" method and the collectable value presumed based on market trend.

The value of any obsolete or slow-turning materials is devalued based on expected future use or collection, and entered in a specific rectified fund reducing the value of the inventories themselves. The restored original cost, if reasons behind lowering the market value should not persist, is credited to the income statement.

"Contract work in progress" refers to orders in progress at the end of the period due to contracts with customers for works that have not yet been certified. These are entered based on contractual sums accrued with reasonable certainty, calculated based on the percentage completion method and calculated related to effective works completion gross of any prepayments received and net of final amounts invoiced.

Additional price increases, due to laws in force, contractual clauses or higher costs sustained, being defined with the customer, are calculated and entered within amount limits for which manifestation and quantification are reasonably certain.

Any loss on completion, with reference to orders in progress, are allocated to provisions for risks and charges based on reasonable estimates.

### **Receivables**

Receivables classified in "Working capital" are entered at their presumed collection value, that is the nominal value rectified by the credit devaluation fund for losses to be expected at the balance sheet drafting date.

### **Funds for Risks and Charges**

Funds for risks and charges are allocated to cover certain or probable losses or liabilities, for which amount or occurrence date cannot be calculated at the time of period closure.

Allocations reflect the highest estimate possible based on elements available when the balance sheet is drawn up. Risks for which a liability occurring is only possible are indicated, where significant, in the fund comment note, without allocating any risk and charge fund.

### **Employee Severance Indemnity**

Employee severance indemnity is calculated in compliance with art. 2120 Italian civil code, in compliance with any regulating amendments occurring in the meantime pursuant to and for the purposes of Italian Legislative Decree no. 252, 5 December 2005 and subsequent amendments and integrations. The amount entered in the Financial Statements reflects the debt accrued at the end of the period towards employees, net of any prepayments made and substitute taxes. That liability is subject to indexed revaluation.

Following approval of Law no. 296 of 27 December 2006, (Reform of supplementary pension) and subsequent decrees and regulations, allocations accrued as of 1 January 2007, entered in the income statement under personnel costs in compliance with the supplementary pension reform, are periodically deposited with INPS (national pension scheme) and the supplementary pension funds chosen by the employee as of the choice date. Those accrued prior to that choice are debited to the Severance Indemnity Fund.

### **Debts**

These are entered at nominal value representative of their extinction value.

### **Credits and debts in currency**

Credits and debts originally expressed in foreign currency are converted into Euro at historical exchange rates of the relative operation date. Any rate differences collected when receivables are collected and debts paid in foreign currency are entered in the Income Statement.

Credits and debts in currency other than the Euro, except for assets, are entered in the balance sheet at the exchange rate in force at the period closure date indicated by the Bank of Italy.

Net exchange differences are entered in the Income Statement under item C17 bis "Profits and losses on exchange". Any net profit for exchange differences unrealised is allocated at time of balance sheet approval to a specific non distributable reserve till realised.

Accounts of the stable structure in Poland are kept in local currency (PLN). Balances are converted at the average rate for the period for income statements and at the spot rate for real accounts and aggregated with those of Pavimental S.p.A..

Exchange differences resulting from the elimination of items between Pavimental and the Polish branch are entered in a Shareholders' Equity reserve.

### **Liquid assets**

Liquid assets are entered at nominal value representative of the relative collection value and are represented by bank and cash deposits.

### **Accruals and Deferrals**

Accruals and deferrals (payable and receivable) are calculated applying the time competence criterion, so as to attribute the percentage of income and charges related to two or more periods to the period.

### **Taxes**

Income taxes for the period are calculated based on a realistic forecast of taxes to be paid, applying tax laws in force.

As of the 2009 tax period, Pavimental S.p.A. has adhered to the National Fiscal Consolidation System of Atlantia S.p.A. for the three-year period 2009 – 2011 (with the option to renew it for the following three-year period, 2012 – 2014) defining all mutual relations and responsibilities (so-called “Regulations”). The Regulations signed by the parties establishes full recognition of the amount corresponding to what is produced between the IRES percentage and profits transferred, and the transfer of any tax credits. Consequently, financial relations for what concerns current IRES taxes are classified in the balance sheet under the item “Receivable from Controlling Company” or “Payable to Controlling Company”.

Entering of current and deferred taxes for IRAP purposes remains unchanged. Tax debt for IRAP purposes is entered in the Balance Sheet under “Tax debts”, net of any prepayments made or under “Tax Credits”, if the balance is positive.

Moreover, in compliance with article 2424 Italian civil code, as amended by Legislative Decree 6/2003, prepaid taxes are indicated separately in the balance sheet (net of indemnifiable deferred taxes).

Prepaid and deferred taxes, proportionate to temporary differences between statutory values entered in balance sheet assets and liabilities and corresponding values of fiscal importance, and on any prior tax losses, are entered based on tax percentages known - at the date of the

balance sheet - for the periods they are paid in; hence, where feasible, the company realigns allocations based on the new percentages.

Deferred taxes, resulting from deferred taxation income components, are only entered if there are founded probabilities for the relative debt to arise and have the “Fund for taxes, also deferred” as their counter-item.

Future tax benefits arising from tax losses that can be carried forward or from deferred deductibility income components, are only entered if it is reasonably certain that they can be realised and are entered in working capital under “Prepaid taxes”.

### **Revenue and costs**

Income from production, other income and revenue and costs and expenses are entered applying the principles of economic, time competence and prudence.

In particular, income from supply contracts are entered on the basis if contractual amounts accrued with reasonable certainty, calculated applying the completion percentage method and related to effective works progress.

### **Memorandum accounts**

With reference to guarantees granted and commitments taken, we would like to specify that:

- guarantees are valorised for the residual amount of the debt or other obligation guaranteed;
- sales commitments are calculated based on the remaining execution obligation on contracts in progress.



## **BALANCE SHEET**

(in brackets values as at 31 December 2012)

### **Balance Sheet - Assets**

**€371,352 thousands (324,537)**

### **Fixed assets**

**€42,102 thousands (42,316)**

### **Intangible Assets**

**€1,993 thousands (1,723)**

That item, compared to the previous period, shows a net increase of €270 thousands due to the combined effect of the following factors:

- decrease for period depreciation of €730 thousands;
- increase due to period capitalisation for € 1,000 thousands basically attributable to capitalisation of pre-operational costs for the Barberino – Firenze Nord Lot 1 order assigned by Autostrade per l’Italia.

None of the intangible assets have been reduced in value, except for period depreciation, or revalued.

Variations to the item in question are presented analytically in the following table:

€ Thousands	31/12/2012			Period variations			31/12/2013		
	Cost	Depreciation	reholders' Equi	Investments	classificatio	Depreciation	Cost	Depreciation	reholders' Equi
. Concessions, licences and similar rights									
- Software licences	365	348	17	3		17	368	365	3
- State-owned land concessions	808	361	447			252	808	613	195
. Ind. patents and use rights:									
- Software	3.159	2.536	623	20		183	3.179	2.719	460
- industrial patents and use rights	18	7	11			1	18	8	10
. Others:									
- Pre-operational costs	4.781	4.422	359	977		192	5.758	4.614	1.144
- Improvements to yards and offices	624	358	266			85	624	443	181
	<u>9.755</u>	<u>8.032</u>	<u>1.723</u>	<u>1.000</u>		<u>730</u>	<u>10.755</u>	<u>8.762</u>	<u>1.993</u>

The Software item represents costs capitalised by the Company to implement the ERP integrated system, the package used for budgeting and for the economic management of infrastructural orders.

### **Tangible Assets**

**€33,897 thousands (37,462)**

The decrease in the value of tangible assets by € 3,565 thousands is mainly due to the combined effect of the following factors:

- increase for new Company investments for € 6,282 thousands as illustrated in the "Investments" chapter in the Directors' Report, to be referred to;
- decrease of € 386 thousands, due to disposal and sale net of relative depreciation funds and exchange differences;
- depreciation for the period for € 9,461 thousands, calculated based on percentages indicated in the Income Statement paragraph on " Depreciation and Devaluation".

Here below is a summary of period movements:

€ Thousands	31/12/2012			Period variations										31/12/2013		
				Historical Cost					Depreciation fund							
	Cost	Fund	reholders' Equ	Investments	classification	Transfers	classification	Exchange diff	Total	Depre.	Transfers	Exchange diff	Total	Cost	Fund	reholders' Equi
Land and buildings Industria	15.533	4.727	10.806	498	232	(39)		(4)	687	1.203	(37)	(4)	1.162	16.220	5.889	10.331
Plants and Machinery	72.873	55.300	17.573	2.987	186	(2.640)		(1)	532	4.886	(2.425)	(1)	2.460	73.405	57.760	15.645
Ind. and comm. equipment	29.457	21.951	7.506	652	7	(1.349)			(690)	2.977	(1.186)		1.791	28.767	23.742	5.025
Other Assets	5.297	4.318	979	160	63	(121)			102	395	(115)	(1)	279	5.399	4.597	802
Assets in course of acq. and	597		597	1.985	(488)				1.497					2.094		2.094
	<u>123.757</u>	<u>86.296</u>	<u>37.461</u>	<u>6.282</u>		<u>(4.149)</u>		<u>(5)</u>	<u>2.128</u>	<u>9.461</u>	<u>(3.763)</u>	<u>(6)</u>	<u>5.692</u>	<u>125.885</u>	<u>91.988</u>	<u>33.897</u>

Please note that tangible assets as at 31 December 2013 are not burdened by mortgages, privileges or other real guarantees limiting their availability for the Company.

## Long-term Investments

€6,212 thousands (3,131)

For comments on the trends of assets in associated companies during 2013, please refer to the Directors' Report in the paragraph "Associated companies and consortia".

The item includes:

### Holdings in subsidiaries

€ 727 thousands (732)

€ Thousands	Book value	Devaluation fund	Balance sheet value
- Pavimental Est	1.563	1.563	
- Pavimental Polska	713		713
- Consorzio "Elmas"	6		6
- Consorzio "Co.Im.A."	8		8
	<u>2.290</u>	<u>1.563</u>	<u>727</u>

Pavimental Est, whose book value of €1,563 thousands is for 100% of Corporate capital, was already fully devalued as of the balance sheet closed as at 31 December 1998. The holdings devaluation surplus Fund in liabilities includes € 538 thousands to cover further losses estimated also in consideration of the company's planned liquidation.

On 28 October 2009, Cagliari Court of Law declared Sarda Conglomerati Bituminosi S.r.l. as bankrupt. That Company has a 40% share in the corporate capital of Elmas S.c.a r.l. with the remaining 60% owned by Pavimental. Following said declaration, in 2009 Elmas devalued credit due from Sarda Conglomerati Bituminosi for about €1.100 thousands, to cover the consortium's total net exposure risk with the bankrupt partner. In 2012 that devaluation was increased by a further €157 thousands.

Pavimental S.p.A. is the only company holding shares in Pavimental Polska; said holding value amounts to €713 thousands. Due to margins earned on works, to containing operating costs and reduced financial charges, 2013 closed with a net profit of 737 thousand zloty; this result took the Company's net worth up to 5,307 thousand zloty.

On 26 July 2012, the limited liability consortium, Co.Im.A. S.c. a r.l. was set up. Its purpose is to implement public works and infrastructures. On 9 November 2012, the Consortium obtained the qualification as General Contracting Party of I Category, thus with the possibility to take part in General Contractor tenders for amounts up to 350 million Euro.

In January 2013, Co.Im.A. purchased 19.8% of capital of SAT Lavori for €20 thousands, Company incorporated to implement and complete the A12 Livorno – Civitavecchia.motorway stretch.

*Holdings in associated companies*

€ 14 thousands (13)

These concern:

€ Thousands	Book value	Devaluation fund	Balance sheet value
- Consorzio "Galileo" (in liquidazione)	4		4
- Consorzio "R.F.C.C." (in liquidation)	155	155	
- Consorzio "Ramonti"	5		5
- Consorzio "Trinacria"	5		5
	169	155	14

During December 2013, the Quadrante 300 Consortium liquidation process was concluded.

The holding in Consorzio R.F.C.C. in liquidazione, entered for €155 thousands and fully devalued, currently represents 30% of the consortium fund. The specific holdings devaluation surplus Fund in liabilities includes allocations for €3,151 thousands for Consortium losses estimated, for the percentage the Company is competent for.

The provision takes Consortium balance sheet losses up to 31 December 2013 into account and any other liabilities which could arise from the relative liquidation.

Provisions made also, prudently, take into account negative effects which could result from an unfavourable solution to the dispute started by the Consortium against the Customer.

The Limited Liability Consortium Ramonti, of which Pavimental holds 49%, is entered in the balance sheet at a book value of €5 thousands. Consortium activities ended in 2012.

The Consortium Trinacria was set up to carry out works to enlarge the aircraft apron in Palermo's "Falcone e Borsellino" Airport; these ended during 2013. In December 2013, shareholders subscribed to a share transfer deed through which Pavimental transferred 5.271% of the Consortium capital to Intercantieri Vittadello S.p.A. taking its share to 47.729%.

The following table sums up data on holdings in subsidiaries, associated and other associated companies:

Name	Registered Office	Capital in currency	Capital in euro	Loss / Profit in currency	Loss/Profit in euro	Shareholders' Equity	Shareholders' Equity	Holding %	Corresp. S.E. of	Book value in euro (B)	Excess (B - A)
<b>Subsidiaries:</b>											
Pavimental Est	Moscow	Rub. 4,200,000	92,700	(117,000)	(2,600)	Rub. (22,012,000)	(485,700)	100	(485,700)		(485,700) *
Pavimental Polska Sp. Zo.o.	Warszawa	Pln 3,000,000	722,195	Pln 737,000	177,419	Pln 5,307,000	1,277,564	100	1,277,564	713,222	564,342
Consorzio Elmas	Roma		10,000				10,000	60	6,000	6,000	
Consorzio Co.Im.A	Roma		10,000				10,000	75	7,500	7,500	
									805,364	726,722	78,642
<b>Associated Companies:</b>											
Consorzio R.F.C.C (in liquidazione)	Tortona		510,000		(120,900)		(1,242,600)	30	(372,780)		(372,780) *
Consorzio Galileo (in liquidazione)	Todi (PG)		10,000					40	4,000	4,000	
Consorzio Trinacria	Limena (PD)		10,000					53	5,300	5,300	
Consorzio Ramonti	Tortona		10,000					49	4,900	4,900	
									(358,580)	14,200	(372,780)
<b>Other Holdings</b>											
Tangenziale Esterna	Milano		100,000,000		(2,794,161)		94,510,613	1	945,106	4,649,450	(3,704,344) **
Consorzio Miteco	Reggio Emilia		10,000				10,000	1,3	130	130	
Consorzio Costruttori TEEM	Milano		10,000				10,000	1	100	100	
Consorzio Lambro	Milano		200,000				200,000	2,78	5,560	5,560	
									950,896	4,655,240	(3,704,344)
<b>Notes:</b>											
(*) The surplus is covered in full by the "Fund for holding devaluation surplus" in liabilities.											
(**) Balance sheet data refers to the last balance sheet approved. Losses accumulated are considered recoverable. Moreover, Pavimental has subscribed to two increases in capital which have taken the value of TE share capital to €464,945,000 and the holding value to the amount indicated in the table.											

*Holdings in other companies*

**€ 4,655 thousands (2,206)**

This item has basically changed due to the variation to the holding in Tangenziale Esterna S.p.A.. On 31 July 2013, the Extraordinary Shareholders' Meeting of the above mentioned company resolved an increase to Share Capital with payment of around 245 million euro.

Pavimental S.p.A. (which holds 1% of corporate capital) subscribed to the percentage it was competent for (€2,449 thousands) taking holding value to €4,649 thousands

Pavimental signed a Deed of pledge on shares of Società TE to guarantee a bank loan.

€ Thousands	Book value		Devaluation fund		Balance sheet value	
- Tangenziale Esterna S.p.A.		4.649				4.649
- Consorzio Costruttori TEEM *						
- Consorzio Lambro		6				6
- Consorzio "M.I.T.E.C.O."**						
		<u>4.655</u>				<u>4.655</u>

\* Book value € 100  
\*\* Book value € 130

Here below you will find movements of all items representative of holdings in subsidiaries, associated and other companies:

€ Thousands	December 2012				Period variations				December 2013				
	Cost	valuation	valuation	balance sheet value	Acquisition	Revaluations (pursuant to art. 2426 no. 4 Italian civil code)	Reclassification	valuation	Liq.	Cost	valuation	valuation	balance sheet value
<b>Holdings in Subsidiaries:</b>													
Pavimental Est	1.563	(1.563)								1.563	(1.563)		
Pavimental Polska Sp. Zo.o.	713		713							713		713	
Consorzio "Elmas"	6		6							6		6	
Consorzio "Trinacria"	5		5			(5)							
Consorzio "Co.Im.A."	8		8							8		8	
	<u>2.295</u>	<u>(1.563)</u>	<u>732</u>			<u>(5)</u>				<u>2.290</u>	<u>(1.563)</u>	<u>727</u>	
<b>Holdings in Associated Companies:</b>													
Consorzio R.F.C.C. (in liq.)	155	(155)								155	(155)		
Consorzio "Galileo" (in liq.)	4		4							4		4	
Consorzio "Quadrante 300" (in liq.)	4		4					(4)					
Consorzio "Ramonti"	5		5							5		5	
Consorzio "Trinacria"						5				5		5	
	<u>168</u>	<u>(155)</u>	<u>13</u>			<u>5</u>		<u>(4)</u>		<u>169</u>	<u>(155)</u>	<u>14</u>	
<b>Holdings in Other Companies:</b>													
- Tangenziale Esterna S.p.A.	2.200		2.200	2.449						4.649		4.649	
- Consorzio Lambro	6		6							6		6	
- Consorzio Costruttori TEEM *													
- Consorzio "M.I.T.E.C.O."**													
	<u>2.206</u>		<u>2.206</u>	<u>2.449</u>						<u>4.655</u>		<u>4.655</u>	
<b>Total</b>	<u>4.669</u>	<u>(1.718)</u>	<u>2.951</u>	<u>2.449</u>				<u>(4)</u>		<u>7.114</u>	<u>(1.718)</u>	<u>5.396</u>	

\* Book value € 100  
\*\* Book value € 130

Other credits

€ 816 thousands (180)

This item includes credits for guarantee deposits paid to the subsidiary Pavimental Polska for €77 thousands and to third parties to connect electricity, phone utilities and for rents payable (€278 thousands) and loans granted to employees (€61 thousands).

**Working Capital**

**€327,983 thousands (281,087)**

**Inventories**

**€260,789 thousands (209,327)**

*Raw, subsidiary and consumable materials*

*€ 8,530 thousands (10,613)*

These are the final stock inventories for €7,854 thousands including:

€ Thousands	31.12.2013	31.12.2012
- Inert materials and cement	1.693	1.806
- Spare parts machinery and equipment	180	154
- Prefabricated and bricks	533	426
- Steels, metal sheets and profiles	4.051	6.145
- Asphalts, fuels and lubricants	839	761
- Other materials	558	645
	<u>7.854</u>	<u>9.937</u>

This item also includes land situated in Magliana and intended to be sold (€676 thousands) as resolved on by the Company's Board of Directors.

Please note that the above valuation, at the “weighted average purchase cost”, is lower than market value.

Please note that final material inventories as at 31 December 2013 are not burdened by mortgages, privileges or other real guarantees limiting their availability for the Company.

*Contract works in progress*

*€ 252,259 thousands (198,714)*

The item is the amount as at 31 December 2013 of works carried out but not yet certified by Progress Reports. Said amount was calculated applying the “physical measurement method”, based on fees agreed and additional ones already acknowledged or where acknowledgement is reasonably certain based on criteria indicated above in the paragraph Valuation Criteria.

Please note that any valuation of works in progress at the end of the period based on the “cost to cost” method would not have had significant effects on the balance sheet.

Requests made for additional sums not yet acknowledged amount as at 31 December 2013 to € 10,971 thousands, of which € 10,013 thousands from Autostrade per l’Italia, € 958 thousands from third party customers.

For the overall valuation of the item, we also considered, for orders in progress with customers Autostrade per l’Italia and Società Autostrada Tirrenica, the reduction adjustment established by MIT. For the order for Autostrada Milano – Napoli Expansion to three lanes of the stretch Barberino di Mugello – Incisa di Valdarno (Lot 0) the company applied a reduction communicated by the Customer Autostrade per l’Italia of 8.44% instead of the temporary one of 15% .

Please note that that adjustment negatively affected the 2012 balance sheet production value and results in that same period.

In asset terms, the adjustment, besides reflecting on, as has already been pointed out, valuation of the item for contract works in progress, also caused reclassification of negative balances of inventories from the item contract works in progress to the item Advances in liabilities for 16,298 thousands (€15,202 thousands in 2013).

The make up of inventories for works in progress is detailed in the following table:



€ Thousands	31.12.2013	31.12.2012
- Paving maintenance	46.596	12.270
- Service areas	1.436	2.219
- Infrastructural works	117.830	106.257
- Other motorway works	64.440	59.306
- Airport works	1.739	2.047
- Other works	20.218	16.615
	<u>252.259</u>	<u>198.714</u>

Here below you will find details of inventories based on customer:

INVENTORIES						
Description	31.12.2012	Adjustments	Period variations			31.12.2013
			Increases (+) Decreases (-)	Devaluations (-) Restoring (+)	Provision to fund (-)	
<b>Raw, subsidiary and consumable materials</b>	9.937					7.854
<b>Land to be sold</b>	676					676
	<b>10.613</b>					<b>8.530</b>
<b>Contract work in progress</b>						
Devaluation fund (Art. 60 DPR 917/86)						
Works Autostrade per l'Italia:						
Maintenance	11.581		34.469			46.050
Noise barriers	48.901		2.816			51.717
Barriers Side Border	10.405		2.318			12.723
Expansion A8 Fiorenza - Gallarate	437		(110)			327
Fourth lane A1 Modena Bologna	2.824		51			2.875
Tangenziale di Bologna Lots 1 - 2 - 3	2.695		(738)			1.957
Crossing variant AI						
Fourth lane A4 Milano - Bergamo	11.679					11.679
PF Road Network of Milano / Racchetta Ferr	(282)					(282)
Preparatory works 3rd lane Adriatica	93					93
Adriatica Lot 3	19.767		(8.738)			11.029
Adriatica Lot 1A						
Adriatica Lot 1B	38.994		(20.368)			18.626
Adriatica Lot 6A	1.313		(321)			992
Hydraulic connection works Reno - Setta	77					77
Fiano GRA						
A9 Lainate Como	9.659		1.156			10.815
A4 - 4th dynamic lane			2.342			2.342
Barberino Lot 0	16.711		17.335			34.046
La Certosa Infrastructures	2.290		16.400			18.690
ADS Esino EST and Metauro OVEST			1.051			1.051
Padova infrastrutture			828			828
Other works on service areas and stations	843					843
Junctions	2.757					2.757
Restructuring Service areas	2.219		(783)			1.436
Other works	2.396		(231)			2.165
Draining Monte Galletto Tunnel	152					152
Stalexport Autostrada Malopolska	1.112		(571)			541
Società Autostrada Tirrenica S.p.A.	689		(143)			546
Società Autostrade Meridionali S.p.A.			2.685			2.685
Tangenziale di Napoli S.p.A.			1.403			1.403
Consorzio Co.Co.TEEM	423		1.278			1.701
Consorzio Lambro	154		715			869
Consorzio Co.Im.A.			2.015			2.015
Autostrade Centro Padane	1.173		(1.173)			
Torino - Savona S.p.A.	3.280		(935)			2.345
Other motorway and road works	4.325		1.102			5.427
Palermo Airport	2.022		(1.023)			999
Naples Airport			571			571
Cagliari Airport	5					5
Ciampino Airport	6					6
Fiumicino Airport	14					14
Ballice Airport			144			144
	<b>198.714</b>		<b>53.545</b>			<b>252.259</b>
<b>Total inventories</b>	<b>209.327</b>		<b>53.545</b>			<b>260.789</b>

## Receivables

€65,651 thousands (69,792)

Here below you will find receivables included in this item by category and geographical area:

€ Thousands	31.12.2013			31.12.2012		
	Italy	Rest of Europe	Total	Italy	Rest of Europe	Total
<b>Receivables:</b>						
- From Clients	27.648	1.508	29.156	42.460	3.271	45.731
- From Subsidiaries	1.681	820	2.501	1.889	1.085	2.974
- From Associated companies	3.059		3.059	2.695		2.695
- From Parent Companies	22.403		22.403	12.016		12.016
- Tax	4.385	8	4.393	2.157	322	2.479
- Prepaid taxes	1.854		1.854	1.002		1.002
- From Others	2.285		2.285	2.895		2.895
	<u>63.315</u>	<u>2.336</u>	<u>65.651</u>	<u>65.114</u>	<u>4.678</u>	<u>69.792</u>

Movements can be attributed to what is detailed below.

### Receivable from customers

€ 29,156 thousands (45,731)

This item is illustrated in the table below:

€ Thousands	31.12.2013	31.12.2012
From customers:		
- Amounts invoiced for works assigned	21.577	40.291
- Amounts to be invoiced for works terminated	718	308
From sundry customers for revenue from sales and services :		
- Invoiced	7.862	7.684
- To be invoiced	4.973	159
- Bills receivable	61	61
- Financial		67
	<u>35.191</u>	<u>48.570</u>
Credit Devaluation fund	(6.035)	(2.839)
	<u>29.156</u>	<u>45.731</u>

Receivable from customers includes credits for invoices issued to Adriatica S.c.a r.l. €2,869 thousands and those for invoices to be issued for € 4,837 thousands. The Company feels, supported by the opinion of its legal advisers, that based on elements available and in the light of the request made by the debtor to the Composition with Creditors, that the amounts entered in the balance sheet can be partly recovered.

During 2013, through an agreement with the Concessionaire Autostrade Centro Padane S.p.A., the Company collected a considerable part of the credit entered in the balance sheet, for €22,428 thousands.

The credit devaluation fund recorded the following movements:

€ Thousands	From Customers	Allocation	Use/Release	Total
Devaluation fund receivable from clients	2.839	3.196		6.035
	2.839	3.196		6.035

That item enters the valuation made by Company Directors, supported by the opinion of internal and external legal advisers, regarding the recoverability of overdue debts.

*Receivable from subsidiaries* € 2,501 thousands (2,974)

This includes trade receivables from Pavimental Polska Sp. z o.o. (€309 thousands) and the companies Elmas (€ 548 thousands) and Co.Im.A. (€ 52 thousands). The balance also includes credits of a financial nature, non interest-bearing, due from Pavimental Est (€510 thousands) varied compared to the previous period due to exchange differences, and from Elmas (€1,030 thousands) and Co.Im.A. (€20 thousands). In December 2013, the company collected the sum of €400 thousands as full reimbursement of the interest-bearing loan in force with Pavimental Polska. Credit exposure with Pavimental Est has been fully covered by the holding devaluation fund entered in provisions for risks and charges.

*Receivable from associated companies* € 3,059 thousands (2,695)

The item in question mainly includes trade receivables from the consortium Galileo in liquidazione (€ 285 thousands) and the trade (€ 124 thousands) and financial (€ 2,245 thousands) receivables from Consorzio R.F.C.C. in liquidazione and financial credits from Trinacria (€159 thousands). Credit exposure with Consorzio R.F.C.C. has been fully covered by the holding devaluation fund entered in provisions for risks and charges.

Receivable from controlling companies

€ 22,403 thousands (12,016)

This item is detailed in the table below:

€ Thousands	31.12.2013	31.12.2012
Autostrade per l'Italia S.p.A. :		
- Amounts invoiced for works assigned	16.224	3.581
- Amounts to be invoiced for works terminated and recovery of costs	2.787	2.847
- Advances for third parties	1.414	1.289
- Interest to be invoiced for third lane works		
- Sundry credits for guarantee deposits to be returned	64	4
	<u>20.489</u>	<u>7.721</u>
- Deduction of credit devaluation fund	(1.184)	(1.184)
Total Autostrade per l'Italia S.p.A.	<u>19.305</u>	<u>6.537</u>
Atlantia S.p.A. :		
- Amounts invoiced for works assigned		
- Credits for adhesion to fiscal consolidation system	3.098	5.479
Total Atlantia S.p.A.	<u>3.098</u>	<u>5.479</u>
Total Controlling Companies	<u>22.403</u>	<u>12.016</u>

Credits due from adhesion to the fiscal consolidation system mainly include the tax loss transferred at the time of returns for the 2012 tax period ( €2,166 thousands) and from credits related to the Instance for reimbursement for the IRAP reduction related to labour costs from IRES for the 2009 -2011 three-year period and advances paid to Atlantia for the remaining part.

Here below you will find devaluation fund movements:

€ Thousands	31.12.2012	Allocation	31.12.2013
Devaluation fund receivable from Controlling compa:	1.184		1.184
	<u>1.184</u>		<u>1.184</u>

Tax credits

€ 4,393 thousands (2,479)

The item basically varies due to the VAT credit.

The above credits are illustrated in the table below:

€ Thousands	31.12.2013	31.12.2012
Tax credits for:		
- VAT	3.146	
- Taxes paid abroad VAT	8	322
- Ires	831	831
- Irap		761
- Other	408	565
Total Tax Credits	4.393	2.479

*Prepaid taxes*

€ 1,854 thousands (1,002)

Prepaid taxes, entered for the amounts it is reasonably sure can be recovered in the periods they are paid in, concern the temporary differences for taxes mainly related to provisions to the credit devaluation Fund. For further details on said item please refer to the Prepaid Tax Movements table at the end of the notes to the Income Statement.

*Other credits*

€ 2,285 thousands (2,895)

Items, net of the devaluation fund, are as follows:

€ Thousands	31.12.2013	31.12.2012
- From pension and social security institutes	259	186
- From Personnel	(5)	20
- For advances to suppliers and sub-contractors	833	1.508
- From insurance companies	930	823
- From suppliers for litigation	346	346
- From Others	51	141
	2.414	3.024
Credit Devaluation fund	(129)	(129)
	2.285	2.895

Prepayments to suppliers mainly for road barriers not yet delivered.

Those with insurance companies related to reimbursements not yet received for weather damage recorded by the yards in Rimini (€780 thousands) and Barberino (€150 thousands).

Receivables from suppliers for disputes are:

- €222 thousands for amounts already paid which the Companies feels are not due, for which relative legal litigation is still in progress to obtain reimbursement of the sums paid, partially rectified by the specific devaluation fund (€129 thousands);
- €124 thousands for litigation that arose in previous periods.

#### **Liquid assets**

**€1,543 thousands (1,968)**

These include bank deposits for €1,523 thousands and cash and cash equivalents for €20 thousands.

There are no constrained cash deposits or current accounts in Italy and abroad or subject to restrictions and constraint duration.

#### **Accruals and Deferrals**

**€1,267 thousands (1,134)**

These only include Deferrals for prepayments made, detailed in the following table:

€ Thousands	31.12.2013	31.12.2012
- Rents already paid for subsequent periods	34	23
- Insurance premiums for policies stipulated in the year which validity covers the next and subsequent periods	1.121	972
- Other costs related to the next period such as instalments CED, road vehicle tax, state-owned land concessions. etc	112	139
	<u>1.267</u>	<u>1.134</u>

Tables below detail credits by date and kind, and in currency or with exchange risk.

There are no accruals and deferrals that last over five years.

Please note that working capital balances are collectable within the next period, except for € 1,713 thousands, for Prepaid Taxes.



RECEIVABLES BY DUE DATE AND KIND								
Description	31/12/2013				31/12/2012			
	Amounts expiring				Amounts expiring			
	Within next period	From 2nd to 5th sub. periods	After 5th subsequent period	Total	Within next period	From 2nd to 5th sub. periods	After 5th subsequent period	Total
<b>Receivables from Long-term investments</b>								
Guarantee Deposits:								
From parent companies		4		4		4		4
To others	64	210		274	53	90		143
Loans to employees:	61			61	33			33
Others:		477		477				
	125	691		816	86	94		180
<b>Working Capital Receivables</b>								
Other financial credit:								
From subsidiaries	1.560			1.560	2.146			2.146
From associated companies	2.404			2.404	2.227			2.227
	3.964			3.964	4.373			4.373
<b>Trade Receivables</b>								
From clients	29.156			29.156	45.731			45.731
From subsidiaries	941			941	828			828
From associated companies	655			655	468			468
From parent companies	22.403			22.403	12.016			12.016
	53.155			53.155	59.043			59.043
<b>Sundry receivables:</b>								
Tax	4.393			4.393	2.479			2.479
Prepaid taxes	141	1.713		1.854	159	843		1.002
From others:								
Insurance companies	930			930	823			823
Suppliers	833			833	1.726			1.726
Sundry	522			522	346			346
	6.819	1.713		8.532	5.533	843		6.376
<b>Total Receivables</b>	<b>64.063</b>	<b>2.404</b>		<b>66.467</b>	<b>69.035</b>	<b>937</b>		<b>69.972</b>

CREDITS AND LIQUID ASSETS IN CURRENCY OR WITH EXCHANGE RISK						
Description	31/12/2013			31/12/2012		
	In currency or with exchange risk	In Euro	Total	In currency or with exchange risk	In Euro	Total
<b>Receivables from Long-term investments</b>						
Guarantee Deposits:	96	182	278		147	147
Loans to employees		61	61		33	33
Others	477		477			
	573	243	816		180	180
<b>Working Capital Receivables</b>						
From clients	1.508	27.648	29.156	3.271	42.460	45.731
From subsidiaries	820	1.681	2.501	1.085	1.889	2.974
From associated companies		3.059	3.059		2.695	2.695
From parent companies		22.403	22.403		12.016	12.016
Tax	8	4.385	4.393	322	2.157	2.479
Prepaid taxes		1.854	1.854	38	964	1002
From others		2.285	2.285		2.895	2.895
	2.336	63.315	65.651	4.716	65.076	69.792
<b>Liquid Assets</b>						
Bank and postal deposits	895	422	1.317	117	1.696	1.813
Cash and securities at hand		20	20		19	19
Charge cards		206	206		137	137
	895	648	1.543	117	1.852	1.969
<b>Total Receivables</b>	<b>3.804</b>	<b>64.206</b>	<b>68.010</b>	<b>4.833</b>	<b>67.108</b>	<b>71.941</b>

**Balance Sheet – liabilities**

**€371,352 thousands (324,537)**

**Shareholders' Equity**

**€38,575 thousands (38,235)**

Formed by:

**Corporate Capital**

**€10,116 thousands (10,116)**

Corporate capital, fully subscribed to and paid up, is composed of 77,818,865 ordinary shares of a nominal value of €0.13 each.

Here below you will find the company structure as at 31 December 2013:

Shareholders	Number of Shares	Amount in Euro	% owned
Autostrade per l'Italia S.p.A.	77.350.836	10.055.608,68	99,40%
Astaldi S.p.A.	468.029	60.843,77	0,60%
As at 31.12.2013	<u>77.818.865</u>	<u>10.116.452,45</u>	<u>100%</u>

There are no share categories other than the ordinary ones indicated above.

**Share-premium Reserve**

**€29,332 thousands (29,332)**

**Legal Reserve**

**€567 thousands (567)**

**Other Reserves**

**€-141 thousands (-152)**

In detail:

*Translation Reserve*

*€ -141 thousands (-152)*

This amount reflects exchange differences resulting from elimination of the items between Pavimental and the permanent organisation that the company has in Poland.

**Profits (Losses) carried forward**

**€ -1,628 thousands (6,110)**

The decrease is related to the 2012 period loss being carried forward, as resolved by the Ordinary Shareholders' Meeting of 22 March 2013.

**Profit (Loss) for the period**

**€ 329 thousands (-7,738)**

Here are the movements of Shareholders' Equity classes and the reserves table indicating their origin, use possibilities, whether distributable and use in previous periods:

EQUITY MOVEMENTS											
Description	31/12/2011	Period variations					31/12/2012	Period variations			31/12/2013
		Extr. Meeting resolution of 28.11.2011	Reclassification	Meeting Res. of 22.3.2012	Translation reserve	Profit (loss) for the period		Meeting Res. of 22.3.2013	Translation reserve	Profit (loss) for the period	
<b>Capital</b>	4.669		5.447				10.116				10.116
<b>Share-premium reserve</b>	28.950	382					29.332				29.332
<b>Legal Reserve</b>	520			47			567				567
<b>Other reserves:</b>											
<i>Reserve for capital increase payments</i>	5.376	71	(5.447)								
<i>Translation reserve</i>	(1.051)				899		(152)		11		(141)
<i>Reserve profit on exchange from valuation</i>	18			(18)							
<b>Profits (Losses) carried forward</b>	5.208			902			6.110	(7.738)			(1.628)
<b>Profit (loss) for the period</b>	931			(931)		(7.738)	(7.738)	7.738		329	329
	44.621	453			899	(7.738)	38.235		11	329	38.575

**COMPOSITION OF SHAREHOLDERS' EQUITY**

Description	Amount	Use possibility	Percentage available	Summary of use in 3 previous periods	
				To cover losses	For other reasons
<b>Capital</b>	10.116	B			
<b>Capital reserves</b>	29.332	A,B,C	29.332		
<b>Legal reserves</b>	567	B			
<b>Other reserves:</b>					
- Translation reserve	(141)	B			
- Profit on exchange from valuation		A,B			
<b>Profits carried forward</b>	(1.628)	A,B,C		6.110	
<b>Total</b>	38.246		29.332	6.110	
<b>Percentage not distributable</b>			29.332		
<b>Remaining distributable amount</b>					

Key:

A: for increase to capital

B: to cover losses

C: for distribution to shareholders

D: to cover multi-year costs not yet depreciated ( art. 2426 n° 5 c.c.)

**Provisions for risks and charges**

**€6,008 thousands (5,214)**

Here below are details of movements in the Provisions for risks and charges:

€ Thousands	31.12.2012	Uses	Allocations	31.12.2013
- Tax funds also deferred	27		(21)	6
- Fund for lawsuits in progress	1.405	(15)		1.390
- Fund for environmental remediation expenses	130	(57)		73
- Fund for holding devaluation surplus	3.652		37	3.689
- Fund for losses on multi-year orders	—		850	850
	<u>5.214</u>	<u>(72)</u>	<u>866</u>	<u>6.008</u>

**Fund for taxes, also deferred**

**€ 6 thousands (27)**

This fund holds the deferred taxes, set aside for proceeds from valuation exchange rates expected in the next period.

**Other Funds**

**€6,002 thousands (5,187)**

In detail:

*Fund for lawsuits in progress*

**€ 1,390 thousands (1,405)**

The item estimates probable charges due to litigation in progress at the balance sheet closure date, mainly of a labour law kind. The amount set aside is the best estimate possible based on elements available, considering the indications of external legal advisers.

*Fund for environmental remediation expenses*

**€ 73 thousands (130)**

The Fund includes expenses the Company expects to sustain to recover sites and for environmental remediation.

*Fund for Holding Devaluation Surplus*

**€ 3,689 thousands (3,652)**

This fund is allocated to cover any asset deficit emerging from assessment of probable expenses for the closure and/or liquidation of Pavimental Est (€ 538 thousands) and Consorzio R.F.C.C. in liquidazione (€3,151 thousands).

Fund make-up and variations are illustrated in the following table:

€ Thousands	31.12.2012	Reclassification	Allocations	Uses	31.12.2013
<b>Subsidiaries:</b>					
Pavimental Est	538				538
<b>Associated Companies:</b>					
Consorzio R.F.C.C. (in liquidation)	3.114		37		3.151
	<u>3.652</u>		<u>37</u>		<u>3.689</u>

*Fund for losses on multi-year orders*

*€ 850 thousands (-)*

Allocations were made to a fund for multi-year orders related to completion of lots 4,5 on the Firenze Nord - Firenze Sud stretch of the Autostrada Milano – Napoli (La Certosa) for €420 thousands and for the Foggia junction, €430 thousands.

### **Employee Severance Indemnity**

The table below illustrates movements described:

€ Thousands	31.12.2012	Allocations	Uses for severance pay	Uses for advances	Recovery pursuant to Law	Decrease for substitute tax	31.12.2013
Severance Indemnity Fund	9.960	140	(432)				9.668
Advances	(3.873)	(191)		169			(3.895)
Tax on Severance Indemnity rev	(205)	(9)				7	(207)
	<u>5.882</u>	<u>(60)</u>	<u>(432)</u>	<u>169</u>		<u>7</u>	<u>5.566</u>

Severance Indemnity amounts allocated to supplementary pension funds do not go through the Severance Indemnity fund but are entered directly as due to pension and social security institutions and paid month by month.

**Debts**

**€321,203 thousands (275,201)**

**Due to banks short-term**

**€ 2,662 thousands (-)**

**This represents exposure with the banking system that exceeds use of the intercompany current account.**

**Advances**

**€16,137 thousands (20,414)**

Advances include (€15,202 thousands) amounts reclassified from the works in progress item as indicated in the asset item to be referred to. The remaining amount (€935 thousands) under Advances refers to advances for amounts acknowledged by customers for works not covered by Progress Reports and advances acknowledged contractually as acceleration bonuses, not yet accrued in economic competence terms.

**Due to suppliers**

**€129,868 thousands (171,267)**

The decrease of €41,399 thousands can be attributed to lower purchase volumes for goods and services in 2013 against the previous period, as a direct result of the reduction in production value.

Currency liabilities against invoices received or to be received were adjusted at the spot rate as at 31 December 2013.

Distinction by geographical area can be found in the following table:

€ Thousands	31.12.2013		
	Italy	E.U.	Extra E.U.
- Payable to suppliers	129.860	8	
	<u>129.860</u>	<u>8</u>	

**Due to subsidiaries**

**€4,153 thousands (4,580)**



This item mainly includes amounts due to the Consortia Elmas (€ 1,443 thousands) and currency debts (PLN) owed to Pavimental Polska converted at the spot rate of 31 December 2013 (€839 thousands) and finally payable to Co.Im.A. Scarl (€1,867 thousands).

**Due to associated companies** **€ 767 thousands (7,134)**

This item includes amounts due to Trinacria Scarl (€ 500 thousands) and Galileo in liquidazione (€217 thousands) accrued following overturning of consortia costs. The decrease entered in the period is attributable to payments made to the consortium Ramonti.

**Due to controlling companies** **€ 152,834 thousands (50,536)**

These are the amounts due to Autostrade per l'Italia for:

- debts of a commercial nature €721 thousands (1,984);
- sundry debts for €479 thousands including directors' fees €440 thousands (436);
- debts of a financial nature for the adverse running account paid at market rates (median Euribor 1 month + 100 b. p.) for €148,627 thousands (48,114).

Amount due to Atlantia for :

- debts of a commercial nature €1,314 thousands (648);
- debts from adhesion to the fiscal consolidation system for € 1,693 thousands (2).

**Tax debts** **€ 1,489 thousands (8,198)**

The item decreases by €6,709 thousands as, at 31 December 2013, the company has a VAT credit whereas it closed period 2012 with a VAT debt of €6,964 thousands.

This mainly includes:

- payable for IRPEF (income tax) withheld from employees, professionals and project collaborators, to be paid to the Revenue Office for €1,023 thousands (1,128);
- Due for IRAP for €465 thousands (0)

**Due to pension and social security institutions** **€ 234 thousands (1,401)**

This item includes:

- credit position for contributions on wages and salaries for the month of December, paid to competent pension and social security Bodies for €58 thousands (1,086);
- supplementary pension contributions (Prevedi) for €160 thousands (155);
- due to the Cassa Edile for €132 thousands (160).

**Other debts**

**€13,059 thousands (11,671)**

The item includes the following:

€ Thousands	31.12.2013	31.12.2012
- To Personnel	5.408	6.026
- To companies in TC	1.162	65
- To insurance companies	3.719	3.875
- For state-owned land concessions	101	349
- To Others	2.669	1.356
	<u>13.059</u>	<u>11.671</u>

The increase entered, €1,388 thousands is mainly attributable to the combined effect of the following:

- entering of €1,837 thousands in the other debts item for the increase in the capital of TE S.p.A. subscribed to and not yet paid as at 31 December 2013;
- increase in amounts payable to companies in grouping for €1,097 thousands due to the new debt positions with Intercantieri Vittadello and Bruno Teodoro.
- decrease in amounts payable to employees for €618 thousands for holidays not taken, bonuses, contractual leave and incentives to leave the company;
- decrease in amounts payable to insurance companies for €156 thousands and for state-owned land concessions for €248 thousands.

## **ACCRUALS AND DEFERRALS**

Attached are details of debts and accruals based on due date and kind, and in currency or with exchange risks.

At the balance sheet closure date, there were no debts assisted by real guarantees on corporate assets.

DEBTS BY DUE DATE AND KIND								
Description	31/12/2013				31/12/2012			
	Amounts expiring				Amounts expiring			
	Within next period	From 2nd to 5th sub. periods	After 5th subsequent period	Total	Within next period	From 2nd to 5th sub. periods	After 5th subsequent period	Total
<b>Working Capital Debts</b>								
Other financial debts:								
Due to banks	2.662			2.662				0
Payable to controlling companies	148.627			148.627	48.114			48.114
	151.289			151.289	48.114			48.114
<b>Trade Payables</b>								
Payable to suppliers	129.868			129.868	171.267			171.267
Payable to subsidiaries	4.153			4.153	4.580			4.580
Payable to associated companies	767			767	7.134			7.134
Payable to controlling companies	4.207			4.207	2.422			2.422
	138.995			138.995	185.403			185.403
<b>Sundry debts:</b>								
Tax debts	1.489			1.489	8.198			8.198
Payable to pension and social security institutes	234			234	1.401			1.401
Other Debts	13.059			13.059	11.671			11.671
	14.782			14.782	21.270			21.270
Total Debts	305.066			305.066	254.787			254.787
Accounts payable								0
Total	305.066			305.066	254.787			254.787

PAYABLES IN CURRENCY						
Description	31/12/2013			31/12/2012		
	In currency	In Euro	Total	In currency	In Euro	Total
<b>Financial Debts</b>						
Deposits to Banks		2.662	2.662			0
Payable to Parent companies		148.627	148.627	48.114		48.114
		151.289	151.289	48.114		48.114
<b>Trade Payables</b>						
To suppliers	8	129.860	129.868	418	170.849	171.267
To subsidiaries	839	3.314	4.153	326	4.254	4.580
To associated companies		767	767		7.134	7.134
To parent companies		4.207	4.207		2.422	2.422
	847	138.148	138.995	744	184.659	185.403
<b>Sundry debts:</b>						
Tax debts		1.489	1.489	25	8.173	8.198
Due to pension and social security institutes		234	234		1.401	1.401
Others		13.059	13.059		11.671	11.671
		14.782	14.782	25	21.245	21.270
Total Debts	847	304.219	305.066	769	254.018	254.787

**Memorandum accounts**

**€537,910 thousands (674,402)**

In accordance with art. 2427, clause 22 ter Italian Civil Code, there are no agreements in progress that have not been indicated in the Balance Sheet, where resulting risks and/or benefits are significant for a Company asset, financial and income statement valuation purpose.

Memorandum accounts are as follows:

**Real guarantees granted**

**€ 3,556 thousands (3,559)**

These include Surety granted in favour of third parties in the interests of R.F.C.C. in liquidazione (€ 1,356 thousands) and the pledge on TE shares granted by Pavimental to guarantee a loan agreement (€2,200 thousands).

**Sales commitments**

**€283,745 thousands (472,045)**

These are executions still to be carried out for assignments received detailed as follows:

<b>SALES COMMITMENTS</b>		
€ Thousands	<b>31.12.2013</b>	<b>31.12.2012</b>
Motorway network maintenance	107.586	225.542
A14 Fano-Senigallia Lot 3	937	3.383
A14 Fano-Senigallia Lot 1A		779
A14 Fano-Senigallia Lot 1B	376	47.059
A14 Fano-Senigallia Lot 6A		1.775
Barberino Lot 0	49.364	80.768
La Certosa Infrastructures	1.687	14.698
A4 Mi-Bg-Bs 4th Lane dinamica Fiorenza - Sesto S.G.	4.464	10.118
Torino Savona		5.647
SAT		158
Napoli Infrastrutture (SAM)	9.399	2.855
Autostrada A1 Milano - Napoli Fiano-Gra	775	775
Autostrada A9 Lainate - Como - Chiasso	1.465	6.023
Junction toll gate of Guidonia/Valmontone/Rubicone		
Other motorway works	98.946	71.212
Airport Works	828	1.253
Other Customers (includes TO-SV reclassified)	<u>7.918</u>	
<b>Total Sales commitments</b>	<u>283.745</u>	<u>472.045</u>

**Other Memorandum accounts**
**€ 250,609 thousands (198,798)**

The table below contains details of guarantees granted:

<b>OTHER MEMORANDUM ACCOUNTS</b>		
€ Thousands	31.12.2013	31.12.2012
Real and personal guarantees received	55.553	54.363
Other guarantees granted for company obligations:		
Works execution voucher	178.400	133.188
Guarantees withheld	112	112
Others	16.544	11.135
<b>Total other memorandum accounts</b>	<u>250.609</u>	<u>198.798</u>

## INCOME STATEMENT

<b><u>Production value</u></b>	<b><u>€358,060 thousands (511,904)</u></b>
<b>Revenue for Sales</b>	<b>€270 thousands (2,730)</b>
<b>Revenue for Services</b>	<b>€293,958 thousands (605,093)</b>

The analysis of Revenue for sales and services can be found in the following table:

**REVENUE FROM SALES AND SERVICES**

Description	Year 2013	Year 2012	Variation	Variation %
<b>Revenue for sales</b>				
Sales to others of bituminous and inert mixes	269	2.730	(2.461)	
Sales to controlling companies	1		1	
	270	2.730	(2.460)	-90,11%
<b>Revenue for services</b>				
<b>Autostrade per l'Italia:</b>				
Maintenance	74.030	139.681	(65.651)	
Fourth Lane A/4 Milano - Bergamo				
Barberino Lot 0	19.971	33.344	(13.373)	
Bologna By-pass	738		738	
Expansion 3rd lane A9	9.180	92.534	(83.354)	
4^ Dynamic Lane A4 Mi-Bg	3.313		3.313	
La Certosa Infrastructures	3.507		3.507	
Junctions		6.424	(6.424)	
Expansion Fiorenza - Gallarate	110		110	
Adriatica A14 Lots 3,1A,1B and 6A	79.021	221.377	(142.356)	
Fiano GRA		9.092	(9.092)	
Noise Rehabilitation	49.470	64.209	(14.739)	
Barriers Side Border	21.054		21.054	
Restructuring Service areas	698	2.122	(1.424)	
Replacement of safety barriers with New Jersey				
Viaduct rehabilitation				
Other motorway works	3.717	6.206	(2.489)	
Sundry services				
	264.809	574.989	(310.180)	-53,95%
<b>Road/motorway works</b>				
Società Autostrada Tirrenica S.p.A.	143	8.557	(8.414)	
Società Autostrade Meridionali S.p.A.	2.589		2.589	
Stalexport	1.108	9.586	(8.478)	
Co.Im.A. Scarl	1.757		1.757	
Co.Co.TEEM Scarl	2.000		2.000	
Lambro Scarl	1.092		1.092	
Torino - Savona S.p.A.	5.307	3.644	1.663	
Other customers peening works	18	43	(25)	
Other customers	10.895	5.320	5.575	
	24.909	27.150	(2.241)	-8,25%
<b>Airport works:</b>				
Palermo Airport	3.024	2.798	226	
	3.024	2.798	226	8,08%
<b>Sundry services:</b>				
Services to others	1.122	94	1.028	
Services to subsidiaries	94	43	51	
Services to associated companies				
Services to intercompany				
Services to other associated companies		19	(19)	
	1.216	156	1.060	679,49%
<b>Total Revenue for services</b>	<b>293.958</b>	<b>605.093</b>	<b>(311.135)</b>	<b>-51,42%</b>
<b>Total Revenue from sales and services</b>	<b>294.228</b>	<b>607.823</b>	<b>(313.595)</b>	<b>-51,59%</b>



**Variation to contract Works in progress**
**€ 54,667 thousands (- 104,144)**

The variation represents the difference between the final inventories for the previous period (€ 182,416 thousands) net of amounts reclassified under Advances (€16,298 thousands) and those existing at the end of period 2013 (€252,260 thousands) expressed net of amounts reclassified under Advances (€ 15,202 thousands) further rectified for € 25 thousands following conversion of the permanent Polish organisation items expressed in currency.

**Increases in assets due to internal works**
**€977 thousands (384)**

The item includes capitalisation of pre-operational costs for the Barberino Infrastrutture “ Lot 1” order.

**Other revenue and income**
**€8,188 thousands (7,841)**

This item includes:

€ Thousands	Year 2013	Year 2012	Variation
- Capital gains on transfer of assets	311	202	109
- Personnel cost recoveries	314	528	(214)
- Recovery of material costs, supply of services and other expenses	4.784	4.075	709
- Definition of previous period costs and revenue	892	316	576
- Rounding off and discounts receivable on supplies	4	6	(2)
- Sale of scrap	150	443	(293)
- Absorption of funds for risks and charges		177	(177)
- Absorption of credit devaluation fund			0
- Compensation from third parties	1.401	1.797	(396)
- Sundry income	112	69	43
- Rent receivable	220	228	(8)
	<u>8.188</u>	<u>7.841</u>	<u>347</u>

The table below shows revenue divided by geographical area:

€ Thousands	Italy	Europe	Total
- Revenue from sales	270		270
- Revenue from services			
- Works	291.259	1.483	292.742
- Services	1.216		1.216
- Variation to work in progress	55.068	(401)	54.667
- Other income and revenues	8.156	32	8.188
<b>Total Production Value *</b>	<b><u>355.969</u></b>	<b><u>1.114</u></b>	<b><u>357.083</u></b>

\* net of increases in assets for internal works

## Production Costs

**€353,414 thousands (520,026)**

The item includes:

€ Thousands	Year 2013	Year 2012	Variation
- Purchases of raw, subsidiary materials and consumables	124.183	201.010	(76.827)
- Services	168.591	255.023	(86.432)
- Leased assets	1.290	1.288	2
- Personnel	41.270	48.226	(6.956)
- Depreciation and devaluations	13.386	13.576	(190)
- Variation to inventories of raw, subsidiary materials and consumables	2.083	(2.114)	4.197
- Provisions for risks and charges			
- Other provisions	850		850
- Sundry operating expenses	1.761	3.017	(1.256)
	<u>353.414</u>	<u>520.026</u>	<u>(166.612)</u>

The decrease in Production Costs, for €166,612 thousands, is due to use of less materials and services as the production volumes were lower, referred to infrastructural works and efficiency recovered by the Company.

## **Purchase of raw, subsidiary and consumables €124,183 thousands (201,010)**

These are the costs for materials purchased in the period and are as follows:

€ Thousands	Year 2013	Year 2012	Variation
- Inert materials and cement	8.997	14.736	(5.739)
- Asphalts, fuels, lubricants and packed bituminous mixes	20.193	27.161	(6.968)
- Steels, sheet metals, profiles and grids	9.885	24.754	(14.869)
- Spare parts, plants and machinery	200	467	(267)
- Materials in progress	83.897	132.144	(48.247)
- Other materials	1.011	1.748	(737)
	<u>124.183</u>	<u>201.010</u>	<u>(76.827)</u>

The general drop shown by material purchases is due to less activities during the year.

## **Costs for Services**

**€168,591 thousands (255,023)**

These costs refer to company management.

In particular:

€ Thousands	Year 2013	Year 2012	Variation
- Works assigned to third parties	85.948	163.664	(77.716)
- Surveillance	10.818	10.041	777
- Canteen service, mission refunds and personnel costs	3.264	4.194	(930)
- Utilities and postal services	3.282	4.312	(1.030)
- Transport and shipments	17.305	20.611	(3.306)
- Insurance	3.645	4.543	(898)
- Maintenance of assets	3.732	3.743	(11)
- Rentals	12.564	15.521	(2.957)
- CED maintenance instalments	447	397	50
- Balance sheet advice and auditing	3.297	5.083	(1.786)
- Legal and notarial professional services	706	570	136
- Motorway toll	807	746	61
- Cleaning	584	622	(38)
- Laboratory analysis and tests	187	383	(196)
- Continuous collaboration/project services	596	592	4
- Prevention and safety	267	303	(36)
- Technical assistance	3		3
- Service from Parent Company / Intercompany	434	1.038	(604)
- Waste disposal	7.361	3.174	4.187
- Services for certificates issued	90	66	24
- Third party personnel supplied	217	306	(89)
- Common consortium costs	11.348	6.392	4.956
- Emoluments to directors	497	495	2
- Emoluments to auditors	22	21	1
- Other services	1.170	8.206	(7.036)
	<u>168.591</u>	<u>255.023</u>	<u>(86.432)</u>

For services too, the drop of some components against the previous period is directly due to a drop in production volumes. An exception to that decrease is the item waste disposal costs which increase due to the higher expenses when works close and yards are disposed of and for disposal of milled materials related to lower market requests for that sub-product, and the item common consortium costs following the start of production on new orders.

Fees due to Directors amount to a total of € 497 thousands.

Fees due to Auditors for the period in question amount to a total of €22 thousands.

## Use of leased assets

€1,290 thousands (1,288)

This item includes:

€ Thousands	Year 2013	Year 2012	Variation
- Rents payable	1.244	1.238	6
- Software	6	10	(4)
- State-owned land concessions	33	30	3
- Real rights on leased assets	7	10	(3)
	<u>1.290</u>	<u>1.288</u>	<u>2</u>

## Personnel Cost

€41,270 thousands (48,226)

The personnel cost includes salaries of executives and employees and relative contributions for €21,641 thousands (24,153), workers' salaries and relative contributions for €17,157 thousands (21,236), allocation to the Severance Indemnity revaluation fund for €203 thousands (361), allocations for amounts to be paid to the sector's supplementary pension fund, INPS and other managers for €1,983 thousands (2,129). This item also includes additional expenses for €286 thousands (347).

Details of personnel cost components, compared to results of period 2012, are as follows:

€ Thousands	Year 2013	Year 2012	Variation
- salaries and wages	28.399	33.317	(4.918)
- social security	10.399	12.072	(1.673)
- Severance Indemnity	203	361	(158)
- Pension Fund	1.983	2.129	(146)
- Other costs	286	347	(61)
	<u>41.270</u>	<u>48.226</u>	<u>(6.956)</u>

The drop in costs can be attributed to the drop in average workforce numbers (down from 789.41 in 2012 to 631.02 in 2013), divided by category as follows:

	2013			2012			Delta
	TI	TD	TOTAL	TI	TD	TOTAL	
Executives	7,25		7,25	7,92		7,92	(0,67)
Middle Managers	25,67		25,67	26,42		26,42	(0,75)
Office workers	279,82	10,01	289,83	307,63	21,83	329,46	(39,63)
Blue collar workers	296,50	11,77	308,27	382,48	43,13	425,61	(117,34)
	<u>609,24</u>	<u>21,78</u>	<u>631,02</u>	<u>724,45</u>	<u>64,96</u>	<u>789,41</u>	<u>(158,39)</u>

## Depreciation and devaluation

**€13,386 thousands (13,576)**

The item includes:

*Depreciation of intangible Assets*

*€ 730 thousands (1,669)*

Representing the period share of multi-year expenses, calculated based on what is declared in valuation criteria, and detailed as follows:

€ Thousands		Percentage	Year 2013	Year 2012	Variation
- Yard start-up costs		20,00%			0
- Costs for yard improvements adjustments Barberino lot 0		-		98	(98)
- Costs for yard improvements adjustments Zola Predosa		25,00%	5	5	
- Costs for yard improvements adjustments		10,00%	8	8	
- Costs for yard improvements adjustments		20,00%		4	(4)
- Costs for yard improvements adjustments		33,33%	72	62	10
- Software licences		33,33%	16	43	(27)
- Software		14,29%	69	283	(214)
- Software		20,00%	46	50	(4)
- Software		33,33%		15	(15)
- Software		16,67%	64	97	(33)
- Software		25,00%	5		5
- State-owned land concessions		20,00%	252	74	178
- Pre operating costs		-	192	928	(736)
- Industrial patents		5,00%	1	1	
			<u>730</u>	<u>1.668</u>	<u>(938)</u>

*- Depreciation of tangible Assets*

*€ 9,461 thousands (10,091)*

Detailed in the following table:

€ Thousands	Percentage	Year 2013	Year 2012	Variation
- Works and improvements to land	4,00%	57	52	5
- Light constructions	10,00%	6	6	
	12,50%	1139	824	315
- Generic plants	10,00%	272	259	13
- Specific machinery and plants	12,50%	594	699	(105)
	15,00%	4.020	4.618	(598)
- Sundry equipment	40,00%	19	18	1
- Cars and motor-vehicles	25,00%	453	565	(112)
- Vehicles, excavators and bulldozers	20,00%	2.506	2.604	(98)
- Electro-mechanical and electronic machines	20,00%	352	357	(5)
- Furniture and furnishings	12,00%	43	89	(46)
		<u>9.461</u>	<u>10.091</u>	<u>(630)</u>

- *Devaluation of credits in working capital and liquid assets*

€ 3,195 thousands (1,816)

In 2013, the Company allocated €3,195 thousands to align old items and doubtful credits to their presumable collection value.

**Variation to inventories of raw, subsidiary materials, consumables and goods**  
**€2,083 thousands (- 2,114)**

The item in question is represented by the difference between final inventories at the end of the previous period (€ 9,937 thousands) and those at the end of this period (€ 7,854 thousands).

**Provision for risk Funds**

€ thousands - (-)

No further provisions were made during the period.

**Other provisions**

€ 850 thousands (-)

In 2013, the Company set aside losses on multi-year orders related to completion of lots 4,5 on the Firenze Nord - Firenze Sud stretch of the Autostrada Milano – Napoli (La Certosa) for €420 thousands and for the Foggia junction, €430 thousands.

## Sundry operating expenses

**€1,761 thousands (3,017)**

The amount is detailed in the following table:

€ Thousands	Year 2013	Year 2012	Variation
- Losses from sale of assets	49	26	23
- Entertainment expenses	53	67	(14)
- Subscriptions and purchase of publications	39	37	2
- Stamp and register taxes, government licences	96	214	(118)
- Vehicle road taxes	105	110	(5)
- IMU (property tax)	92	84	8
- Waste disposal taxes	103	80	23
- Penalties from controlling company Autostrade per l'Italia	400	350	50
- Definition of previous period costs and revenue	445	631	(186)
- Compensation for damages to third parties	40	884	(844)
- Other	339	534	(195)
	<b>1.761</b>	<b>3.017</b>	<b>(1.256)</b>

## Financial Revenue and Charges

**€ - 1,306 thousands (- 631)**

These include:

€ Thousands	Year 2013	Year 2012	Variation
<b>Financial income:</b>			
- Interest on bank credits	36	79	(43)
- Interest on credits from subsidiary Pavimental Polska	4	7	(3)
- Default interest	941	1.827	(886)
	<b>981</b>	<b>1.913</b>	<b>(932)</b>
<b>Financial Charges:</b>			
- Interest on bank debts	(537)	(619)	82
- Interest on debts payable to Controlling company Autostrade per l'Italia	(1.489)	(1.601)	112
- Other interest payable	(19)	(40)	21
- Bank charges and commission	(102)	(73)	(29)
- Interest for late payments to suppliers	(1)	(2)	1
	<b>(2.148)</b>	<b>(2.335)</b>	<b>187</b>
<b>Profits and losses on exchange:</b>			
Realised	(78)	(254)	176
From Valuation	(61)	45	(106)
<b>Total financial income and (charges)</b>	<b>(1.306)</b>	<b>(631)</b>	<b>(675)</b>



Net financial charges, for €1,167 thousands show an increase of €745 thousands against the previous period. That variation is partly attributable to lower late payment interest received from Customers for €941 thousands (€1,827 thousands in 2012, of which €1,638 thousands from Autostrade Centro Padane); that worse effect was partly compensated by lower interest paid to the intercompany financing account reduced by €112 thousands and the bank system reduced by €75 thousands.

**Adjustments to the value of Long-term Investments** **€38 thousands (119)**

Adjustments to the value of long-term investments were allocated for possible expenses due to liquidation of Consorzio R.F.C.C. in liquidazione (€38 thousands).

**Extraordinary Revenue and Charges** **€ -445 thousands (-167)**

These include:

€ Thousands	Year 2013	Year 2012	Variation
<b>Extraordinary income:</b>			
- Contingent assets	1.071	570	501
- Taxes for previous periods	40	1.861	(1.821)
	<u>1.111</u>	<u>2.431</u>	<u>-1.320</u>
<b>Extraordinary expenses:</b>			
- Bonuses to leave the company	(361)	(1.104)	743
- Contingent liabilities	(1.028)	(1.232)	204
- Fines and penalties	(31)	(40)	9
- Non-existent liabilities	(32)	(155)	123
- Losses on assets	(104)	(5)	(99)
- Taxes for previous periods		(62)	62
	<u>(1.556)</u>	<u>(2.598)</u>	<u>1.042</u>
<b>Total Extraord. Rev. and Expenses</b>	<u>(445)</u>	<u>(167)</u>	<u>(278)</u>

Extraordinary Charges include adjustment to costs and revenue for previous periods for € 1,028 thousands, expenses for bonuses paid to workers leaving the workforce for € 361 thousands; extraordinary Revenue mainly refers to contingent assets for €1,071 thousands.

**Income taxes for the period**

€ -2,528 thousands (1,301)

Refer to:

- current taxes for €- 3,401 thousands (914);
- prepaid and deferred taxes for €873 thousands (387);

The table below shows a summary of connection between tax charge in the balance sheet and theoretical tax charge.

<b>RECONCILIATION BETWEEN THE TAX CHARGE IN THE BALANCE SHEET AND THE THEORETICAL FISCAL CHARGE</b>			
<i>(Amounts In thousands of Euro)</i>			
<b>IRES</b>			
Description	amount of differences	fiscal effect	
		amounts	incidence
Result before taxes	2.857		
<i>Theoretical tax charge</i>		786	27,5%
<b>Temporary differences taxable in subsequent periods:</b>			
Other temporary differences	75		
<b>Total</b>	75		
<b>Temporary differences deductible in subsequent periods:</b>			
Allocations to fund for risks on lawsuits in progress			
Credit Devaluation surplus	2.380		
Other temporary differences	1.351		
<b>Total</b>	3.731		
<b>Roll-over of temporary differences from previous periods</b>			
Absorption fund for lawsuits in progress	(15)		
Recovery surplus of entertainment expenses previous periods			
Recovery surplus maintenance expenses previous periods (Art. 102 c. 6)			
Use of fund for multi-year bonuses to employees			
Sundry recovery of temporary differences	(625)		
<b>Total</b>	(640)		
<b>Permanent differences</b>			
Allocation holding devaluation surplus	37		
Deduction cars	990		
Taxes previous periods	(40)		
Balance other permanent differences	-833		
<b>Total</b>	154		
<b>Taxable IRES</b>	6.177		
<i>Effective tax charge</i>		1.699	59,46%
<b>Reimbursement from controlling company for adhesion to fiscal consolidation system</b>			

IRAP			
Description	amount of differences	fiscal effect	
		amounts	incidence
Difference between production value and costs	4.646		
Values not significant for IRAP purposes	45.315		
<b>Total</b>	49.961		
<i>Theoretical tax charge</i>		2.218	4,44%
<b>Temporary differences and taxable in subsequent periods:</b>			
-			
<b>Total</b>			
<b>Temporary differences deductible in subsequent periods:</b>			
<b>Total</b>			
<b>Temporary differences deductible in subsequent periods:</b>			
Allocations to fund for risks on lawsuits in progress			
Credit Devaluation surplus			
Other temporary differences			
<b>Total</b>			
<b>Roll-over of temporary differences from previous periods</b>			
Absorption fund for lawsuits in progress			
Recovery surplus of entertainment expenses previous periods			
Recovery surplus maintenance expenses previous periods (Art. 102 c. 6)			
Use of fund for multi-year bonuses to employees			
Sundry recovery of temporary differences	-58		
<b>Total</b>	(58)		
<b>Permanent differences</b>			
Balance permanent differences	(11.580)		
<b>Total</b>	(11.580)		
Taxable IRAP (average percentage 4.18%)	38.323		
<i>Effective tax charge</i>		1.702	3,41%

As of the 2009 tax period, the Company has adhered to the National Fiscal Consolidation System with the parent company Atlantia S.p.A. and renewed the option for the 2012-2014 three-year period..

In period 2013, the Company entered prepaid taxes depending on temporary differences referred to allocations made to the credit devaluation Fund and to emoluments to be paid to the Managing Director and the Board of Directors. Said entry, in compliance with tax regulations, took place based on a principle of prudence. So prepaid taxes were entered for the

amounts for which we are reasonably sure that, in future tax periods, taxable income levels will be sufficient to recover the amount

In this period, deferred tax amounts were also entered for a total amount corresponding to the deferred tax charge arising from valuation exchange rate proceeds. The following tables illustrate the effects of said items and their movements.

COMPOSITION PREPAID TAXES						
Description	31/12/2013			31/12/2012		
	Amount of temporary differences	Percentage applied	Prepaid tax	Amount of temporary differences	Percentage applied	Prepaid tax
<b>Allocation to taxed funds:</b>						
Funds for risks and charges:						
- losses on multi-year orders	850	27,50%	234			
- lawsuits in progress	940	27,50%	259	955	27,50%	263
- environmental recovery	77	31,94%	25	130	31,70%	41
<b>BoD emoluments</b>	440	27,50%	121	439	27,50%	121
<b>Charges of Exchange from valuation</b>	79	27,50%	22	140	27,50%	39
<b>Devaluation accounts receivable from</b>	4.339	27,50%	1.193	1.959	27,50%	538
<b>Balance in balance sheet</b>	6.725		1.854	3.623		1.002

**MOVEMENTS PREPAID TAXES**

<b>Balance 31/12/2012</b>	1.002
<b>Releases</b>	
Entertainment expenses	
Maintenance expenses surplus	
Fund for environmental remediation Expenses Pla	(16)
Charges of valuation exchange rates	(34)
BoD emoluments	(121)
Fund for lawsuits in progress	(4)
<b>Allocations</b>	
Charges of valuation exchange rates	17
Lawsuits in progress	
Emoluments CEO and BoD	121
Devaluation accounts receivable from customers	655
Provisions fund for losses on multi-year orders	234
<b>Effect in Income Statement</b>	852
<b>Balance 31/12/2013</b>	1.854

**COMPOSITION DEFERRED TAXES**

Description	31/12/2013			31/12/2012		
	Amount of temporary differences	Percentage applied	Deferred tax	Amount of temporary differences	Percentage applied	Deferred tax
<b>Allocation to taxed funds:</b>						
Funds for risks and charges:						
- taxes, including deferred taxes.	23	27,50%	6	98	27,50%	27
(Proceeds from valuation exchange rates)						
<b>Balance in balance sheet</b>	23		6	98		27

<b>MOVEMENTS DEFERRED TAXES</b>	
<b>Balance 31/12/2012</b>	27
<b><u>Releases</u></b>	
Proceeds from valuation exchange rates	(21)
<b><u>Allocations</u></b>	
Proceeds from valuation exchange rates	
<b>Effect in Income Statement</b>	(21)
<b>Balance 31/12/2013</b>	6

**Results for the period**

**€ 329 thousands (-7,738)**

**INFORMATION PURSUANT TO ART. 149-DUODECIES OF ISSUING REGULATIONS CONSOB NO. 11971/1999**

Type of services	Subject who supplied the service	Fees
External Auditing	<b>Deloitte &amp; Touche S.p.A.</b>	<b>26</b>
Other certification activities	<b>Deloitte &amp; Touche S.p.A.</b>	<b>3</b>
Other services	<b>Deloitte &amp; Touche S.p.A.</b>	<b>2</b>
Other services	<b>KPMG SPA</b>	<b>34</b>
<b>Total</b>		<b>65</b>

**OPERATIONS WITH REPURCHASE AGREEMENT OBLIGATIONS**

The Company has no debts and/or credits deriving from operations establishing a repurchase agreement obligation for the purchaser.

**LEASING OPERATIONS**

As at 31 December 2013, the company holds no leased assets.

**INFORMATION ON THE FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company has not stipulated any derivatives for which there is a need to provide the information required by article 2427 – bis Italian Civil Code.

**SUMMARY OF ESSENTIAL DATA OF THE COMPANY EXERCISING DIRECTION AND  
COORDINATION PURSUANT TO ART. 2497 BIS ITALIAN CIVIL CODE**

<b>AUTOSTRADA PER L'ITALIA S.p.A.</b>	
ESSENTIAL DATA FROM BALANCE SHEET FOR PERIOD 2012	
(Thousands of euro)	
<b>ASSET - FINANCIALSITUATION</b>	
Non current assets	20.048.386
Current assets	3.995.344
<b>Total Assets</b>	<b>24.043.730</b>
Shareholders' equity	2.099.015
<i>of which corporate capital</i>	<i>622.027</i>
Non current liabilities	18.185.370
Current liabilities	3.759.345
<b>Total Shareholders' Equity and Liabilities</b>	<b>24.043.730</b>
<b>INCOME STATEMENT</b>	
Operating income	3.885.303
Operating costs	-2.496.280
<b>Operating earnings</b>	<b>1.389.023</b>
<b>Operating result</b>	<b>644.587</b>



*Report by*  
*the Board of Auditors*

*Report by*  
*The Board of Auditors*

# **BOARD OF AUDITORS' REPORT**

PAVIMENTAL, SPA

Company subjected to the direction and coordination of Autostrade per l'Italia S.p.A.

Corporate capital €10,116,452.45 i fully paid up

Registered with REA under no.526702

Tax Code and Register of Companies registration number. 00481670586

Registered office in Roma, Via Giuseppe Donati, 174

## **Board of Auditors' Report to the Balance Sheet as at 31 December 2013**

(pursuant to article 2429 clause 2, Italian civil code.)

Dear Shareholders,

during the period closed at 31 December 2013 we carried out supervision activities assigned to the Board of Auditors, pursuant to art.. 2403 of the Italian civil code and - where applicable - art. 149 of Legislative Decree 58/98 and subsequent amendments and additions. This report is being drafted pursuant to art 2429 second clause, Italian civil code and art. 153 clause 1 of Legislative Decree. 58/98 and subsequent amendments and additions in accordance with principles of conduct for the Board of Auditors in companies controlled by listed companies, issued by the National Board of Chartered Accountants and Expert Bookkeepers.

Moreover, we have considered, where applicable, the Consob Communication no. DEM/1025564 of 6 April 2001, and subsequent amendments and additions.

With reference to activities carried out in period 2013, we would like to inform you that:

- we took part in the Shareholders' and Board of Directors' meetings, supervising compliance with statutory, legislative and regulatory provisions regulating company operations and we can state that no important resolutions in potential conflict of interest or that compromise the integrity of corporate assets were taken without first informing Directors and Auditors;
- from taking part in Board of Directors' meetings and from meetings had with directors and company managers - at least quarterly - we acquired information on activities carried out by the company and on operations of the most economic, financial and asset significance, ascertaining that actions decided and taken complied with laws in force and the Articles of Association and were not manifestly imprudent or risky, in potential conflict of interest or in contrast with corporate body resolutions or that could compromise corporate assets;
- we analysed, for our sphere of competence, adequacy of the company's organisation structure by obtaining information and examining documents transmitted to us by company function managers and by representatives of the auditing company, during meetings scheduled for a mutual exchange of data and information;

- we supervised the adequacy of the internal control system, structured at Group level and being updated continuously both in the Parent Company and in subsidiaries;
- we gained knowledge of and supervised the adequacy of the administrative accounts system, and its reliability when presenting management facts correctly, obtaining information from function managers, examining documents and through information obtained from the Auditing Company;
- we checked timeliness over providing the parent company with data needed to draw up the Balance Sheet and infra-annual reports, and with news set forth in arts. 114 and 115 of Legislative Decree 58/98 and subsequent amendments and additions.

Furthermore, with reference to controls carried out, we can confirm that:

- the company did not carry out any atypical or unusual transactions including infragroup ones or with correlated parties. For what concerns ordinary infragroup operations and those with correlated parties, the Board of Directors reported on them widely in its report. On the matter, we feel that those operations are congruent and respond to Corporate interests.
- we received no reports in compliance with art. 2408 of the Italian civil code and no instances from third parties;
- during activities carried out, no omissions, irregularities or reprehensible or significant facts emerged that needed to be notified to corporate bodies or mentioned in this report;
- during the period, we issued opinions required of the Board of Auditors pursuant to laws in force;
- the company is subjected to the direction and coordination of its parent company, Autostrade per l'Italia S.p.A., and publicity obligations set forth in art 2497 bis of the Italian civil code were complied with;
- the company adheres to the national consolidated tax system, pursuant to art. 117 et seq. of the T.U.I.R, with Atlantia S.p.A. as consolidating party.

The company balance sheet was audited by Deloitte & Touche S.p.A., also assigned to audit the parent company's balance sheet. During the period, there were regular relations with the auditing company in both formal meetings with the company's administrative managers also taking part, and through informal contact.

We also ascertained that no parties linked to the auditing company by ongoing relationships were appointed.

For what concerns the period balance sheet, we hereby state the following:

- as we do not analyse balance sheet content, we supervised its general layout and that of the Directors' Report and its general compliance with laws in force for what concerns

drafting and structure and have no specific observations to make;

- the company has drawn up the balance sheet in compliance with statutory regulations and Italian accounting principles, also preparing periodical reports to transmit the economic-asset situation for the drafting of infra.annual situations and the Consolidated Balance Sheet of Atlantia S.p.A., based on international accounting principles IAS/IFRS;
- we checked that the balance sheet corresponded with facts and information acquired by us during our duties;
- as far as we know, Directors did not derogate to laws pursuant to art. 2423 , clause 4, Italian civil code.

In its report, issued pursuant to arts. 156 and 165 of Legislative Decree 58/1998, on 5 March 2014, the Auditing Company states that the balance sheet as at 31 December 2013 truly, correctly presents your Company's financial and asset situation and the economic results for the period and made no considerations or requests for information.

For what is contained in this report, also considering the Auditing Company opinion, the Board of Auditors expresses a favourable opinion on approval of the balance sheet as at 31 December 2013 and the Board of Directors proposal for allocation of operating results.

Roma, 5 March 2014 The Board of Auditors

# *Report from the Auditing Company*

REPORT OF THE AUDITING COMPANY PURSUANT TO ART. 14 OF LEGISLATIVE  
DECREE 27.Ì.2010,

NO. 39 AND ART. 165 OF LEGISLATIVE DECREE NO. 58, 24.2.Ì998.

To the Shareholders of Pavimental S.p.A.

We have audited the period balance sheet of Pavimental S.p.A. (the "Company") closed at 31 December 2013. The Directors of Pavimental S.p.A. are responsible for drawing up the balance sheet pursuant to provisions regulating its drafting criteria. We are responsible for providing a professional opinion on the balance sheet based on an audit.

Our audit was carried out in compliance with auditing principles and criteria recommended by CONSOB. In compliance with those principles and criteria, the audit was planned and carried out to acquire elements needed to ascertain whether the balance sheet contains any significant errors and whether it is, on the whole, reliable. The auditing procedure includes an examination, based on spot audits, of elements providing proof of balances and information contained in the balance sheet, and on assessment of the adequacy and correctness of accounting criteria applied and reasonableness of estimates made by directors. We feel that the work carried out provides a reasonable base for expressing our professional opinion.

For an opinion on the balance sheet for the previous period, whose data was presented for comparison purposes as specified by law, please refer to the report issued by us on 7 March 2013.

In our opinion, the period balance sheet of Pavimental S.p.A. as at 31 December 2013 conforms to regulations disciplining drafting criteria. Hence, it is drawn up clearly and truly, correctly presents the Company's financial and asset situations and operating results.

As required by law, the Company has entered the essential data of the last balance sheet approved by the company exercising direction and coordination in the Notes. Our opinion of the Pavimental S.p.A. balance sheet does not cover that information.

The directors of Pavimental S.p.A. are responsible for drawing up a directors' report pursuant to laws in force. We are competent for expressing an opinion on whether the report shows that management is in line with the balance sheet, as required by law. For that purpose, we followed the procedure indicated in auditing principle no. 001 issued by the National Board of Chartered Accountants and Expert Bookkeepers and recommended by CONSOB. In our opinion, the Directors' Report is in line with the period balance sheet of Pavimental S.p.A. at 31 December 2013.

# *Shareholders' Meeting Resolutions*





The Shareholders' Meeting of Pavimental S.p.A., meeting on 20 March 2014 in ordinary session, in first calling, acknowledging the Report of the Board of Auditors and the Report of the Auditing Company DELOITTE & TOUCHE S.p.A. on the balance sheet as at 31 December 2013

HAS RESOLVED

- to approve the Balance Sheet as at 31 December 2013 - Statement of Assets and Liabilities, Income Statement and Notes -as presented by the Board of Directors;
- to approve the Directors' Report for period 2013, as presented by the Board of Directors;
- to allocate company profits of €328,908 as follows :
  - a) 5% to the legal reserve for an amount of €16,445;
  - b) to carry forward the remaining period profit for €312,463.