



*Company subject to the management
and coordination of Atlantia S.p.A.*

*These Financial Statements have been translated into the English language solely for the
convenience of international readers.*

Financial Statements

as at December 31, 2014

Headquarters - 00159 Rome, Via Giuseppe Donati n° 174

Share Capital € 10,116,452.45 fully paid-up

Registration no. in the Rome Companies Register and Internal Revenue Code 00481670586

VAT Code 00904791001, E.A.R. no. 526702

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CORPORATE BODIES

Board of Directors

in office for the triennium 2012 - 2014

Chairman (*)	Roberto Zianna
Deputy Chairman (*)	Eurigio Di Paolo
Chief Executive Officer and General Manager (**)	Franco Tolentino
Board member	Amedeo Gagliardi
Board member (***)	Concetta Testa

Board of Statutory Auditors

in office for the triennium 2013 - 2015

Chairman	Francesco Mariano Bonifacio
Standing auditor	Fernando Sbarbati
Standing auditor	Silvio Laganà
Alternate auditor	Giuseppe Pizzonia
Alternate auditor	Mario Francesco Anaclerio

Independent Auditing Firm

for the period 2012 - 2020

Deloitte & Touche S.p.A.

(*) Power of legal representation; powers of supervision over all corporate activities.

(**) Management powers within the limits of commitment on contractual matters.

(***) Resigned as at December 31, 2014.

Report on Management

GENERAL CONSIDERATIONS

Dear Shareholders,

The final balance of the year that just ended registered a profit of € 3,047 thousand, compared to the profit of € 329 thousand in 2013.

Overall production, amounting to € 396,882 thousand, has increased (by approximately 12.85%) compared to 2013 due to the increase in maintenance activities toward Autostrade per l'Italia S.p.A. (hereinafter ASPI), the start of construction work for other contractors, including mainly Aeroporti di Roma S.p.A. (hereinafter ADR), and the awarding by ASPI, described below, of new construction works of an infrastructural nature (on the A8 and Rho – Monza) which compensated for the reduced volume of activities deriving from the completion of works awarded in previous financial years (on the A14 and A9) .

For the Milan – Naples highway contract, for the expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (lot 0), the company applied the discount notified to the Contractor ASPI of 8.44% rather than the provisional contractual discount of 15%.

For the same contract, allocations of € 2,000 thousand were made to the reserves to cover the increased costs incurred during the course of 2014.

In the scope of the project for the reorganization of the Group holdings, on August 8, 2014, ASPI transferred 46,223,290 shares, corresponding to 59.4% of the share capital of Pavimental S.p.A., to Atlantia S.p.A. and 15,563,773 shares, corresponding to 20% of the share capital of Pavimental S.p.A., to ADR. Therefore, the new corporate set-up is as follows:

Shareholders	Number of Shares	Amount in Euros	% possession
Atlantia S.p.A.	46.223.290	6.009.027,70	59,40%
Aeroporti di Roma S.p.A.	15.563.773	2.023.290,49	20,00%
Autostrade per l'Italia S.p.A.	15.563.773	2.023.290,49	20,00%
Astaldi S.p.A.	468.029	60.843,77	0,60%
As at 31.12.2014	77.818.865	10.116.452	100%

As of the same date, the Company is thus subject to the management and coordination of Atlantia S.p.A.

Lastly, the following information is provided on the main contracts signed in 2014:

- last April, ASPI awarded to the Company the contract concerning the construction of the third lane on the stretch between Barberino di Mugello and Incisa di Valdarno Lot 1, for an amount of € 223,454 thousand;
- in the same month, a contract was also stipulated for the execution of the refurbishment and enhancement of the SP 46, on the stretch between Paderno – Rho – Nuovo Polo Fieristico, for an amount of € 76,556 thousand;
- on June 23, 2014, ASPI awarded to Pavimental the execution of the works for the construction of the fifth lane on the stretch between the Milan North toll gate and the Lainate interconnection on the A8 Milan laghi highway, for an amount of € 39,845 thousand;
- in the same month, Pavimental was awarded by the firm Todini Costruzioni Generali S.p.A. the subcontract concerning the works for the completion of the basic tunnel Lot 9-11 on the A1 Valico Variant, which is required for the functional opening of the highway link, for an amount of € 33,977 thousand;
- in September, was signed the contract for the awarding by ADR of the works for the Structural and Operating Refurbishment of the flight infrastructures of Runway 16L/34R, with a contractual value of € 64,283 thousand;
- on November 3, 2014, the contract was signed for the awarding by ASPI of the construction works for the third lane of the A1 Milan – Naples highway from km 287+353 to km 295+623, Florence North – Florence South Stretch Lot for the completion of phase 2 sector B for a contractual value of € 43,135 thousand;
- lastly, in December, ASPI awarded to Pavimental the works for the completion of Lot 13 – Enhancement of the Apennine crossing between Sasso Marconi and Barberino di Mugello. The net value of the contract is € 12,350 thousand.

In further detail is highlighted the following information:

Maintenance-Surfacing works

Total production amounts to € 107,195 thousand, entirely carried out toward ASPI. This value is has increased by € 2,308 thousand compared to 2013.

Other maintenance work – Acoustic enhancement – Barriers

Their value amounts to € 117,130 thousand, of which the value toward ASPI amounts to € 86,500 thousand; in 2014, these activities concerned in particular the installation of sound absorbent barriers and other non-maintenance activities.

The amount also includes (€ 13,430 thousand) the activities concerning the contracts awarded by ADR during the year.

Other activities for other contractors

The total value of these activities amounts to € 18,306 thousand, with an increase of € 2,022 thousand.

Construction of Infrastructures

The total value amounted to € 149,591 thousand, of which € 124,658 thousand was from ASPI. Below are shown the details of the main contracts:

A1 Milan – Naples highway, section from Rome North Toll Booth Settebagni Junction to Castelnuovo di Porto Junction

The work assigned during April 2009 was opened to traffic in July 2011, approximately 9 months earlier than the contractual deadline. The activities concerning this infrastructural work have been completed; progressive production recorded as at December 31 amounts to € 100,987 thousand, including the reserves allocated and not yet recognized for € 1,994 thousand and acceleration premiums of € 7,721 thousand already recognized by the Contractor.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Fano – Senigallia stretch (Lot 3)

The contract was awarded in June 2009; the Northern carriageway was opened to traffic on July 23, 2011 and the Southern carriageway on December 13, 2011, 12 and 9 months earlier than the contractual deadline respectively. The progressive production completed as at December 31, 2014 amounts to € 230,783 thousand and includes the entire additional payment due to advance completion charged to the Contractor (€ 11,091 thousand) and € 3,097 thousand for reserves allocated but not yet recognized. The activities concerning this infrastructural work have basically been completed.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Rimini North – Pedaso stretch (Lot 1A)

The works were awarded in September 2009 and were reopened to traffic at the end of September 2012, six months in advance of the contractual deadline.

The progressive production completed as at December 31, 2014 amount to € 58,562 thousand and includes € 3,208 thousand as the additional payment accrued and invoiced to the Contractor and € 361 thousand for reserves allocated but not yet recognized. The activities concerning this infrastructural work have basically been completed.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Rimini North – Cattolica stretch (Lot 1B)

The works were awarded in May 2010. The progressive production as at December 31, 2014 amounts to € 307,847 thousand and includes the entire acceleration premium invoiced to the Contractor (€ 14,800 thousand) and reserves allocated but not yet recognized for € 2,447 thousand. The activities concerning this infrastructural work have basically been completed.

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

The works were awarded in June 2009; the interconnection was reopened to traffic on July 31, 2011, 5 months in advance of the contractual deadline.

As at December 31, 2014, the progressive production completed amounts to € 239,389 thousand and includes reserves allocated and not yet recognized by the Contractor for € 1,099 thousand and the additional payment for the acceleration premiums of € 7,961 thousand.

The activities concerning this infrastructural work have basically been completed.

SP 46 Paderno – Rho – Nuovo polo fieristico stretch refurbishment and enhancement works

As already mentioned previously, in April, a contract was stipulated for the execution of the refurbishment and enhancement works on the SP 46, Paderno – Rho – Nuovo Polo Fieristico stretch for an amount of € 76,556 thousand. As at December 31, 2014, the production completed amounts to € 36,492 thousand and includes € 4,392 thousand for the quote of the additional acceleration payment for the financial year.

41.93% of the contracted works have been completed.

A8 Milan Laghi Expansion to 5 lanes from km 5+577 to km 9+990 (Lot 1)

In June, a contract was stipulated for the execution of the works for the expansion of the fifth lane in the stretch between the Milan North toll gate and the Lainate interconnection with the A8 Milan Laghi highway, for an amount of € 39,485 thousand. As at December 31 2014, the production completed amounts to € 13,815 thousand and 34.67% of the contractual works have been completed.

Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (Lot 0)

The works were awarded in January 2011. As at 31 December 2014, the progressive production completed amounts to € 123,195 thousand and includes the valorisation carried out by the application of the definitive discount of 8.44% notified by Autostrade per l'Italia, rather than the provisional contractual discount of 15% applied since the 2011 financial statements. The effect of the recalculation of production value amounts to a total of € 7,471 thousand.

81.68% of the contractual works had been completed as at 31 December 2014.

Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (Lot 1)

As previously mentioned, the Company was awarded the contract concerning the expansion of the third lane in the stretch between Barberino di Mugello and Incisa di Valdarno Lot 1 in April, for a total amount of € 223,454 thousand. The production recorded as at December 31, 2014 amounts to € 14,505 thousand.

Works for the completion of lots 4, 5 (“Stretch B”) and 7, 8 (“Stretch C”) from Km 287+314.72 to Km 300+891.69 located on the Florence North – Florence South stretch of the Milan – Naples highway

The works awarded in 2012 for a total value of € 16,989 thousand were increased during the current year by € 6,895 thousand with an addendum. The progressive production as at December 31, 2014 is € 26,188 thousand. As at December 31, 2014, the Company has allocated a loss fund of € 420 thousand for this contract, which was used in its entirety.

A4 Milan – Bergamo highway – Expansion to 4 lanes

Amounts recorded in previous financial years concerning the 3 Lots of the contract in question amounting to € 9,401 thousand were charged in the 2014 financial year.

Falcone e Borsellino Airport in Palermo: Expansion of the aircraft parking ramp

The payment for reserves recognized by the Contractor (€ 1,182 thousand) was received in its entirety in 2014.

The activities in Poland were carried out through the local Branch of Pavimental S.p.A. in a temporary association with Pavimental Polska S.p. z o.o., and registered a production in the financial year of € 7,210 thousand. The Polish permanent establishment closed 2014 with a profit of € 299 thousand.

The breakdown by financial area of the activities of 2014 is summarized in the following table:

	Production Value											
	Business areas 2014					Business areas 2013						
	Maintenance of surfacing	Non-surf. works	Infrastructural works	Other Contractors	Other revenues	Total	Maintenance of surfacing	Non-surf. Works	Infrastructural works	Other Contractors	Other revenues	Total
Maintenance	107.209	27.591				134.800	104.723	3.617				108.340
Service stations		1.603				1.603		463				463
Other works		15.609				15.609		23.372				23.372
Expansion 3 rd lane A9 Lainate - Como			277			277			10.336			10.336
A4 Milano - Bergamo			(443)			(443)						
A4 - 4 th Dynamic Lane			1.917			1.917			5.655			5.655
Other works North Area									115			115
Rho Monza			36.492			36.492						
A8 Milano - Lainate Lot 1			13.815			13.815						
Barberino Lot 0			27.590			27.590			37.305			37.305
Barberino Lot 1			14.505			14.505						
Florence Impruneta			381			381						
La Certosa - Florence South			3.991			3.991			19.906			19.906
Fiano GRA									521			521
Junctions			14.503			14.503			828			828
Modena - Bologna									51			51
Bologna by-pass			94			94						
Expansion 3 rd lane Adriatica Lot 3			1.736			1.736			2.371			2.371
Expansion 3rd lane Adriatica Lot 1A			187			187			691			691
Expansion 3rd lane Adriatica Lot 1B			9.152			9.152			45.430			45.430
Expansion 3rd lane Adriatica Lot 6A									1.790			1.790
Esino Est service station			461			461			504			504
Acoustic refurbishments		41.697				41.697		52.173				52.173
For Autostrade per l'Italia	107.209	86.500	124.658			318.367	104.723	79.625	125.503			309.851
For Others in the Atlantia Group												
Società Autostrade meridionali			11.956			11.956			5.220			5.220
Tangenziale di Napoli		2.576				2.576		1.403				1.403
Stalexport Malopolska S.A.		6.999				6.999		1.081				1.081
Aeroporti di Roma		13.430				13.430						
Works for the Atlantia Group	107.209	109.505	136.614			353.328	104.723	82.109	130.723			317.555
For Other Contractors												
Lambro Scari				5.497		5.497				1.807		1.807
Co Co Teem				4.899		4.899				3.278		3.278
Co.Im.A.				6.408		6.408				3.772		3.772
Aeroportuali				1.133		1.133				2.571		2.571
Altri lavori				369		369				4.856		4.856
Todini (Riconoscimento infrastrutture)			5.582			5.582						
Torino - Savona	(14)	2.137				2.123	164	4.208				4.372
Pedemontebarda			5.931			5.931			9.198			9.198
Ghella		5.242				5.242						
Total Works	107.195	116.884	148.127	18.306		390.512	104.887	86.317	139.921	16.284		347.409
Released to fund for infr. contract losses			420			420						
Pre operating costs on infr. contracts			963			963						
Total Production	107.195	116.884	148.510	18.306		391.895	104.887	86.317	139.921	16.284		347.409
Revenues from sales			81		585	666					270	270
Revenues from services		246			36	282					1.216	1.216
Typical Production Value *	107.195	117.130	148.591	18.306	621	392.843	104.887	86.317	139.921	16.284	1.486	348.895

* Amount net of other income and revenues

In fulfilment of what established by article 2428 of the Italian Civil Code, this report is aimed at providing a truthful, balanced and exhaustive analysis of the situation of the Company and its management performance, both in overall terms and in the distinct sectors in which the Company works, also through its subsidiary and associate companies, with specific regard to the costs, revenues and investments, and also the principal risks and uncertainties to which it is exposed and which, if existing, are highlighted and described in the main body of the document. In this context, in particular, the analysis is articulated through reference to the principal result indicators pertinent to the specific activities of the Company, and also the information given on the environment and human resources.

Environmental management

The 2014 financial year was characterized by the entry into force of the Audit System of Traceability of Waste for the producers of hazardous waste. Consistently with these regulations, the Company has applied the SISTRI since March 3, 2014, through its own Operating Units.

The organizational and management commitment continued during the course of the year, consistently with the operating commitments of the Company.

In this regard:

- for the company facilities authorized to produce bituminous conglomerate with a recycled component, registration in the Provincial Register of Companies and/or the National Roll of Environmental Managers has been maintained;
- registration from scratch has been acquired for the Trezzo sull'Adda Operating Unit;
- the Individual Environmental Authorizations (A.U.A.) have been acquired for the Loreto, Piacenza and Uboldo Operating Units;
- the quantities of milled asphalt dispatched to registered and/or authorized third party facilities were considerable. This was made necessary in order to attenuate the criticalities arising from the significant amount of milled asphalt produced compared to the recyclable quantities usable in maintenance and infrastructural activities;
- the certification authority BSI renewed ISO 14001:2004 certification for all the activities carried out by Pavimental;
- punctual and assiduous environmental monitoring activities were guaranteed for the production sites, with the aim of checking the continuous respect of the regulatory and

authorizing limits for atmospheric emissions, waste waters and the management of waste in general;

- training and information of the corporate managers involved in various ways in environmental management continued in line with the company training plan;
- the efficiency of the fire-fighting devices present in the Company's Operating Units was maintained and guaranteed.

Management of health and safety in the workplace

The activities carried out during the course of 2014 were aimed at satisfying the instructions given in the laws on the matter, in order to:

- fulfil the obligations deriving therefrom;
- raise the existing safety and hygiene levels.

In particular:

- during 2014, monitoring was conducted on the levels of exposure of workers with specific reference to physical agents, chemical agents and cancerous/mutational agents. The activities carried out ensured that personnel were made properly aware of the status of exposure, highlighting in this regard the maintenance of negligible/low risk levels, certainly below the exposure thresholds provided;
- OHSAS 18110/2007 certification of the Management System for Safety in the Workplace (SGSL) used by the Company was confirmed in 2014 for all the Company's Operating Units;
- some Corporate modifications were made in 2014 in terms of the Roles involved in Health and Safety matters, implying the duplication of the original Risk Assessment Document (DVR). Each of those is representative of their own working realities, of which it performs a risk exposure assessment analysis in terms of the use of equipment and the use of substances/materials.
- the monitoring activities concerning the respect of rules and regulations regarding safety in the workplace continued in 2014. From this viewpoint, more than 200 inspections were carried out during the course of the year, increasing the significant levels already reached in previous years.

- educational, informative and training activities were carried out in 2014 in line with the needs arising within the Company and the directives issued in this regard.

PORTFOLIO OF WORKS

As at December 31, 2014, there are works still to be carried out in the portfolio, valued at € 651,660 thousand, composed as follows:

	€ thousand
<u>Autostrade per l'Italia :</u>	
- Ordinary maintenance of road surfacing	105.600
- Infrastructural works	365.701
- Junctions and other highway works	27.142
- Acoustic refurbishment, lateral sound barriers	47.315
	545.758
<u>Other Companies in the Atlantia Group:</u>	
- Airport infrastructures	50.852
- Other motorway works	1.062
	51.914
<u>Other Contractors</u>	
- Sundry works	53.988
	53.988
Total Works Portfolio	651.660

The principal acquisitions during the year are highlighted in the paragraph entitled “General Considerations”.

SUMMARY OF THE RESULTS OF ECONOMIC AND EQUITY MANAGEMENT

INTRODUCTION

This paragraph describes and comments on the Analyses of the income results and the Analysis of the equity structure for 2014, compared to the values for the previous financial year.

It must be pointed out that the reclassified tables differ somewhat from the official tables described hereafter in the Supplementary Notes. In particular:

- the table of “Analysis of the income results” introduces the “Gross operating margin (EBITDA)” which is not included in the ordinary income statement. This margin is determined on the basis of the production value in the ordinary income statement and deducting from it all the production costs with the exception of the amortizations and depreciations, allocations to funds and other valuation adjustments. The result of subtracting these latter costs from the gross operating margin is the “Operating result (EBIT)”, which is basically the same as the “Difference between production value and costs” stated in the ordinary income statement. As regards the operating result, there are no differences in value and intermediate results in the two tables, the sole difference being the briefer nature of the table of “Analysis of the income results”;
- the table of “Analysis of the equity structure” differs from the ordinary one, being of a briefer nature and defining the following indicators in particular:
 - “Operating capital”: defined as the difference between the inventories, trade receivables, other current assets, trade payables, risk fund and short-term costs and the other current liabilities;
 - “Invested capital, deducted current liabilities and medium and long-term provisions for risks and charges ”: determined as the algebraic sum of the fixed assets, operating capital and medium and long-term provisions for risks and charges;
 - “Own capital”: matches the net equity in the financial statements;
 - “Net financial indebtedness”: represents an indicator of the financial structure and is given by the sum of:
 - “Medium and long-term net financial indebtedness”: given by the algebraic sum of the medium and long-term financial payables and the medium and long-term financial assets;

- “Sort-term net financial indebtedness”: given by the algebraic sum of the short-term financial payables, cash and cash equivalents and short-term financial receivables and net financial income;

HIGHLIGHTS

Ebitda: difference between the production value and costs, gross of amortizations, allocations and depreciations.

Ebit: difference between production value and costs.

Ebitda Margin: Ebitda/Revenues from sales and services.

Ebit Margin: Ebit/ Revenues from sales and services.

Net capital invested: algebraic sum of the fixed assets, financial year capital and medium and long-term provisions for risks and charges.

Cash Flow: sum of the net result + amortizations + provisions and write-downs.

ROI: Operating result (Ebit) / Net capital invested

ROE: Net result / (Own means – Net result)

€ thousand			
		2014	2013
Revenues		392.843	348.895
EBITDA		18.708	18.882
Ebitda Margin	%	4,76%	5,41%
EBIT		8.336	4.646
Ebit Margin	%	2,12%	1,33%
Net result		3.047	329
Average remunerated workforce		708,05	631,02
Cost of employment		47.017	40.620
Cost of employment / Revenues		11,97%	11,64%
Cash Flow		13.430	14.603
ROE		7,9%	0,9%
ROI		6,6%	2,5%

€ thousand			
		31 December 2014	31 December 2013
Net Capital Invested		126.256	183.541
Net financial indebtedness		84.719	144.966
Own means		41.537	38.575

ECONOMIC MANAGEMENT (as per table on page 20)

The typical production value for 2014, amounting to € 396,882 thousand (gross of the other income and revenues of € 4,039 thousand), shows an increase of € 45,196 thousand (+12.85%). The principal variations concerned the increase in volume of maintenance for ASPI (€ 2,486 thousand), the extra maintenance for the Atlantia Group (€ 27,396 thousand, of which € 13,340 thousand toward ADR) and for activities involved in new initiatives of the Company for third party contractors (€ 14,066 thousand).

In the 2014 financial year, additional allocations to reserves of € 2,000 thousand were recorded in the financial statements.

It should be recalled that as at December 31, 2014, the Company has allocated a fund to cover future losses for a total of € 850 thousand concerning the completion of lots 4 and 5 of the Florence North – Florence South stretch of the Milan – Naples highway (La Certosa) for € 420 thousand and the works on the Foggia intersection for € 430 thousand. The entire amount concerning La Certosa was transferred to the income statement during 2014. We would also point out that a fund for disputes in previous financial years was allocated to the income statement during the current year and reclassified as a Credit depreciation fund, and a fund for disputes of an employment law nature was also allocated (€ 903 thousand).

The other revenues and income increased by € 1,248 thousand, essentially due to increased compensation from insurance companies (€ 767 thousand).

The external production costs are in line with the variation in the production value, and increased by € 37,728 thousand (+12.98%). This performance is justified by both the increase in purchases of working material (€ 4,001 thousand) and by the increase in the service costs (€ 33,692 thousand).

The cost of labour increased by € 6,397 thousand (approximately 15.75%); it should be recalled that in February 2013, the Company implemented measures for cost containment (redundancy for maintenance personnel, solidarity contracts for headquarters personnel and blocking overtime payments). The average remunerated workforce increased from 631.02 individuals in 2013 to 708.05 in 2014.

The Gross Operating Margin (EBITDA) amounts to € 18,708 thousand, in line with the previous financial year (€ 18,882 thousand) and derives from the increased margins achieved on

maintenance and extra-maintenance activities (approximately € 5,189 thousand), partially compensated by the reduced margins on infrastructural works which discount the end of old contracts and the start-up of new interventions awarded during the course of the financial year.

The total of amortizations amounts to € 9,020 thousand, reduced by € 1,171 thousand, and has felt the combined effect of the increased purchases made during the year and compensated by the withdrawals from use and the completion of the amortization period of some assets.

In 2014, the Company recorded an allocation of € 1,056 thousand (€ 3,195 thousand in 2013) for the depreciation of receivables that are not easily recoverable, and a provision of € 296 thousand was also made to cover against probable risks arising from labour disputes.

From the effect of the changes described above, the Operating Result (EBIT) has improved by € 3,690 thousand compared to 2013.

The net financial charges increased by € 276 thousand compared to the previous financial year. This variation is prevalently attributable to the decrease in the amount of interest receivable on delayed payments received from the Contractor Autostrade Centro Padane, amounting to € 494 thousand (€ 941 thousand in 2013).

The value adjustments on financial assets (€ 11 thousand) are allocated to cover for the possible costs deriving from the receivership of Consorzio RFCC.

The net extraordinary expenses amount to € 247 thousand and include cost adjustments and revenues concerning previous financial years (€ 688 thousand), expenses for incentives to the exit of the workforce (€ 518 thousand), non-operating profits (€ 990 thousand) and net income for Taxes related to previous financial years (€ 48 thousand).

The fiscal costs for the financial year derive from the recording of IRES taxes amounting to € 1,618 thousand, IRAP amounting to € 1,791 thousand and advance and deferred taxes for € 40 thousand. The net result for 2014 was positive, amounting to € 3,047 thousand (€ 329 thousand in 2013).

TABLE ANALYSING THE INCOME RESULTS

Thousands of Euros

	2.014	2.013	Differences	
			Value	%
REVENUES:				
Revenues from works	411.284	292.742	118.542	40,49
Other revenues from sales and services	948	1.486	(538)	(36,20)
Other income and revenues	4.039	2.791	1.248	44,72
A. TOTAL REVENUES	416.271	297.019	119.252	40,15
Change in work in progress on contracts	(19.389)	54.667	(74.056)	(135,47)
B. VALUE OF "TYPICAL" PRODUCTION	396.882	351.686	45.196	12,85
External production costs	(328.463)	(290.735)	(37.728)	12,98
Other costs	(2.694)	(1.449)	(1.245)	85,92
C. ADDED VALUE	65.725	59.502	6.223	10,46
Net labour cost	(47.017)	(40.620)	(6.397)	15,75
D. GROSS OPERATING MARGIN (EBITDA)	18.708	18.882	(174)	(0,92)
Amortizations	(9.020)	(10.191)	1.171	(11,49)
Other valuation adjustments	(1.056)	(3.195)	2.139	(66,95)
Provisions for risks and charges	(296)	(850)	554	(65,18)
E. OPERATING RESULT (EBIT)	8.336	4.646	3.690	79,42
Financial income and expenses	(1.608)	(1.167)	(441)	37,79
Profits and losses on exchange rates	26	(139)	165	(118,71)
Value adjustment of financial assets	(11)	(38)	27	(71,05)
F. RESULT BEFORE EXTRAORDINARY COMPONENTS AND TAXES	6.743	3.302	3.441	104,21
Extraordinary income and expenses	(247)	(445)	198	(44,49)
G. RESULTS BEFORE TAXES	6.496	2.857	3.639	127,37
Current, deferred and advance financial year tax	(3.449)	(2.528)	(921)	36,43
H. PROFITS FOR THE PERIOD	3.047	329	2.718	826,14

EQUITY STRUCTURE (as per table on page 24)

The “**Invested capital deducted the financial year liabilities and M/L term risks and charges**” as at 31/12/2014 amounts to € 131,495 thousand (€ 189,107 thousand as at 31/12/2013). The item is composed as follows:

“**Fixed assets**” amounting to € 38,508 thousand as at 31/12/2014; this item decreased by € 2,778 thousand compared to 31/12/2013 (€ 41,286 thousand) in particular from the effect of the negative balance between investments and amortizations in the year, essentially consisting of:

- new investments in tangible fixed assets of € 7,481 thousand and in intangible fixed assets of € 129 thousand;
- decrease of amortizations of the period for € 9,020 thousand;
- disposal of tangible fixed assets for € 224 thousand net of the relevant funds.

As at December 31, 2014, in fulfilment of what required by the new version of OIC 23 published in August 2014, the Company has reclassified the value of the pre-operating costs concerning multi-annual contracts recorded among the intangible fixed assets as at December 31, 2013 (amounting to € 1,144 thousand) to increase the work in progress on contracts.

“**Operating capital**” amounts to € 92,987 thousand as at 31/12/2014; compared to 31/12/2013, this item has decreased by € 54,834 thousand, prevalently due to the combined effect of the variations to the following items:

- increase of € 2,498 thousand in the value of the inventories;
- decrease of € 18,590 thousand in the work in progress on contracts in relation to:
 - maintenance activities following the charging of the works completed in September and October (€ 28,460 thousand; the same activities for 2013 were recorded under work in progress as at December 31);
 - contracts for the installation of sound absorbent barriers (€ 14,953 thousand) following the invoicing of the amounts recorded in previous financial years and concerning variant inspections;
 - infrastructural works (essentially referable to the contracts for Barberino Lot zero € 17,791 thousand, La Certosa € 12,601 thousand, and the 3 Lots of the A4 Milan – Bergamo – Brescia € 9,843 thousand) following the charging of amounts recorded in previous financial years and the definition of reserves.

This effect was partially compensated by the increased amounts for:

- new infrastructural contracts for the North Area (€ 32,588 thousand);
 - activities started during the year concerning the Barberino Lot 1 contract (€ 9,701 thousand);
 - works concerning other contracts with ASPI (for example motorway junctions for € 8,298 thousand);
 - new activities for ADR (€ 10,291 thousand).
- increase in the trade receivables (€ 16,158 thousand) substantially attributable to the increased receivables from ASPI (€ 4,178 thousand), from the holding company Lambro (€ 4,616 thousand) for the activities concerning the work for the realization of the External Eastern Milan By-pass, from Co.Im.A. for the activities for the realization and completion of the A12 Livorno – Civitavecchia highway stretch (€ 6,442 thousand), and from ADR for the invoicing of the completed work (€ 3,153 thousand);
 - increase in the trade payables amounting to € 48,320 thousand (€ 138,995 thousand as at 31/12/2013) as a consequence of the dynamics of payments by the suppliers of materials purchased and rendered services;
 - decrease in the Funds for risks and contingencies amounting to € 4,422 thousand (€ 6,008 thousand as at 31/12/2013), essentially following the release from the income statement of the fund for ongoing lawsuits for the use, exuberance and reclassification to other items, of provisions made in previous years (€ 903 thousand), partially compensated by new provisions (€ 296 thousand). The fund for impairment losses on investments concerning the subsidiary Pavimental Est is reduced by € 195 thousand due to changes in exchange rates. Lastly, on December 31, 2014, in fulfilment of that required by the new version of OIC 23 published in August 2014, the Company has proceeded with the reclassification of the Fund for losses on multi-annual contracts (totalling at € 850 thousand) allocated as at December 31, 2013 to cover for future losses concerning the completion of lots 4 and 5 of the Florence North – Florence South stretch of the Milan – Naples highway (La Certosa) and the works on the Foggia Intersection, decreasing the work in progress on contracts;
 - increase in Other liabilities of € 10,142 thousand; this effect is prevalently related to the fact that as at December 31, 2013, the Company had receivables from the tax authorities for VAT, while a payables of € 11,989 thousand was recorded as at December 31, 2014.

The “**Medium and long-term provisions for risks and charges**” amounts to € 5,239 thousand (€ 5,566 thousand as at 31/12/2013) and decreased by € 327 thousand due to the use of the employee severance fund for personnel leaving the company.

The “**Own Capital**” amounted to a total of € 41,537 thousand, and records an increase of € 2,962 thousand (€ 38,575 thousand as at 31/12/2013) prevalently by the effect of the financial year profits. As illustrated in the paragraph entitled “General Considerations”, during the 2014 financial year, as part of the plan for the reorganization of the Group holdings, ASPI transferred 46,223,290 shares, corresponding to 59.4% of the share capital of Pavimental, to Atlantia S.p.A. and 15,563,773 shares, amounting to 20% of the share capital of Pavimental, to ADR.

As at December 31 , 2014, the Company had a positive “**Net financial position**” (net financial indebtedness) of € 84,719 thousand (€ 144,966 thousand as at December 31, 2013) and recorded a decrease of € 60,247 thousand attributable to the lesser use of the credit line granted by ASPI (€ 92,122 thousand). As at December 31, 2013, the use of this fund amounts to € 148,627 thousand, due to the dynamics of incoming and outgoing payments at the end of the year, and this decreased as a consequence of the recognition and receipt of payments for completed works.

TABLE ANALYSING THE EQUITY STRUCTURE

Thousands of Euros

	31.12.2014	31.12.2013	Differences
A. FIXED ASSETS			
Intangible fixed assets	632	1.993	(1.361)
Tangible fixed assets	32.480	33.897	(1.417)
Financial fixed assets	5.396	5.396	
	38.508	41.286	(2.778)
B. BUSINESS YEAR CAPITAL			
Inventories	228.654	244.746	(16.092)
Trade receivables	69.318	53.155	16.163
Other assets	11.676	9.705	1.971
Trade payables	(187.315)	(138.995)	(48.320)
Provisions for risks and charges	(4.422)	(6.008)	1.586
Other liabilities	(24.924)	(14.782)	(10.142)
	92.987	147.821	(54.834)
C. INVESTED CAPITAL			
deducted operating liabilities (A + B)			
	131.495	189.107	(57.612)
D. MEDIUM AND LONG-TERM PROVISIONS FOR RISKS AND CHARGES			
Employee Severance Fund	5.239	5.566	(327)
	5.239	5.566	(327)
E. CAPITAL INVESTED			
deducted liabilities and M/L term provisions risks and charges: (C - D)			
	126.256	183.541	(57.285)
Covered by:			
F. OWN CAPITAL			
Paid-up share capital	10.116	10.116	
Reserves and retained earnings	28.374	28.130	244
Profit for the period	3.047	329	2.718
	41.537	38.575	2.962
G. NET MEDIUM/LONG-TERM FINANCIAL INDEBTEDNESS			
Medium and long-term financial assets	(2.117)	(816)	(1.301)
	(2.117)	(816)	(1.301)
H. NET SHORT TERM FINANCIAL INDEBTEDNESS			
(Net cash and cash equivalents)			
Short-term financial payables	92.917	151.289	(58.372)
Cash and cash equivalents and short-term financial receivables	(6.081)	(5.507)	(574)
	86.836	145.782	(58.946)
TOTAL NET FINANCIAL (AVAILABILITY) INDEBTEDNESS (G + H)			
	84.719	144.966	(60.247)
I. TOTAL, AS IN E			
(F + G + H)			
	126.256	183.541	(57.285)

INVESTMENTS

The investments made during the course of 2014 amount to € 7,610 thousand Euros, in line with the company requirements.

The following table contains a summary of the investments made during the period, subdivided by category:

€ thousand	Intangible Fixed Assets	Tangible Fixed Assets	Total
- Leasehold improvements			
- Applicative Software	95		95
- Software usage licences	34		34
- State property concessions			
- Land and Industrial Buildings		108	108
- Plant and Machinery		3.530	3.530
- Lorries and support vehicles for operating activities		1.910	1.910
- Other tangible fixed assets		242	242
- Ongoing fixed assets		1.691	1.691
	<u>129</u>	<u>7.481</u>	<u>7.610</u>

RESEARCH AND DEVELOPMENT

2014 was the year in which the initial benefits of the triennial research project in collaboration with the Marche Polytechnic, aimed at increasing the reuse of materials recovered from the demolition of road surfacing, were collected.

Approximately 92,000 tons of bituminous conglomerate were produced for drainage use, recycled at 15%, with more than satisfactory results from a performance and economic viewpoint.

At the same time, the experimental laying of bituminous conglomerate for binders with a high percentage of milled asphalt (40% in the binder layer, compared to 25% currently in use) and drainage with 20% recycled materials were concluded. Both of these experiments produced extremely promising results and we hope to pass on to the production phase in some facilities during the course of 2015, after checking and comparison with the Contractor.

In the future (the biennium 2015-2016), research activities will be focusing on tepid conglomerates.

These materials are packaged and used at lower temperatures (approximately 40°-50°) than those produced using traditional techniques (approximately 160°).

The main advantages provided by this method are: lower emissions of gases and odours and lower energy consumption.

The research will be specifically oriented towards verifying that the performance levels of the conglomerates are maintained.

QUALITY SYSTEM

2014 was characterized by intensive activities concerning Quality. In particular:

- the obligatory nature of EC marking for polymer-modified bitumen according to UNI EN 14023 – “Bitumen and bituminous binders. Framework of specifications concerning polymer-modified bitumen”, ensured that Pavimental maintained its FPC certificate for polymer-modified bitumen valid for the facilities of the Operating Units in Loreto, Zola Predosa (Bologna) and Marcianise;
- in fulfilment of the provisions of UNI EN 13108, the internal and external surveillance audits were carried out at all the currently certified operating units. Also, the triennial certification according to ISO 9001 was renewed for the production facilities, expiring in 2017, for the activities performed as a specialist firm. The certificate for activities as a general firm was also renewed and is now valid until the end of 2017;
- Training activities were provided for all the worksite personnel, with in-hall activities and on the job training; internal audits were also carried out on the principal infrastructural and highway worksites, on the worksites concerning the soundproof and safety barriers and also on the airport-related activities. In overall terms, over 40 audits and inspections were carried out on the company’s working areas;
- during the course of 2014, the FPC Manuals and relevant annexed documentation were updated as regards the production of Concrete Mixers and Bituminous Conglomerates. The Quality Manual was also monitored and updated. As regards the Corporate procedures, four documents and their annexes were reviewed;
- in the context of the creation of Co.Im.A. S.c.a.r.l., the ISO 9001 certificate as a General

Contractor is still valid;

- As regards the certification scheme for Sustainability entitled “Make it Sustainable”, in March 2014, the authority ICMQ performed the audit concerning the maintenance of the annual certificate obtained at the Operating Unit of Zola Predosa. In September 2014, this certification was also obtained by the Operating Unit of Barberino Infrastrutture, for the work concerning Lot 0.

HUMAN RESOURCES

From an **organizational viewpoint**, 2014 was a year which saw the completion of the process of reorganization and enhancement of the processes linked to the maintenance of the highway network and other non-surfacing interventions (airports, sound absorbent barriers, lateral boundary barriers, etc.).

The following were the principal interventions on the Maintenance, Non-Surfacing and Airport Works structure:

- the concentration in a single structure of the activities concerning the Maintenance of the Highway Network and Lateral Boundary Barriers;
- the setting up of the Sound Absorbent Barriers and Junctions structure, following the closure of the Interconnections, Junctions and Other Infrastructures structure;
- the creation of the ADR Infrastructures structure due to the start-up of airport activities.

It should also be noted that in order to enhance the monitoring of safety matters, the entire safety organization was reviewed during the year, through the identification as “employer” ex art. 2 of Legislative Decree 81/08 of two individuals within the company set-up and the conferment upon them the relevant power concerning health and safety in the workplace.

The identification of the two individuals was done by subdividing their duties among the various Production Units:

- the Chief Executive Officer and General Manager of the Company is responsible for the Production Units involved in works concerning:
 - infrastructural enhancement of the North Area;
 - infrastructural enhancement of the Centre-South Area;

The Chief Executive Officer and General Manager is also recognized as Employer for the Rome Office and the staff Operating Units therein.

- The Maintenance, Surfacing, Non-Surfacing and Airport Works Manager is responsible for the Production Units involved in works concerning:
 - Highway Network Maintenance and Lateral Boundary Barriers;
 - Sound Absorbent Barriers and Junctions;
 - Airport Works.

Simultaneously, the interventions continued for updating the corporate procedures plan, also in order to adjust the procedural set-up of Pavimental to the evolution of the organizational Management and Control model (provided by Legislative Decree 231/01).

From the viewpoint of **informative systems**, the plan for the electronic management of invoices must be highlighted, and, in the first few months of 2015, this will lead to a reorganization of the processes linked to the management of invoices payable, making them more efficient and enhancing control activities.

As regards the aspects concerning the **Selection, Development and Training** of human resources, the objectives for 2014 were the development and training of personnel, aimed at raising the levels of professionalism and developing and further enhancing the corporate culture on safety in the workplace and environmental protection.

Most of the training activities carried out were provided through the use of the financed training method, involving the Professional Funds for continuous training to which Pavimental has adhered.

In particular, specific sessions were scheduled dedicated to technical training courses, such as refresher courses on the Environment, Safety and Quality, and on the job training in the use of the computerized devices for the management of the passive cycles (RDS) and multi-annual contracts (STR Vision).

In conclusion, training interventions were organized during the course of 2014 for a total of 8,119.30 hours.

Industrial Relations in 2014 were principally aimed at the management of the corporate amortization facilitators obtained in 2013 and, more specifically, the management of the Extraordinary Redundancy Payments Fund (CIGS) for Restructuring for the workers employed in 12 Maintenance Operating Units and also the management of the Solidarity regime in favour of the personnel working at the headquarters in Rome. Furthermore, the requests for the aforementioned CIGS and Solidarity regimes was renewed for the second annual term in 2014. On September 24, 2014 and on November 14 , 2014, Pavimental obtained the ministerial decrees

respectively for authorizing the processing of 2014 salary integrations for the workers employed at headquarters and for processing the 2nd semester/2014 CIGS for workers employed at the Maintenance Operating Units.

As regards the Infrastructural Areas, monitoring activities continued throughout 2014, through meetings with the Trade Unions on the employment status of the workers employed (North and Centre South Infrastructures). The solutions discussed highlighted the need for collective dismissals.

Lastly, specific attention was given to the settlement of the conflicts with the territorial Trade Union offices representing the employees of third parties contracted by Pavimental in order to limit the economic effects on Pavimental, being jointly responsible.

The following table compares the dimensions of the corporate workforce on December 31 in 2013 and 2014 respectively, in consideration of the different types of continuing and fixed-term employment contracts:

	31 December 2014			31 December 2013			
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	Delta
Directors	6		6	7		7	(1)
Managers	27		27	26		26	1
Employees	294	13	307	293	7	300	7
Labourers	465	38	503	381	12	393	110
	792	51	843	707	19	726	117

As regards the average remunerated workforce, 2014 closed with an average of 708.05 units compared to 631.02 in 2013.

The average remunerated workforce is broken down into the following categories:

	2014			2013			
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	Delta
Directors	6,75		6,75	7,25		7,25	(0,5)
Managers	25,56		25,56	25,67		25,67	(0,1)
Employees	284,45	10,20	294,65	279,82	10,01	289,83	4,82
Labourers	343,47	37,62	381,09	296,50	11,77	308,27	72,82
	<u>660,23</u>	<u>47,82</u>	<u>708,05</u>	<u>609,24</u>	<u>21,78</u>	<u>631,02</u>	<u>77,03</u>

RELATIONS WITH RELATED PARTIES

In relation to that provided by art. 2427, paragraph 22-bis of the Italian Civil Code on information with related parties, it should be pointed out that the following trade and/or financial relations are currently ongoing with the Companies listed hereafter, and are conducted under standard market conditions or on the basis of the quota of common costs incurred, in the interest of expanding the activities of the Company.

As stated in the introductory part, following the transfer of Pavimental S.p.A. shares by ASPI to Atlantia and to ADR, the corporate set-up has consequently been modified with respect to December 31, 2013.

Parent Company

- **Atlantia:** following the transfer by ASPI on August 8, 2014 of 46,223,290 shares (corresponding to 59.4% of the share capital of Pavimental) to Atlantia, the latter is now the parent company; as of the same date, Pavimental is subject to the management and coordination of Atlantia. It should also be recalled that in 2012, the Company renewed its adherence to the consolidated fiscal system, in which Atlantia is the consolidator; there is also a lease contract ongoing for the company headquarters of villa Fassini;

The following is a summary in tabular form of the economic relations undertaken in 2014 and the equity relations ongoing as at December 31, 2014:

€ thousand

Relations with the Parent Companies (Trade, financial and other)

	Atlantia S.p.A.	Atlantia S.p.A.
	31/12/2014	31/12/2013
<i>Receivables</i>		
Tax Receivables	1.304	3.098
<i>Total Receivables</i>	<i>1.304</i>	<i>3.098</i>
<i>Payables</i>		
Trade payables	28	1.314
Tax payables		1.693
Other payables	3	
<i>Total Payables</i>	<i>31</i>	<i>3.007</i>
<i>Memorandum Accounts</i>		
Guarantees-Fidejussions	22	22
	2014	2013
<i>Total Income</i>		
<i>Expenses</i>		
<i>Production expenses:</i>		
Services	27	
Use of third party assets	549	549
Other expenses	3	
Extraordinary expenses	2	2
<i>Total Expenses</i>	<i>581</i>	<i>551</i>

Companies in the Atlantia Group

- **Autostrade per l'Italia (ASPI):** an associate, there are significant trade and financial relations ongoing with this company, which in active terms consist of the ordinary and extraordinary maintenance of the highways granted under concession to ASPI as regards both construction and infrastructural works. The performance of the works awarded by ASPI represented approximately 81% of the entire production output of the Company. In passive terms, the relations involved the recharging of highway toll fees, emoluments for the directors, outsourcing services, personnel detached elsewhere, work-related fines and other expenses.

The financial relations with ASPI are constituted by the granting of a correspondence bank account which guarantees a credit line (regulated under market rates) generating

infra-group interest receivable and payable through which normal loan operations in the framework of the Centralised Treasury are managed in order to cover bank overdrafts, insurance costs payable, the salaries of the managers, items concerning participation in the consolidated fiscal system and also items of lesser importance. This would appear to indicate that the relations ongoing are referable to operations of an ordinary nature.

There are some ongoing “sales commitments” towards ASPI, which represent the performance of works still to be carried out in the framework of those awarded and “fidejussions” which concern insurance and banking guarantees for the proper execution of works. As at December 31, 2014, the Company possesses 15,563,773 shares, amounting to 20% of the share capital of Pavimental.

The following is a summary in tabular form of the economic relations undertaken in 2014 and the equity relations ongoing with ASPI as at December 31, 2014:

€ thousands

Relations with ASPI (Trade, financial and other)

	Autostrade per l'Italia	Autostrade per l'Italia
	31 December 2014	31 December 2013
<u>Receivables</u>		
Work in progress	193.659	232.988
Trade receivables	23.080	19.011
- Allowances for doubtful accounts	(1.184)	(1.184)
Other Receivables	14	64
Advance payments to suppliers	1.524	1.415
Tax receivables		
<i>Total Receivables</i>	<i>217.093</i>	<i>252.294</i>
Financial fixed assets	4	4
Tangible fixed assets		
<i>Total Fixed Assets</i>	<i>4</i>	<i>4</i>
<u>Payables</u>		
Trade payables	1.128	721
Deposits on SAL/advance payments	12.043	12.644
Other payables	434	479
Financial payables	92.122	148.627
Deferred liabilities		
Tax payables		
<i>Total Payables</i>	<i>105.727</i>	<i>162.471</i>
<u>Memorandum accounts</u>		
Sales commitments	545.758	219.986
Guarantees-Fidejussions	194.497	155.779
	2014	2013
<u>Income</u>		
<i>Production value:</i>		
Works	318.367	314.058
Services-Sales	8	1
Other income	1.784	1.979
Financial income		
Extraordinary income		
<i>Total Income</i>	<i>320.159</i>	<i>316.038</i>
<u>Expenses</u>		
Production expenses		
Services	1.660	1.605
Use of third party assets	43	42
Other expenses	966	473
Financial expenses	1.631	1.489
Extraordinary expenses		25
<i>Total Expenses</i>	<i>4.300</i>	<i>3.634</i>

- **ADR:** an associate; there are active trade relations ongoing with this company in the framework of the activities for the Structural and Operational Refurbishment of Runway 16L/34R and the recharging of costs for detached personnel. On August 8, 2014, ASPI transferred 15,563,773 shares, amounting to 20% of the share capital of Pavimental, to ADR.

€ thousands

Relations with Companies in the ADR Group (Trade, financial and other)

	Aeroporti di Roma	ADR Engineering	Aeroporti di Roma	ADR Engineering
	31 December 2014	31 December 2014	31 December 2013	31 December 2013
<u>Receivables</u>				
Work in progress	10.291		14	
Trade receivables	3.153	16		
<i>Total Receivables</i>	<i>13.444</i>	<i>16</i>	<i>14</i>	
<u>Payables</u>				
Trade payables	1			
<i>Total Payables</i>	<i>1</i>			
<u>Memorandum accounts</u>				
Sales commitments	50.852			
Guarantees-Fidejussions	12.560			
	2014	2014	2013	2013
<u>Income</u>				
<i>Production value:</i>				
Works	13.430			
Other income	40	16		
<i>Total Income</i>	<i>13.470</i>	<i>16</i>		
<u>Expenses</u>				
<i>Production expenses:</i>				
<i>Total Expenses</i>				

- **Essediesse (SDS):** an associate, during the course of 2014, SDS provided services for the management of general services;
- **Telepass:** an associate; there are ongoing commercial relations with this company concerning the use of highways by vehicles of the company for work purposes;
- **Società Autostrade Meridionali:** an associate; there are significant active commercial relations ongoing with this company concerning the construction of infrastructures and recharging of detached personnel costs;
- **Tangenziale di Napoli:** an associate; there are significant active commercial relations ongoing with this company in the framework of activities for the refurbishment of soundproof barriers;
- **Spea:** an associate; there are relations ongoing with this company for the recharging of detached personnel costs;
- **Stalexport Autostrada Malopolska S.A.:** there are active commercial relations ongoing with this company concerning work performed in Poland by the Pavimental branch in temporary association with the subsidiary Pavimental Polska;

The “sales commitments” (€ 1,062 thousand) refer to works to be carried out on the contracts granted and are related to the “fidejussion guarantees” (€ 4,473 thousand) of an insurance nature, in favour of the Contractors for the awarding of the works in question.

€ thousand

Relations with Related Parties (Trade, financial and other)

31 December 2014								31 December 2013							
SAT	Essediesse	SAM	Stalexport Malopolska S.A.	Spea	Telepass	Tang. Napoli	TOTAL	SAT	Essediesse	SAM	Stalexport Malopolska S.A.	Spea	Telepass	Tang. Napoli	TOTAL

Receivables

Work in progress	546	9.520			2.714	12.780	546	2.685	541		1.403	5.175
Trade and sundry receivables	3.754	321	4.086			8.161	3.754	310	1.676	22		5.762
Accrued income												
Total Receivables	4.300	9.841	4.086		2.714	20.941	4.300	2.995	2.217	22	1.403	10.937

Payables

Trade payables		10		2	12	26	18		1	45
Advances	3.227				3.227	3.227				3.227
	3.227	10		2	3.239	3.227	26	18	1	3.272

Memorandum accounts

Sales commitments		429		633	1.062	158	2.855		3.013
Guarantees-Fidejussions	1.085	2.050		1.338	4.473	1.085	298		1.383

2014								2013							
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Revenues

Production value:

Works		11.956	6.999		2.576	21.531		5.220	564		1.403	7.187
Services												
Other financial income		70			70			345	67			412
Total Revenues		12.026	6.999		2.576	21.601		5.565	564	67	1.403	7.599

Expenses

Production expenses:

Services and use of third party assets	86	18		11	115	85	17	22	11	135
Other financial expenses		3		22	25		1	5		6
Extraordinary expenses							4	26	1	31
Total Expenses	86	21		22	140	85	22	53	12	172

HOLDING COMPANIES AND CONSORTIUMS

Pavimental Est

Headquarters in Moscow
Share capital 4,200,000 new Roubles
Holding 100%

The Company has been inactive since 1999. The allocations to cover eventual losses that are currently expected to be incurred amount to € 343 thousand. The liquidation procedure of the holding company has been started.

Pavimental Polska Sp.z o.o

Headquarters in Warsaw
Share Capital 3,000,000 PLN
Holding 100%.

Production activities are essentially focused on the performance of:

- works for the reconstruction of the drainage system of the A4 highway in the Silesia region – part I, contracted by Stalexport Autostrada Malopolska S.A. and performed in temporary association with Pavimental S.p.A. for a contractual value of 19.4 million PLN;
- works for the surfacing of the A4 Katowice – Krakow highway, contracted by Stalexport for a contractual value of 12.4 million PLN and performed in temporary association with Pavimental S.p.A.

The activities aimed at the acquisition of new contracts are continuing, and in this regard, the acquisition of the contract, in consortium with Pavimental S.p.A., for the construction of the Chrzanow bypass, worth 13.5 million PLN, should be mentioned. The works will be carried out in 2015.

To increase the offer and production capacity of the Company, some operating vehicles have been purchased.

New loans were subscribed with Pavimental S.p.A. in 2014 with a residual value as at December 31, of € 1,200 thousand.

The workforce was 61 units as at December 31, 2014.

Elmas S.c.a r.l. (in receivership)

Headquarters in Rome
Share capital € 10,000
Holding 60%.

The works for the refurbishment of the main runway, the restructuring of runway 14-32 and the enhancement of the AVL systems at Cagliari Elmas airport awarded to the temporary association of enterprises between Pavimental S.p.A. and SAR.CO.BIT. S.r.l., the performance of which was contracted to Elmas S.c.a.r.l., were completed during 2009.

In the framework of the bankruptcy procedure of the shareholder SAR.CO.BIT S.r.l., the Cagliari Law Courts accepted the claim by Pavimental for amounts payable on October 4, 2010, for an amount of € 1,408 thousand.

The Company entered receivership on June 12, 2013.

Trinacria S.c.a r.l. (in receivership)

Headquarters in Limena (PD)
Share capital € 10,000
Holding 47.729%.

Following the awarding of the contract to the temporary association of enterprises between Pavimental S.p.A., Intercantieri Vittadello S.p.A. and Costruzioni Bruno Teodoro S.p.A. for the expansion of the aircraft ramp at Palermo “Falcone e Borsellino” airport, a tender contract was stipulated on 24 May 2007 between GESAP S.p.A. and the aforementioned temporary association worth € 16,311 thousand (subsequently recalculated at € 14,478 thousand).

The consortium company named Trinacria S.c.a.r.l. was incorporated on September 18, 2007.

The works concerning this contract were completed in 2013 and the Company entered receivership in January 2014.

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

Headquarters in Rome
Share capital € 10,000
Holding 75%.

On July 26, 2012, a limited liability consortium company was incorporated, named Co.Im.A. S.c.a.r.l., the scope of which is the realization of public works and infrastructures through participation in procedures for awarding contracts through tenders, competitive tenders,

concession or through any other system of awarding. The share capital amounts to € 10 thousand and the holdings are 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 of Category I General Contractor, and therefore had the possibility of participating in General Contractor tenders for amounts of up to 350 million Euros.

Co.Im.A. possesses 19.8% of the holding quotas in the capital of SAT Lavori, amounting to € 20 thousand; the latter Company was incorporated for the realization and completion of the A12 Livorno – Civitavecchia highway stretch.

Consorzio R.F.C.C. (in receivership)

Headquarters in Tortona (AL)
Share capital € 510,000.00
Holding 30%

In line with the comments made in the financial statements in previous financial years, we would reiterate the complexity of the situation of the Consortium, the receivables claimable from the Contractor (ADM) being unchanged.

As regards the updating of the status of the dispute for the settlement of the reserves, an Appeal had been filed by the Contractor against the first degree sentence of the Administrative Tribunal of Rabat, which recognizes to the Consortium reserves of approximately 8.5 million Euros.

A lawsuit by ADM for compensation of damages (especially legal costs) filed against R.F.C.C. is also ongoing. The Companies involved in the Consortium would be willing to end the litigation in a definite way and irrevocably by way of settlement.

With regard to the dispute of a fiscal nature with the Finance Ministry, the Consortium is evaluating the possibility of a settlement of the matter.

Galileo S.c.a r.l. (in receivership)

Headquarters in Perugia
Share capital € 10,000.00
Holding 40%

The works at Pisa airport were completed in 2008.

The consortium members Pavimental S.p.A., Todini S.p.A. and Ediltevere S.p.A. hold 40%, 40% and 20% respectively of the capital quotas. The testing certificate was released on November 18, 2010. The S.c.a.r.l. entered receivership during November 2012.

Ramonti S.c.a.r.l.

Headquarters in Tortona (AL)
Share capital € 10,000.00
Holding 49%

Following the definitive awarding of the works commissioned by Autostrade Centro Padane S.p.A. for the construction of the highway link between the toll booth at Ospitaletto (A4), the new toll booth at Poncarale (A21) and Montichiari airport, a new limited liability consortium company was incorporated on May 14, 2008, with a share capital of € 10 thousand and named Ramonti S.c.a.r.l..

The consortium members Itinera S.p.A. and Pavimental S.p.A. hold 51% and 49% respectively of the capital quotas. The scope of the company is to operate using the system of overturning costs to individual members on the basis of their respective holdings. Production activities have been completed. As at December 31, 2014, Pavimental S.p.A. had receivables of € 6,879 thousand from the Contractor.

Società Tangenziale Esterna S.p.A.

Headquarters in Milan
Share Capital € 464,945,000
Holding 1%

This is the project concessionary company for the design, construction and management of the External Eastern Bypass in Milan. In December 2013, the concessionary signed the contract for the financing under project financing, which ensured the financial coverage required for the initiative.

Consorzio Miteco

Headquarters in Castelnuovo di Sotto (RE)
Share Capital € 10,000
Holding 1.3%

Consorzio Miteco, which was originally incorporated to group together the construction companies in the TE, is currently inactive.

Consorzio Costruttori TEEM

Headquarters in Milan
Share Capital € 10,000
Holding 1%

In the framework of the construction of the External Eastern Bypass in Milan, Consorzio Miteco was incorporated on June 18, 2009, including the constructors participating in the TEEM initiative, with a consortium fund of € 10 thousand and a Pavimental holding of 1%. In September 2011, the companies in the Miteco consortium, together with Impresa Pizzarotti & C. S.p.A., created Consorzio Costruttori TEEM, with the purpose of coordinating activities between the constructors. The Board of Representatives of Miteco deliberated its dissolution as a consequence of the fact that the consortium members intended to pursue the activities in the scope of its corporate purpose by other means.

On June 11, 2012, the EPC contract was signed for awarding the works to the general contractor Co.Co.TEEM; the complete infrastructure is expected to become operational in 2015.

Consorzio Lambro

Headquarters in Milan
Share Capital € 200,000
Holding 2.78%

Again with reference to the External Eastern Bypass project in Milan, a limited liability consortium company was incorporated on December 19, 2011, called Lambro, with a share capital of € 200 thousand and with the corporate purpose of performing the works awarded to the components of Group A of Consorzio Costruttori TEEM. The percentage holding owned by Pavimental is 2.78%.

The following is the economic and financial data concerning these companies:

€ thousand

Economic Relations	2014	2013	Diff.
<u>Contract works</u>			
Consorzio Co.Im.A.	6.408	3.771	2.637
Consorzio Costruttori TEEM	4.899	3.278	1.621
Consorzio Lambro	5.497	1.807	3.690
	<u>16.804</u>	<u>8.856</u>	<u>7.948</u>
<u>Other operating revenues</u>			
Consorzio Costruttori Teem	1	119	(118)
Consorzio Lambro	37		37
Consorzio Miteco	5	4	1
Consorzio Co.Im.A.	28	28	
Pavimental Polska	173	150	23
Consorzio Galileo		3	(3)
Consorzio Ramonti		125	(125)
Consorzio Trinacria		94	(94)
	<u>244</u>	<u>523</u>	<u>(279)</u>
<u>Service expenses</u>			
Consorzio Galileo	6	15	(9)
Consorzio Ramonti	2	122	(120)
Consorzio Trinacria	18	3.038	(3.020)
Consorzio Elmas	3	3	
Consorzio Co.Im.A.	6.057	3.449	2.608
Consorzio Costruttori TEEM	4.316	3.237	1.079
Consorzio Lambro	5.099	1.479	3.620
Pavimental Polska	6.856	1.066	5.790
Consorzio Miteco		4	(4)
	<u>22.357</u>	<u>12.413</u>	<u>9.944</u>
<u>Other expenses</u>			
Consorzio Ramonti	14		14
Consorzio Costruttori TEEM	5		5
Consorzio Co.Im.A.	382		382
Consorzio Trinacria	5	232	(227)
Consorzio Elmas	10	2	8
Consorzio Quadrante 300		1	(1)
Consorzio Lambro		28	(28)
	<u>416</u>	<u>263</u>	<u>153</u>
<u>Financial income</u>			
Pavimental Polska	5	4	1
	<u>5</u>	<u>4</u>	<u>1</u>
<u>Extraordinary income</u>			
Consorzio Trinacria		28	(28)
	<u>-</u>	<u>28</u>	<u>(28)</u>

€ thousand

Equity Relations	December 31, 2014	December 31, 2013	Difference
Trade assets			
Consorzio Co.Im.A.	9.692	2.095	7.597
Consorzio Costruttori TEEM	3.205	4.111	(906)
Consorzio Lambro	7.198	869	6.329
Consorzio Galileo	210	210	
Consorzio Elmas	548	548	
Consorzio Miteco	6	6	
Pavimental Polska	71	309	(238)
Consorzio RFCC	124	124	
	<u>21.054</u>	<u>8.272</u>	<u>12.782</u>
Other current financial assets			
Consorzio Trinacria	159	159	
Consorzio Elmas	1.030	1.030	
Pavimental Polska	1.200		1.200
Pavimental EST	299	510	(211)
Consorzio RFCC	2.291	2.245	46
Consorzio Co.Im.A.	20	20	
	<u>4.999</u>	<u>3.964</u>	<u>1.035</u>
Other current assets			
Consorzio Galileo	75	75	
Consorzio Elmas	3	3	
Consorzio Ramonti	229	245	(16)
	<u>307</u>	<u>323</u>	<u>(16)</u>
Trade liabilities			
Consorzio Costruttori TEEM	2.922	3.901	(979)
Consorzio Galileo	220	217	3
Consorzio Ramonti			
Consorzio Trinacria	194	550	(356)
Consorzio Elmas	1.447	1.443	4
Consorzio Lambro	6.331	652	5.679
Consorzio Miteco	2	7	(5)
Pavimental Polska	1.979	840	1.139
Consorzio Quadrante 300			
Consorzio Co.Im.A.	9.433	1.867	7.566
	<u>22.528</u>	<u>9.477</u>	<u>13.051</u>
Other current liabilities			
Consorzio Elmas	3	3	
Tangenziale Esterna	1.027	1.837	(810)
	<u>1.030</u>	<u>1.840</u>	<u>(810)</u>

LEGAL HEADQUARTERS AND OPERATING UNITS

The following is a list of company addresses:

HEADQUARTERS

ROME - Via Giuseppe Donati n. 174

OPERATING UNITS

Worksites:

- | | |
|-----------------------------------|--|
| - Anagni (Frosinone) | - Località Cangiano |
| - Andria (BAT) | - Contrada Lamapaola |
| - Arezzo | - Civitella in Val di Chiana, Via delle Case Rosse n. 12 |
| - Barberino di Mugello (Florence) | - Località Bovecchio – Via Frassineta s.n. |
| - Bologna | - Via Prati 10 A |
| - Bologna | - Località La Muffa, Svincolo A1-Via Emilia |
| - Casina Rizzardi (Como) | - Autostrada A9 Km 30 sud |
| - Calenzano (Florence) | - Via Madonna del Facchino snc |
| - Fiesse Umbertiano (Rovigo) | - Via Trento s.n. |
| - Foggia | - Contrada Mendolecchia |
| - Genoa | - Autostrada A12 Est km 2 Dir. Ge-Li |
| - Genoa | - Via Fiamme Gialle |
| - Guidonia Montecelio (Rome) | - Via Casal Bianco |
| - Loreto (Ancona) | - Località Leonessa |
| - Magliano Sabina (Rieti) | - Località Campitelli |
| - Marcianise (Caserta) | - S.S. Sannitica km. 19+600 |
| - Origgio (Varese) | - Autostrada A9 Km 12 sud |
| - Ortona (Chieti) | - Zona Industriale Località Tamarete n.10 |
| - Padova | - Corso Stati Uniti |
| - Piacenza | - Località Borghetto di Roncaglia |
| - Rimini | - Frazione S.Martino in Riparotta |
| - Trezzo sull'Adda (Milan) | - S.P. 2 s.n. per Grezzago |
| - Uboldo (Varese) | - Via IV Novembre s.n. |
| - Rome | - Fraz. Ponte Galeria, Via di Valle Lupara snc |
| - Torre Annunziata (Naples) | - Autostrada A3 Km. 17,400 |
| - Turate (Co) | - Via Puecher n.38 |
| - Senigallia (Ancona) | - S.S. Arceviese snc |
| - Fiano Romano (Rome) | - Via Salaria Km 15+750 |
| - Mondolfo (PU) | - Via Sterpettine s.n.c. |
| - Riccione | - Via Ancona n. 9 |
| - Rosignano Marittimo (LI) | - Località La Valle n. 9, Fraz.ne Vada |
| - Barberino di Mugello (Florence) | - Località Cornocchio |
| - Rimini (RN) | - Via Flaminia Conca n. 85 |

SIGNIFICANT EVENTS AFTER THE CLOSURE OF THE FINANCIAL YEAR

No significant events occurred after the closure of the financial year.

MANAGEMENT OUTLOOK

An increase in production value is forecast for the 2015 financial year, principally due to the following:

- the infrastructural contracts, following the works on the Apennine stretch of the A1 and those for the expansion of the A8 to 5 lanes.
- the increase in the amount of work in the non-maintenance sector, due to the airport-related works and the further increase in the number of interventions for the installation of sound absorbent barriers.

INFORMATIVE NOTE PURSUANT TO ART. 248, PARA. 3, SUB. 6-BIS OF THE CIVIL CODE

The Company operates in the sector of maintenance of the highway network and the construction of infrastructures and airport-related activities, prevalently on behalf of Autostrade per l'Italia S.p.A. and Aeroporti di Roma and, to a lesser extent, third party contractors, and is not exposed to specific market risks in this regard, except for those exclusively due to eventual changes to the strategies decided by the Group leader.

The Company is not exposed to significant risks in terms of changes to the price of works completed, as the remuneration for the activities carried out is determined contractually with its contractors.

Furthermore, the Company has not recorded any significant cases of additional payments for infrastructural works not being made in the past.

The Company is not exposed to significant risks in terms of changes in financial flows, except for those exclusively due to the dynamics of the receipt of receivables claimed from its own contractors, principally Autostrade per l'Italia S.p.A..

The company is not exposed to significant credit risks and has not encountered significant cases of non-fulfilment by the counterparty, except for that described as regards the receivables from Adriatica S.c.a.r.l. and Sielpa, for which Pavimental has prudentially allocated an amount in the financial statements for the possible failure to recover the credit and receivables from Autostrade

Centropadane S.p.A., with which it has finalized negotiations which led to the receipt of adequate guarantees to cover the remaining credit.

The Company is not currently exposed to liquidity risks, given that it believes it has access to sources of financing, both internal (also to the Group it belongs to) and/or external, that are sufficient to satisfy its forecast financial needs, for both current operational management and the financial means required to sustain any eventual new investments.

The Company is involved in civil and administrative lawsuits and in legal action concerning the ordinary performance of its activities. On the basis of the information currently available, the company believes that these lawsuits and legal actions will not determine significant negative effects on the equity and financial situation and the economic result of the company, other than those reflected in these financial statements.

Other information ex art. 2428 of the Civil Code

The Company does not possess treasury shares or shares in Subsidiary Companies, directly or through trust companies and intermediaries. Similarly, no operations were carried out during the financial year involving treasury shares or those of Subsidiary Companies.

INFORMATION ON THE APPLICATION OF LEGISLATIVE DECREE No. 196/03

The Company has properly fulfilled the obligations imposed by the rules concerning the protection of personal data introduced by Legislative Decree no. 196/2003.

The contents and information contained in the former Safety Planning Document (DPS), which has not been used for more than two years now, in compliance with the dispositions of the Privacy Guarantor authority, have in any event been drawn up and updated in the last version – February 2014 – of the text entitled “Procedure – Internal privacy regulations”. The document, among other things, indicates the personal data processed electronically by the Company in the performance of its management activities, an analysis of the risks consequent to processing and the prevention measures to be adopted to guarantee the integrity of data, its processing and its confidentiality.

The same document also illustrates the specific training programmes for the personnel involved.

Furthermore, the names of the internal and external persons responsible for and entrusted with the processing of personal data have been updated, as have the required documental standards (informative notes, designation models, appointment letters, etc.).

INFORMATION ON THE APPLICATION OF LEGISLATIVE DECREE No. 231/01

During the course of 2014, the Supervisory Board of the Company, by deliberation of the Board of Directors of Pavimental on February 20, integrated its own composition, which had been of two components following the premature death of Mr. Fabrizio Ranucci, appointing Mr. Angelo Manno as a component, the latter being a Manager of Autostrade per l'Italia and who has accrued long-standing experience in the Legal Management of said Company.

The composition of the Supervisory Board is therefore as follows:

- Mr. Bruno Ciappina Coordinator
- Mrs. Rossella Degni Component
- Mr. Angelo Manno Component

Furthermore, by deliberation of the Pavimental Board on 19/12/2014, following the review of the organizational set-up of the Company as regards safety matters, which identified two individuals on the management team as “employer” ex art. 2 of Legislative Decree 81/08, the Organizational, Management and Control Model has been updated, in the parts concerning the examination of these positions.

Lastly, the Board has entrusted the “Operating Compliance” department of Autostrade per l'Italia to carry out surprise inspections on worksites on a sample basis (one for maintenance and one for infrastructures) in order to verify the adequacy of the safety procedures and systems used and their effective observance, also as regards the use of individual protection devices and proper supervision by those responsible.

Certificate of Attestation (SOA)

The Attestation Company “La Soatech S.p.A.” made some changes to the Certificate during the course of 2014, in particular:

- On 31/01/2014, Certificate no. 17067/17/00 was released, which implied a five-year renewal, thereby bringing the expiry date of the attestation to 31/01/2019 and introduced the expansion of the following categories:

<i>Category</i>	<i>from Classification</i>	<i>to Classification</i>
OG1 (Civil and industrial buildings)	IV	V
OG6 (Water, gas and oil pipelines, etc.)	IV	V
OG11(Special infrastructural equipment)	IV	V
OS9 (Luminous signage and traffic safety)	IV	V
OS10 (Non-luminous signage)	III	IV
OS24 (Green areas and urban greenery)	I	III BIS

- On 31/10/2014, Certificate no. 18489AL/17/00 was released, introducing Category OS20A (Topographical surveys) into the second classification and Category OS18A (Steel structural components) into classification VIII
- On 24/11/2014, Certificate no. 18604AL/17/00 introduced an additional Technical Director, in the person of Mr. Alberto Di Bartolomeo, everything else holding firm.

PROPOSALS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

The draft financial statements we are hereby submitting for approval show net financial year profits of € 3,046,966.

We therefore ask that you approve the financial statements for the 2014 financial year and this Report on Management as submitted to you, proposing:

- the allocation of 5% to the legal reserve, amounting to 152,348 Euros;
- the allocation of the amount of 25,654 Euros to the reserve for profits on exchange rates ex art. 2426, point 8-bis of the Civil Code;
- bringing forward the residual financial year profits, amounting to 2,868,964 Euros.

At this Shareholders' Meeting, this Board of Directors will step down from office. We would thank you for the trust placed in us and would ask that you now proceed according to the law and the Statutes and appoint a new Board of Directors, determining in advance the number of components and establishing their remuneration.

Rome, February 20, 2015

These Financial Statements have been translated into the English language solely for the convenience of international readers.

Financial Statements

Equity Situation
and
Income Statement

ASSETS		31/12/2014		31/12/2013	
A) UNPAID SUBSCRIBED RECEIVABLES					
B) FIXED ASSETS					
I - INTANGIBLE FIXED ASSETS					
1) Plant and expansion costs					
3) Industrial patent rights and rights for the usage of intellectual property		387.456		469.856	
4) Concessions, licences, trademarks and similar rights		131.588		198.048	
7) Other		<u>112.781</u>	631.825	<u>1.325.437</u>	1.993.341
II - TANGIBLE FIXED ASSETS					
1) Land and Buildings		9.369.998		10.330.924	
2) Plant and machinery		15.873.346		15.645.202	
3) Industrial and trade equipment		4.334.224		5.025.346	
4) Other assets		746.918		801.950	
5) Assets under construction and advances		<u>2.155.516</u>	32.480.002	<u>2.093.978</u>	33.897.400
III - FINANCIAL FIXED ASSETS					
1) Holdings in:					
a) subsidiary companies		726.722		726.722	
b) related companies		13.673		13.673	
d) other companies		<u>4.655.241</u>	5.395.636	<u>4.655.241</u>	5.395.636
2) Receivables:	(*)			(*)	
d) from others		<u>1.156.759</u>	<u>2.117.111</u>	<u>124.935</u>	<u>815.834</u>
		<u>1.156.759</u>	7.512.747	<u>124.935</u>	6.211.470
TOTAL FIXED ASSETS (B)			<u>40.624.574</u>		<u>42.102.211</u>
C) OPERATING CAPITAL					
I - INVENTORIES					
1) Raw and subsidiary materials and consumables		11.026.835		8.529.810	
3) Work in progress on contracts		<u>232.971.961</u>	243.998.796	<u>252.259.710</u>	260.789.520
II - RECEIVABLES					
	(**)			(**)	
1) From clients		26.867.854		23.581.944	
2) From subsidiary companies		9.692.011		2.500.876	
3) From related companies		3.088.642		3.058.625	
4) From parent companies		1.304.137		3.098.022	
4 - bis) Tax receivables		1.342.567		4.393.085	
4 - ter) Advance taxes	1.675.896	1.870.646		1.854.297	
5) From others					
a) From other associates		34.731.993		24.879.561	
b) From other debtors		<u>3.491.835</u>	82.389.685	<u>2.284.648</u>	65.651.058
		<u>1.675.896</u>		<u>1.713.225</u>	
IV - CASH AND CASH EQUIVALENTS					
1) Bank and post office deposits		995.590		1.522.779	
3) Cash and similar values		<u>17.522</u>	1.013.112	<u>19.984</u>	1.542.763
TOTAL OPERATING CAPITAL (C)			<u>327.401.593</u>		<u>327.983.341</u>
D) ACCRUED INCOME AND DEFERRED LIABILITIES					
Accrued income and deferred liabilities			<u>4.029.229</u>		<u>1.266.923</u>
TOTAL ASSETS			372.055.396		371.352.475

(*) Amounts due within one year
(**) Amounts due beyond one year

LIABILITIES

	31/12/2014			31/12/2013		
A - NET EQUITY						
I - SHARE CAPITAL			10.116.452			10.116.452
II - SHARE PREMIUM RESERVE			29.331.726			29.331.726
IV - LEGAL RESERVE			583.162			566.716
VII - OTHER RESERVES			-226.018			-141.003
VIII - PROFITS BROUGHT FORWARD			-1.315.301			-1.627.763
IX - FINANCIAL YEAR PROFITS			3.046.966			328.908
			<u>41.536.987</u>			<u>38.575.036</u>
B) PROVISIONS FOR RISKS AND CHARGES						
2) FOR TAXES, INCLUDING DEFERRED	62.489			6.520		
3) OTHER:						
fund for ongoing lawsuits	782.210			1.390.090		
fund for environmental recovery costs	72.390			72.390		
fund for losses on multi-annual contracts				850.000		
fund for multi-annual personnel incentives						
fund for excess holding depreciation	3.504.512	4.421.601	4.421.601	3.689.012	6.008.012	6.008.012
C) EMPLOYEE SEVERANCE FUND FOR SUBORDINATE EMPLOYMENT			<u>5.238.702</u>			<u>5.565.527</u>
D) PAYABLES	(**)			(**)		
4) To banks			795.090			2.662.256
6) Deposits			15.684.960			16.137.201
7) To suppliers			172.452.974			129.823.615
9) To subsidiary companies			12.863.401			4.153.084
10) To related companies			414.603			766.633
11) To parent companies			31.243			3.007.132
12) Tax payables			13.339.137			1.488.898
13) To social security and welfare institutes			-			234.305
14) To others						
a) to other associates			93.696.986			149.871.592
b) to other creditors			<u>11.574.712</u>			<u>13.059.185</u>
			<u>320.853.106</u>			<u>321.203.900</u>
E) ACCRUED INCOME AND DEFERRED LIABILITIES						
Accrued income and deferred liabilities			<u>5.000</u>			
TOTAL LIABILITIES			<u>372.055.396</u>			<u>371.352.475</u>
MEMORANDUM ACCOUNTS						
REAL GUARANTEES GRANTED FOR OBLIGATIONS OF OTHERS :						
of related companies			6.013.168			3.556.033
of other holding companies						
PURCHASE AND SALES COMMITMENTS			651.660.000			283.745.000
OTHERS			297.508.945			250.608.795
TOTAL MEMORANDUM ACCOUNTS			<u>955.182.113</u>			<u>537.909.828</u>

(*) Amounts due within one year

(**) Amounts due beyond one year

INCOME STATEMENT

	2014		2013	
A) PRODUCTION VALUE				
1) REVENUES FROM SALES AND SERVICES		412.232.317		294.228.172
3) CHANGES IN ONGOING WORKS TO ORDER		- 19.389.444		54.666.967
4) INCREASES IN FIXED ASSETS FOR INTERNAL WORKS				977.004
5) OTHER REVENUES AND INCOME				
capital gains from alienation of assets	307.069		310.989	
absorption of funds by operating capital				
absorption of funds for risks and contingencies	903.500			
other income	3.123.697		2.779.039	
other cost recoveries	4.944.332	9.278.598	5.098.259	8.188.287
		<u>402.121.471</u>		<u>358.060.430</u>
B) PRODUCTION EXPENSES				
6) FOR RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		133.425.870		124.183.686
7) FOR SERVICES		201.293.564		168.590.996
8) FOR USE OF THIRD PARTY ASSETS		1.322.447		1.290.106
9) FOR PERSONNEL				
a) salaries and wages	32.356.876		28.398.574	
b) social security and welfare expenses	11.873.556		10.398.706	
c) employee severance fund	1.245.975		203.317	
d) retirement fund and similar	1.105.332		1.983.363	
e) other expenses	286.576	46.868.315	285.600	41.269.560
10) AMORTIZATIONS AND DEPRECIATIONS				
a) amortization of intangible fixed assets	345.737		729.955	
b) amortization of tangible fixed assets	8.674.240		9.460.585	
d) depreciation of receivables in the operating capital and cash-on-hand and liquid assets	1.056.077	10.076.054	3.195.490	13.386.030
11) CHANGES IN THE INVENTORIES OF RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		- 2.497.025		2.083.329
12) ALLOCATIONS FOR RISKS		295.620		
13) OTHER ALLOCATIONS				850.000
14) OTHER OPERATING EXPENSES		3.001.109		1.761.062
		<u>393.785.954</u>		<u>353.414.769</u>
DIFFERENCE BETWEEN PRODUCTION VALUE AND EXPENSES (A-B)		<u>8.335.517</u>		<u>4.645.661</u>
C) FINANCIAL INCOME AND CHARGES				
16) OTHER FINANCIAL INCOME				
a) from long-term receivables:				
other	506		431	
d) interest from others:				
interest and commissions from subsidiaries				
interest and commissions from related companies				
interest and commissions from parent companies				
interest and commissions from others and other income	556.059	556.565	980.727	981.158
17) INTEREST AND OTHER FINANCIAL CHARGES				
interest and commissions to related companies				
interest and commissions to parent companies	1.631.522		1.489.183	
interest and commissions to others and other charges	532.803	- 2.164.325	658.866	- 2.148.049
17 bis) PROFITS AND LOSSES ON EXCHANGE RATES		25.806		- 139.172
TOTAL FINANCIAL INCOME AND CHARGES		<u>- 1.581.954</u>		<u>- 1.306.063</u>
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS				
19) DEPRECIATIONS				
of holdings		- 10.700		- 37.737
TOTAL ADJUSTMENTS		<u>-10.700</u>		<u>-37.737</u>
E) EXTRAORDINARY INCOME AND CHARGES				
20) INCOME				
prior period income	989.774		1.071.304	
other	296.445	1.286.219	39.533	1.110.837
21) CHARGES				
contingent liabilities	688.430		1.059.967	
taxes related to prior years	247.986			
incentives to outputs	518.000		361.200	
other	79.079	- 1.533.495	134.689	- 1.555.856
TOTAL EXTRAORDINARY ITEMS		<u>- 247.276</u>		<u>- 445.019</u>
INCOME BEFORE TAXES		<u>6.495.587</u>		<u>2.856.842</u>
22) CURRENT AND DEFERRED INCOME TAXES				
CURRENT TAXES				
IRES	1.618.000		1.699.000	
IRAP	1.791.000	- 3.409.000	1.702.000	- 3.401.000
ADVANCE TAXES				
IRES	39.621		- 870.646	
IRAP		- 39.621	- 2.420	873.066
TOTAL TAXES		<u>- 3.448.621</u>		<u>- 2.527.934</u>
23) FINANCIAL YEAR PROFITS		<u>3.046.966</u>		<u>328.908</u>

ASSETS

Values in thousands of Euros

	31/12/2014		31/12/2013	
A) UNPAID SUBSCRIBED RECEIVABLES				
B) FIXED ASSETS				
I - INTANGIBLE FIXED ASSETS				
1) Plant and expansion costs				
3) Industrial patent rights and rights for the usage of intellectual property	387		470	
4) Concessions, licences and similar rights	132		198	
7) Other	113	632	1.325	1.993
II - TANGIBLE FIXED ASSETS				
1) Land and buildings	9.370		10.331	
2) Plant and machinery	15.873		15.645	
3) Industrial and trade equipment	4.334		5.025	
4) Other assets	747		802	
5) Assets under construction and advances	2.156	32.480	2.094	33.897
III - FINANCIAL FIXED ASSETS				
1) Holdings in:				
a) subsidiary companies	727		727	
b) related companies	14		14	
d) other companies	4.655	5.396	4.655	5.396
2) Receivables:	(*)		(*)	
d) from others	1.157	2.117	125	816
	1.157	2.117	125	816
TOTAL FIXED ASSETS (B)		40.625		42.102
C) OPERATING CAPITAL				
I - INVENTORIES				
1) Raw and subsidiary materials and consumables	11.027		8.529	
3) Work in progress on contracts	232.972	243.999	252.260	260.789
II - RECEIVABLES	(**)		(**)	
1) From clients	26.868		23.582	
2) From subsidiary companies	9.692		2.501	
3) From related companies	3.089		3.059	
4) From parent companies	1.304		3.098	
4 - bis) Tax receivables	1.343		4.393	
4 - ter) Advance taxes	1.676	1.870	1.713	1.854
5) From others				
a) From other associates	34.732		24.879	
b) From other debtors	3.492	82.390	2.285	65.651
	1.676	82.390	1.713	65.651
IV - CASH AND CASH EQUIVALENTS				
1) Bank and post office deposits	996		1.523	
3) Cash and similar values	17	1.013	20	1.543
TOTAL OPERATING CAPITAL (C)		327.402		327.983
D) ACCRUED INCOME AND DEFERRED LIABILITIES				
Accrued income and deferred liabilities		4.029		1.267
TOTAL ASSETS		372.056		371.352

(*) Amounts due within one year
(**) Amounts due beyond one year

Values in thousands of Euros

LIABILITIES

	31/12/2014	31/12/2013
A - NET EQUITY		
I - SHARE CAPITAL	10.116	10.116
II - SHARE PREMIUM RESERVE	29.332	29.332
IV - LEGAL RESERVE	583	567
VII - OTHER RESERVES	-226	-141
VIII - PROFITS BROUGHT FORWARD	-1.315	-1.628
IX - FINANCIAL YEAR PROFITS	3.047	329
	<u>41.537</u>	<u>38.575</u>
B) PROVISIONS FOR RISKS AND CHARGES		
2) FOR TAXES, INCLUDING DEFERRED	63	7
3) OTHERS:		
fund for ongoing lawsuits	782	1.390
fund for environmental recovery costs	72	72
fund for losses on multi-annual contracts		850
fund for multi-annual personnel incentives		
fund for excess holding depreciation	<u>3.505</u>	<u>3.689</u>
	<u>4.422</u>	<u>6.008</u>
	<u>4.422</u>	<u>6.008</u>
C) EMPLOYEE SEVERANCE FUND FOR SUBORDINATE EMPLOYMENT		
	<u>5.239</u>	<u>5.566</u>
D) PAYABLES	(**)	(**)
4) To banks	795	2.662
6) Deposits	15.685	16.137
7) To suppliers	172.453	129.824
9) To subsidiary companies	12.863	4.153
10) To related companies	415	767
11) To parent companies	31	3.007
12) Tax payables	13.339	1.489
13) To social security and welfare institutes		234
14) To others		
a) to other associates	93.697	149.871
b) to other creditors	<u>11.575</u>	<u>13.059</u>
	<u>320.853</u>	<u>321.203</u>
E) ACCRUED INCOME AND DEFERRED LIABILITIES		
Accrued income and deferred liabilities	<u>5</u>	
TOTAL LIABILITIES	<u>372.056</u>	<u>371.352</u>
MEMORANDUM ACCOUNTS		
REAL GUARANTEES GRANTED FOR OBLIGATIONS OF OTHERS:		
of related companies	6.013	3.556
of other holding companies		
PURCHASE AND SALES COMMITMENTS	651.660	283.745
OTHER	297.509	250.609
TOTAL MEMORANDUM ACCOUNTS	<u>955.182</u>	<u>537.910</u>

(*) Amounts due within one year

(**) Amounts due beyond one year

INCOME STATEMENT

Values in thousands of Euros

INCOME STATEMENT		2014	2013
A) PRODUCTION VALUE			
1) REVENUES FROM SALES AND SERVICES		412.232	294.228
3) CHANGES IN ONGOING WORKS TO ORDER		- 19.389	54.667
4) INCREASES IN FIXED ASSETS FOR INTERNAL WORKS			977
5) OTHER REVENUES AND INCOME			
capital gains from alienation of assets	307		311
absorption of funds by operating capital			
absorption of funds for risk and contingencies	904		
sundry income	3.124		2.779
other cost recoveries	4.944	9.279	5.098
		<u>402.122</u>	<u>358.060</u>
B) PRODUCTION EXPENSES			
6) FOR RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		133.426	124.183
7) FOR SERVICES		201.293	168.591
8) FOR USE OF THIRD PARTY ASSETS		1.322	1.290
9) FOR PERSONNEL			
salaries and wages	32.357		28.399
social security and welfare expenses	11.874		10.399
employee severance fund	1.246		203
retirement fund and similar	1.105		1.983
other expenses	287	46.869	286
10) AMORTIZATIONS AND DEPRECIATIONS			
amortization of intangible fixed assets	346		730
amortization of tangible fixed assets	8.674		9.461
depreciation of receivables in the operating capital and cash and cash equivalents	1.056	10.076	3.195
11) CHANGES IN THE INVENTORIES OF RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		- 2.497	2.083
12) ALLOCATIONS FOR RISKS		296	
13) OTHER ALLOCATIONS			850
14) OTHER OPERATING EXPENSES		3.001	1.761
		<u>- 393.786</u>	<u>- 353.414</u>
DIFFERENCE BETWEEN PRODUCTION VALUE AND EXPENSES (A-B)		<u>8.336</u>	<u>4.646</u>
C) FINANCIAL INCOME AND CHARGES			
16) OTHER FINANCIAL INCOME			
a) from long-term receivables			
other	1		
d) interest from others:			
interest and commissions from subsidiaries			
interest and commissions from related companies			
interest and commissions from parent companies			
interest and commissions from others and other charges	556	557	981
17) INTEREST AND OTHER FINANCIAL COSTS			
interest and commissions to related parties			
interest and commissions to parent companies	1.632		1.489
interest and commissions to others and other charges	533	- 2.165	659
17 bis) PROFITS AND LOSSES ON EXCHANGE RATES		26	- 139
TOTAL FINANCIAL INCOME AND CHARGES		<u>- 1.582</u>	<u>- 1.306</u>
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS			
19) DEPRECIATIONS			
of holdings		- 11	- 38
TOTAL ADJUSTMENTS		<u>-11</u>	<u>-38</u>
E) EXTRAORDINARY INCOME AND CHARGES			
20) INCOME			
prior period income	990		1.071
other	296	1.286	40
21) CHARGES			
contingent liabilities	688		1.060
taxes relating to prior years	248		
Incentives to outputs	518		361
other	79	- 1.533	135
TOTAL EXTRAORDINARY ITEMS		<u>- 247</u>	<u>- 445</u>
INCOME BEFORE TAXES		<u>6.496</u>	<u>2.857</u>
22) CURRENT AND DEFERRED INCOME TAXES			
CURRENT TAXES			
IRES	1.618		1.699
IRAP	1.791	- 3.409	1.702
ADVANCE TAXES			
IRES	40		-871
IRAP		- 40	873
TOTAL TAXES		<u>- 3.449</u>	<u>- 2.528</u>
23) FINANCIAL YEAR PROFITS		<u>3.047</u>	<u>329</u>

Supplementary Notes

– **Aspects of a General Nature**

As at December 31, 2013, Pavimental S.p.A. (hereinafter also the Company) was 99.40% owned by Autostrade per l'Italia S.p.A.

On August 8, 2014, as part of the plan for the reorganization of the Group holdings, Autostrade per l'Italia S.p.A. transferred 46,223,290 shares, corresponding to 59.4% of the share capital of Pavimental S.p.A., to Atlantia S.p.A. and 15,563,773 shares, amounting to 20% of the share capital of Pavimental S.p.A., to Aeroporti di Roma S.p.A. The new corporate set-up is therefore as follows:

Shareholders	Number of Shares	Amount in Euros	% ownership
Autostrade per l'Italia S.p.A.	15.563.773	2.023.290,49	20,00%
Atlantia S.p.A.	46.223.290	6.009.027,70	59,40%
Aeroporti di Roma S.p.A.	15.563.773	2.023.290,49	20,00%
Astaldi S.p.A.	468.029	60.843,77	0,60%
As at 31.12.2014	<u>77.818.865</u>	<u>10.116.452,45</u>	<u>100%</u>

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

- 1) earthworks and any eventual related current type masonry and reinforced concrete works, demolitions and clearances;
- 2) civil, industrial and monumental works, complete with related and accessory installations and works, masonry works concerning complexes for energy production and distribution;
- 3) special reinforced concrete works;
- 4) road construction and surfacing, airport and railway related works;
- 5) surfacing using special materials;

- 6) hydraulic works; aqueducts, sewerage systems, irrigation systems and hydraulic defence and installation systems;
- 7) maritime works: construction of piers, basins, sidewalks, etc.; drainage works;
- 8) dams;
- 9) tunnels;
- 10) miscellaneous special works, special foundations; land stabilization works; site clearance, handling, collection, transport, storage, processing, recovery and disposal of special waste and special hazardous waste.

The Company has adhered to the Group fiscal taxation regime entitled “Consolidated Fiscal Regime”.

The Company, which owns holdings in subsidiary companies, has not prepared the consolidated financial statements, given that the presuppositions for exemption provided by art. 27, paragraph 3 of Legislative Decree 127/1991 are in place. The Group consolidated financial statements, which the Company and its subsidiaries are part of, will be prepared by Atlantia S.p.A., with headquarters in Via Bergamini 50, Rome, and will be made public in the terms and methods provided by the laws in force.

– **Structure and contents of the financial year financial statements**

The financial year financial statements ended on December 31, 2014 have been prepared in ordinary form, as in the previous financial year, according to the dispositions of the Civil Code, as interpreted by the accounts principles issued by the National Board of Chartered Accountants and Experts as modified by the OIC and the documents issued by the OIC itself. The financial statements as at December 31, 2014 consist of the Statement of Equity and Income Statement, which are based in, in terms of structure and contents, to the dispositions of arts. 2423 ter, 2424, 2424 bis, 2425 and 2425 bis of the Civil Code, and these Supplementary Notes, which constitute an integral part of the financial statements pursuant to art. 2423, paragraph 1 of the Civil Code, and provide the information required by arts. 2426 and 2427 bis of the Civil Code and other relevant regulations.

The financial statements have been prepared on the basis of the principle of continuity of the Company and respect the criterion of clarity, provide a true and fair view of the asset and financial situation of the company and the economic result of the financial year.

No exceptional cases arose during the course of the financial year making recourse to the derogations of which in art. 2423, paragraph 4 of the Civil Code necessary.

The Statement of Equity and Income Statement have been prepared in Euros without decimal points, as provided by art. 16 of Legislative Decree 213/1998 and art. 2423, paragraph 5 of the Civil Code, both rounded to the nearest thousand Euros. Unless otherwise stated, the comments on the items in the Statement of Equity and Income Statement in these Supplementary Notes are expressed to the nearest thousand Euros.

Pursuant to paragraph 5 of art. 2423 ter, the financial statements are submitted indicating the relevant amount next to each item, for both 2014 and the previous financial year.

The financial report prepared in line with the requirements of OIC 10 is included in these Notes; it has been determined using the indirect method.

There is no equity allocated to a specific business transaction or loans allocated.

As regards the information concerning the performance of the activities of the Company, the main events occurring during the 2014 financial year and those subsequent to the date of closure of same, and the relations with subsidiary, related and parent companies and the companies under the control of the latter, see that described in the Report on Management which accompanies these financial statements.

As regards the operations undertaken with related parties, it should be noted that, pursuant to art. 2427, paragraph 22-bis of the Civil Code, no significant operations were undertaken during the course of the financial year which were not concluded under normal conditions in terms of “price” of the operations which, in terms of motivation, lead to the decision to undertake them.

It should be pointed out that, in respect of that established by art. 2497 bis, paragraph 4 of the Civil Code, the summary overview of the essential figures from the financial statements as at December 31, 2013 of Atlantia S.p.A. (last financial statements approved as of the date of preparation of these Supplementary Notes), a company which as of the date of these financial statements exercises management and coordination activities over Pavimental S.p.A., has been annexed to these Supplementary Notes.

– **Accounting Principles and criteria for assessment**

The criteria applied in assessing the items in the financial statements, value adjustments and assessment of the values not expressed originally in the official currency of the State are in line with that provided by the Civil Code in force, including the criteria for assessment contained in art. 2426 of the Civil Code and the principles for preparation of the financial statements in art. 2423 bis of the Civil Code, interpreted by the accounting principles of the National Board of Chartered Accountants and Ordinary Accountants, as modified by the OIC.

It should be noted that the application of the accounting principles and criteria for assessment adopted took into account the new accounting principles and criteria for assessment approved by the OIC on April 15, 2014 and published on August 5, 2014, from which no significant effects emerged. In particular, the following principles were observed in preparing the financial statements, as per art. 2423-bis of the Civil Code:

- a) the items were assessed according to the principle of prudence and from a viewpoint of continuity of activities, and also taking into account the economic function of the element of the assets or liabilities considered;
- b) only the profits realized by the date of closure of the financial year have been stated;
- c) the income and costs concerning the financial year have been taken into account, independently of the date of receipt or payment;
- d) the risks and losses concerning the financial year have been taken into account, even if they became known after closure of the financial year;
- e) the heterogeneous elements of the single items have been assessed separately;
- f) the criteria for assessment have not been modified with respect to those used in the previous financial year.

In cases where the items are not comparable, those for the 2013 financial year have been reclassified.

No items have been compensated.

The following is a description of the criteria for assessment applied to the most significant items in the financial statements.

Fixed assets

As per art. 2424-bis of the Civil Code, the equity elements destined to be used durably have been recorded among the fixed assets.

The maintenance and repair costs of an incrementing nature are attributed to the assets they refer to and amortized in relation to the residual possibility of their use.

Intangible fixed assets

With the consent of the Board of Statutory Auditors and when required, the intangible fixed assets have been recorded at the purchase or production cost, including when directly attributable accessory costs are incurred, determined in compliance with art. 2426, no. 1 of the Civil Code and are systematically amortized in relation to the residual possibility of use and their expected economic utility.

Amortization varies from a minimum of three financial years to a maximum of twenty financial years, in relation to the circumstances of the costs capitalized.

The costs incurred for both the tender contracts awarded and those currently being awarded are attributed to the income statement for the financial year in which they are incurred, given that they represent costs of a recurring nature required for the performance of ordinary business activities.

As regards the costs for the State concessions, the amortization rate is calculated on the basis of the duration of the concession.

The amortizations concerning the capitalization of industrial patents are calculated with reference to the twenty-year duration of the patent.

Lastly, as regards the costs capitalized for the purchase and implementation of the “ERP”, “Board” and “STR” software, complete amortization is expected in 7 years, as of the date of their start-up. The intangible fixed assets are depreciated whenever their value is found to be durably inferior to the residual possibility of use. If during subsequent financial years the presuppositions for their depreciation are no longer in place, the original value is restored, only the amortizations being adjusted.

Tangible fixed assets

The tangible fixed assets are recorded at the cost of purchase, determined in compliance with art. 2426, no. 1 of the Civil Code. Should the conditions be in place, the cost also includes the increases for any eventual accessory costs directly attributable, in accordance with the provisions of the civil laws and accounting principles recalled previously.

There are no assets in the corporate equity for which monetary reassessments have been carried out in the past.

The tangible fixed assets in foreign currency are accounted at the exchange rate on the day on which the purchase operation was completed.

The cost, determined as above, of the tangible fixed assets the use of which is limited over time is systematically amortized in every financial year on the basis of the technical and economic rates described later on, deemed congruous in relation to the residual possibility of use of the asset in question. As regards the fixed assets that were exercised during the year, the amortization is calculated as of the date of their entry into function.

The ordinary maintenance and repair costs are charged to the Income Statement for the financial year in which they are incurred, while the enhancement and expansion costs are recorded as an increase in value of the assets, should they imply an increase in the value of the asset or its useful lifetime.

The tangible fixed assets are assessed whenever their value is found to be durably inferior to the residual possibility of their use. Should the presuppositions for depreciation no longer be in place during subsequent financial years, the original value is restored, adjusted for amortization only.

Financial fixed assets

The “Holdings” are recorded among the “Fixed assets” or the “Operating capital” according to whether their possession is deemed durable or not.

The holdings recorded under the Financial fixed assets are assessed at the cost of purchase or subscription; the holdings in foreign currency are recorded at the exchange rate at the time of their purchase or at the cost they were originally recorded at. The cost is reduced for durable losses in value should the holding in question have accrued losses, also of a currency nature,

and there are not expected to be any profits in the immediate future of an entity such as to absorb the losses or if the profit-making prospects of the holding company do not allow the complete recovery of the value recorded. Any losses which exceed the value the holding was recorded at are allocated in a suitable fund in the liabilities. Should the presuppositions for the depreciations made no longer be in place, the original value is restored within the limits of the depreciations made, with effects on the income statement. Furthermore, a “Fund for excessive holding depreciations” is also recorded among the Liabilities, to cover the additional costs that may be required for the management of the holdings.

Holdings are not subject to reassessment.

Any eventual dividends are accounted during the financial year in which the credit right arises, even if the date of payment has not yet been defined.

The receivables from others are recorded at their nominal value, which is deemed representative of the recovery value.

Inventories and work in progress on contracts

On closure of the financial year, the “Raw and subsidiary materials and consumables” are assessed at the lesser of the purchase cost, determined using the “weighted average cost” method, and the realization value assumed on the basis of market performance.

The value of any eventual obsolete or slowly rotating assets is depreciated in relation to the expected future use or realization, by inclusion in a suitable adjustment fund in reduction of the value of the inventories themselves. The restoration of the original cost whenever the reasons which made the lowering of the market value necessary are no longer in place is accredited to the income statement.

The “Work in progress on contracts” refer to tenders that were still ongoing at the end of the financial year by force of contracts with the contractors for works not yet certified; they are recorded on the basis of the contractual payments accrued with reasonable certainty, calculated on the basis of the method of completion percentage and determined in relation to the physical progress of the works, gross of the advance payments due and net of the payments definitively charged.

The additional payments concerning increases in price, deriving from dispositions of the law or contractual clauses or greater costs incurred, which are being defined with the contractor, are determined and accounted within the limits of the amounts for which manifestation and quantification are reasonably certain.

The pre-operating costs are considered as tender costs; they are involved in the tender margin on the basis of the progress of the works determined in the methods provided for the application of the criterion of completion percentage.

If it is probable that the total estimated costs for a single tender will exceed the total estimated revenues, the probable loss for the completion of the tender is recorded as a decrease in the work in progress on contracts. If this loss exceeds the value of the work in progress, a suitable risk fund is allocated for the excess losses.

Receivables

The receivables classified under “Operating Capital” are recorded at the presumed realization value, in other words the nominal value adjusted by the credit depreciation fund for losses that can be considered foreseeable on the date of preparation of the financial statements.

Following the change to the corporate set-up described in the introductory part, the equity balances due to Autostrade per l’Italia and other Companies in the Group have been classified under Receivables from other associates and Payables to other associates respectively, as required by OIC 15 “Receivables” and OIC 19 “Payables”.

Lastly, as required by OIC 12, the same amounts as at December 31, 2013 have been reclassified in order to ensure the comparability of the items.

Provisions for risks and charges

The provisions for risks and charges are allocated to cover certain or probable losses or liabilities for which the amount or date of contingency is not determinable on closure of the financial year. The allocations reflect the best possible estimate on the basis of the elements available on the date of preparation of the financial statements. The risks for which the occurrence of a liability is merely possible are indicated, if significant, in the comments on the funds, without the need to allocate provisions for risks and charges.

Employee Severance Fund for Subordinate Employment

The employee severance fund for subordinate employment is determined in compliance with art. 2120 of the Civil Code, with regard to the regulatory modifications made in the meantime pursuant to and by effect of the discipline of Legislative Decree no. 252 dated December 5, 2005 and subsequent amendments and integrations. The amount recorded in the financial statements reflects the debt accrued at the end of the year to employees, net of advance payments made and replacement tax. This liability is reassessed by means of indices.

Following the approval of Law no. 296 dated December 27, 2006 (Reform of complementary social security) and subsequent decrees and regulations, the allocations accrued from January 1, 2007 recorded in the income statement as personnel costs, in fulfilment of the reform of complementary social security, are periodically paid to INPS and the complementary pension funds chosen by the dependent employees as of the chosen date; those accrued before this choice is made are charged to the Employee Severance Fund.

OIC 31 has clarified that the economic part of the INPS Treasury Fund and the complementary Social Security Fund must be included in the Employee Severance Fund (B.9.c).

Payables

These are recorded at the nominal value deemed representative of their extinction value.

Receivables and Payables in foreign currency

The receivables and payables originally recorded in foreign currency are converted into Euros at the historical exchange rates on the date of the relevant transactions. The exchange rate differences that occur on receipt of the receivables and payment of the payables in foreign currency are included in the Income Statement.

The receivables and payables in currency other than the Euro, excluding the fixed assets, are recorded in the financial statements at the exchange rate applied by the Bank of Italy on the date of closure of the financial year.

The net exchange rate differences are attributed in the Income Statement to item C17 bis "Profits and losses on exchange rates". The eventual net profits on unrealized differences in

exchange rates are allocated to a suitable reserve not distributable until realization, on approval of the financial statements.

The accounts of the permanent establishment in Poland are kept in local currency (PLN; Polish Zloty); the balances are convertible at the average exchange rate for the period for the income statements and at the exchange rate on the day for the statements of equity and aggregated to those of Pavimental S.p.A.

The exchange rate differences resulting from the recording of the items between Pavimental and the Polish branch are included in a Net Equity reserve.

Cash and cash equivalents

The cash and cash equivalents are recorded at the nominal value representative of the relevant realization value and is represented by bank and cash funds.

Accrued Income and Deferred Liabilities

The accrued income and deferred liabilities are determined according to the criterion of economic and temporal competence, so as to attribute to the financial year the quota of income and costs common to two or more financial years .

Taxes

The income tax for the financial year is determined on the basis of a realistic forecast of the tax costs to be paid, in application of the fiscal laws and regulations in force.

As of the 2009 fiscal year, Pavimental has adhered to the National Consolidated Fiscal system of Atlantia S.p.A. for the triennium 2009 – 2011 (this option was then renewed for the subsequent triennium 2012 – 2014) defining all the reciprocal relations and responsibilities (so-called “Regulation”). The Regulation signed by the parties provides for the total recognition of the amount corresponding to the product of the IRES rate and the losses or profits transferred, and the transfer of any eventual tax receivables. Consequently, the equity relations concerning the current IRES fiscal regime are classified in the financial statements under “Receivables from the Parent Company” or “Payables to the Parent Company”.

The recording of current and deferred IRAP tax remains unchanged. The payables for IRAP tax are recorded in the Statement of Equity under the item “Tax payables”, net of any advance payments made, or under the item “Tax receivables”, if the balance is positive.

Furthermore, in fulfilment of the dispositions of article 2424 of the Civil Code, as modified by Legislative Decree 6/2003, the advance taxes are indicated separately in the financial statements (net of the compensated deferred taxes).

The advance and deferred income tax, commensurate to the temporal differences between the ordinary values recorded among the assets and liabilities in the financial statements and the corresponding fiscally significant values, and also eventual backdated fiscal losses, are recorded on the basis of the fiscal rates known – on the date of the financial statements – for the financial years in which they will occur and the company makes accounting adjustments to the allocations on the basis of the new rates if the circumstances arise.

The deferred taxes deriving from income components for which deferred taxation is applied are recorded if there is a founded probability that the relevant debt will arise; the counterparty to them is the “Fund for taxes, including deferred”.

The future tax benefits deriving from fiscal losses brought forward or income components for which deferred deduction is applicable are only recorded if their future realization is reasonably certain and are recorded in the operating capital under “Advance taxes”.

Revenues and Costs

The revenues from production, other revenues and income and costs and charges have been recorded in application of the principle of economic and temporal competence and prudence. In particular, the revenues deriving from tenders are accounted on the basis of the contractual payments accruing with reasonable certainty, calculated according to the completion percentage and determined in relation to the physical progress of the works.

Memorandum accounts

As regards the guarantees given and commitments undertaken, it must be noted that:

- the guarantees are valorised for the residual amount of the debt or other obligation guaranteed;

- the sales commitments are determined on the basis of the residual obligation of execution on the ongoing contracts.

STATEMENT OF EQUITY

(values as at December 31, 2013 in brackets)

Statement of Equity - Assets

€ 372,056 thousand (371,352)

Fixed assets

€ 40,625 thousand (42,102)

Intangible Fixed Assets

€ 632 thousand (1,993)

This item shows a net decrease of € 1,361 thousand compared to the previous financial year, in relation to the combined effect of the following factors:

- decrease by effect of the financial year depreciation amounting to € 346 thousand;
- increase by effect of the new investments in the software and software licences sector totalling € 129 thousand, principally attributable to the implementation of the “ERP” software;
- increase due to the reclassification, following the application of the revised accounting principle O.I.C. 23 concerning Work in progress on contracts, of the capitalized costs ongoing as at December 31, 2013 (for € 1,144 thousand) from the item Intangible Fixed Assets to the item Work in progress on contracts.

None of the intangible fixed assets was subjected to a reduction in value, except for the financial year depreciations, or reassessment.

The changes to the item in question are analytically represented in the following table:

€ Thousand									
	31.12.13			Financial year differences			31.12.14		
	Cost	Depreciations	Net Value	Investments	Reclassification	Depreciations	Cost	Depreciations	Net Value
. Concessions, licences and similar rights:									
- Software usage licences	368	365	3	34		13	402	378	24
- State property concessions	808	613	195			87	808	700	108
. Industrial patents and usage rights:									
- Software	3.179	2.719	460	95		177	3.274	2.896	378
- Industrial patents and usage rights	18	8	10			1	18	9	9
. Other:									
- Pre-operating costs	5.758	4.614	1.144		(1.144)		4.614	4.614	
- Worksite and office enhancements	624	443	181			68	624	511	113
	10.755	8.762	1.993	129	(1.144)	346	9.740	9.108	632

The Software item represents the costs capitalized by the Company for the implementation of the ERP integrated system, the package used for budgeting and the economic management of the infrastructural contracts.

Tangible Fixed Assets

€ 32,480 thousand (33,897)

The decrease in value of the tangible fixed assets, amounting to € 1,417 thousand, derives prevalently from the combined effect of the following factors:

- increase deriving from the new investments made by the Company, amounting to € 7,481 thousand, according to that illustrated in the “Investments” chapter of the Report on Management, which see;
- decrease, amounting to € 224 thousand, due to withdrawals from use and disposals net of the relevant amortization funds and exchange rate differences;
- amortizations concerning the financial year amounting to € 8,674 thousand, calculated on the basis of the rates indicated in the paragraph on “Amortizations and Depreciations” in the Income statement.

The following is a summary of the movements that occurred during the financial year:

€ Thousand	31.12.13			Financial year differences										31.12.14		
				Historical Cost					Amortization Fund							
				Investments	Reclassification	Disposals	Reclassification	Ex. Rate diff.	Tot.	Amort.	Disposals	Ex. Rate diff.	Tot.			
	Cost	Fund	Net Value											Cost	Fund	Net Value
Industrial land and buildings	16.220	5.889	10.331	108	38	(18)		(5)	123	1.104	(15)	(5)	1.084	16.343	6.973	9.370
Plant and Machinery	73.405	57.760	15.645	3.530	1.441	(2.848)		(2)	2.121	4.600	(2.706)	(2)	1.892	75.526	59.652	15.874
Ind. and Trade equipment	28.767	23.742	5.025	1.910	104	(1.054)			960	2.632	(981)		1.651	29.727	25.393	4.334
Other Assets	5.399	4.597	802	242	47	(62)		(1)	226	338	(56)	(1)	281	5.625	4.878	747
Ongoing f.a. and deposits	2.094		2.094	1.691	(1.630)				61					2.155		2.155
	125.885	91.988	33.897	7.481		(3.982)		(8)	3.491	8.674	(3.758)	(8)	4.908	129.376	96.896	32.480

It must be pointed out that the tangible fixed assets ongoing as at December 31, 2014 are not encumbered by mortgages, privileges or other real guarantees limiting their availability to the Company.

Financial Fixed Assets

€ 7,513 thousand (6,212)

For comments on the performance of the activities of the holding companies during the course of 2014, see that stated in the Report on Management in the paragraph entitled “Holding companies and consortiums”.

The item in question includes:

Holdings in subsidiary companies

€ 727 thousand (727)

€ Thousand

	Book value	Depreciation fund	Fin. statements value
- Pavimental Est	1.563	1.563	
- Pavimental Polska	713		713
- Consorzio "Elmas"	6		6
- Consorzio "Co.Im.A."	8		8
	2.290	1.563	727

Pavimental Est, the book value, € 1,563 thousand, of which amounts to 100% of the Share Capital, had already been completely amortized as of the financial statements closed on December 31, 1998. The excess holding depreciation fund in the liabilities includes € 343 thousand to cover the further estimated losses, also in consideration of the receivership of the Company.

Pavimental S.p.A. is the sole owner of holdings in Pavimental Polska; the value of the holding amounts to € 713 thousand. By effect of the marginality achieved on the works, the containment of the operating costs and the reduction in financial costs saw 2014 close with net profits of PLN 984 thousand (approximately € 235 thousand), this result has brought the net equity of the Company to PLN 6,291 thousand (approximately € 1,472 thousand).

The limited liability consortium company Co.Im.A. S.c.a.r.l. (Category I General Contractor) has the scope of realizing public works and infrastructures.

The consortium company owns 19.8% of the holdings in the capital of SAT Lavori, a Company incorporated for the construction and completion of the Livorno – Civitavecchia stretch of the A12 highway.

Holdings in related companies

€ 14 thousand (14)

These concern:

€ Thousand

	Book value	Depreciation fund	Fin. statements value
- Consorzio "Galileo" (in receivership)	4		4
- Consorzio "R.F.C.C." (in receivership)	155	155	
- Consorzio "Ramonti"	5		5
- Consorzio "Trinacria" (in receivership)	5		5
	169	155	14

The holding in Consorzio R.F.C.C. in receivership, recorded for € 155 thousand and entirely depreciated, is currently representative of 30% of the consortium fund. € 3,162 thousand has been allocated to a specific Excess holding depreciation fund to cover the estimated losses of the Consortium, as regards the quota that is the competence of the Company.

The allocation takes into account the losses of the Consortium in the financial statements as at December 31, 2014 and other liabilities that may derive from the receivership proceedings.

The allocations made also prudentially take into account the negative effects that may derive from an unfavourable settlement of the dispute that was started by the Consortium against the Contractor, for an update on which see the Report on Management.

The following table contains the summary data concerning the holdings in subsidiary companies, related parties and other holding companies:

Company name	HQ	Capital in foreign currency	Capital in Euros	Losses/Profits in foreign currency	Losses/Profits in Euros	Net Equity in foreign currency	Net Equity	Holding %	Corr. N.E. in Fin. Statements (A)	Book value in Euros (B)	Surplus (B - A)
Subsidiary Companies:											
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	Warsaw	Pln 3.000.000	722.195	Pln 737.000	177.419	Pln 5.307.000	1.277.564	100	1.277.564	713.222	
Consortio Elmas	Rome		10.000				10.000	60	6.000	6.000	564.342
Consortio Co.Im.A.	Rome		10.000				10.000	75	7.500	7.500	
									805.364	726.722	
Related Companies:											
Consortio R.F.C.C (in receivership)	Tortona		510.000		(124.100)		(1.244.300)	30	(373.290)		78.642
Consortio Galileo (in receivership)	Todi (PG)		10.000					40	4.000	4.000	
Consortio Trinacria (in receivership)	Limena (PD)		10.000					47,73	4.773	4.773	(373.290) *
Consortio Ramonti	Tortona		10.000					49	4.900	4.900	
									(359.617)	13.673	
Other Holding Companies:											
Tangenziale Esterna	Milan		464.945.000		(1.894.291)		457.561.323	1	4.575.613	4.649.450	
Consortio Miteco	Reggio Emilia		10.000				10.000	1,3	130	130	(373.290)
Consortio Costruttori TFFM	Milan		10.000				10.000	1	100	100	
Consortio Lambro	Milan		200.000				200.000	2,78	5.580	5.580	(73.837) **
									4.581.403	4.655.240	
Notes:											
(*) The surplus is entirely hedged by the "Excess holding depreciation fund" in the liabilities.											
(**) The figures in the Financial Statements refer to the last financial statements approved. The accumulated losses are considered recoverable.											
											(73.837)

Holdings in other companies

€ 4,655 thousand (4,655)

The TE is the project concessionary company for the design, realization and management of the External Eastern Bypass in Milan. In December 2013, the concessionary signed the contract for the project financing loan which ensured the financial coverage of the initiative.

On June 11, 2012, the EPC contract was signed for the awarding of the works on the part of the TE to the general contractor Co.Co.TEEM.; the entry into operation of the entire infrastructure is expected in 2015.

Lastly, the consortium company Lambro is involved in the execution of the works awarded to the components of Group A of Consortio Costruttori TEEM.

€ Thousand

	Book value	Depreciation fund	Fin. statements value
- Tangenziale Esterna S.p.A.	4,649		4,649
- Consorzio Costruttori TEEM *			
- Consorzio Lambro	6		6
- Consorzio "M.I.T.E.C.O."**			
	4,655		4,655

* Book value € 100

** Book value € 130

The following is an illustration of the movements in all the items representative of the holdings owned in subsidiary, related and other companies:

€ Thousand	December 2013				Financial year differences					December 2014			
	Cost	Reass.	Deps.	Value in F.S.	Proc.	Reass. (ex. Art. 2426 n. 4 of the c.c.)	Recl.	Deps.	Paid	Cost	Reass.	Deps.	Value in F.S.
Holdings in Subsidiary Companies:													
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 "Co.Im.A."	8			8						8			8
	<u>2.290</u>		<u>(1.563)</u>	<u>727</u>						<u>2.290</u>		<u>(1.563)</u>	<u>727</u>
Holdings in Related Companies:													
Consorzio R.F.C.C. (in rec.)	155		(155)							155		(155)	
Consorzio "Galileo" (in rec.)	4			4						4			4
Consorzio "Ramonti"	5			5						5			5
Consorzio "Trinacria"	5			5						5			5
	<u>169</u>		<u>(155)</u>	<u>14</u>						<u>169</u>		<u>(155)</u>	<u>14</u>
Holdings in Other Companies:													
- Tangenziale Esterna S.p.A.	4.649			4.649						4.649			4.649
- Consorzio Lambro	6			6						6			6
- Consorzio Costruttori TEEM *													
- Consorzio "M.I.T.E.C.O."**													
	<u>4.655</u>			<u>4.655</u>						<u>4.655</u>			<u>4.655</u>
Total	<u>7.114</u>		<u>(1.718)</u>	<u>5.396</u>						<u>7.114</u>		<u>(1.718)</u>	<u>5.396</u>

* Book value € 100

** Book value € 130

Other receivables

€ 2,117 thousand (816)

This item is constituted by receivables for cautionary deposits paid to the subsidiary Pavimental Polska for € 766 thousand, to third parties for the attachment of electricity and telephone utilities and rents due (€ 262 thousand) and loans to employees (€ 59 thousand).

Furthermore, in fulfilment of the “Equity Contribution and Subordination Agreement” signed on 20 December 2013, Pavimental paid as collateral cash the quota subscribed but not yet paid up of the increase in capital of the TE on 31 July 2013; the part not yet recalled amounted to € 1,027 thousand as at 31 December 2014.

Operating Capital **€ 327,402 thousand (327,983)**

Inventories **€ 243,999 thousand (260,789)**

Raw and subsidiary materials and consumables *€ 11,027 thousand (8,529)*

These are the final inventories of materials, amounting to € 10,351 thousand, constituted by:

€ Thousand

	31.12.2014	31.12.2013
- Inert substances and cement	2.083	1.693
- Machinery and equipment spare parts	159	180
- Prefabricates and girders	991	533
- Steels, laminates and frames	3.798	4.051
- Bitumen, fuel and lubricants	2.372	839
- Other materials	948	558
	10.351	7.854

The item in question also includes land located in Magliana locality and up for sale (€ 676 thousand), as deliberated by the Board of Directors of the Company.

The above-mentioned assessment, made at the “average weighted cost of purchase”, is in any event lower than the market value. Lastly, it must be pointed out that the final inventories of materials ongoing as at December 31, 2014 are not encumbered by mortgages, privileges or other real guarantees limiting their availability to the Company.

Work in progress on contracts

€ 232,972 thousand (252,260)

This item expresses the amount as at December 31, 2014 of the works carried out and not yet certified by Status of Progress of Works; this amount has been determined according to the “method of physical measurements”, on the basis of the payments agreed and additional ones already recognized or that are reasonably certain to be recognized according to the criteria described previously in the paragraph on the Criteria for Assessment.

It should be noted that the eventual variation in ongoing works at the end of the financial year on the basis of the “cost to cost” method would not imply significant effects on the accounts.

The requests for additional payments not recognized amounted to € 16,165 thousand as at December 31, 2014, of which € 15,990 thousand to ASPI and € 175 thousand to other contractors. This amount includes € 2,000 thousand allocated to reserves in relation to the greater costs incurred on the tender for the Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (Lot 0).

For the purpose of the overall assessment of the item in question, the adjustment to the discounts defined by the MIT have also been taken into account for the ongoing contracts with the Contractors ASPI and Società Autostrada Tirrenica. For the tender for the Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (Lot 0), the Company applied the discount notified by the Contractor ASPI of 8.44% rather than the provisional one of 15%.

In equity terms, the adjustment, in addition to being reflected, as highlighted, on the assessment of the work in progress, has determined the reclassification of the negative balances of the inventories from the work in progress to the Advance payments in the liabilities for € 15,014 thousand (€ 15,202 thousand in 2013).

The review of the national accounting principles, described previously, has implied the reclassification of the equity balance as at December 31, 2013, the pre-operating costs capitalized to increase the work in progress and the fund for losses on multi-annual contracts at the same date, decreasing the latter item.

The breakdown of the inventories for ongoing works is contained in the following table:

€ Thousand

	31.12.2014	31.12.2013
- Maintenance of road surfacing (ASPI)	11.393	45.813
- Service stations (ASPI)	1.432	1.436
- Infrastructural works (ASPI)	123.127	117.902
- Other highway works (ASPI)	57.700	67.837
- Airport works	243	1.739
- Other works (other contractors)	37.400	17.533
- Pre-operating costs	2.107	
- Losses on multi-annual contracts fund usage	(430)	
	232.972	252.260

The following is a breakdown of the inventories by contractor:

INVENTORIES						
Description	31 .12.2013	Adjustments	Financial year differences			31 .12.2014
			Increases (+) Decreases (-)	Depreciations (-) Value restoration (+)	Allocation to the fund (-)	
Raw and subsidiary materials and consumables	7.853					10.351
Land destined for sale	676					676
	8.529					11.027
Ongoing works to contract						
Losses on multi-annual contracts fund usage			(430)			(430)
Autostrade per l'Italia works:						
Maintenance	45.813		(34.420)			11.393
Acoustic barriers	51.717		(14.953)			36.764
Lateral side barriers	12.723		(191)			12.532
A8 Firenze - Gallarate enhancement	327					327
Fourth lane A1 Modena Bologna	2.875		(355)			2.520
Bologna by-pass Lots 1 - 2 - 3	1.957		(1.957)			
A8 - Lot 1 Lainate			11.516			11.516
Fourth Lane A4 Milan - Bergamo	11.679		(9.843)			1.836
Viability Milan PF / Railway System	(282)					(282)
Works on 3 ^d lane Adriatica	93					93
Adriatica lot 3	11.029		1.707			12.736
Adriatica lot 1A						
Adriatica lot 1B	18.626		(3.521)			15.105
Adriatica lot 6A	992		(680)			312
Hydraulic connection works Reno - Setta	77					77
Rho -Monza			21.072			21.072
A9 Lainate Como	10.815		244			11.059
A4 - 4 th dynamic lane	2.342		(1.385)			957
Barberino Lot 0	34.046		(17.791)			16.255
La Certosa Infrastructures	18.690		(13.022)			5.668
ADS Esino EST and Metauro OVEST ADS Sillaro	1.051		1.242			2.293
Padova infrastructures	828		5.211			6.039
Junctions	2.757					2.757
Service station refurbishment	1.436		(4)			1.432
Other works	3.245		5.078			8.323
Monte Galletto tunnel drainage	152		(71)			81
Barberino Lot 1			9.701			9.701
San Benigno Lot 1			3.086			3.086
Stalexport Autostrada Malopolska	541		(541)			
Società Autostrada Tirrenica S.p.A.	546					546
Società Autostrade Meridionali S.p.A.	2.685		6.835			9.520
Tangenziale di Napoli S.p.A.	1.403		1.311			2.714
Aeroporti di Roma S.p.A.			10.291			10.291
Consorzio Co.Co.TEEM	1.701		(221)			1.480
Consorzio Lambro	869		1.804			2.673
Consorzio Co.Im.A.	2.015		1.155			3.170
Autostrade Centro Padane						
Torino - Savona S.p.A.	2.345		(1.698)			647
Todini (Roncobalaccio Infr)			4.422			4.422
Other highway and road works	5.428		(3.491)			1.937
Palemo Airport	999		(999)			
Naples Airport	571		(477)			94
Cagliari Airport	5					5
Ciampino Airport	6					6
Fiumicino Airport	14					14
Other airport works	144		(20)			124
Pre-operating costs			2.107			2.107
	252.260		(19.288)			232.972
Total inventories	260.789		(19.288)			243.999

The decrease of € 19,288 thousand in the work in progress is to be considered in relation to the:

- decrease in maintenance activities following the invoicing of the works completed in September and October (€ 28,460 thousand; the same activities in 2013 had been recorded as works ongoing as at December 31);
- decrease in the inventories for the tenders for the installation of sound absorbent barriers (€ 14,953 thousand) following the invoicing of amounts recorded in previous financial years and concerning variant inspections;
- decrease in the inventories for infrastructural works (essentially referable to the contracts for Barberino Lot zero, € 17,791 thousand, La Certosa, € 13,022 thousand, and Lot 3 of the A4 Milan – Bergamo – Brescia, € 9.843 thousand) following the invoicing of amounts recorded in previous financial years and the definition of reserves.

This effect is partially compensated by the increased amounts for:

- new infrastructural contracts in the North Area (€ 32,320 thousand);
- activities started during the year concerning the Barberino Lot 1 contract (€ 9,701 thousand);
- works concerning other contracts for Autostrade per l'Italia (for example highway junctions, € 8,298 thousand);
- new activities for Aeroporti di Roma (€ 10,291 thousand).

It should be recalled that as at December 31, 2013, the Company had allocated a fund to cover the future losses totalling € 850 thousand concerning the works for the completion of lots 4 and 5 of the Florence North – Florence South stretch of the Milan – Naples highway (La Certosa) for € 420 thousand and works on the Foggia Junction for € 430 thousand. As at December 31, 2014, the entire amount for La Certosa has been released to the income statement.

Receivables

€ 82,390 thousand (65,651)

The following is the representation by category and by geographical area of the receivables included in the item in question:

€ Thousand

	31.12.2014			31.12.2013		
	Italy	Abroad	Total	Italy	Abroad	Total
Receivables:						
- From Clients	26.868		26.868	22.074	1.508	23.582
- From Intercompany	30.651	4.081	34.732	24.879		24.879
- From Subsidiaries	8.122	1.570	9.692	1.681	820	2.501
- From Related Companies	3.089		3.089	3.059		3.059
- From Parent Companies	1.304		1.304	3.098		3.098
- Tax	1.340	2	1.342	4.385	8	4.393
- Advance tax	1.871		1.871	1.854		1.854
- From Others	3.492		3.492	2.285		2.285
	76.737	5.653	82.390	63.315	2.336	65.651

The movement is attributable to that described hereafter.

Receivables from clients

€ 26,868 thousand (23,582)

The breakdown of this item is illustrated in the following table:

€ Thousand		
	31.12.2014	31.12.2013
From Contractors:		
- Payments charged for the awarded work	19.412	16.300
- Payments to be charged for works completed	663	421
From other clients for revenues from sales and services:		
- Charged	7.749	7.862
- To be charged	4.964	4.973
- Effects receivable	61	61
	<u>32.849</u>	<u>29.617</u>
Credit depreciation fund	(5.981)	(6.035)
	<u>26.868</u>	<u>23.582</u>

The receivables from clients include receivables from Adriatica S.c.a.r.l. for € 6,665 thousand. The Company, supported by its own legal advisers, believes, on the basis of the elements available and in the light of the request by the debtor company for admission to Forced Administration, to consider the amounts in the financial statements as partly recoverable. This item includes the receivables from the highway concessionary Autostrade Centro Padane S.p.A. for € 6,879 thousand; these receivables are 50% guaranteed by a pledge of real estate properties owned by the concessionary and accrue interest on the basis of a bank loan and is located in the same plan of receipt of the institutes granting the bank loan to Autostrade Centro Padane S.p.A..

The following movements occurred to the credit depreciation fund:

€ Thousand				
	From Clients	Allocation	Usage/Release	Total
Credit depreciation fund receivables from clients	6.035	987	(1.041)	5.981
	6.035	987	(1.041)	5.981

This item acknowledges the assessment made by the Company Directors, supported by internal and external legal opinions, as regards the recoverability of receivables due.

Receivables from subsidiary companies

€ 9,692 thousand (2,501)

This item includes trade receivables from Pavimental Polska Sp. z o.o. (€ 71 thousand) and from the consortium companies Elmas (€ 550 thousand) and Co.Im.A. (€ 6,522 thousand). The balance is also composed of non-interest bearing receivables of a financial nature from Pavimental Est (€ 368 thousand), which have changed by € 169 thousand compared to the previous financial year due to exchange rate differences, from the consortium companies Elmas (€ 1,030 thousand) and Co.Im.A. (€ 20 thousand) and from Pavimental Polska Sp. z o.o. (€ 1,200 thousand). The credit position towards Pavimental Est is entirely covered by a credit depreciation fund (€ 69 thousand) and an excess holding depreciation fund recorded in the risk and contingencies funds.

Receivables from related companies

€ 3,089 thousand (3,059)

The item in question is essentially made up of trade receivables from the consortium company Galileo in receivership (€ 210 thousand) and also trade receivables (€ 124 thousand) and financial receivables (€ 2,291 thousand) from Consorzio R.F.C.C. in receivership and receivables of a financial nature from the consortium company Trinacria (€ 159 thousand). The credit position towards Consorzio R.F.C.C. is entirely covered by the holding depreciation fund recorded in the risk and contingencies funds.

Receivables from parent companies

€ 1,304 thousand (3,098)

The breakdown of this item is illustrated in the following table:

€ Thousand		
	31.12.2014	31.12.2013
Atlantia S.p.A. :		
- Payments charged for the awarded work		
- Receivables for adhesion to consolidated fiscal system	1.304	3.098
Total Atlantia S.p.A.	<u>1.304</u>	<u>3.098</u>

Following the variation to the company set-up, the receivables from Autostrade per l'Italia S.p.A. have been reclassified among the receivables from other associates, as has the relevant credit depreciation fund.

The decrease highlighted is attributable to the reduction of the receivables from Atlantia S.p.A. concerning the fiscal loss accrued by the Company in 2012 and transferred to it as part of the definition of the items involved in the consolidated fiscal regime.

Tax receivables € 1,343 thousand (4,393)

The composition of the aforementioned receivables is illustrated in the following table:

€ Thousand		
	31.12.2014	31.12.2013
Receivables from State coffers for:		
- VAT		3.146
- VAT paid abroad	2	8
- Ires	848	831
- Irap		
- Other	493	408
Total tax receivables	1.343	4.393

The decrease in this item is prevalently attributable to the recording of VAT receivables as at December 31, 2013 amounting to € 3,145 thousand, while the Company had VAT payables as at December 31, 2014.

Advance taxes

€ 1,870 thousand (1,854)

The advance taxes, recorded for the amount for which there is a presupposition for reasonably certain recoverability in the financial years they will be claimable in, concern the temporal differences used for taxation principally concerning the allocations made to the credit depreciation fund. See the table of Movements in Advance Taxes at the end of the notes on the Income Statement for more details concerning this item.

From others: from other associates

€ 34,732 thousand (24,879)

This item includes the receivables of a trade nature from other companies in the Group. The details of this item are illustrated below.

€ Thousand		
	31.12.2014	31.12.2013
Trade		
- Payments charged for the awarded work	30.816	21.501
- Payments to be charged for works completed	3.562	3.084
Advance payments		
- Advance payments to third parties on behalf of ICP ASPI	1.477	1.403
- Advance payments to ICP ASPI	48	11
Other	13	64
	<u>35.916</u>	<u>26.063</u>
Credit depreciation fund	(1.184)	(1.184)
	<u>34.732</u>	<u>24.879</u>

The amount highlighted above refers for a total of € 24,604 thousand to ASPI, partially rectified by the depreciation fund, for € 4,081 thousand to Stalexport for the activities realized

by the permanent establishment in Poland and for € 3,153 thousand to ADR following the invoicing of the works for the refurbishment of Runway 16R/34L.

Receivables from Società Autostrada Tirrenica for € 3,754 thousand are still recorded in the financial statements. This amount will be unblocked on settlement of the recourse by the SAT before the Lazio TAR to obtain the annulment of the note by which the MIT notified the value of the definitive discount for the works awarded to Pavimental.

From others: from other creditors

€ 3,492 thousand (2,285)

The following amounts, net of the depreciation fund, comprise this item:

€ Thousand

	31.12.2014	31.12.2013
- From social security and welfare institutes	50	259
- From personnel	15	(5)
- For advance payments to suppliers and subcontractors	966	833
- From insurance companies	2.076	930
- From suppliers for disputes	346	346
- From others	168	51
	3.621	2.414
Credit depreciation fund	(129)	(129)
	3.492	2.285

The receivables from insurance companies concern the as yet unpaid reimbursements for damages sustained on the worksites of Rimini Infrastrutture Lot 1B (€ 767 thousand), Mondolfo Infrastrutture Lot 3 (€ 250 thousand) and Barberino Lot 1 (€ 1,059 thousand).

Cash and cash equivalents

€ 1,013 thousand (1,543)

These are constituted by bank deposits amounting to € 996 thousand and cash and cash equivalents amounting to € 17 thousand.

There are no liquid funds or bank accounts in Italy or abroad that are bound or subject to restrictions and duration limits.

Accrued income and deferred liabilities**€ 4,029 thousand (1,267)**

These include exclusively accrued income for payments made in advance, the details of which are in the table below:

€ Thousand	31.12.2014	31.12.2013
- Rental fees paid concerning previous financial years	12	34
- Insurance premiums for policies stipulated in the year the validity of which covers the next and subsequent financial years	3.781	1.121
- Other costs concerning the subsequent financial year such as CED fees, road tax, state property concessions, etc.	236	112
	<u>4.029</u>	<u>1.267</u>

The tables included describe the receivables on the basis of expiry and nature, and also currency or exchange rate risk.

There are no accrued income and deferred liabilities with a duration in excess of five years.

It must be pointed out that the balances of the operating capital are claimable by the end of the following financial year, except for the € 1,676 thousand constituted by Advance Taxes.

RECEIVABLES BROKEN DOWN BY EXPIRY AND NATURE								
Description	31.12.14				31.12.13			
	Amounts Expiring				Amounts Expiring			
	By next F.Y. end	From 2nd to 5th subsequent F.Y.	Beyond 5th subsequent F.Y.	Total	By next F.Y. end	From 2nd to 5th subsequent F.Y.	Beyond 5th subsequent F.Y.	Total
Receivables for Financial Assets								
Cautionary Deposits:								
From ICP Aspi		4		4		4		4
From others	1.098	956		2.054	64	210		274
Loans to employees:	59			59	61			61
Others:						477		477
	1.157	960		2.117	125	691		816
Operating Capital Receivables								
Other financial receivables:								
From subsidiary companies	2.618			2.618	1.560			1.560
From related companies	2.450			2.450	2.404			2.404
	5.068			5.068	3.964			3.964
Trade Receivables								
From clients	26.868			26.868	23.582			23.582
From subsidiary companies	7.074			7.074	941			941
From related companies	639			639	655			655
From other associates	34.732			34.732	24.879			24.879
	69.313			69.313	50.057			50.057
Other receivables:								
Tax	1.343			1.343	4.393			4.393
Advance Tax	194	1.676		1.870	141	1.713		1.854
From parent companies (Fisc. Cons.)	1.304			1.304	3.098			3.098
From others:								
Insurance companies	2076			2.076	930			930
Suppliers	966			966	833			833
Sundry	450			450	522			522
	6.333	1.676		8.009	9.917	1.713		11.630
Total Receivables	81.871	2.636		84.507	64.063	2.404		66.467

RECEIVABLES AND CASH ASSETS IN FOREIGN CURRENCY OR WITH EXCHANGE RATE RISK						
Description	31.12.14			31.12.13		
	In foreign currency or with exchange rate risk	In Euros	Total	In foreign currency or with exchange rate risk	In Euros	Total
Receivables for Financial Assets						
Cautionary Deposits	836	1.222	2.058	96	182	278
Loans to employees		59	59		61	61
Others				477		477
	836	1.281	2.117	573	243	816
Operating Capital Receivables						
From clients		26.868	26.868	20	23.562	23.582
From subsidiary companies	1.570	8.122	9.692	179	2.322	2.501
From related companies		3.089	3.089		3.059	3.059
From parent companies		1.304	1.304		3.098	3.098
Tax	2	1.341	1.343	8	4.385	4.393
Advance Tax		1.870	1.870		1.854	1.854
From other associates	4.081	30.651	34.732	1.489	23.390	24.879
From others		3.492	3.492		2.285	2.285
	5.653	76.737	82.390	1.696	63.955	65.651
Cash and cash equivalents						
Bank and post office deposits	136	629	765	895	422	1.317
Cash and values on hand		18	18		20	20
Prepaid cards		230	230		206	206
	136	877	1.013	895	648	1.543
Total Receivables	6.625	78.895	85.520	3.164	64.846	68.010

Statement of Equity – liabilities**€ 372,056 thousand (371,352)****Net Equity****€ 41,537 thousand (38,575)**

This is constituted by:

Share Capital**€ 10,116 thousand (10,116)**

The fully subscribed and paid-up share capital is represented by 77,818,865 ordinary shares with a nominal value of € 0.13 each.

In the framework of the plan for the reorganization of the Atlantia Group, as of August 8, 2014, the company Autostrade per l'Italia S.p.A. has transferred 46,223,290 shares, corresponding to 59.4% of the capital of Pavimental S.p.A., to Atlantia S.p.A. and 15,563,773 shares, amounting to 20% of the capital of Pavimental S.p.A., to Aeroporti di Roma S.p.A.. Following this operation, Autostrade per l'Italia is now in possession of 15,563.773 shares, amounting to 20% of the capital of Pavimental.

The following are the details of the new composition of the corporate set-up as at December 31, 2014:

Shareholders	Number of Shares	Amount in Euros	% ownership
Autostrade per l'Italia S.p.A.	15.563.773	2.023.290,49	20,00%
Atlantia S.p.A.	46.223.290	6.009.027,70	59,40%
Aeroporti di Roma S.p.A.	15.563.773	2.023.290,49	20,00%
Astaldi S.p.A.	468.029	60.843,77	0,60%
As at 31.12.2014	77.818.865	10.116.452,45	100%

There are no categories of shares other than the ordinary ones listed above.

Share premium reserve**€ 29,332 thousand (29,332)**

Legal Reserve € 583 thousand (567)

Other Reserves € -226 thousand (-141)

In detail:

Reserve from conversion € -226 thousand (-141)

This amount reflects the exchange rate differences resulting from the neutralization of items between Pavimental and the permanent establishment of the company in Poland.

Profits (Losses) brought forward € -1,315 thousand (-1,628)

The reduction is related to the profits for the 2013 financial year being brought forward to cover the losses in previous financial years, as deliberated by the Ordinary Shareholders' Meeting on March 20, 2014.

Financial year profits (losses) € 3,047 thousand (329)

The following is the list of movements of the classes comprising the Net Equity and the table of reserves, stating their origin, possibility of use and distribution, and also their usage in preceding financial years:

MOVEMENTS IN THE NET EQUITY									
Description	31.12.12				31.12.13	Business year difference			31.12.14
		S.M. decision of 22.3.2013	Translation reserve	Financial year profits (losses)		S.M. decision of 20.3.2014	Translation reserve	Financial year profits (losses)	
Capital	10.116				10.116				10.116
Reserve for Overpricing of Shares	29.332				29.332				29.332
Legal Reserve	567				567	16			583
Other Reserves:									
<i>Reserve Payments to capital increase account</i>									
<i>Translation reserve</i>	(152)		11		(141)		(85)		(226)
<i>Reserve for profits on exchange rate evaluation</i>									
Profits (Losses) brought forward	6.110	(7.738)			(1.628)	313			(1.315)
Financial year Profits (Losses)	(7.738)	7.738		329	329	(329)		3.047	3.047
	38.235		11	329	38.575		(85)	3.047	41.537

COMPOSITION OF THE NET EQUITY					
Description	Amount	Possibility of utilization	Quota available	Summary of utilizations made in the previous three financial years	
				To cover losses	For other reasons
Capital	10.116	B			
Capital reserves	29.332	A,B,C	29.332		
Legal reserves	583	B			
Other Reserves:					
- Translation reserve	(226)	B			
- Profits from exchange rate evaluation		A,B			
Profits brought forward	(1.315)	A,B,C		6.423	
Total	38.490		29.332	6.423	
Non distributable quota	26	E	26		
Residual distributable quota			29.306		

Legend:

A: for capital increase

B: to cover losses

C: for distribution to the shareholders

D: to cover the multi-annual costs not yet amortized (ex art. 2426, no. 5 c.c.)

E: Reserve from net profits on exchange rates

Provisions for risks and charges

€ 4,422 thousand (6,008)

The following are the details of movements in the provisions for risks and charges:

€ Thousand	31.12.2013	Reclassifications	Utilizations	Allocations	31.12.2014
- Fund for taxes, including deferred	7			56	63
- Fund for ongoing lawsuits	1.390		(903)	295	782
- Fund for environmental recovery costs	72				72
- Fund for excess holding depreciation	3.689		(195)	11	3.505
- Fund for losses on multi-annual contracts	850	(850)			
	6.008	(850)	(1.098)	362	4.422

Tax fund, including deferred

€ 63 thousand (7)

This fund includes the deferred fiscal costs, allocated to cover the income from evaluation changes that are expected to be realized in coming financial years.

Other Funds

€ 4,359 thousand (6,001)

In detail:

Fund for ongoing lawsuits

€ 782 thousand (1,390)

This item is an estimate of the probable costs deriving from ongoing litigations as of the closure of the financial statements, prevalently of an employment nature. The amount allocated represents the best possible estimate on the basis of the available elements, taking into account the opinions of the external legal advisers.

The decrease is due to the transfer to the income statement for use, exuberance and reclassification to other items of allocations made in previous years (€ 904 thousand), partially compensated by the new allocations made (€ 296 thousand).

Fund for environmental recovery costs

€ 72 thousand (72)

This Fund includes is an estimate of the costs that the Company will incur for the restoration of sites and environmental recovery.

Fund for Excess Holding Depreciation *€ 3,505 thousand (3,689)*

This fund has been allocated to cover the equity deficits emerging from the assessment of the probable costs to be incurred in relation to the receivership of Pavimental Est (€ 343 thousand) and Consorzio R.F.C.C. in receivership (€ 3,162 thousand).

The excess holding depreciation fund concerning Pavimental Est has been reduced by € 195 thousand due to changes in the exchange rate.

The composition and variations of the fund are illustrated in the following table:

€ Thousand

	31.12.2013	Reclassifications	Allocations	Utilizations	31.12.2014
Subsidiary Companies:					
Pavimental Est	538			(195)	343
Related Companies:					
Consorzio R.F.C.C. (in receivership)	3.151		11		3.162
	3.689		11	(195)	3.505

Fund for multi-annual tender losses *€ thousand - (850)*

As at December 31, 2014, in fulfilment of that required by the new version of OIC 23 published in August 2014, the Company reclassified the Fund for multi-annual tender losses (totalling € 850 thousand) allocated as at December 31, 2013 to cover the future losses concerning the works for the completion of lots 4 and 5 of the Florence North – Florence South stretch of the Milan – Naples highway (La Certosa) and the works on the Foggia Junction, decreasing the work in progress.

Employee severance fund for subordinate employment € 5,239 thousand (5,566)

The following table summarizes the described movements:

€ Thousand	31.12.2013	Allocations	Utilization for payments	Utilizations for advance payments	Recovery ex Law 297/82 (0.5%)	Decrease for replacement tax	31.12.2014
Employee Severance Fund	9.668	97	(295)				9.470
Advance payments	(3.895)	(247)		120			(4.022)
Tax on ESF revaluation	(207)	(9)				7	(209)
	5.566	(159)	(295)	120		7	5.239

The allocations to the severance fund quotas destined for complementary social security funds do not pass through the employee severance fund but are recorded directly as payables to social security and welfare institutes and paid on a month-by-month basis.

Payables**€ 320,853 thousand (321,203)****Short-term payables to banks****€ 795 thousand (2,662)**

This represents the temporary payables to the banking system.

Advances**€ 15,685 thousand****(16,137)**

The deposits include € 15,014 thousand for amounts reclassified from the work in progress, as described in the commentary on this item of the receivables, which see for more details. As regards the remainder (€ 431 thousand), the Deposits includes the accounting of advance payments concerning that recognized by the contractors for works not including the status of progress of works and the advance payments made on a contractual basis for acceleration premiums not year accrued in terms of economic competence.

Payables to suppliers**€ 172,453 thousand (129,824)**

The increase of € 42,629 thousand is attributable to the dynamics of payments to suppliers for materials purchased and services rendered.

The liabilities in foreign currency for invoices received or to be received were adjusted to the exchange rate applicable on December 31, 2014.

The breakdown by geographical area is described in the following table:

€ Thousands

	31.12.2014		
	Italy	E.U.	Non E.U.
- Payables to suppliers	170.360	2.081	12
	170.360	2.081	12

Payables to subsidiary companies

€ 12,863 thousand (4,153)

The item in question includes prevalently the payables to Co.Im.A. Scarl (€ 9,433 thousand), to Pavimental Polska in foreign currency (PLN) converted at the exchange rate in force on December 31, (€ 1,979 thousand) and to the consortium company Elmas (€ 1,447 thousand).

Payables to related companies

€ 415 thousand (767)

The item in question includes the payables to Trinacria Scarl (€ 195 thousand) and Galileo in receivership (€ 220 thousand) accrued following the overturning of the consortium costs. The decrease recorded during the financial year is essentially attributable to the payments made to the consortium Ramonti.

Payables to parent companies

€ 31 thousand (3,007)

These represent the amount due to Atlantia for payables of a trade nature and for the Remuneration of Board Members.

Tax payables

€ 13,339 thousand (1,489)

This item increased by € 11,850 thousand, and this is prevalently related to the fact that the company had receivables from the State coffers for VAT as at December 31, 2013, while it had VAT payables of € 11,989 thousand as of December 31, 2014.

The other variations are prevalently determined by:

- IRPEF payables for withholdings of € 1,169 thousand (1,023) from employees, professionals and temporary collaborators to be paid to the State coffers;
- IRAP payables of € 64 thousand (465).

Payables to pension funds and social security **€ thousand - (234)**

The Company ended the current financial year with receivables of € 196 thousand, classified among the payables to others in the Assets.

Payables to others: to other associates **€ 93,697 thousand (149,871)**

This item mainly includes the payables to ASPI for:

- payables of a trade nature of € 1,128 thousand (721);
- other payables of € 434 thousand for directors' remuneration (440);
- payables of a financial nature for the correspondence bank account remunerated at market rates (average Euribor 1 month + 100 b.p.) amounting to € 92,122 thousand (148,627).

The decreased use of the credit line granted by ASPI (€ 56,505 thousand) is due to the dynamics of end of year collections and payments, which included the recognition and collections of completed production works.

Payables to others: to other creditors **€ 11,575 thousand (13,059)**

The breakdown of the item in question is as follows:

€ Thousand

	31.12.2014	31.12.2013
- To personnel	6.069	5.408
- To companies in grouping	65	1.162
- To insurance companies	3.619	3.719
- For state property concessions	78	101
- To others	1.744	2.669
	11.575	13.059

The decrease of € 1,484 thousand is principally attributable to the combined effect of the following factors:

- the decrease in the payables to companies in the grouping of € 1,097 thousand due to the closure of the debt positions towards the companies Intercantieri Vittadello and Bruno Teodoro.
- the increase in the payables to employees of € 661 thousand referring to the dynamics of leave not taken, premiums, contractual permits and incentives to leave the workforce;
- in fulfilment of the “Equity Contribution and Subordination Agreement” subscribed on December 20, 2013, Pavimental has paid up under the title of cash collateral the part of the quota subscribed but not yet paid-up of the increase in capital of the TE on July 31, 2013. The part not yet recalled amounted to € 1,027 thousand as at December 31, 2014 (€ 1,837 thousand as at December 31, 2013);

ACCRUED INCOME AND DEFERRED LIABILITIES

€ 5 thousand (-)

€ Thousand

	31.12.2014	31.12.2013
Accrued Income		
- Other		
Deferred liabilities		
- Rental fees due	5	
	5	

Attached are the details of the payables and income broken down by expiry date and nature, and also currency or exchange rate risk.

There were no payables covered by real guarantees on company assets at the end of the financial year.

PAYABLES BROKEN DOWN BY EXPIRY AND NATURE								
Description	31.12.14				31.12.13			
	Amounts Expiring				Amounts Expiring			
	By next F.Y. end	From 2nd to 5th subsequent F.Y.	Beyond 5th subsequent F.Y.	Total	By next F.Y. end	From 2nd to 5th subsequent F.Y.	Beyond 5th subsequent F.Y.	Total
Operating Capital Payables								
Other financial payables:								
Payables to banks	795			795	2.662			2.662
Payables to ICP Aspi	92.122			92.122	148.627			148.627
	92.917			92.917	151.289			151.289
Trade Payables								
Payables to suppliers	172.453			172.453	129.824			129.824
Payables to intercompany	1.575			1.575	1.244			1.244
Payables to subsidiaries	12.863			12.863	4.153			4.153
Payables to related companies	415			415	767			767
Payables to parent companies	31			31	1.314			1.314
Deposits	15.685			15.685	16.137			16.137
	203.022			203.022	153.439			153.439
Other payables:								
Tax payables	13.339			13.339	3.182			3.182
Payables to pension fund and soc. sec.					234			234
Other payables	11.575			11.575	13.059			13.059
	24.914			24.914	16.475			16.475
Total Payables	320.853			320.853	321.203			321.203
Deferred Liabilities	5			5				
Total	320.858			320.858	321.203			321.203

PAYABLES IN FOREIGN CURRENCY						
Description	31.12.14			31.12.13		
	In foreign currency	In Euros	Total	In foreign currency	In Euros	Total
Financial Payables						
Deposits to banks		795	795		2.662	2.662
Payables to ICP Aspi		92.122	92.122		148.627	148.627
		92.917	92.917		151.289	151.289
Trade payables						
To suppliers	12	172.441	172.453	8	129.816	129.824
To intercompany suppliers		1.575	1.575		1.244	1.244
To subsidiary companies	1.979	10.884	12.863	839	3.314	4.153
To related companies		415	415		767	767
To parent companies		31	31		1.314	1.314
Deposits		15.685	15.685		16.137	16.137
	1.991	201.031	203.022	847	152.592	153.439
Other Payables						
Tax payables	37	13.302	13.339		3.182	3.182
Payables to pension funds and social security					234	234
Others		11.575	11.575		13.059	13.059
	37	24.877	24.914		16.475	16.475
Total Payables	2.028	318.825	320.853	847	320.356	321.203

Memorandum accounts**€ 955,182 thousand (537,910)**

Pursuant to art. 2427, paragraph 22 ter of the Civil Code, there are no ongoing agreements not resulting from the Statement of Equity the risks and/or benefits of which are significant in terms of the equity and financial assessment and economic result of the Company.

The memorandum accounts include the following:

Real guarantees granted**€ 6,013 thousand (3,556)**

Includes the Fidejussions granted to third parties in the interest of the consortium company R.F.C.C. in receivership (€ 1,364 thousand) and the pledge on the shares of Tangeziale Esterna granted by Pavimental to guarantee the loan contract (€ 4,649 thousand).

Sales commitments**€ 651,660 thousand (283,745)**

These represent the works and services still to be carried out for the contracts awarded, broken down as follows:

SALES COMMITMENTS

€ Thousand

	31.12.2014	31.12.2013
Highway network maintenance	105.600	107.586
A14 Fano-Senigallia Lot 3		937
A14 Fano-Senigallia Lot 1B		376
A14 Fano-Senigallia Lot 6A		
Barberino Lot 0	23.359	49.364
La Certosa Infrastructures		1.687
A4 Mi-Bg-Bs 4 th dynamic lane Fiorenza - Sesto S.G.	2.547	4.464
Barberino Lot 1	208.950	
Barberino Lot 13	12.350	
Naples Infrastructures (SAM)		9.399
A1 Milan - Naples highway Fiano-Gra	775	775
A9 Lainate - Como - Chiasso highway	1.206	1.465
Acoustic refurbishment and LSB	47.315	
Other Infrastructures and Junctions	143.656	98.946
Airport Works		828
Other Contractors (third parties)	53.988	
Other Contractors (including ADR S.p.A.)	51.914	7.918
Total sales commitments	651.660	283.745

Other memorandum accounts**€ 297,509 thousand (250,609)**

The breakdown of the guarantees granted is illustrated in the following table:

OTHER MEMORANDUM ACCOUNTS

€ Thousand

	31.12.2014	31.12.2013
Real and personal guarantees received	53.116	55.553
Guarantees to others for company obligations:		
Proper execution of works	229.366	178.400
Guarantee withholdings	112	112
Other	14.915	16.544
Total Other Memorandum Accounts	297.509	250.609

INCOME STATEMENT

<u>Production Value</u>	<u>€ 402,122 thousand (358,060)</u>
Revenues from Sales	€ 666 thousand (270)
Revenues from Services	€ 411,566 thousand (293,958)

The analysis of the Revenues from sales and from services is represented in the following table:

REVENUES FROM SALES AND SERVICES				
Description	2014	2013	Difference	Difference %
Revenues from sales				
Sales to others of conglomerate and inert substances	666	269	397	
Sales to parent companies		1	(1)	
	666	270	396	146,67%
Revenues from services				
Autostrade per l'Italia:				
Maintenance	145.096	74.030	71.066	
Fourth Lane A/4 Milan - Bergamo	9.401		9.401	
Barberino Lot 0	45.380	19.971	25.409	
Bologna By-pass	2.051	738	1.313	
Expansion 3 rd lane A9	32	9.180	(9.148)	
4 th Dynamic Lane A4 Mi-Bg	3.302	3.313	(11)	
La Certosa Infrastructures + W6	17.394	3.507	13.887	
Junctions				
Fiorenza - Gallarate enhancement		110	(110)	
Adriatica A14 Lots 3,1A,1B and 6A	13.383	79.021	(65.638)	
Padova Infrastructures	3.129		3.129	
Acoustic Refurbishment	56.650	49.470	7.180	
Lateral Side Barriers	15.800	21.054	(5.254)	
Service station refurbishment	821	698	123	
San Benigno Lot 1	3.076		3.076	
Rho - Monza	15.420		15.420	
Other highway works	19.472	3.717	15.755	
Barberino Lot 1	4.803		4.803	
A8 Lot 1 Lainate	2.299		2.299	
	357.509	264.809	92.700	35,01%
Road / highway works:				
Società Autostrada Tirrenica S.p.A.		143	(143)	
Società Autostrade Meridionali S.p.A.	5.121	2.589	2.532	
Stalexport	7.536	1.108	6.428	
Co.Im.A. Scarl	5.252	1.757	3.495	
Co.Co.TEEM Scarl	5.121	2.000	3.121	
Lambro Scarl	3.693	1.092	2.601	
Torino - Savona S.p.A.	3.822	5.307	(1.485)	
Tangenziale di Napoli S.p.A.	1.265			
Pedelombarda S.c.p.A.	9.841			
Other contractors of peening works	64	18	46	
Other contractors	9.452	10.895	(1.443)	
	51.167	24.909	15.152	60,83%
Airport works:				
Palermo airport	998	3.024	(2.026)	
Naples airport	1.610		1.610	
	2.608	3.024	(416)	-13,76%
Other services:				
Services for others	246	1.122	(876)	
Services for subsidiaries	28	94	(66)	
Services for associates				
Intercompany services	8		8	
Services for other holding companies				
	282	1.216	(934)	-76,81%
Total revenues from services	411.566	293.958	106.502	36,23%
Total revenues from sales and services	412.232	294.228	106.898	36,33%

Variation in Work in progress on contracts**€ -19,389 thousand (54,667)**

The variation represents the difference between the final inventories for the previous financial year (€ 252,260 thousand) already net of the amounts reclassified under Advances (€ 15,202 thousand) and the value of the final inventories for the 2014 financial year (€ 232,972 thousand) already net of the amounts reclassified under Advances (€ 15,014 thousand), further rectified for € 101 thousand following the conversion of the items of the Polish permanent establishment expressed in foreign currency.

As highlighted previously, the review of the national accounting principles has implied the reclassification of the equity balance as at December 31, 2013, the pre-operating costs capitalized, increasing the work in progress on contracts, and the fund for losses on multi-annual tenders as at the same date, decreasing this item.

During the course of 2014, the amount of the fund concerning La Certosa (€ 420 thousand) was released to the income statement.

Increases in Fixed Assets for internal works**€ - thousand (977)**

For a description of this decrease, see the preceding paragraph on the Variation in work in progress on contracts.

Other revenues and income**€ 9,279 thousand (8,188)**

This item is composed of the following:

€ Thousands	2014	2013	Difference
- Gain on disposal of assets	307	311	(4)
- Personnel costs recovered	369	314	55
- Recovered cost of materials, services and other expenses	4.576	4.784	(208)
- Settlement of costs and revenues from previous financial years	465	892	(427)
- Rounding and discounts earned on supplies	1	4	(3)
- Sale of disused items	212	150	62
- Reversal of provisions for risks and charges	904		904
- Compensation from third parties	2.168	1.401	767
- Other income	46	112	(66)
- Rental income	231	220	11
	9.279	8.188	1.091

Below is the breakdown of revenues by geographical area:

€ Thousands	Italy	Europe	Total
- Revenues from sales	666		666
- Revenues from services			
- Works	403.394	7.890	411.284
- Services	282		282
- Change in work in progress on contracts	(18.709)	(680)	(19.389)
- Other revenues and income	9.279		9.279
Total Production Value *	394.912	7.210	402.122

* net of the increases in fixed assets for internal works

Production Costs

€ 393,786 thousand (353,414)

This item includes:

€ Thousand	2014	2013	Difference
- Purchase of raw and subsidiary materials and consumables	133.426	124.183	9.243
- Services	201.293	168.591	32.702
- Use of third party assets	1.322	1.290	32
- Personnel	46.869	41.270	5.599
- Amortizations and depreciations	10.076	13.386	(3.310)
- Change in inventories of raw and subsidiary materials and consumables	(2.497)	2.083	(4.580)
- Provision for risks and charges	296		296
- Other provisions		850	(850)
- Other operating expenses	3.001	1.761	1.240
	393.786	353.414	40.372

The increase in the Production Costs, amounting to € 40,372 thousand, in line with the change in the production value, is justified by both the increased purchases of materials for work and the increase in the service costs.

Purchase of raw and subsidiary materials and consumables € 133,426 thousand (124,183)

These represent the cost of materials purchases in the financial year, broken down as follows:

€ Thousand	2014	2013	Difference
- Inert substances and cement	12.826	8.997	3.829
- Bitumen, fuel, lubricants and packaged conglomerates	28.807	20.193	8.614
- Steel, laminates, frames and grilles	10.550	9.885	665
- Spares, systems and machinery	670	200	470
- Work materials	74.219	83.897	(9.678)
- Other materials	6.354	1.011	5.343
	133.426	124.183	9.243

The increase in the purchases of materials is in line with the needs deriving from the increased production during the year.

Service costs

€ 201,293 thousand (168,591)

These concern the corporate management costs.

In particular:

€ Thousand

	2014	2013	Difference
- Works outsourced to third parties	103.166	85.948	17.218
- Supervision	12.119	10.818	1.301
- Canteen services, reimbursement of mission and personnel costs	3.487	3.264	223
- Post office utilities and services	4.236	3.282	954
- Transport and dispatches	17.904	17.305	599
- Insurance	4.785	3.645	1.140
- Maintenance of fixed assets	3.744	3.732	12
- Hiring	11.946	12.564	(618)
- CED maintenance fees	421	447	(26)
- Consultancies and financial statements review	3.441	3.297	144
- Legal and notary professional services	547	706	(159)
- Highway toll fees	943	807	136
- Cleaning	642	584	58
- Laboratory analysis and testing	402	187	215
- Continuing / short-term collaboration services	570	596	(26)
- Prevention and safety	419	267	152
- Technical assistance	113	3	110
- Services from Parent Company / Intercompany	385	434	(49)
- Waste disposal	8.348	7.361	987
- Services for release of certifications	125	90	35
- Third party personnel services	420	217	203
- Joint consortium costs	15.501	11.348	4.153
- Emoluments to company directors	497	497	
- Emoluments to auditors	21	22	(1)
- Other services	7.111	1.170	5.941
	201.293	168.591	32.702

Also as regards the supply of services, the increase in some of its components compared to the previous financial year is directly related to the increased production volumes.

The remuneration due to the Directors amounted to a total of € 497 thousand.

The remuneration for the Auditors for the financial year amounted to a total of € 21 thousand.

Use of third party assets

€ 1,322 thousand (1,290)

This item is represented by:

€ Thousand

	2014	2013	Difference
- Rental fees payable	1.276	1.244	32
- Software	1	6	(5)
- State property concessions	45	33	12
- Real rights on third party assets		7	(7)
	1.322	1.290	32

Cost of Personnel

€ 46,869 thousand (41,270)

The cost of personnel is constituted by the salaries of managers and employees and relevant contributions, for € 21,944 thousand (21,641), wages for labourers and relevant contributions, for € 22,287 thousand (17,157), allocations to the severance fund for € 1,246 thousand and allocations to complementary pension funds for € 1,105 thousand. This item also includes accessory costs of € 287 thousand (286).

The breakdown of the components of the cost of personnel is as follows, compared to the corresponding figures for the 2013 financial years:

€ Thousands

	2014	2013	Difference
- Salaries and wages	32.357	28.399	3.958
- Social security costs	11.874	10.399	1.475
- Employee Severance Fund	1.246	203	1.043
- Retirement Fund	1.105	1.983	(878)
- Other costs	287	286	1
	46.869	41.270	5.599

In fulfilment of that established by OIC 31, the economic part of the INPS Treasury Fund and the Fund for complementary social security and welfare for 2014 has been included in the item Employee Severance Fund (B.9.c.).

The increase in costs is prevalently ascribable to the increase in the average remunerated workforce of the company (which increased from 631.02 units in 2013 to 708.05 in 2014), subdivided by category as follows:

	2014			2013			
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	Delta
Directors	6,75		6,75	7,25		7,25	(0,5)
Managers	25,56		25,56	25,67		25,67	(0,1)
Employees	284,45	10,20	294,65	279,82	10,01	289,83	4,82
Labourers	343,47	37,62	381,09	296,50	11,77	308,27	72,82
	<u>660,23</u>	<u>47,82</u>	<u>708,05</u>	<u>609,24</u>	<u>21,78</u>	<u>631,02</u>	<u>77,03</u>

Amortizations and depreciations

€ 10,076 thousand (13,386)

This item includes:

Depreciation of intangible fixed assets

€ 346 thousand (730)

These represent the quota of the multi-annual costs charged to the financial year, calculated according to that described in the criteria for assessment, and are broken down as follows:

€ Thousand

	Rate	2014	2013	Difference
- Worksite installation costs	20,00%			
- Costs for enhancement of Zola Predosa worksites	25,00%	5	5	
- Costs for worksite enhancements	10,00%	8	8	
- Costs for worksite enhancements	-	56	72	(16)
- Software usage licences	33,33%	13	16	(3)
- Applicative software	14,29%	2	35	(33)
- Applicative software	20,00%	41	47	(6)
- Applicative software	33,33%	66	34	32
- Applicative software	16,67%	63	63	
- Applicative software	25,00%	5	5	
- State property concessions	20,00%	86	252	(166)
- Pre operating costs	-		192	(192)
- Industrial patents	5,00%	1	1	
		346	730	(384)

Amortizations of tangible fixed assets

€ 8,674 thousand (9,461)

They are broken down in the following table:

€ Thousand	Rate	2014	2013	Difference
- Land works and enhancements	4,00%	57	57	0
- Light constructions	10,00%	10	6	4
	12,50%	1036	1139	-103
- Generic systems	10,00%	293	272	21
- Specific machinery and systems	12,50%	471	594	(123)
	15,00%	3.836	4.020	(184)
- Other equipment	40,00%	16	19	(3)
- Motor vehicles and motorcycles	25,00%	335	453	(118)
- Trucks, excavators and mechanical diggers	20,00%	2.283	2.506	(223)
- Electro-mechanical and mechanical machines	20,00%	297	352	(55)
- Furniture and fittings	12,00%	40	43	(3)
		8.674	9.461	(787)

Depreciation of the receivables included in the operating capital and cash-on-hand and other liquid assets € 1,056 thousand (3,195)

In 2014, the Company allocated € 1,056 thousand to cover the presumable value of realization of items which arose in previous financial years and doubtfully recoverable receivables.

Variation in the inventories of raw and subsidiary materials and consumables

€ -2,497 thousand (2,083)

The item in question is represented by the difference between the final inventories at the end of the previous financial year (€ 7,854 thousand) and those at the end of the financial year being examined (€ 10,351 thousand).

Allocations to provisions for risks

€ 296 thousand (-)

€ 296 thousand were allocated during the financial year to cover the probable losses resulting from litigations.

Other allocations

€ - thousand (850)

In 2013, the Company allocated losses on multi-annual tenders concerning the works for the completion of lots 4 and 5 of the Florence North – Florence South stretch of the Milan – Naples highway (La Certosa) for € 420 thousand and the Foggia junction for € 430 thousand. No additional allocations have been made during the current year.

Other management costs

€ 3,001 thousand (1,761)

This amount is illustrated in the following table:

€ Thousand	2014	2013	Difference
- Losses on disposals of fixed assets	39	49	(10)
- Representation costs	37	53	(16)
- Subscriptions and purchase of publications	33	39	(6)
- Stamp and registration fees, government concessions	158	96	62
- Motor vehicles road tax	76	105	(29)
- Property tax	161	92	69
- Waste disposal fees	40	103	(63)
- Fines from ICP Autostrade per l'Italia	770	400	370
- Settlement of costs and revenues from previous business years	1.083	445	638
- Compensation for damages to third parties	233	40	193
- Other	371	339	32
	3.001	1.761	1.240

Financial Income and Expenses

€ -1,582 thousand (- 1,306)

These include:

€ Thousand	2014	2013	Difference
Financial Income:			
- Interest on receivables from banks	21	36	(15)
- Interest on receivables from the subsidiary Pavimental Polska	5	4	1
- Interest on arrears	494	941	(447)
- Interest on IRES receivables	37		37
	557	981	(424)
Financial Expenses:			
- Interest on payables to banks	(416)	(537)	121
- Interest on payables to Autostrade per l'Italia	(1.632)	(1.489)	(143)
- Other interest	(1)	(19)	18
- Bank commissions and services	(109)	(102)	(7)
- Interest for delayed payments to suppliers	(7)	(1)	(6)
	(2.165)	(2.148)	(17)
Profits and losses on exchange rates:			
Realized		(78)	78
From evaluation	26	(61)	87
Total financial income and (losses)	(1.582)	(1.306)	(276)

The net financial costs, amounting to € 1,608 thousand, show an increase of € 441 thousand compared to the previous financial year. The variation is prevalently due to the recording of

reduced interest on arrears receivable on delayed payments from the Contractor Autostrade Centro Padane amounting to € 494 thousand (€ 941 thousand in 2013). This circumstance has been partially compensated by the effect of the costs and income from exchange rates after assessment (net costs of € 139 thousand in 2013, net income of € 26 thousand in 2014).

Value adjustments to Financial Assets

€ 11 thousand (38)

The value adjustments to financial assets have been allocated to cover the possible costs from the receivership of the Consorzio R.F.C.C. in receivership (€ 11 thousand).

Extraordinary income and charges

€ -247 thousand (- 445)

These are represented by:

€ Thousand	2014	2013	Difference
Extraordinary Income:			
- Non-operating profits	990	1.071	(81)
- Taxes from previous financial years	296	40	256
	<u>1.286</u>	<u>1.111</u>	<u>175</u>
Extraordinary Charges:			
- Incentives to leave the workforce	(518)	(361)	(157)
- Non-operating losses	(646)	(1.028)	382
- Fines and penalties	(37)	(31)	(6)
- Contingent liabilities	(42)	(32)	(10)
- Losses on assets	(42)	(104)	62
- Taxes from previous financial years	(248)		(248)
	<u>(1.533)</u>	<u>(1.556)</u>	<u>23</u>
Total extraordinary income and charges	<u>(247)</u>	<u>(445)</u>	<u>198</u>

The extraordinary costs include cost and income adjustments concerning previous financial years for € 688 thousand and costs for incentives to leave the workforce for € 518 thousand. The extraordinary income refers prevalently to capital gains of € 990 thousand.

Financial year income tax

€ -3,449 thousand (- 2,528)

These refer to:

- current taxes of € -3,409 thousand (- 3,401);
- advance and deferred taxes of € -40 thousand (873).

The following table represents the summary overview of the links between fiscal costs in the financial statements and theoretical fiscal costs.

RECONCILIATION BETWEEN FISCAL COSTS IN THE FINANCIAL STATEMENTS AND THEORETICAL TAX CHARGES

(Amounts in thousands of Euros)

IRES			
Description	Total differences	Fiscal effect	
		Amounts	Incidence
Pre-tax result	6.496		
<i>Theoretical tax charge</i>		1.786	27,5%
Temporary differences taxable in subsequent financial years:			
Other temporary differences			
Total			
Temporary differences deductible in subsequent financial years:			
Allocations to the fund for ongoing lawsuits	296		
Excess credit depreciations	687		
Other temporary differences	618		
Total	1.601		
Overturning of temporary differences from other financial years			
Absorption of the fund for ongoing lawsuits	(904)		
Absorption of multi-annual contracts fund	(420)		
Absorption of excess credit depreciation fund	(762)		
Use of multi-annual personnel incentives fund			
Other recoveries of temporary differences	(644)		
Total	(2.730)		
Permanent differences			
Allocation for excess holding depreciation	11		
Deduction for motor vehicles	1.082		
Previous business years tax	(48)		
Balance of other permanent differences	(527)		
Total	518		
IRES fiscal taxable base	5.885		
<i>Effective tax charges</i>		1.618	24,91%
Reimbursement from the parent company for adhesion to the consolidated fiscal system			

IRAP			
Description	Total differences	Fiscal effect	
		Amounts	Incidence
Difference between production value and costs	8.335		
Values not significant for IRAP purposes	48.220		
Total	56.555		
<i>Theoretical tax charge</i>		2.488	4,40%
Temporary differences taxable in subsequent financial years:			
-			
Total			
Temporary differences deductible in subsequent financial years:			
Total			
Temporary differences deductible in subsequent financial years:			
Allocations to the fund for ongoing lawsuits			
Excess credit depreciations			
Other temporary differences			
Total			
Overturning of temporary differences from other financial years			
Absorption of the fund for ongoing lawsuits			
Recovery of excess representation expenses in previous years			
Recovery of excess maintenance costs in previous years (Art. 102 para. 6)			
Use of multi-annual personnel incentives fund			
Other recoveries of temporary differences	(1.323)		
Total	(1.323)		
Permanent differences			
Balance of permanent differences	(14.525)		
Total	(14.525)		
IRAP taxable base (average rate 4.4%)	40.707		
<i>Effective tax charge</i>		1.791	3,17%

Since the 2009 fiscal year, the Company has adhered to the National Consolidated Fiscal regime of the group leader Atlantia S.p.A., and also did so in the triennium 2012-2014.

In the 2014 financial year, the Company recorded advance taxes, dependently on the temporary differences prevalently concerning the allocations made to the credit depreciation funds and the emoluments to be paid to the Chief Executive Officer and the Board of Directors. This item, which was recorded in observance of the taxation laws in force, was dealt with in

respect of the principle of prudence. Therefore, the advance taxes have been recorded in the financial statements to the extent to which there is a reasonable certainty of the existence for these amounts of sufficient levels of taxable income in future fiscal years to enable their recovery.

In the financial year being examined, deferred taxes were also recorded for an overall amount corresponding to the deferred fiscal costs deriving from the income from exchange rates after assessment. The following tables illustrate the effects of these items and movements in them:

BREAKDOWN OF ADVANCE TAXES						
Description	31.12.14			31.12.13		
	Amount of the temporal differences	Rate applied	Advance tax	Amount of the temporal differences	Rate applied	Advance tax
Allocation to taxed funds:						
Provisions for risks and charges:						
- losses on multi-annual contracts	430	27,50%	118	850	27,50%	234
- ongoing lawsuits	782	27,50%	215	940	27,50%	259
- environmental recovery	77	31,94%	25	77	31,94%	25
Board of Directors emoluments	440	27,50%	121	440	27,50%	121
Exchange rate costs from evaluation	262	27,50%	72	79	27,50%	22
Depreciation receivables from clients	4.798	27,50%	1.319	4.339	27,50%	1.193
Available balance	6.789		1.870	6.725		1.854

MOVEMENTS IN ADVANCE TAXES

Balance at 31.12.13 1.854

Releases

Depreciation of receivables from clients	(210)
Losses on multi-annual contracts	(115)
Fund for environmental cost recovery plan	
Exchange rate costs from evaluation	
Board of Directors emoluments	(121)
Fund for ongoing lawsuits	(125)

Allocations

Exchange rate costs from evaluation	49
Ongoing lawsuits	81
CEO and BOD emoluments	121
Depreciation of receivables from clients	336

Effect on the Income Statement 16

Balance at 31.12.14 1.870

BREAKDOWN OF DEFERRED TAXES						
Description	31.12.14			31.12.13		
	Amount of the temporal differences	Rate applied	Deferred tax	Amount of the temporal differences	Rate applied	Deferred tax
Allocations to taxed funds:						
Provisions for risks and charges: - taxes, including deferred (Revenues from exchange rates from evaluation)	228	27,50%	63	24	27,50%	7
Available balance	228		63	24		7

MOVEMENTS IN DEFERRED TAXES

Balance at 31.12.13	7
<u>Releases</u>	
Exchange rate income from evaluation	
<u>Allocations</u>	
Exchange rate income from evaluation	56
Effect on the Income Statement	56
Balance at 31.12.14	63
<u>Financial year result</u>	€ 3,047 thousand (329)

FINANCIAL REPORT

INTRODUCTION

In fulfilment of that established by OIC 10, the Financial report represents all the outgoing and incoming financial flows of the cash and cash equivalents during the financial year.

In the financial report, illustrated and commented on hereafter, the individual financial flows are separated into one of the following categories:

1. income management;
2. investment activities;
3. financing activities.

The financial flows from income management are determined using the indirect method.

The algebraic sum of the financial flows in each of the categories listed above represents the net variation (increase/decrease) in the cash and cash equivalents during the course of the financial year.

	2.014	2.013
A. Financial flows deriving from income management (indirect method)		
Financial year profits (losses)	3.047	329
Income tax	3.449	2.528
Interest payable/interest receivable	1.582	1.306
Capital gains/losses deriving from the transfer of assets	(268)	(262)
1. Financial year profits (losses) before income tax, interest, dividends and capital gains/losses from transfers	7.810	3.901
Adjustment for non-monetary elements which have no counterparty in the net operating capital		
Allocations to funds	393	919
Depreciation of durable losses	11	38
Amortizations of fixed assets	9.020	10.191
Other adjustments of non-monetary elements		
<i>Total adjustments of non-monetary elements</i>	<i>9.424</i>	<i>11.148</i>
2. Financial flow before changes to the ccn	17.234	15.049
Changes to the net operating capital		
Decreases/(increases) in inventories	16.790	(51.462)
Decrease/(increase) in receivables from clients	(19.256)	5.888
Increase/(decrease) in payables to suppliers	49.583	(46.408)
Decrease/(increase) in accrued income	(2.762)	(133)
Increase (decrease) in deferred liabilities	5	(5)
Other changes to the net operating capital	13.004	(13.942)
<i>Total changes to the net operating capital</i>	<i>57.364</i>	<i>(106.062)</i>
3. Financial flow after changes to the ccn	74.598	(91.013)
Other adjustments		
Interest received /(paid)	(1.608)	(1.167)
(Income tax paid)	(5.503)	(1.227)
Dividends received		
(Use of funds)	(2.370)	(478)
<i>Total other adjustments</i>	<i>(9.481)</i>	<i>(2.872)</i>
Financial flow from income management (A)	65.117	(93.885)
B. Financial flow deriving from investments		
Tangible fixed assets		
(Investments)	(7.481)	(6.282)
Realisation price of disinvestments	1.636	652
Intangible fixed assets		
(Investments)	(129)	(1.000)
Realisation price of disinvestments		
Financial fixed assets		
(Investments)	(1.301)	(3.085)
Realisation price of disinvestments		
Financial flow from investments (B)	(7.275)	(9.715)
C. Financial flow deriving from financing activities		
Third party means		
Increase /(decrease) in short-term payables to banks and equivalent	(58.372)	103.175
Start-up of loans		
Reimbursement of loans		
Own means		
Increase in capital by payment		
Transfer (Purchase of treasury shares)		
Dividends (deposits on dividends paid)		
Financial flow from financing activities (C)	(58.372)	103.175
Increase in cash and cash equivalents (A+-B+-C)	(530)	(425)
Availability as at January 1	1.543	1.968
Availability as at December 31	1.013	1.543

The variation in the cash and cash equivalents amounted to € -530 thousand.

The financial flow from income management is positive and amounted to € 65,117 thousand. It represents the monetary flow generated by the operating activities, and is reflected especially in both the positive variation to the net operating capital (which is justified by the increase in the trade payables) and the positive effect of the financial year profits and amortizations.

The financial flow from investment activities is negative, amounting to € -7,275 thousand, and refers prevalently to the cautionary deposits for € 1,301 thousand, and investments in fixed assets, amounting to € 7,610 thousand net of that realized through the transfer of assets no longer used in the production cycle.

The financial flow from financing activities is negative, amounting to € -58,372 thousand, following the reimbursement of part of the credit line granted by ASPI.

INFORMATION PURSUANT TO ART. 140-DUODECIES OF CONSOB ISSUERS REGULATION NO. 11971/1999

Table annexed to the financial statements pursuant to art. 149-12 of the Issuer Regulations

(thousands of Euros)		
Type of service	Firm providing the service	Remuneration
Auditing of the accounts	Deloitte & Touche Spa	22
Other attestation activities	Deloitte & Touche Spa	6
Other services	Deloitte & Touche Spa	2
Total		30

OPERATIONS WITH THE OBLIGATION OF WITHDRAWAL ON TERMINATION

The Company has no payables and/or receivables deriving from operations with the obligation for the purchaser to withdraw on termination.

FINANCIAL LEASING OPERATIONS

The Company did not have any assets under financial leasing as at 31 December 2014.

INFORMATION CONCERNING THE “FAIR VALUE” OF THE FINANCIAL INSTRUMENTS

The Company has not stipulated derivative contracts for which the information required by article 2427-bis of the Civil Code must be provided.

**SUMMARY OVERVIEW OF THE ESSENTIAL FIGURES FROM THE LAST FINANCIAL
STATEMENTS OF THE COMPANY EXERCISING MANAGEMENT AND CONTROL
PURSUANT TO ART. 2497 BIS OF THE CIVIL CODE.**

ATLANTIA S.p.A. ESSENTIAL FIGURES FROM THE 2013 FINANCIAL STATEMENTS	
	(Thousands of Euros)
EQUITY AND FINANCIAL SITUATION	
Non-current assets	17,577,899
Current assets	3,157,525
Total Assets	20,735,424
Net equity	9,329,086
<i>of which share capital</i>	825,784
Non-current liabilities	8,671,589
Current liabilities	2,734,749
Total Net Equity and Liabilities	20,735,424
INCOME STATEMENT	
Operating revenues	1,778
Operating costs	-17,791
Operating result	-16,013
Financial year result	666,454

*Report by the
Board of Auditors*

PAVIMENTAL SPA

Società soggetta all'attività di direzione e coordinamento di

Atlantia S.p.A.

Capitale Sociale € 10.116.452,45 i. v.

Iscrizione al REA n.526702

C. F. e Iscrizione al Registro delle Imprese n. 00481670586

Sede Legale in Roma, Via Giuseppe Donati, 174

Relazione del Collegio Sindacale al Bilancio al 31 dicembre 2014

(ai sensi dell'articolo 2429, secondo comma, c.c.)

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2014 abbiamo svolto l'attività di vigilanza demandata al Collegio Sindacale, ai sensi dell'art. 2403 del Codice civile e - per quanto applicabile - dell'art. 149 del D.Lgs. 58/98 e successive modifiche o integrazioni

La presente relazione viene redatta ai sensi dell'art. 2429 secondo comma del Codice Civile e dell'art. 153 comma 1 del D.Lgs. 58/98 e successive modifiche o integrazioni secondo i principi di comportamento del Collegio Sindacale nelle società controllate da società con azioni quotate nei mercati regolamentati, emanati dai Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri.

Inoltre, abbiamo tenuto conto, per quanto applicabile, della Comunicazione Consob n. DEM/1025564 del 6 aprile 2001, e successive modifiche o integrazioni.

Con riferimento alle attività svolte nel corso dell'esercizio 2014, Vi portiamo a conoscenza che:

- * abbiamo partecipato alle assemblee degli azionisti e alle adunanze del Consiglio di Amministrazione, vigilando sul rispetto delle norme statutarie, legislative e regolamentari che disciplinano il funzionamento della società e possiamo attestare che

non sono state assunte delibere significative in potenziale conflitto di interessi o tali da compromettere l'integrità del patrimonio aziendale senza preventiva idonea informazione agli Amministratori ed ai Sindaci;

- dalla partecipazione alle riunioni del Consiglio di Amministrazione nonché dagli incontri avuti con gli amministratori ed i dirigenti della società – con periodicità almeno trimestrale – abbiamo ottenuto informazioni sull'attività complessivamente svolta dalla società e sulle operazioni di maggior rilievo economico, finanziario e patrimoniale, accertando che le azioni deliberate e poste in essere fossero conformi alla legge e allo Statuto Sociale e non fossero manifestamente imprudenti o azzardate, in potenziale conflitto di interesse o in contrasto con le delibere assunte dagli organi sociali o tali da compromettere l'integrità del patrimonio aziendale;
- abbiamo condotto l'analisi, per quanto di nostra competenza, sull'adeguatezza della struttura organizzativa della società tramite l'ottenimento di informazioni nonché dall'esame della documentazione trasmessaci dai responsabili delle funzioni aziendali e dai rappresentanti della società di revisione, in occasione degli incontri programmati ai fini del reciproco scambio di dati e di informazioni;
- abbiamo vigilato sull'adeguatezza del sistema di controllo interno, strutturato a livello di Gruppo ed in costante aggiornamento sia nella Capogruppo sia nelle società controllate;
- abbiamo acquisito conoscenza e vigilato sull'adeguatezza del sistema amministrativo contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni aziendali, l'esame dei documenti e l'ottenimento di informazioni dalla Società di Revisione;
- abbiamo verificato la tempestività nel fornire alla società controllante sia i dati necessari per la redazione del Bilancio e delle relazioni infrannuali, sia le notizie di cui agli art. 114 e 115 del D.Lgs 58/98 e successive modifiche o integrazioni.

Inoltre, con riferimento alle attività di verifica effettuate, Vi confermiamo che:

- * la Società non ha effettuato operazioni atipiche o inusuali comprese quelle infragruppo e con parti correlate. Per quanto riguarda le operazioni infragruppo e con parti correlate di natura ordinaria il Consiglio di Amministrazione nella propria relazione ne ha dato ampia informazione. In proposito riteniamo che tali operazioni siano congrue e rispondenti all'interesse della Società;
- * non sono pervenute denunce ex art. 2408 del codice civile e non sono pervenuti esposti da parte di terzi;
- * nel corso dell'attività svolta non sono emerse omissioni, irregolarità né fatti censurabili, o comunque significativi, tali da richiederne la segnalazione agli organi societari o menzione nella presente relazione;
- * abbiamo incontrato l'Organismo di Vigilanza ex lege 231/01 che ci ha informato sull'attività svolta, non segnalando peraltro al Collegio accadimenti di particolare significatività per i profili di sua competenza;
- * la società è sottoposta all'attività di direzione e coordinamento da parte della controllante Atlantia S.p.A. e sono stati adempiuti gli obblighi di pubblicità previsti dall'art. 2497 bis del Codice Civile;
- * la società partecipa al consolidato fiscale nazionale, ai sensi degli art. 117 e seguenti del T.U.I.R., con la società Atlantia S.p.A. quale consolidante.

La revisione contabile del bilancio è stata effettuata dalla Deloitte & Touche S.p.A., già incaricata della revisione del bilancio della controllante. Nel corso dell'esercizio sono stati tenuti regolari rapporti con la società di revisione sia mediante riunioni formali, alle quali hanno partecipato anche i responsabili amministrativi della società, sia mediante contatti informali.

Abbiamo altresì accertato che non sono stati conferiti incarichi a soggetti legati da rapporti continuativi alla società incaricata della revisione contabile.

Per quanto riguarda il bilancio d'esercizio, riferiamo quanto segue:

- non essendo a noi demandato il controllo analitico di merito sul contenuto del bilancio, abbiamo vigilato sull'impostazione generale data allo stesso ed alla Relazione sulla gestione sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e a tale riguardo non abbiamo osservazioni particolari da riferire;
- la Società ha redatto il bilancio d'esercizio secondo le norme civilistiche ed i principi contabili italiani, predisponendo nel contempo la reportistica periodica al fine della trasmissione della situazione economica-patrimoniale per la redazione delle situazioni infrannuali e del Bilancio Consolidato di Atlantia S.p.A., secondo i principi contabili internazionali IAS/IFRS;
- abbiamo verificato la rispondenza del bilancio ai fatti e alle informazioni di cui siamo venuti a conoscenza a seguito dell'espletamento dei nostri doveri;
- per quanto a nostra conoscenza, gli Amministratori non hanno derogato alle norme di legge ai sensi dell'art. 2423 comma quattro del codice civile.

La Società di Revisione nella sua relazione, emessa ai sensi degli art. 156 e 165 del D.Lgs n.58/1998, in data 4 marzo 2015, attesta che il bilancio d'esercizio al 31 Dicembre 2014 rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria e il risultato economico della Vostra Società e nella quale non sono stati effettuati rilievi o richiami di informativa.

Per quanto contenuto nella presente relazione, tenuto anche conto del giudizio della Società di Revisione, il Collegio Sindacale esprime il suo parere favorevole all'approvazione del Bilancio d'esercizio al 31 Dicembre 2014 ed alla proposta di destinazione del risultato di esercizio da parte degli Amministratori.

Roma, 4 marzo 2015

Il Collegio Sindacale

Dott. Francesco Mariano Bonifacio

Rag. Silvio Laganà

Dott. Fernando Sbarbati

Presidente

Sindaco effettivo

Sindaco effettivo

WORLDWIDE CENTRE S.r.l.
Roma

WORLDWIDE CENTRE S.r.l.
Via Merulana 272 - 00185 Roma
www.wtcsl.com

PAVIMENTAL SPA

Company subject to the management and coordination of

Atlantia S.p.A.

Share Capital € 10,116,452.45 fully paid-up

EAR Registration no. 526702

I.R.C. and Registration number in the Companies Register 00481670586

Legal Headquarters in Rome, Via Giuseppe Donati, 174

Report by the Board Auditors on the Financial Statements as at 31 December 2014

(pursuant to article 2429, second paragraph of the Civil Code)

Dear Shareholders,

During the course of the business year closed on 31 December 2014, we carried out the supervisory activities required of the Board of Auditors, pursuant to art. 2403 of the Civil Code and – as applicable – art. 149 of Legislative Decree 58/98 and subsequent amendments or integrations.

This report has been drawn up pursuant to art. 2429, second paragraph of the Civil Code and art. 153, paragraph 1 of Legislative Decree 58/98 and subsequent amendments or integrations, according to the principles of conduct of the Board of Auditors applicable to subsidiary companies of companies with shares floated on regulated stock markets, emanated by the National Orders of Accountants and Chartered Accountants.

Furthermore, we also took into account, as applicable, Consob Communication no. DEM/1025564 dated 6 April 2001 and subsequent amendments or integrations.

With reference to the activities carried out during the course of the 2014 business year, we would point out to you that:

- we attended all of the shareholders' meetings and meetings of the Board of Directors, presiding over the respect of the statutory, legislative and regulatory regulations which discipline the functioning of the company and we are able to attest that there were no

significant decisions taken that were in potential conflict of interest or such as to compromise the integrity of the corporate equity without notifying the Directors and Auditors in advance;

- while attending the meetings of the Board of Directors and also the meetings held with the directors and managers of the company – on at least a quarterly basis – we were able to obtain information concerning the overall activities carried out by the company and on the operations of most significance from an economic, financial or equity viewpoint, ascertaining that the actions decided and undertaken were in compliance with the law and the Corporate Statutes and were not manifestly imprudent or unwise, in potential conflict of interest or in contrast with the decisions taken by the corporate bodies or such as to compromise the integrity of the corporate equity;
- we conducted an analysis, for the matters of our competence, of the adequacy of the organizational structure of the company by obtaining information and also examining the documentation sent to us by the departmental managers of the company and the representatives of the independent auditing firm during the meeting scheduled for the purpose of reciprocally exchanging data and information;
- we presided over the adequacy of the internal auditing system of the company, structured at a Group level and constantly being updated both by the Group Leader and the subsidiary companies;
- we acquired details of and presided over the adequacy of the accounts management system, and also on the reliability of the latter in terms of correctly representing the management events, by obtaining information from the departmental managers of the company, examining the documents and obtaining information from the Independent Auditing Firm;
- we verified the punctuality in providing the parent company with both the figures required for the preparation of the Financial Statements and the infra-annual reports and the news of which in arts. 114 and 115 of Legislative Decree 58/98 and subsequent amendments or integrations.

Furthermore, with reference to the verification activities carried out, we can confirm that:

- the Company did not carry out any atypical or unusual operations, including infra-group and those with associate parties. As regards the infra-group operations and those with associate parties of an ordinary nature, the Board of Directors provided detailed information in its report. In this regard, we believe that such operations were congruous and responding to the interest of the Company;
- no reports ex art. 2408 of the Civil Code were received and nor were there any claims filed by third parties;
- during the course of the activities carried out, no omissions, irregularities or censurable, or in any event significant, events emerged such as to require reporting to the corporate bodies or mentioning in this report;
- we met with the Supervisory Committee ex Law 231/01, which informed us on the activities it carried out, and did not report to the Board any occurrences of particular significance in terms of the matters of its competence;
- the company is subject to the management and coordination of the parent company Atlantia S.p.A. and all of the publicity obligations provided by art. 2497 bis of the Civil Code were properly fulfilled;
- the company adheres to the national consolidated fiscal system, pursuant to arts. 117 and following of the T.U.I.R., with Atlantia S.p.A. being the consolidating party.

The auditing of the financial statements was carried out by Deloitte & Touche S.p.A., which is assigned the duty of auditing the financial statements of the parent company. During the course of the business year, there was regular interaction with the independent auditing firm, in both formal meetings, which the departmental managers of the company also attended, and informal contacts.

We also ascertained that no assignments were conferred upon subjects linked by continuous relations with the company responsible for auditing the accounts.

As regards the business year financial statements, we would report the following:

- as we are not responsible for the analytical check of the merit of the contents of the financial statements, we presided over the general layout of the statements and the Report on management as regards their general compliance with the law in terms of their formation and structure and have no specific observations to make in this regard;
- the Company prepared the business year financial statements according to civil law and Italian accounting principles, preparing the periodical reports at the same time in order to transmit the economic and equity situation for the preparation of the infra-annual accounts and the Consolidated Financial Statements of Atlantia S.p.A. according to the international IAS/IFRS accounting principles;
- we verified the consistency of the financial statements to the facts and information we are aware of following the completion of our duties;
- as far as we are aware, the Directors did not derogate to the law pursuant to art. 2423, fourth paragraph of the Civil Code.

In its report issued pursuant to arts. 156 and 165 of Legislative Decree 58/1998 on 4 March 2015, the Independent Auditing Firm attested that the business year financial statements as at 31 December 2014 truthfully and correctly represent the equity and financial situation and the economic result of the Company and in which no reports or informative comments were made.

As regards the contents of this report, taking into account the opinion of the Independent Auditing Firm, the Board of Auditors expresses its favourable opinion as regards the approval of the business year financial statements as at 31 December 2014 and the proposal for the allocation of the business year result by the Directors.

Rome, 4 March 2015

The Board of Auditors

Mr. Francesco Mariano Bonifacio	Chairman	(Signed)
Mr. Silvio Laganà	Standing Auditor	(Signed)
Mr. Francesco Sbarbati	Standing Auditor	(Signed)

AUDITORS' REPORT
PURSUANT TO ART. 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND TO ART. 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

**To the Shareholders of
Pavimental S.p.A.**

1. We have audited the financial statements of Pavimental S.p.A. [the "Company"] as of December 31, 2014. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes as required by law, reference should be made to our auditors' report issued on March 5, 2014.

3. In our opinion, the financial statements give a true and fair view of the financial position of Pavimental S.p.A. as of December 31, 2014, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.
4. The directors of Pavimental S.p.A. are responsible for the preparation of the report on management in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. In our opinion the report on operations is consistent with the financial statements of Pavimental S.p.A. as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Fabio Pompei
Partner

Roma, Italy
March 4, 2015

This report has been translated into the English language solely for the convenience of international readers.

Decisions
of the Shareholders' Meeting

The Shareholders' Meeting of Pavimental S.p.A., which met on 20 March 2015 in ordinary session and on first call, having acknowledged the Report by the Board of Auditors and the Report by the Independent Auditing Firm DELOITTE & TOUCHE S.p.A. on the financial statements for the financial year as at 31 December 2014

DECIDED

- to approve the Financial Statements as at 31 December 2014 – Statement of Equity, Income Statement and Supplementary Notes – in the version submitted by the Board of Directors;
- to approve the Report on Management for the 2014 financial year, in the version submitted by the Board of Directors;
- to apportion the company profits, amounting to 3,046,966 Euros, as follows:
 - a) 5%, amounting to 152,348 Euros, to the legal reserve;
 - b) 25,654 Euros allocated to the reserve from profits on exchange rates ex art. 2426 subsection 8-bis of the Civil Code;
 - c) the remaining financial year profits, amounting to 2,868,964 Euros, brought forward.