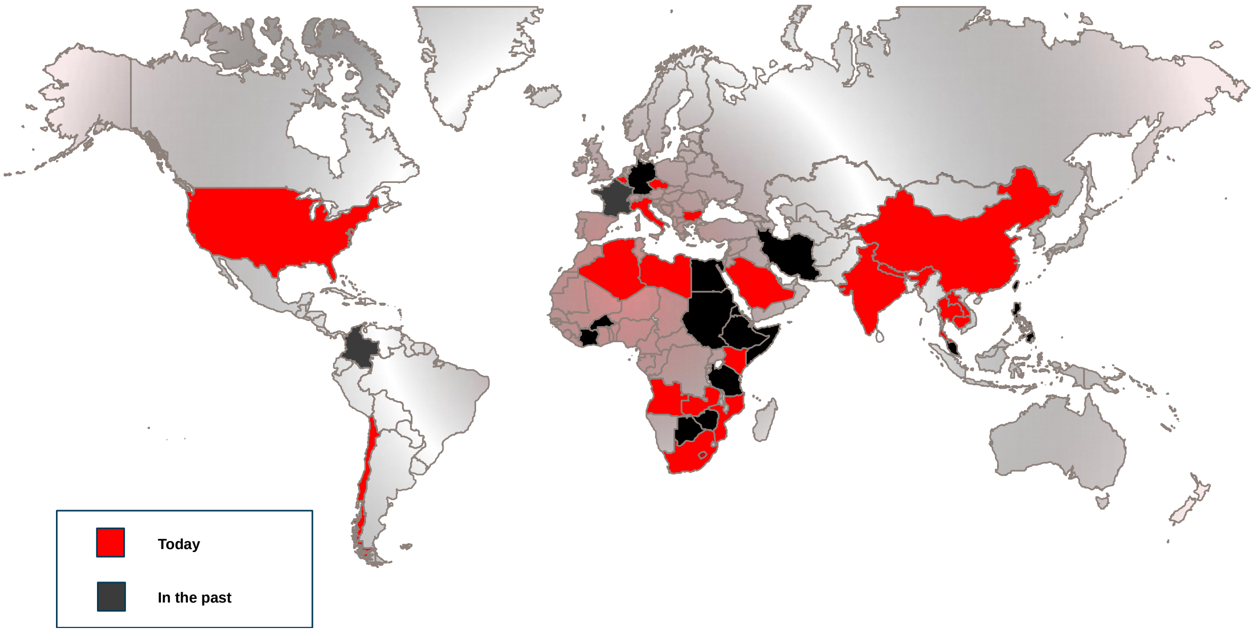
Consolidated Financial Report as at December 31, 2014

Cooperativa Muratori & Cementisti
CMC di Ravenna
Registered offices at Via Trieste 76, Ravenna
Tax code and VAT no.: 00084280395
Ravenna Companies Register no. 014-567
Ravenna Chamber of Commerce no. 1660

CMC IN THE WORLD



In the past	
Botswana	Ivory Coast
Burkina Faso	Laos
Colombia	Malaysia
Czech Republic	Philippines
Egypt	Somalia
Eritrea	Swaziland
Ethiopia	Taiwan
France	Tanzania
Germany	Zimbabwe
Iran	

Today	
Algeria	Libya
Angola	Malawi
Belgium	Mozambique
Bulgaria	Nepal
Chile	Saudi Arabia
China	Singapore
France	South Africa
India	Thailand
Italy	USA
Kenya	Zambia
Lebanon	
Lesotho	

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- MORESIDE INVESTMENTS (Pty) Ltd
- SIDEBAR MANUFACTURING (Pty) Ltd

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BUSINESS AREAS

CMC Group has a proud record of delivering world-class infrastructural projects, with a focus on the following business areas:

Transport
Roads, motorways
Tunnels, bridges and viaducts
Railways and underground
Airports

Water and irrigation works
Dams
Hydroelectric plant
Tunnels
Aqueducts
Irrigation channels

Ecology and environment
Water treatment and sanitation services
Sewage systems
Treatment of toxic waste

Building projects
Civil and public buildings (hospitals and clinics, schools, sport structures, correctional facilities)
Executive and service buildings (hypermarkets, shopping malls, post offices)
Hotels and resorts
Industrial plants (power stations, silos)
Maintenance and refurbishment

Water control and marine works
Coastal protection, piers and jetties, dredging

Integrated territorial development projects

GROUP ORGANISATION

Domestic operations

Overseas operations

GED Srl (**Precast)**

SIC Spa (**Building materials**)

CMC **I**mmobiliare Spa **(Real estate)**

CORPORATE GOVERNANCE

Board of Directors [1]

Chairman

Massimo Matteucci

Deputy

Alfredo Fioretti

Claudio Bandini

Grazia Benazzi

Marco Bulgarelli

Marcello Cacucciolo

Mauro Calandrini

Lorenzo Cottignoli

Dario Foschini

Maurizio Fucchi

Michela Santandrea

Chief Executive Officer

Roberto Macrì

Internal Auditors [1]

Chairman

Gian Luca Bandini

Auditors

Maurizio Rivalta

Gian Marco Venturi

External Auditors [2]

Ria Grant Thornton Spa

Audit Committee [1] ex art. 6 Legislative Decree 231/2001

Chairman

Gian Luca Bandini

Members

Michela Santandrea

Riccardo Suprani

[1] In charge for the 2014-2016 period

[2] In charge until approval of the 2016 financial statements

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FINANCIAL HIGHLIGHTS

Income Statement	Q4 2014	FY 2014	FY 2013
Construction Revenue	323.8	1,067.2	979.6
- Italy	*152.1*	*492.1*	*416.0*
- Overseas	*171.7*	*575.1*	*563.6*
Total turnover	**332.9**	**1,104.8**	**1,015.6**
EBITDA	**38.0**	**122.6**	**103.6**
EBITDA Margin	**11.4%**	**11.1%**	**10.2%**
Consolidated net income	0.3	11.0	10.8

New Orders	Q4 2014	FY 2014	FY 2013
- Italy	*7.1*	*466.0*	*245.5*
- Overseas	*214.3*	*713.7*	*802.6*
Total new orders	**221.4**	**1,179.7**	**1,048.1**

Cash Flow	Q4 2014	FY 2014	FY 2013
- CF from operations	*56.2*	*70.3*	*45.9*
- CF from inv. activities	*(13.5)*	*(84.5)*	*(50.8)*
- CF from fin. activities	*(51.8)*	*41.7*	*0.8*
Total Cash Flow	**(9.1)**	**27.5**	**(4.1)**

Balance Sheet	Dec-14	Sep-14	Dec-13
Net working capital	332.5	271.7	287.9
Net financial position	450.5	383.1	380.8
Adj. net financial position	464.2	430.0	406.5
Shareholders' Equity	164.7	164.4	166.9

Key Ratios	Dec-14	Sep-14	Dec-13
Backlog/LTM C. revenue	2.73x	N/A	3.03x
NFP/EBITDA	3.67x	N/A	3.68x
Adj. NFP/EBITDA	3.79x	N/A	3.92x

Backlog	Dec-14	Sep-14	Dec-13
Italy	**1,344.6**	**1,656.3**	**1,643.7**
- Southern Africa	*584.7*	639.6	*651.7*
- Asia	*203.5*	220.0	*289.0*
- Northern Africa	*251.9*	258.9	*233.1*
- Eastern Africa	*241.0*	240.0	-
- South America	*57.3*	60.9	*65.0*
- North America	*68.5*	79.6	*44.6*
- Europe	*12.5*	18.1	*43.8*
- Middle East	*150.0*	-	-
Total international	**1,569.4**	**1,517.1**	**1,327.2**
Total backlog	**2,914.0**	**3,173.4**	**2,970.9**

INTRODUCTION

This report was prepared by the Board of Directors of COOPERATIVA MURATORI & CEMENTISTI - CMC DI RAVENNA, on April 13, 2014 and shows the consolidated results of the CMC Group for the fiscal year ended December 31, 2014.

Unless stated otherwise, figures are shown in millions of euro.

KEY EVENTS

- Below are the main new contracts awarded to CMC in 2014:

Italy

- Contract Share previously owned by Iter of the second section of the SS640 Agrigento-Caltanissetta (Sicily). Project value: €105 million (CMC's share 100%);
- Supply, transport and installation of natural disaster housing units in Northern and Central Italy for the Italian Department of Civil Protection. Project value: € 49.3 million (CMC's share: 90%);
- Construction of 2 sections (Stesicoro-Aeroporto e Nesima-Misterbianco) of the Catania underground for the Ministry of Infrastructure and Transport - Circumetnea Catania Railway. Two 10 meter Tunnel Boring Machines (TBM) will be utilized to build approximately 3.9 km of tunnels. Project value: "Nesima" section: €80.3 million (100% CMC); "Stesicoro" section: €58.9 million (CMC's share 70%);
- Construction of the exploratory tunnel for the Lyon-Turin high-speed railway. Project value: approximately €391 million (CMC's share 16%);
- Construction of the Thailand, France and Korea pavilions for the EXPO 2015. Project value: approximately €10.0 million (100% CMC);
- Construction of the Lingotto-Bengasi (Line 1) section of the Turin underground. Project value: approximately €60.3 million (CMC's share 75%).

Lebanon

- Greater Beirut Water Supply Project – Tunnel and Transfer Lines, funded by the World Bank. Project value: approximately € 150 million (100% CMC share);

Kenya

- Construction of the Itare dam and related water treatment facilities for the Rift Valley Water Services Board. Project value: approximately € 241 million (100% CMC share);

Mozambique

- Rehabilitation of the Massingir dam for the Ministry of Public Infrastructure. Project backed by the African Development Bank. Project value: €37 million (100% CMC's share);

USA

- Improvement of several rail crossings of the South Coast Rail in the area of Freetown, Taunton and New Bedford (Boston) for the MBTA: $16.4 million (€12.2 million; CMC's share 100%);

- Rehabilitation of a bridge on the Merrimack River, 40 Km north of Boston, for the Massachusetts Bay Transportation Authority. Project value: €15.5 million to be completed in two years (100% CMC), and additional minor projects for a total of approximately €50 million;

- Full reimbursement of the €12.0 million "Preferred Pooled Shares" (PREPS) program.
- On May 16, the Board of Directors admitted ten new Cooperative Members, thereby raising the number, net of exits, from 410 at the end of 2013 to 402 as at December 31, 2014.
- On May 31, the Shareholders' Meeting appointed the new Board of Directors, reducing to seven the number of the Cooperative Members' representatives, in addition to the two representatives of the Supporting Shareholders.
- On May 31, the Shareholders' Meeting appointed Ria Grant Thornton S.p.A., replacing Deloitte & Touche S.p.A., as new Auditor of the CMC Group for the fiscal years 2014-2015-2016. The replacement is in compliance with art.15 of L.59/92 and art.11 of D.L. 220/2002, which imposes a change of the auditor after two consecutive three year terms.
- A new company, SAUDI CMC, was established in Saudi Arabia to leverage on CMC's transportation and civil infrastructure capabilities in a fast growing market. The new entity was established in partnership with Saudi partners.
- On July 18, CMC di Ravenna issued €300 million Senior Unsecured Notes due 2021. The Notes, which were assigned a rating of B by Standard & Poors and B2 by Moody's, were successfully placed to institutional investor with a book equal to approximately three times the offered amount. The Notes bear interest at a rate of 7.5% per annum, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and on the ExtraMOT of Borsa Italiana, and are regulated by New York Law. The proceeds have been utilised to reimburse part of the existing debt.
- In July, SACE, the Italian export credit institution, provided a guarantee for a €164 million financing to the Finance Ministry of Angola for the completion of the "Soyo Quifume" motorway project.
- In November 2014, the MFC Dal Molin Complex, developed by CMC for the US Army, obtained the LEED (Leadership in Energy and Environmental Design) GOLD certification. USGBC, the issuer of the certification, assigned 40 points out of 41 to the project, representing a remarkable achievement and consolidating CMC's long track-record in developing projects for the US Government.

UPDATE ON KEY RELEVANT MARKETS

2014 was affected by difficult global economic conditions, exacerbated by political, social and financial turbulences in areas such as Greece, Ukraine, Middle East and Northern Africa, where it is difficult to expect a solution in the short term. Even in this challenging environment, thanks to our significant diversification, we managed to achieve significant results by improving EBITDA margin, diversifying our backlog and securing significant new orders in Italy and internationally. However, the increased political and economical instability and the risk posed by the recent oil price drop in certain developing countries will require a further geographical diversification of our business, with a higher weight to be given to more stable countries such as North America, Northern Europe and, on a selective basis, Asia.

Italy

In Italy, which represents approximately 46% of our backlog as at December 31, 2014, we maintained our market share by securing important orders in the transport infrastructure and building projects sectors. General economic conditions were not favourable in 2014, with GDP contracting by 0.4% compared to 2013. However, the main private and public sources for economic projections point at 2015 as the recovery year for the Italian economy. According to ISTAT, Italian GDP is expected to expand by 1.0% in 2015, and reach +1.4% in 2016, in real terms, driven primarily by the increase in export. The current reforms plan announced by P.M. Matteo Renzi, if properly implemented, might give rise to a stream of new major projects that may facilitate recovery. Possible areas of intervention include: the Naples-Bari high-speed railway project, the Palermo-Messina-Catania high-speed railway, the revamping of the Malpensa, Fiumicino, Florence, Genoa and Salerno airports, the completion of the C Line of the Rome underground, the Turin light railway and underground, the Florence light rail/tramway, the Naples underground, the expansion of the Lucca-Pistoia railway line, the link to the Fiumicino airport from the city of Rome, the Tortona-Genoa and the Veneto Region high-speed railway project.

However, we expect the construction sector to start benefit from the recovery not earlier then three years from now, due to the time required to design, award and fund the new projects. Besides, the research department of the main Italian financial institutions estimate in 5 years the time required to bring inventory levels back to normal in the real estate sector, limiting the short-term upside in the building and renovation niche market.

We believe that the current €1.3 billion backlog in Italy and the opportunity to acquire shares in existing projects from our minority partners are enough to secure our turnover in Italy for the next three years, relieving our Group from the pressure of having to bid aggressively to secure new orders in the short term.

A particular priority will be given to projects with more frequent payment milestones to improve working capital, and to projects in niche markets such as maritime works, contracts for the US Government, building renovation and in the Healthcare sector.

We exclude further involvement in concessions, from which we are actually planning an exit. In particular, the exit from the SAT concession is expected to be finalised within 2015.

Europe

So far our focus has been in projects in Eastern Europe, where we are still completing a project in Bulgaria. However, due the increased competition, we do not believe projects in the area can offer profitability levels in line with our expectations for International projects, unless we are able to identify more profitable opportunities in the underground or hydroelectric fields.

The same selective approach will be used to identify projects in Scandinavia, in line with our effort to increasingly diversify our backlog to include more stable countries.

Mediterranean Area and Middle East

The investment related to the oil and gas industry and to major international commercial and sport events, combined with a lack of established local players, create significant opportunities for international contractors. However, the oil price decline and the possible resulting impact on the infrastructure budget of certain countries where we operate might require a more selective approach to business opportunities in the area.

We recently increased our presence in the area by securing an important water supply project in Lebanon, which will consolidate our track record as specialists in tunnelling projects.

In Libya we are part of a consortium for the construction of the coastal motorway, we do not expect to start the project in the short-term due to the current political situation, and as a result we have not included the project in our medium-term forecasts.

We expect to have good chances to secure new orders in the area as a result of our recent opening of a new subsidiary in Saudi Arabia.

Southern and Eastern Africa

The South African economy, as well as that of Lesotho (which is strictly correlated to that of its larger neighbour), are experiencing a slowdown in their growth rate, following the years leading up to the 2010 football World Cup, although this has not materially affected our results and backlog in these countries. However, South African GDP gained momentum in 2014 reporting a +0.5% in second quarter, +2.1% in third quarter and +4.1% in the fourth quarter, after a negative growth in the first quarter. According to an interview released on February 26th, 2014 by the Minister of Finance, a new infrastructure plan envisages the allocation of R846 billion (€59.2 billion) over the next three years, with a focus on power generation and transport infrastructure projects, and to further exploit coal, iron ore, manganese, diamond and gold mines. In August 2014, the South African Government set a commission to speed up delivery of the country's infrastructure build, and in particular to monitor more than 150 infrastructure projects in rail, road, ports, dams, irrigation systems, sanitation and power generation. We have several projects in the area generating turnover in excess of €150 million per year, which we expect to maintain after the completion of the flagship Ingula hydroelectric project.

In Angola, where GDP expanded by 4.40% from the previous year, the capital expenditure plan is expected to be reduced, but the country might still offer good opportunities in projects funded/guaranteed by supranational financial institutions. Our activities for the construction of the Luanda motorway—Soyo in Angola have been virtually suspended for all of 2012 and 2013, pending securing of funding for the project by the Angola government. In July 2014, SACE, the Italian export credit agency, provided a guarantee for a €164 million financing to the Finance Ministry of Angola for the completion of the "Luanda-Soyo Quifume" motorway project and as a result activities have resumed. We are using a similar arrangement to fund the new contract secured in Kenya.

In Mozambique, GDP growth in 2014 was approximately 7%, and a similar growth rate is expected for 2015. However, due to the delays in the oil & gas industry resulting from the oil price drop and lower international aid, Mozambique is reducing its public capital expenditure plan. We aim at maintaining our presence in the country by focussing on projects funded by supranational financial institutions or on projects for private clients such as the Coca-Cola co. or other multinational companies.

We maintain a commercial presence in countries where we do not currently operate, but with interesting infrastructure growth potentials such as Namibia and Swaziland.

Asia

In Asia, we are executing projects in Singapore, the Qinghai and Shanxi provinces in China, Nepal and India. The Qinghai province is rich in natural resources and plays a strategic role as the source of major rivers, including the Yangtze River. Oil and natural gas from the Chaidamu Basin have also been an important contributor to the economy. However, only with significant infrastructure with the province will able to fully capitalize on its natural resource. The province reported a 9.2% real GDP growth in 2014 and is expected to enjoy a fast growth pace in 2015. Similarly, the Shanxi province has abundant reserves of coal, magnesium bauxite and fireclay, a real GDP which grew by 9.7% in 2014. In Singapore we are consolidating our references as specialist in complex underground projects, and in 2015 a further expansion of the Downtown line will be launched. GDP slowed by 2.8% in 2014, but the country still represents one of the most interesting opportunities for city underground projects.

In India, we are executing a tunnelling project for a hydroelectric plant, which represents a first test to define our strategy in the country.

North and South America

In the USA we operate through two subsidiaries: LMH in Boston (100% owned, acquired in 2011), and Di Fazio Industries in New York (33% owned, acquired in 2013 with a call option for the remaining 67% in 2017). The economic indicators in the relevant areas where we operate are showing constant growth rates. MassBenchmarks indicates a GDP growth of 1.4% for 2014 and 1.7% in 2015-2016. The local government is undertaking significant infrastructure investments in transport and water infrastructure under the Local Infrastructure Development Program. Di Fazio operates in the “Five Boroughs” of New York. A report from JP Morgan shows for the area an expected growth of 3.1% and 3.7% in 2014 and 2015. Following the devastation of hurricane Sandy in October 2012, essential infrastructure needs have been made a top policy priority for local administrations. A study published by the Centre for an Urban Future in March 2014 shows that city agencies and authorities will have to invest approximately $47.3 billion just to maintain the safety and functioning of New York’s infrastructure. This figure does not include new structures or increased capacity.

We are evaluating the opportunity to bid for larger projects in these areas, in JV with possible selected partners, and the opportunity to expand in other countries such as Canada to bid for underground projects.

In South America, we are involved in a hydroelectric project in Chile in partnership with Hochtief. The acquisition of Hochtief by the Spanish company Dragados has limited the possibility of additional commercial partnerships, and as a result we are considering alternative ways to extend our presence in South America.

OVERVIEW

Set out below is an overview of our results and key indicators related to the year ended December 31, 2014, compared to the year ended December 31, 2013:

- *Total turnover:* increased by €89.2 million, from €1,015.6 million to €1,104.8 million. In particular, construction revenue increased by €87.6 million from €979.6 million to €1,067.2 million. Construction revenue increased by €76.1 million in Italy and by €11.5 million overseas.
- *EBITDA:* increased by €19.0 million, from €103.6 million to €122.6 million. EBITDA margin improved to 11.1% from 10.2%.
- *Net income:* in line with 2013 at €11.0 million compared to €10.8 million in 2013, despite significantly higher financial charges resulting from to the bond issue.
- *New orders:* increased by €131.6 million, from €1,048.1 million to €1,179.7 million. The largest new order was a €241.0 million contract for the construction of a dam and related water treatment facilities in Kenya.
- *Cash flow from operations:* increased by €24.4 million, from €45.9 million to €70.3 million, mainly as a result of higher profitability and depreciation charges.
- *Cash flow used in investing activities:* increased by €33.7 million, from €50.8 million to €84.5 million, as a result of significant investments in TBMs and other heavy equipment for the start of new projects.
- *Cash flow from financing:* increased by €40.9 million, from €0.8 million to €41.7 million, due to a temporary increase in net working capital and the impact of the €300 Notes issued on July 18, 2014, with a resulting increase in cash and shift from off-balance sheet to on-balance sheet financings.

Set out below is a review of our key indicators as of December 31, 2014, compared to December 31, 2013:

- *Net working capital:* increased by €44.6 million, from €287.9 million to €332.5 million mainly due to higher work in progress and receivables, only partially offset by higher operating debts. The calculation of Net working capital has been revised from both 2014 and 2013 to comply with a change in the Italian Gaap released in August 2014, which imposes to add back recourse factoring to both liabilities and receivables.
- *Net financial position:* increased by €69.7 million, from €380.8 million to €450.5 million, mainly as a result of increased utilization of lease buy-back contracts for TMBs. The Net financial position/EBITDA ratio slightly improved to 3.67x from 3.68x.
- *Adjusted net financial position:* increased by 57.7 million, from €406.5 million to €464.2 million, primarily for higher working capital, higher equipment lease and buy-back contracts and for fees and charges related to the issuance of our €300 million Notes. The Adjusted Net financial position/EBITDA ratio improved to 3.79x from 3.92x.
- Backlog: slightly decreased by €56.9 million, from €2,970.9 million to €2,914.0 million, with a shift towards international projects, representing 54% of backlog in 2014 compared to 45% in 2013.

BACKLOG AND NEW ORDERS

Backlog by geographic area

The following table sets forth a breakdown of our order backlog by geographic area as at December 31, 2014, and December 31, 2013:

	December 31, 2014	December 31, 2013
	(€ in million)	
Italy	**1,344.6**	**1,643.7**
Southern Africa	584.7	651.7
Asia	203.5	289.0
North Africa	251.9	233.1
Eastern Africa	241.0	-
South America	57.3	65.0
North America	68.5	44.6
Europe	12.5	43.8
Middle east	150.0	-
Total International	**1,569.4**	**1,327.2**
Total backlog	**2,914.0**	**2,970.9**

Backlog by business area

The following table sets forth a breakdown of our order backlog by business area as at December 31, 2014, and December 31, 2013:

	December 31, 2014	December 31, 2013
	(€ in million)	
Transport Infrastructure	1,753.3	2,044.0
Road and motorways	*1,336.4*	*1,765.7*
Railways and subways	*416.9*	*278.3*
Water and Irrigation Works	724.7	439.2
Building Projects	287.7	305.2
Water Control and Marine Works	39.8	47.5
Mining and Waste Treatment Infrastructure Works	108.5	135.0
Total backlog	**2,914.0**	**2,970.9**

Our order backlog is entirely attributable to our construction activities. As at December 31, 2014, our backlog amounted to €2,914.0 million, as compared to €2,970.9 million as at December 31, 2013. International backlog represented 53.9% of the total as at December 2014, compared to 44.7% as at December 31, 2013. Thanks to the new order secured in Lebanon, the Middle East area has been added to our backlog breakdown.

New orders by geographic area

The following table sets forth a breakdown of our new orders by geographic area for the three months ended December 31, 2014, the year ended December 31, 2014, and for the year ended December 13, 2013:

	Three months ended Dec 31, 2014	Twelve months ended Dec 31, 2014	Twelve months ended Dec 31, 2013
		(€ in milion)	
Italy ……………………………………………………………….	**7.1**	**466.0**	**245.5**
Southern Africa …………..………………………………………	47.9	175.2	351.1
Asia…………..………………………………………………………	0.5	30.7	142.0
North Africa…...…………….…………………………………………	-	31.9	230.1
Eastern Africa ……………..………………………………………	-	241.0	-
South America..……………..……………………………………	-	-	-
North America..……………..……………………………………..	15.9	84.9	74.4
Europe……....……………..……………………………………..	-	-	5.0
Middle east....……………..……………………………………..	150.0	150.0	-
Total International……...……………………………………..	**214.3**	**713.7**	**802.6**
Total new orders……...……………………………………..	**221.4**	**1,179.7**	**1,048.1**

New orders by business area

The following table sets forth a breakdown of our new orders by business area for the three months ended December 31, 2014, the year ended December 31, 2014, and for the year ended December 13, 2013:

	Three months ended Dec 31, 2014	Twelve months ended Dec 31, 2014	Twelve months ended Dec 31, 2013
		(€ in milion)	
Transport Infrastructure…...………………………………………….	20.1	513.2	548.5
Road and motorways..…………………………………………	*10.4*	*282.1*	*548.5*
Railways and subways...………………………………………	*9.7*	*231.1*	-
Water and Irrigation Works……………………………………….	145.9	510.7	280.7
Building Projects………………………………………………….	55.4	154.7	160.3
Water Control and Marine Works……………..…………………	-	1.1	58.6
Mining and Waste Treatment Infrastructure Works…...………	-	-	-
Total new orders……...……………………………………..	**221.4**	**1,179.7**	**1,048.1**

New orders for the twelve months ended December 31, 2014 achieved €1,179.7 million, with €221.4 million secured in the fourth quarter of the year. The €241.0 million dam project secured in Kenya, the €150 million underground water supply project secured in Lebanon and the additional transport infrastructure and buildings projects secured in Italy confirm our ability to maintain a significant pipeline conversion ratio both in Italy and overseas. A description of the new orders secured in 2014 is provided in the Key Events section.

REVIEW OF RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2014

We have implemented procedures for quarterly accounting and related reporting procedures only starting from January 2014. Therefore, we are not able to produce comparable unaudited condensed consolidated financial statements for the three-month period ended December 31, 2013.

The following table sets out the items from our consolidated statement of income for the three-month period ended December 31, 2014:

	Three months ended Dec 31, 2014 (€ in milllion)
Revenue[(1)]	327.9
Other income and proceeds[(2)]	5.0
Total turnover[(3)]	**332.9**
Raw materials, comsumables and goods[(4)]	(55.2)
Services, lease and hire[(5)]	(181.2)
Personnel	(48.5)
Provisions for risk and charges[(6)]	(1.7)
Other operating costs	(8.3)
EBITDA	**38.0**
Depreciation, amortisation and write-offs of receivables	(21.7)
Operating profit	**16.3**
Net financial income and charges[(7)]	(12.2)
Net extraordinary income and charges	0.6
Income before tax	**4.7**
Income taxes	(4.7)
Income before minority interests	**-**
Minority interests	0.3
Consolidated net income	**0.3**

(1) Includes (i) revenue from sales and services, (ii) variations in inventories of work in progress, semi-finished and finished products and, (iii) variations in contracts in progress.

(2) Includes, among others, capitalization of costs related to deferred charges or the internal construction of fixed assets, gains on the disposal of fixed assets, use of reserves previously accrued for risks and charges, refund of expenses, recharge of expenses to subcontractors, proceeds from insurance claims and contribution grants.

(3) Represents total value of production.

(4) Represents the sum of purchases of raw materials, consumables and goods and the variations in the related inventories, as reported in our interim consolidated financial statements.

(5) Includes (i) service costs and (ii) lease and hire cost.

(6) Includes (i) provisions for risks and (ii) other provisions.

(7) Includes (i) financial income and charges and (ii) adjustment to value of financial assets.

Turnover

In the three months ended December 31, 2014, our total turnover was €332.9 million. The table below provides a breakdown of our turnover by category:

	Three months ended Dec 31, 2014
	(€ in millioni)
Revenue	327.9
Construction revenue	*323.8*
Revenue from other activities	*4.1*
Other income and proceeds	5.0
Increases in fixed assets for internal work	*1.5*
Other	*3.5*
Total turnover	**332.9**

Turnover in the last quarter of the year is affected by adverse seasonality in the regions where we run most of our operations.

Construction revenue by geographic area

The following table provides a geographic breakdown of our construction revenue for the three-month period ended December 31, 2014 and as a percentage of construction revenue:

	Three months ended Dec 31, 2014	% on Constr. Revenue
	(€ in milllion)	
Italy	**152.1**	**47.0**
Southern Africa	111.6	34.5
Asia	43.3	13.4
North Africa	3.5	1.1
South America	8.5	2.6
North America	3.4	1.1
Europe	1.4	0.4
Total International	**171.7**	**53.0**
Total construction revenue	**323.8**	**100.0**

International construction revenue was higher than revenue from Italian projects, due to a significant contribution from the Ingula project in South Africa and the unfavourable seasonality in Italy.

Revenues in Italy were €152.1 million in the last quarter of 2014. Listed below are the main drivers:

- Motorway SS640 Agrigento/Caltanissetta section 2;
- Quadrilatero Umbria Marche road network;
- External ring road of Milan.

Revenue in Southern Africa were €111.6 million in the three months ended December 31, 2014, driven by the revenue generated by the Ingula projects and other projects in South Africa and Mozambique.

Revenues in Asia were €43.3 million in the three months ended December 31, 2014, mainly driven by the following projects:

- Singapore metro downtown line 3, sections C926 and C927
- Water supply project in the province of Qinghai in China

- Deviation of Melamchi river in Nepal

In Northern Africa revenue in the three months ended December 31, 2014 were €3.5 million, mainly driven by the "Soyo-Quifume" motorway project in Angola.

In South America, the hydropower project in Chile generated €8.5 million in the three months ended December 31, 2014.

North America generated €3.4 million, mainly driven by the new projects awarded to LMH, as well as from the addition to our portfolio of the projects in execution of Difazio Inc., a NYC-based construction company of which we acquired a one-third equity interest in 2013.

In Europe, the Maritza motorway (section 1) construction project in Bulgaria resumed operations in July 2014, after certain disagreements with our local subcontractors were resolved in the course of 2014. The project generated revenue of €1.4 million in the last quarter of 2014.

Construction revenue by business area

The following table sets forth a breakdown of our construction revenue by business areas for the three-month period ended December 31, 2014 and as a percentage of our total construction revenue:

	Three months ended Dec 31, 2014	% on Constr. Revenue
	(€ in milllion)	
Transport Infrastructure…....……………………………………………………………………	215.9	66.7
Road and motorways..……………………………………………………………………………..	*198.4*	*61.3*
Railways and subways....…………………………………………………………………………..	*17.5*	*5.4*
Water and Irrigation Works……………………………………………………………………………	51.6	15.9
Building Projects.……………..…………………………………………………………………………	38.3	11.8
Water Control and Marine Works……………...…………………………………………………………..	14.8	4.6
Mining and Waste Treatment Infrastructure Works…....………………………………………………..	3.2	1.0
Total construction revenue……………………………………………………………………………	**323.8**	**100.0**

Transport infrastructure, and in particular its Roads and motorways sub-business area, was still the largest revenue generator, with a significant contribution coming from the construction of the Motorway SS640 Agrigento/Caltanissetta (section 2), the External eastern ring road of Milan (*TEM—Tangenziale Esterna Est di Milano*), the Quadrilatero Umbria Marche road network and the construction of the "Singapore metro downtown line 3 (sections C926 and C927)".

Water and irrigation works also generated significant revenue, driven by the Ingula hydroelectric plant project in South Africa and the water supply project in Qinghai, China.

Raw materials, consumables and goods

Costs for raw materials and consumables and goods, including variations of inventories from the prior year, was €55.2 million, or 16.6% of total turnover, for the three-month period ended December 31, 2014.

Services, lease and hire costs

The following table sets forth a breakdown of our cost of services for the three-month period ended December 31, 2014:

	Three months ended Dec 31, 2014	% on Total Turnover
	(€ million)	
Subcontractors	(118,5)	(35,6)
Transport	(8,7)	(2,6)
Consultancy, legal and notarial	(4,1)	(1,2)
Hiring of operated machinery	(1,6)	(0,5)
Studies and design	(1,2)	(0,4)
Utilities	(2,5)	(0,8)
Maintenance and repairs	(0,8)	(0,2)
Equipment rental	(8,6)	(2,6)
Other services	(35,2)	(10,6)
Total services, lease and hire costs	**(181,2)**	**(54,4)**

Total services, lease and hire costs for the three-month period ended December 31, 2014 were €181.2 million, representing 54.4% of our total turnover for the period. Of these, a considerable portion was attributable to subcontract, transport and consultancy.

Personnel expenses

The following table sets forth a breakdown of our personnel expenses for the three-month period ended December 31, 2014:

	Three months ended Dec 31, 2014	% on Total Turnover
	(€ million)	
Wages and salaries	(35,6)	(10,7)
Social security contributions	(11,6)	(3,5)
Severance Indemnity	(1,1)	(0,3)
Other costs	(0,2)	(0,1)
Total	**(48,5)**	**(14,6)**

Personnel expenses for the three-month period ended December 31, 2014 were €48.5 million, or 14.6% of total turnover.

Provisions for risks and charges

During the three months ended December 31, 2014, provisions for risks and charges amounted to €1.7 million, including the quota attributable to our minority partner of the net results of CMI, the joint venture that is executing the Ingula hydroelectric plant in South Africa, of which we hold a 51% interest, and the balance was related to additional costs on executed projects, postponement of revenues on activities certified but not yet executed and possible future write-offs.

Other operating costs

Other operating costs for the three-month period ended December 31, 2014 were €8.3 million, or 2.5% of total turnover, mainly attributable to custom and insurance costs and other tax charges.

EBITDA

Our EBITDA for the three months ended December 31, 2014 was €38.0 million, or 11.4% of total turnover, consolidating the profitability improvement achieved during the year.

Depreciation and amortization and write-downs of receivables

Depreciation and amortization charges mainly relating to plant, machinery and equipment for the three months ended December 31, 2014 were €21.7 million, representing 6.6% of total turnover for the period.

Operating profit

Operating profit reported in the three months ended December 31, 2014 was €16.3 million, representing 4.9% of total turnover.

Net financial income and charges

Net financial income and charges for the three-month period ended December 31, 2014 was equal to net charges of €12.2 million. This mainly includes €1.2 million of financial income, €11.3 million of financial charges and €1.7 million of exchange rate net conversion charges. The adjustment to value of financial assets was equal to -€0.4 million. The residual amount was related to guarantee charges and bank commissions.

Extraordinary income and charges

Extraordinary income and charges for the three-month period ended December 31, 2014 was equal to €0.6 million, representing 0.2% of our total turnoverfor the period.

Income before tax

As a result of the above, our income before tax for the three-month period ended December 31, 2014 was €4.7 million.

Income taxes

Income taxes accrued during the three months ended December 31, 2014 were €4.7 million.

Consolidated net income

Our consolidated net income before minority interest for the three-month period ended December 31, 2014, was €0.0 million, while consolidated net income referable to our shareholders was €0.3 million.

REVIEW OF FY 2014 RESULTS

The following table sets out the items from our consolidated statement of income for the twelve-month periods ended December 31, 2014 and December 31, 2013, and the percentage change from period to period:

	Twelve months ended Dec 31 2014	Twelve months ended Dec 31 2013	% of change
	(€ in milllion)		
Revenue[1]	1,079.3	994.2	8.6
Other income and proceeds[2]	25.5	21.4	19.2
Total turnover[3]	**1,104.8**	**1,015.6**	**8.8**
Raw materials, comsumables and goods[4]	(197.8)	(191.1)	3.5
Services, lease and hire[5]	(546.8)	(487.5)	12.2
Personnel	(176.0)	(157.0)	12.1
Provisions for risk and charges[6]	(32.6)	(50.2)	(35.1)
Other operating costs	(29.0)	(26.2)	10.7
EBITDA	**122.6**	**103.6**	**18.3**
Depreciation, amortisation and write-offs of receivables	(62.2)	(52.6)	18.3
Operating profit	**60.4**	**51.0**	**18.4**
Net financial income and charges[7]	(41.9)	(29.1)	44.0
Net extraordinary income and charges	1.7	(1.8)	(194.4)
Income before tax	**20.2**	**20.1**	**0.5**
Income taxes	(9.7)	(9.5)	2.1
Income before minority interests	**10.5**	**10.6**	**(0.9)**
Minority interests	0.5	0.2	150.0
Consolidated net income	**11.0**	**10.8**	**1.9**

(1) Includes (i) revenue from sales and services, (ii) variations in inventories of work in progress, semi-finished and finished products and, (iii) variations in contracts in progress.

(2) Includes, among others, capitalization of costs related to deferred charges or the internal construction of fixed assets, gains on the disposal of fixed assets, use of reserves previously accrued for risks and charges, refund of expenses, recharge of expenses to subcontractors, proceeds from insurance claims and contribution grants.

(3) Represents total value of production.

(4) Represents the sum of purchases of raw materials, consumables and goods and the variations in the related inventories, as reported in our interim consolidated financial statements.

(5) Includes (i) service costs and (ii) lease and hire cost.

(6) Includes (i) provisions for risks and (ii) other provisions.

(7) Includes (i) financial income and charges and (ii) adjustment to value of financial assets.

Turnover

In the year ended December 31, 2014, our total turnover increased by €89.2 million (+8.8%), from 1,015.6 million to €1,104.8 million. The table below provides a breakdown of our turnover by category:

	Twelve months ended Dec 31 2014	Twelve months ended Dec 31 2013	% of change
	(€ in millioni)		
Revenue	1,079.3	994.2	8.6
Construction revenue	*1,067.2*	*979.6*	*8.9*
Revenue from other activities	*12.1*	*14.6*	*(17.1)*
Other income and proceeds	25.5	21.4	19.2
Increases in fixed assets for internal work	*3.6*	*4.2*	*(14.3)*
Other	*21.9*	*17.2*	*27.3*
Total turnover	**1,104.8**	**1,015.6**	**8.8**

The increase in total turnover was mainly due to higher construction revenue.

Construction revenue by geographic area

The following table sets forth a geographic breakdown of our construction revenue for the twelve months ended December 31, 2014 and December 31, 2013 and as a percentage of our total revenue:

	Year ended Dec 31, 2014		Year ended Dec 31, 2013		
	(€ in milllion)	% on Constr. Revenue	(€ in milllion)	% on Constr. Revenue	% of variation
Italy ……………………………………………………………….	**492.1**	**46.1**	**416.0**	**42.5**	**18.3**
Southern Africa …………..………………………………………	335.6	31.4	383.0	39.1	(12.4)
Asia…………..…………….………………………………………	138.4	13.0	96.8	9.9	43.0
North Africa…..……………..………………………………………	15.6	1.5	6.9	0.7	126.1
South America..…………..……………………………………	17.3	1.6	-	-	-
North America..……………..………………………………..	54.7	5.1	54.7	5.6	-
Europe……...…………..………………………………..	13.5	1.3	22.2	2.3	(39.2)
Total International……..……………………………………..	**575.1**	**53.9**	**563.6**	**57.5**	2.0
Total construction revenue…………………………………..	**1,067.2**	**100.0**	**979.6**	**100.0**	**8.9**

Revenue in Italy were €492.1 million in the year ended December 31, 2014, compared to €416.0 million in the year ended December 31, 2013. Listed below are the main drivers:

- Motorway SS640 Agrigento/Caltanissetta section 2;
- Quadrilatero Umbria Marche road network;
- Autostrada SS121 Palermo/Lercara Friddi;
- External ring road of Milan.

Revenue in Southern Africa were €335.6 million in 2014 compared to €363.0 in 2013, as a result of the completion of certain projects in Mozambique and Lesotho, and of the termporary suspension of works in a section of the Ingula project in South Africa.

Revenue in Asia were €138.4 million in 2014 compared to €96.8 million in 2013, mainly generated by the following projects:

- Singapore metro downtown line 3, sections C926 and C927;
- Water supply project in the province of Shanxi in China;
- Deviation of Melamchi river in Nepal;
- Tunnel for the Parbati hydroelectric plant in India.

In Northern Africa revenue in the year ended December 31, 2014 were €15.6 million, compared to €6.9 million in 2013, mainly driven by the "Soyo-Quifume" motorway project in Angola.

In South America, the hydropower project in Chile generated €17.3 million in 2014.

North America generated €54.7 million in 2014, the same amount reported in 2013, as a result of projects carried out by our subsidiaries LMH and Di Fazio Industries.

In Europe, the Maritza motorway (section 1) construction project in Bulgaria resumed operations in July 2014, after certain disagreements with our local subcontractors were resolved in the course of 2014. The project generated revenue of €13.5 million in 2014 compared to €22.2 million in 2013.

Construction revenue by business area

The following table sets forth a breakdown of our construction revenue by business areas for the year ended December 31, 2014 and for the year ended December 31, 2013, and as a percentage of our total construction revenue:

	Year ended Dec 31, 2014		Year ended Dec 31, 2013		
	(€ in milllion)	% on Constr. Revenue	(€ in milllion)	% on Constr. Revenue	% of variation
Transport Infrastructure……………………………………………	655.3	61.4	566.6	57.8	15.7
Road and motorways……………………………………………	*570.5*	53.5	*497.1*	50.7	14.8
Railways and subways…………………………………………	*84.8*	7.9	*69.5*	7.1	22.0
Water and Irrigation Works……………………………………….	211.2	19.8	271.6	27.7	(22.2)
Building Projects……………………………………………………	139.6	13.1	105.5	10.8	32.3
Water Control and Marine Works………………………………	48.0	4.5	23.6	2.4	103.4
Mining and Waste Treatment Infrastructure Works…………	13.1	1.2	12.3	1.3	6.5
Total construction revenue…………………………………..	**1,067.2**	**100.0**	**979.6**	**100.0**	**8.9**

Transport Infrastructure represented a higher proportion of construction revenue in the year ended December 31, 2014, compared to the same period of 2013. The increase is mainly driven by higher revenue from the construction of the Motorway SS640 Agrigento/Caltanissetta (section 2), the works on the External eastern ring road of Milan (TEM), the Quadrilatero Umbria Marche road network and the Singapore metro downtown line 3 (sections C926 and C927) project.

The completion of projects in Mozambique and Lesotho, and the termporary works suspension of a section of the Ingula project in South Africa negatively affected revenue from Water and Irrigation Works, which are expected to improve significantly in 2015.

Raw materials, consumables and goods

Total costs for the purchase of raw materials, consumables and goods, including variations in inventories, increased in absolute value at €197.8 million in the year ended December 31, 2014 compared to €191.8 million in 2013, but decreased as a percentage of total turnover from 18.8% to 17.9%.

Services, lease and hire costs

The following table sets forth a breakdown of our cost of services for the year ended December 31, 2014 and December 31, 2013:

	Year ended Dec 31, 2014		Year ended Dec 31, 2013		
	(€ in milllion)	% on Total Turnover	(€ in milllion)	% on Total Turnover	% change
Subcontracts ………………………………………………………	(362.6)	(32.8)	(353.0)	(34.8)	2.7
Transport …………………………………………………………...	(28.0)	(2.5)	(33.9)	(3.3)	(17.4)
Consultancy, legal and notarial …………………………………..	(30.1)	(2.7)	(35.2)	(3.5)	(14.5)
Hiring of operated machinery ……………………………………	(5.4)	(0.5)	(5.5)	(0.5)	(1.8)
Studies and design ………………………………………………..	(5.8)	(0.5)	(9.0)	(0.9)	(35.6)
Utilities ………………………………………………………………	(8.3)	(0.8)	(6.5)	(0.6)	27.7
Maintenance and repairs …………………………………………	(2.6)	(0.2)	(2.2)	(0.2)	18.2
Lease and hire …………………………………………………….	(28.7)	(2.6)	(24.9)	(2.5)	15.3
Other services ……………………………………………………..	(75.3)	(6.8)	(17.2)	(1.7)	337.8
Total service, lease and hire costs ……………………………	**(546.8)**	**(49.5)**	**487.5**	**(48.0)**	**(212.2)**

Cost of services increased to €546.8 million in 2014, compared to €487.5 million in 2013. The increase is mainly due to the start of new projects in Italy, Nepal, India and Chile utilizing TBMs and other heavy equipment.

Personnel expenses

Personnel expenses increased by €19.0 million to €176.0 million in 2014, compared to €157.0 million in 2013. As a percentage of total turnover, personnel expenses remained substantially unchanged at 15.9% compared to 15.5% of the previous year.

	Year ended Dec 31, 2014		Year ended Dec 31, 2013		
	(€ in milllion)	% on Total Turnover	(€ in milllion)	% on Total Turnover	% change
Wages and salaries ………………………………………………	(141.5)	(12.8)	(131.4)	(12.9)	7.7
Social security contributions ……………………………………	(29.5)	(2.7)	(20.8)	(2.0)	41.8
Severance Indemnity ……………………………………………	(4.0)	(0.4)	(3.6)	(0.4)	11.1
Other costs ………………………………………………………..	(1.0)	(0.1)	(1.2)	(0.1)	(16.7)
Total ……………………………………………………………..	**(176.0)**	**(15.9)**	**157.0**	**(15.5)**	**(212.1)**

The average number of employees increased by 118 units, from 7,866 units in 2013 to 7,984 units in 2014.

Provisions for risks and charges

Provisions for risks and charges for the year ended December 31, 2014 were €32.6 million, as compared to €50.2 million for 2013. €32.4 million were related to the quota attributable to our minority partner of the net results of CMI, the joint venture that is executing the Ingula hydroelectric plant in South Africa, of which we hold a 51% interest, and the balance is due to potential expenses deriving from post-completion works and for the risk that revenue that we have recognized may be reversed due to claims.

Other operating costs

Other operating costs reported in the year ended December 31, 2014 were €29.0 million, compared to €26.2 million in 2013.

EBITDA

EBITDA for the year ended December 31, 2014 was €122.6 million, compared to €103.6 million in 2013, for an increase of €19.0 million. As a percentage of total turnover, EBITDA margin improved to 11.1% in 2014 compared to 10.2% in 2013.

Depreciation and amortization and write-downs of receivables

Depreciation and amortization and write-downs of receivables increased by €9.6 million (+18.3%) to €62.2 million in the year ended December 31, 2014 from €52.6 million in 2013.

Operating profit

Our operating profit increased by €9.4 million in 2014 to €60.4 million from €51.0 million in 2013. As a percentage of total turnover, operating profit increased to 5.5% from 5.0% in 2013.

Net financial income and charges

Net financial income and charges for the year ended December 31, 2014 increased by €12.8 million to €41.9 from €29.1 million in 2013. The increase in net financial charges was largely attributable to an increase of €5.8 million in interest charges, €6.7 million increase in bank commissions, and €1.6 million guarantee costs. The adjustment to value of financial assets was equal to -€0,2 million..

Extraordinary income and charges

Net extraordinary income and charges was €1.7 million positive for the year ended December 31, 2014 compared to €1.8 million negative in 2013.

Income before tax

Slightly increased from €20.1 million in fiscal year 2013 to €20.2 million in fiscal year 2014.

Income taxes

Income taxes increased by €0.2 million to €9.7 million in the year ended December 31, 2014.

Consolidated net income

As a result of the above, our consolidated net income before minority income for the year ended December 31, 2014 remained substantially unchanged at €10.5 million from €10.6 million in 2013. Considering €0.5 million of income attributable to minority interests, consolidated net income was €11.0 million compared to €10.8 million in 2013.

KEY BALANCE SHEET AND CASH FLOW ITEMS

Net working capital

Our net working capital is the sum of our inventories, receivables, trade payables and other elements of working capital, as detailed in the following table, which summarizes its composition as of December 31, 2014, and December 31, 2013:

	December 31, 2014	December 31, 2013
	(€ in million)	
Inventories[(1)]	65.3	68.9
Raw materials and consumables	*43.0*	*42.6*
Work in progress and semi-finished products	*12.3*	*15.3*
Finished products and goods	*10.0*	*11.0*
Contract work in progress	515.1	438.7
Receivables from clients	396.4	311.3
Receivables from non-consolidated affiliates[(2)]	52.7	74.2
Other current assets[(3)]	179.6	115.3
Total current assets	**1,209.1**	**1,008.4**
Contractual advances payments from clients	144.5	107.6
Advances	19.5	15.8
Trade payables to suppliers[(4)]	347.4	354.2
Payables to non-consolidated affiliates[(5)]	47.3	46.9
Other current liabilities[(6)]	286.0	163.6
Reserves for risks and charges	31.9	32.4
Total current liabilities	**876.6**	**720.5**
Net Working Capital	**332.5**	**287.9**

(1) Represents inventories net of contract work-in-progress, which are disclosed separately, and advances, which have been included among other short-term assets.

(2) Includes total receivables from non-consolidated subsidiaries and associated companies including among current assets as well as receivables due within 12 months from non-consolidated subsidiaries and associated companies including among financial assets.

(3) Includes total tax receivables, total deferred tax assets, total receivables from others as included among current assets as well as accrued income and prepayments, advances and receivables from others due within 12 months as included among financial.

(4) Includes payables to suppliers net of the amounts owned under leasing agreements which have been included among financial debts respectively for €25.7 million as at December 31, 2014 and €13.2 million respectively, as at December 31, 2013.

(5) Includes total payables from non-consolidated subsidiaries and associated companies.

(6) Includes tax and social security payables, payables to employees and other payables and accrued liabilities and deferred income.

Calculation of Net Working Capital has been modified to reflect the recent change in the Italian Gaap (Oic 15), released in August 2014, which requires recourse factoring to be added back to both liabilities and receivables, starting from the first annual financial statements 2014. 2013 numbers have been restated to allow comparison between the two dates.

Total current assets increased by €200.7 million from December 31, 2013 to December 31, 2014, mainly as a result of higher contract work in progress due to the impact of projects with large milestones in Italy.

Total current liabilities increased by €156.1 million from December 31, 2013 to December 31, 2014, mainly driven by higher contractual advances from clients and other current liabilities.

As a result of the above, Net Working Capital increased by €44.6 million fro December 31, 2013 to December 231, 2014. In the medium term, a gradual improvement of working capital might be driven by:

- the impact of new projects in Italy with more frequent payment milestones
- the gradual shift towards International projects, which normally requires less working capital
- the end of the Ingula project in South Africa in 2015, with the resulting expected release of working capital
- the possible successful outcomes on important claims in Italy and South Africa

Capital Expenditures

Our intangible and tangible capital expenditure requirements consist mainly of technical investments in property, plant and equipment required to start-up construction activities, such as logistical infrastructure at the construction site, machinery and equipment. In the ordinary course of business, we make investments in corporate entities and consortia organized to execute the projects in which we participate. These investments are recorded as financial investments in our financial statements. In addition, in recent years we have made investments in the concession companies for the construction and management of the External eastern ring road of Milan (*TEM—Tangenziale Esterna Est di Milano*) and the Livorno-Civitavecchia Motorway (*SAT—Società Autostrada Tirrenica*), in which we hold a 3.24% interest and through Holcoa S.p.A. a 3.75% interest, respectively, and made selective acquisitions of construction companies in markets that we consider strategic, such as LMH and Di Fazio in the United States.

The table below sets forth our capital expenditures for the year ended December 31, 2014 and December 31, 2013:

	December 31, 2014	December 31, 2013
	(€ in million)	
Capital expenditures in intangible fixed assets(1)............	8.2	12.0
Capital expenditures in tangible fixed assets(2)..............	76.1	18.1
Total capital expenditures	**84.3**	**30.1**

(1) Represents total investments during the period in intangible assets net of related disposals during the period.

(2) Represents total investments during the period in tangible assets net of disposals during the period. In the ordinary course of our business, we manage our technical equipment to keep it current and located in areas where it is more efficiently put to use, including by selling or exchanging obsolete machinery for new machinery, or disposing of machinery that is located in regions where we do not anticipate using it for the foreseeable future. Includes investments in fixed assets made under our finance lease agreements.

Total intangible and tangible capital expenditures for the year ended December 31, 2014 were €84.3 million compared with €30.1 million in 2013, mainly due to the decision to enter into a lease agreement with buy-back clause (vis-à-vis a rental agreement) for the TBM machines required to start important projects.

Net financial position

We define net financial position as our total financial debt, less the amount of our cash and cash equivalents and certain short-term financial assets, and we define adjusted net financial position as net financial position plus shareholders' loans and the PREPs. We believe that our net financial position and adjusted net financial position and the ratios derived therefrom are important supplemental measures of our financial position and can assist securities analysts, investors and other parties to evaluate our business.

On July 18, CMC di Ravenna issued €300 million Senior Unsecured Notes due 2021. The Notes, which were assigned a rating of B by Standard & Poors and B2 by Moody's, were successfully placed to institutional investor with a book equal to approximately three times the offered amount. The Notes will bear interest at a rate of 7.5% per annum, are listed on the Euro MTF Market of the Luxembourg Stock Exchange and on the ExtraMOT of Borsa Italiana, and are regulated by the Law of New York. The proceeds have been utilized to reimburse part of the existing debt. The transaction included a €100.0 million Revolving Credit Facility.

Our capital structure as at December 31, 2014 is significantly affected by the use of proceeds from the €300 million Notes. The following table shows our net financial position as of December 31, 2013 and as at June 30, 2014, the use of proceeds of the €300 million Notes, a pro-forma financial position as at June 30, 2014, the net financial position as at December 31, 2014 and the adjustments to arrive at the adjusted net financial position.

The unaudited pro forma data are provided for illustrative purposes only and do not purport to represent what our actual financial position would have been if the €300 million Notes had been issued on June 30, 2014.

	December 31, 2013	June 30, 2014	Adjustments	Pro-forma June 30, 2014	December 31, 2014
			(€ in million)		
Cash and cash equivalents[1]	(99.3)	(135.3)	2.4	(132.9)	(126.8)
Short-term financial assets[2]	(3.8)	(5.8)	-	(5.8)	(2.3)
Liquid assets	**(103.1)**	**(141.1)**	**2.4**	**(138.7)**	**(129.1)**
Short-term bank loans and borrowings	204.4	211.6	(127.6)	84.0	102.5
Revolving Credit Facility	-	-	-	-	27.0
Recourse factoring[3]	111.2	100.2	(59.7)	40.5	43.4
Current portion of non-current borrowings	49.5	114.7	(108.1)	6.6	11.0
Other short-term debt[4]	7.1	5.0	-	5.0	11.1
Capitalized transaction costs	-	-	(7.0)	(7.0)	-
Current financial debt	**372.2**	**431.5**	**(302.4)**	**129.1**	**195.0**
Net current financial debt	**269.1**	**290.4**	**(300.0)**	**(9.6)**	**65.9**
Non-current bank loans and borrowings	89.5	58.5	-	58.5	50.8
Senior Unsecured Notes	-	-	300.0	300.0	300.0
Other non-current loans[5]	22.2	31.4	-	31.4	33.8
Non-current financial debt	**111.7**	**89.9**	**300.0**	**389.9**	**384.6**
Total financial debt[6]	**483.9**	**521.4**	**(2.4)**	**519.0**	**579.6**
Net financial position	**380.8**	**380.3**	**-**	**380.3**	**450.5**
Shareholder loans	13.7	13.7	-	13.7	13.7
Preferred pooled shares (PREPs)	12.0	9.0	-	9.0	-
Total adjustments	**25.7**	**22.7**	**-**	**22.7**	**13.7**
Adjusted net financial position	**406.5**	**403.0**	**-**	**403.0**	**464.2**
LTM EBITDA	**103.6**	**106.1**		**106.1**	**122.6**
Net financial position/LTM EBITDA	**3.68x**	**3.58x**		**3.58x**	**3.67x**
Adj. Net financial Position/LTM EBITDA	**3.92x**	**3.80x**		**3.80x**	**3.79x**

(1) Cash and cash equivalents consist of cash (both at parent company level, at the level of the other companies in our Group and at the level of our Italian and foreign consortia) and bank and post office deposits.

(2) Includes current accounts held with, and our pro quota share of marketable securities held by, consortia in which we participate.

(3) Includes the current portion of amounts owed under certain leasing agreements that we report under trade payables in our financial statements in an amount of € 8.9 million, €4.0 million, and €2.9 million respectively, as of December 31, 2014, June 30, 2014, and December 31, 2013.

(4) Includes also the non-current portion of amounts owed under certain leasing agreements that we report under trade payables in our financial statements in an amount of €30.9 million, €12.8 million and €10.3 million respectively, as of December 31, 2014, June 30, 2014 and December 31, 2013.

(5) The reported total financial debt does not include shareholder loans or PREPs, nor does it include performance or similar guarantees and guarantees that we issue pro quota for the benefit of our subsidiaries and other investees.

(6) As a result of the recent changes in Italian Gaap (Oic 15) with effect from August 2014, Recourse Factoring is now reported in the current financial debt. Figures related to December 31, 2013, June 30, 2014 and Pro-forma June 30, 2014 have been restated to reflect this change, as Recourse Factoring was previously reported among the adjustments from Net Financial Position to Adjusted Net Financial Position. We also entered into non-recourse factoring arrangements in connection with our contracts with ANAS. The amount outstanding under such non-recourse factoring arrangements was €8.8 million, €5.2 million and €3.5 million respectively, as of December 31, 2014, June 30, 2014 and December 31, 2013. These amounts represent off-balance sheet items.

€108.1 million of proceeds from the €300 million Notes were utilized to reimburse existing medium-term loans, leaving only two loans outstanding: BNL Sace/Cdp (€36.0 million) and Banca del Mezzogiorno (€27.0 million).

€127.6 million of proceeds from the €300 million Notes were utilised to reimburse existing short-term credit lines.

€59.7 million from the €300 million Notes proceeds were utilized to reimburse recourse factoring, which was not included in the balance sheet until September 30, 2014. As a result, the shift in the pro-forma debt structure from an off-balance sheet debt to an on-balance sheet one resulted in an increase of our Net financial position, althought our Adjusted Net financial position remained unchanged.

As of December 31, 2014, Net Financial Position was €450.5 million, €69.7 million higher than as at December 31, 2013, mainly due to the significant investments in TBM and other equipment required to start important projects. However, Net Financial Position/EBITDA slightly improved from 3.68x to 3.67x.

Adjusted Net Financial Position as at December 31, 2014 was €464.2 million, €57.7 million higher than as at December 31, 2013. The €12.0 million outstanding amount of PREPS was entirely reimbursed in the period. Adjusted Net Financial Position/EBITDA improved from 3.92x to 3.79x.

Cash flow

The following table summarizes our consolidated cash flow statements for the year ended December 31, 2014 and December 31, 2013:

	December 31, 2014	**December 31, 2013**
	(€ in million)	
Cash and cash equivalents at start of the period	**99.3**	**103.4**
Cash flow generated by operating activities	70.3	45.9
Cash flow generated by/(used in) investing activities	(84.5)	(50.8)
Cash flow generated by/(used in) financing activities	41.7	0.8
Cash and cash equivalents at the end of the period	**126.8**	**99.3**

Cash flow from operating activities was €70.3 million for the year ended December 31, 2014 compared to €45.9 million for the year ended December 31, 2013. The improvement was mainly due to the increase in EBITDA.

Cash flow used in investing activities was €84.5 million in the year ended December 31, 2014 compared to €50.8 million reported in the year ended December 31, 2013, as a result of significant investments in TBM machines and other heavy machinery for the start of new projects.

Cash flow from financing was €41.7 million in fiscal year 2014 compared to €0.8 million in 2013, mainly due to a higher utilisation of credit lines, partly offset by an increase in cash and equivalents.

OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

As part of our construction activities, we are generally required to post performance bonds, primarily to guarantee our performance under such agreements. We also provide guarantees and sureties in favour of our subsidiaries, associates and other investees relating to advances and release of amounts withheld in guarantee, as well as price revisions. As of December 31, 2014, the overall amount of these was equal to an aggregate of €946.1 million compared to €925.2 million as of December 31, 2013, and included the following items:

- sureties for works, issued for various purposes by banks and insurance companies in the interest of the Group, in favour of the contract customer, for a total amount of €839.7 million; and
- other sureties to third parties (including tax authorities) for €106.4 million.

While in the past we have not been subject to claims under performance bonds, these bonds present an ongoing potential for substantial cash outflows.

KEY PROJECTS

We are currently involved in approximately 100 projects. The table below presents our primary current construction projects by business areas as at September 30, 2014.

Country	Project	Contract value[1]	Completion percentage[2]	Backlog[3]	CMC % of participation[4]	Expected completion year[5]
		(€ in million, except percentages)				
Transport Infrastructure						
Roads and motorways						
Italy	Motorway SS640 Agrigento/Caltanissetta (section 1)	351.0	95%	18.0	80%	2015
Italy	Quadrilatero Surface Road Network Marche & Umbria	333.2	94%	20.0	28%	2015
Italy	Motorway SS640 Agrigento/Caltanissetta (section 2)	458.8	34%	302.8	62%	2017
Italy	Motorway SS121 Palermo/Lercara Friddi	149.8	27%	109.3	67%	2017
Italy	External Eastern Ring Road of Milan (*TEM—Tangenziale Esterna Est di Milano*)	105.7	77%	24.3	9%	2016
Italy	SS1 Nuova Aurelia Road Access Network to Savona-Albissola	68.6	34%	45.1	51%	2017
Angola	Luanda Motorway—Soyo (44 kilometers)	304.6	53%	130.3	100%	2017
Algeria	Toll System for the Management of the East-West Motorway (Section East)	156.0	5%	145.9	42%	2017
Libya	Ras Ejdyer-Emssad Motorway (section 1)	106.0	0%	106.0	11%	2017
Mozambique	Montepuez Surface Road—Ruaca	90.5	64%	37.6	100%	2015
South Africa	Mount Edgecombe Junction	84.8	30%	59.9	100%	2016
Bulgaria	Maritza Motorway (section 1)	68.3	77%	12.5	100%	2015
Lesotho	Oxbow Mpholaneng Road	40.0	65%	15.2	100%	2016
Railways and subways						
Singapore	Singapore Metro Downtown line 3 (sections C926 and C927)	252.4	75%	63.2	100%	2016
Italy	Light Rail Transit System Seregno	102.8	5%	97.3	100%	2017
Italy	Tunnel for Maddalena di Chiomonte (Piedmont)—Part of the Turin-Lyon Railway Project	58.7	40%	35.2	48%	2017
France	French Exploration Tunnel	62.6	1%	62.0	16%	2018

Country	Project	Contract value(1)	Completion percentage(2)	Backlog(3)	CMC % of participation(4)	Expected completion year(5)
		(€ in million, except percentages)				
Italy	Turin Metroline subway line 1 (sections Lingotto-Bengasi)	45.4	2%	44.5	75%	2017
Italy	Metro lotto Nesima – Catania (Sicily)	80.3	0%	80.3	100%	2017
Italy	Metro lotto Stesicoro – Catania (Sicily)	41.2	0%	41.2	70%	2017
Water and Irrigation Works						
South Africa	Ingula Hydroelectric plant	652.5	91%	10.7	51%	2015
Kenya	Itare Dam water supply project	241.0	0%	241.0	100%	2018
China	Yndajihuand Water Tunnel Project	81.4	94%	7.2	100%	2015
Chile	Headrace Tunnel of Hydroelectric Plant in Alto Maipo	67.3	15%	57.3	30%	2016
South Africa	Infrastructure Facilities for Acid Water Treatment for a Mine	68.1	12%	58.6	100%	2016
Nepal	Deviation of Melamchi River	80.3	29%	65.1	100%	2016
China	Middle Shanxi River Diversion Project	46.8	24%	39.8	75%	2017
Lesotho	Metolong Water Treatment Plant	59.1	91%	4.1	100%	2015
India	Parbati Headrace Tunnel	31.7	9%	28.2	50%	2017
South Africa	Water Treatment Plant Sebokeng	28.8	34%	18.5	100%	2016
Mozambique	Massingir Dam	37.5	1%	36.8	100%	2017
Lebanon	Greater Beirut Water Supply project	150.0	0%	150.0	100%	2018
Building Projects						
Italy	Expo 2015	138.8	76%	32.8	100%	2015
Italy	Government Building in Rome	82.0	24%	62.4	100%	2016
Italy	CONSIP – Natural disaster housing program	49.3	0%	49.3	90%	2018
Italy	New Hospital “Ospedale dei Castelli” in Ariccia	33.6	49%	16.5	50%	2016
Italy	Conversion of Alvisi-Faenza Cellar	22.2	59%	9.1	70%	2016
Italy	Hospital Ajello in Mazara del Vallo	19.7	26%	14.6	87%	2015
Italy	Expo – Thailand pavilion	3.2	28%	2.3	51%	2015
Italy	Expo – France pavilion	4.6	13%	4.0	51%	2015
Italy	Expo – South Korea pavilion	3.3	18%	2.7	51%	2015
Italy	Refurbishment Guiccioli Palace (Emilia Romagna)	4.0	1%	4.0	50%	2017
Belgium	High School in Mons	6.2	86%	0.8	30%	2015

Country	Project	Contract value[1]	Completion percentage[2]	Backlog[3]	CMC % of participation[4]	Expected completion year[5]
			(€ in million, except percentages)			
Water Control and Marine Works						
Italy	Ancona Port	25.7	76%	5.1	51%	2015
Italy	Molfetta Commercial Port	27.8	68%	8.8	39%	2016
Italy	Artificial Sea Barrier in Ancona	14.4	54%	6.6	100%	2015
Italy	Port Authority in Piombino	40.2	72%	11.2	51%	2015
Mining and Waste Treatment Infrastructure Works						
Zambia	Underground Copper Mine	133.5	18%	108.5	100%	2018

(1) Represents the Group's share of the construction contract value, unless fully consolidated in our financial statements, based on our interest in the relevant project company.

(2) Represents the percentage of the work completed during the contract term, calculated by applying the "cost-to-cost" method, according to which the percentage of completion is calculated by comparing the costs effectively incurred with the estimated total contract costs.

(3) Represents the part of the Group's share of the contract value that remains to be executed and is included in our backlog.

(4) Represents the Group's equity interest in project companies which are not wholly owned by the Group.

(5) Reflects the delivery date as set forth under the relevant contract, taking into consideration any amendment agreed upon with the relevant customer.

POST BALANCE SHEET EVENTS

- In the first months of 2015 we have either been awarded or acquired new contracts for approximately €300 million.
- In particular, in the first months of 2015 we have been awarded and we have taken over share of contracts from minority shareholders for approximately €300 million (of which €150 million under approval by the antitrust commission). Furthermore we have been either the lowest or preferred bidder in other projects amounting to €280 million which we expect to finalise in the next months.
- On December 23, 2014 a 1.3 km highway stretch located near Scorciavacche in Sicily was opened to traffic, after all the mandatory preliminary tests and checks had been performed by the contractor and the Independent Engineer. On December 28, 2014 the daily survey of the road identified the start of a possible asphalt subsidence on a 30m stretch of the access ramp to a viaduct. As a result, on December 30, 2014 CMC asked the stretch to be closed by ANAS, the Italian Roads Agency, and traffic to be diverted. Subsequently, the asphalt slide has become more evident, and the Italian Roads Agency has opened an investigation to assess the causes of the subsidence. Bolognetta S.p.A. will execute at its own expense the rehabilitation works of the damaged stretch, as soon as the Court will allow it. ANAS indicates that the works are expected to take approximately two months, for an expected indicative cost of €200,000. Bolognetta S.p.A. is carrying out an investigation of the cause of the problem, likely to be an error in the design phase. In this case, the additional costs will be covered by the insurance.
- On March 3, 2015, the Board of Directors has approved a top management reshuffling, withdrawing the executive powers held by former CEO Dario Foschini, and entrusting the full strategic direction of the Cooperative to CEO Roberto Macrì. The Board has also confirmed Massimo Matteucci as Chairman of the Cooperative.
- On March 7, 2015, the Shareholders' meeting has approved the Strategic Plan 2015-2017 presented by CEO Roberto Macrì, which forecasts our turnover to achieve €1.3 billion per year by the end of the period. The Shareholders also approved a €2.0 million capital increase reserved to our Supporting Shareholders.
- On April 21, 2015, we announced the closing of a commercial agreement with SELI Technologies, a company operating in the design, sale and management of TBM and equipment utilised in the tunnel boring sector. SELI Technologies and CMC believe that the commercial agreement will lead to significant mutual advantages. In particular, CMC will be able to utilise SELI Technologies' technical know-how as a specialised key supplier for the design and management of tunnel boring equipment (both new and revamped), and for the technical assistance related to them. On the other hand, SELI Technologies will be able to deploy its skilled personnel, on a non-exclusive basis, in a significant backlog of underground projects. At the end of the 3 year restructuring period which involves Seli SpA, the commercial agreement might lead, if certain conditions are met, to a larger cooperation between the parties, which might also include a full integration via acquisition of shares. The commercial agreement allows CMC to better manage and optimise its TBM portfolio through the utilisation of highly qualified personnel, and to take advantage of possible further opportunities to bid for underground projects, with the aim at consolidating its positioning as a specialist in a high-technology sector in constant expansion.

- On April 25, 2015, a massive earthquake hit Nepal, where we are executing a €80.3 tunnelling project (100% CMC) for the deviation of the Melamchi river, expected to be completed in late 2016, and 19% completed as at December 31, 2014. Although there are no victims or serious injuries among our people involved in the project nor material damage reported on the site, works have been suspended to allow a safety recognition of the tunnel. In addition, the earthquake has caused serious damage to the roads utilised to access the site, resulting in further delays to the execution of the project. The possible damages suffered by CMC are covered by the insurance, while the possible additional costs resulting from the event are covered by the contract signed with the Client. Based on current information, we expect no material impact on our 2015 financial results.
- In the month of April we handed over on schedule all our prospects related to the 2015 EXPO (including the French, Thai and Korean pavillions) which opened on May 1st.

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2014

CONSOLIDATED BALANCE SHEET

Balance Sheet, **Asset**	December 31, **2014**		December 31, **2013**	
A) RECEIVABLE FROM SHAREHOLDERS FOR PAYMENTS DUE				
I) Subscribed capital not paid up		24,122		36,973
Total recivable from shareholders		**24,122**		**36,973**
B) FIXED ASSETS				
I) Intangible fixed assets				
1) incorporation and expansion costs		259,866		348,626
2) research, development and advertising costs		17,110		-
3) industrial patents and intellectual property rights		1,277,741		1,668,724
4) concessions, licences, trade-marks and similar rights		70,569		96,609
5) goodwill		-		-
6) fixed assets in progress and advances		6,333,596		4,700,401
7) others		26,192,113		23,747,748
a) contracts' deferred charges	*26,192,113*		*23,747,748*	
Total intangible fixed assets		**34,150,995**		**30,562,108**
II) Tangible fixed assets				
1) land and buildings		62,975,455		62,646,633
2) plant and machinery		131,273,924		125,253,740
3) industrial and commercial equipment		31,045,793		23,461,974
4) other assets		1,052,143		169,296
5) fixed assets in progress and advances		7,027,411		2,750,899
Total tangible fixed assets		**233,374,726**		**214,282,542**
III) Financial assets				
1) investments in		54,978,352		54,077,525
a) non-consolidated subsidiary companies	*1,325,135*		*2,017,244*	
b) associated companies	*25,088,233*		*25,472,925*	
c) other companies	*29,070,855*		*27,093,226*	
investments' write off	*(505,870)*		*(505,870)*	
2) receivables from		39,741,423		35,751,211
a) non-consolidated subsidiaries		6,607,126		5,398,642
1) due within 12 months	*6,607,126*		*5,398,642*	
b) associated companies		29,691,892		26,968,222
1) due within 12 months	*29,691,892*		*26,968,222*	
c) parent companies		-		-
d) others		3,442,405		3,384,347
1) due within 12 months	*2,348,566*		*2,437,284*	
2) due after 12 months	*1,093,839*		*947,063*	
3) other securities		-		-
4) treasury shares		-		-
Total financial fixed assets		**94,719,775**		**89,828,736**
Total fixed assets		**362,245,496**		**334,673,386**
C) CURRENT ASSETS				
I) Inventories				
1) raw materials and consumables		42,940,322		42,604,602
2) work in progress and semi-finished products		12,320,109		15,347,027
3) contract work in progress		515,122,547		438,620,669
4) finished products and goods		10,001,597		11,029,984
5) advances		21,509,959		10,118,870
Total inventories		**601,894,534**		**517,721,152**
II) Receivables from				
1) customers		396,412,720		311,321,359
a) due within 12 months	*386,208,542*		*304,716,512*	
b) due after 12 months	*10,204,178*		*6,604,847*	
2) non-consolidated subsidiaries		6,420,355		4,103,462
a) due within 12 months	*6,420,355*		*4,103,462*	
3) associated companies		9,972,768		37,728,658
a) due within 12 months	*9,820,621*		*37,728,658*	
b) due after 12 months	*152,147*		-	
4) parent companies		-		-
4 bis) taxes		22,628,088		27,724,342
a) due within 12 months	*22,070,497*		*27,510,914*	
b) due after 12 months	*557,591*		*213,428*	
4 ter) deferred tax assets		15,538,193		13,496,411
a) due within 12 months	*15,499,023*		*13,496,411*	
b) due after 12 months	*39,170*		-	
5) others		99,760,344		49,544,005
a) due within 12 months	*96,411,603*		*45,062,784*	
b) due after 12 months	*3,348,741*		*4,481,221*	
Total receivables		**550,732,468**		**443,918,237**
III) Financial assets				
3) other investments		1,298		-
5) other securities		2,337,007		3,828,381
Total financial assets		**2,338,305**		**3,828,381**
IV) Cash and cash equivalents				
1) bank and postal accounts		125,229,428		96,354,148
2) cheques		57,228		1,916,207
3) cash on hand		1,551,287		1,032,060
Total Cash and cash equivalents		**126,837,943**		**99,302,415**
Total Current Assets		**1,281,803,250**		**1,064,770,185**
D) ACCRUED INCOME AND PREPAYMENTS		**17,913,152**		**12,066,302**
TOTAL ASSETS		**1,661,986,020**		**1,411,546,846**

Balance Sheet, **Liabilities**			December 31, **2014**		December 31, **2013**
A) SHAREHOLDERS' EQUITY					
I)	Capital		27,379,912		38,464,798
	1)	*Share capital*	*27,379,912*	*26,464,798*	
	2)	*Preferred Pooled Shares*	*-*	*12,000,000*	
II)	Paid-in capital		-		-
III)	Revaluation reserve		-		-
IV)	Legal reserve		90,271,270		75,989,220
V)	Reserve for treasury stock		-		-
VI)	Statutory reserves		-		-
VII)	Other reserves		28,184,753		33,232,018
	1)	*extraordinary reserve*	*23,044,820*	*17,141,488*	
	2)	*consolidation reserve*	*5,760,532*	*4,847,895*	
	3)	*reserve for translation adjustments*	*2,719,910*	*1,808,651*	
	4)	*retained earnings reserve*	*(3,340,509)*	*9,433,984*	
IX)	Net income (loss) for the period		10,944,610		10,811,066
X)	Minority interest		7,898,587		8,366,113
Total Shareholders' Equity			**164,679,132**		**166,863,215**
B) RESERVES FOR RISKS AND CHARGES					
	1)	for pension payment and similar obligations	-		-
	2)	for taxes	347,405		102,054
	3)	other	31,545,516		32,287,709
		a) contractual risks	*5,320,000*	*8,934,321*	
		b) overseas operations	*7,042,958*	*7,042,958*	
		c) other risks and charges	*19,182,558*	*16,310,430*	
Total reserves for risks and charges			**31,892,921**		**32,389,763**
C) SEVERANCE INDEMNITY			**13,243,976**		**12,290,285**
D) PAYABLES					
	1)	bond	300,000,000		-
		a) due within 12 months	*-*	*-*	
		b) due after 12 months	*300,000,000*	*-*	
	2)	convertible debentures	-		-
	3)	shareholders loan	13,658,088		13,708,817
		a) due within 12 months	*2,731,617*	*1,741,764*	
		b) due after 12 months	*10,926,471*	*11,967,053*	
	4)	banks	225,608,278		443,760,977
		a) due within 12 months	*174,831,178*	*354,275,796*	
		b) due after 12 months	*50,777,100*	*89,485,181*	
	5)	other financers	27,352,425		25,011,573
		a) due within 12 months	*11,146,495*	*13,149,332*	
		b) due after 12 months	*16,205,930*	*11,862,241*	
	6)	advances	19,472,064		15,765,417
		a) due within 12 months	*19,472,064*	*15,765,417*	
	7)	suppliers	373,116,834		367,403,527
		a) due within 12 months	*355,986,904*	*362,098,278*	
		b) due after 12 months	*17,129,930*	*5,305,249*	
	8)	payables represented by credit instruments	-		-
	9)	payables to non-consolidated subsidiaries	25,541,444		14,468,873
		a) due within 12 months	*25,541,444*	*14,468,873*	
	10)	payables to associated companies	21,669,697		32,471,487
		a) due within 12 months	*21,621,394*	*32,471,487*	
		b) due after 12 months	*48,303*	*-*	
	11)	payables to parent companies	-		-
	12)	taxes	40,963,901		32,967,973
		a) due within 12 months	*40,898,783*	*32,943,142*	
		b) due after 12 months	*65,118*	*24,831*	
	13)	payables to social security	5,967,931		3,893,261
		a) due within 12 months	*5,686,062*	*3,893,261*	
		b) due after 12 months	*281,869*	*-*	
	14)	other payables	236,172,411		139,470,662
		a) due within 12 months	*219,089,116*	*74,923,423*	
		b) due after 12 months	*17,083,295*	*64,547,239*	
	15)	advance payments from clients and customers	144,483,801		107,586,369
		a) due within 12 months	*105,751,693*	*97,448,826*	
		b) due after 12 months	*38,732,108*	*10,137,543*	
Total payables			**1,434,006,874**		**1,196,508,936**
E) ACCRUED LIABILITIES AND DEFERRED INCOME			**18,163,117**		**3,494,647**
TOTAL LIABILITIES			**1,661,986,020**		**1,411,546,846**

MEMORANDUM ACCOUNTS	December 31, **2014**	December 31, **2013**
Guarantees in favour of		
- Non consolidated subsidiaries	2,079,959	1,377,726
- Associated companies	51,457,079	45,877,045
- Other companies	9,144,468	3,498,241
- Third parties	883,397,102	874,466,591
Collateral securities	34,640,971	34,640,971
Other commitments and risks	61,667,579	17,528,000

CONSOLIDATED INCOME STATEMENT

Income Statement	2014 (Annual)		2013 (Annual)	
A) VALUE OF PRODUCTION				
1) revenues from sales and services		995,447,845		926,481,883
2) variations in inventories of work in progress, semi-finished and finished products		(689,386)		(2,666,385)
3) variations in contracts in progress		84,424,041		70,340,901
4) increases in fixed assets for internal work		3,647,563		4,223,530
5) other income and proceeds		21,943,536		17,225,798
a) capitalisation of deferred charges	*13,988,972*		*4,458,298*	
b) use of reserves	*610,570*		-	
c) other income	*7,343,994*		*12,767,500*	
Total value of production		**1,104,773,599**		**1,015,605,727**
B) PRODUCTION COSTS				
6) raw materials, consumables and goods		(192,973,842)		(199,525,093)
7) services		(518,047,680)		(462,592,228)
8) lease and hire		(28,693,776)		(24,885,803)
9) personnel		(176,039,817)		(156,971,160)
a) wages and salaries	*(141,512,346)*		*(131,394,904)*	
b) social security contributions	*(29,570,937)*		*(20,843,186)*	
c) severance indemnity	*(3,965,365)*		*(3,633,555)*	
d) pension payments and similar obligations	-		-	
e) other costs	*(991,169)*		*(1,099,515)*	
10) depreciation, amortization and writedown of receivables		(62,163,976)		(52,568,756)
a) intangible fixed assets	*(4,595,150)*		*(3,035,127)*	
b) tangible fixed assets	*(56,748,627)*		*(47,167,800)*	
c) other fixed asset writeoffs	*(293,057)*		*(3,587)*	
d) writedowns of receivables included in current assets	*(527,142)*		*(2,362,242)*	
11) variations in inventories of raw materials, consumables and goods		(4,809,805)		8,463,194
12) provisions for risks		(159,687)		(460,493)
13) other provisions		(32,419,196)		(49,685,412)
14) other operating costs		(29,038,048)		(26,338,500)
Total production costs		**(1,044,345,827)**		**(964,564,251)**
Difference between Value and Cost of Production (A-B)		**60,427,772**		**51,041,476**
C) FINANCIAL INCOME AND CHARGES				
15) income from investments		*20,216*		*17,203*
b) in associated companies	-		-	
c) in other companies	*20,216*		*17,203*	
16) other financial income		*2,495,966*		*3,125,846*
a) from receivables entered in the fixed assets		-		-
4) from others	-		-	
b) from securities entered in the fixed assets that do not costitute investments		-		-
c) from securities entered in the current assets that do not costitute investments		-		-
d) other income		2,495,966		3,125,846
1) from non-consolidated subsidiary companies	-		-	
2) from associated companies	-		-	
3) from parent companies	-		-	
5) from others	*2,495,966*		*3,125,846*	
17) interest and other financial charges		*(45,788,962)*		*(31,947,431)*
a) from non-consolidated subsidiaries	-		-	
b) from associated companies	-		-	
c) from parent companies	-		-	
d) from others	*(45,788,962)*		*(31,947,431)*	
17 bis) *exchange profits and losses*		*2,084,297*		*172,437*
a) exchange profits	*56,672,009*		*56,695,507*	
b) exchange losses	*(54,587,712)*		*(56,523,070)*	
Total Financial Income and Charges (15+16-17±17bis)		**(41,188,483)**		**(28,631,945)**
D) ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS				
18) revaluation		*38,815*		*91,767*
a) of investments	*38,815*		*91,767*	
19) devaluation		*(765,236)*		*(608,842)*
a) of investments	*(765,236)*		*(608,842)*	
c) of securities entered in the current assets that do not costitute investments	-		-	
Total Adjustments to Value of Financial Assets (18-19)		**(726,421)**		**(517,075)**
E) EXTRAORDINARY INCOME AND CHARGES				
20) income		*3,747,648*		*3,010,358*
b) other extraordinary income	*3,747,648*		*3,010,358*	
21) charges		*(2,087,692)*		*(4,823,473)*
b) taxation for previous years	*(419,655)*		*(55,545)*	
c) other extraordinary charges	*(1,668,037)*		*(4,767,928)*	
Total Extraordinary Income and Charges (20-21)		**1,659,956**		**(1,813,115)**
Income before tax (A-B+C+D+E)		**20,172,824**		**20,079,341**
22) income taxes		(9,697,638)		(9,521,481)
a) Current	*(12,087,795)*		*(7,184,068)*	
b) Deferred	*2,390,157*		*(2,337,413)*	
23) income (loss) before minority interest		**10,475,186**		**10,557,860**
24) minority interest		469,424		253,206
25) CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD		**10,944,610**		**10,811,066**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	SHARE CAPITAL	PREPS	LEGAL RESERVE	OTHER RESERVES	NET PROFIT	MINORITY INTERESTS	EQUITY
Year end 2012	**25,884**	**12,000**	**71,421**	**32,290**	**10,324**	**8,630**	**160,550**
Share capital & PREPS							
- new subscriptions	54	-	-	-	-	-	54
- additional subscriptions	4	-	-	-	-	-	4
- drawback	1,333	-	-		(1,333)	-	-
- paid off	(1,601)	-	-	-	-	-	(1,601)
Allocation of CMC net income :							
- revaluation of share capital	791	-	-	-	(791)	-	-
- legal reserve	-	-	3,741	-	(3,741)	-	-
- extraordinary reserve	-	-	-	2,880	(2,880)	-	-
- reserve ex art, 2426			445	(445)	-	-	-
- dividends	-	-	-	-	(729)	-	(729)
- mutual fund	-	-	-	-	(252)	-	(252)
- reclassification	-	-	382	(382)	-	-	-
Change in minority interests	-	-	-	-	-	(264)	(264)
Change in consolidation reserve	-	-	-	598	(598)	-	-
Translation adjustment	-	-	-	(1,709)	-	-	(1,709)
Net profit 2013	-	-	-	-	10,811	-	10,811
Year end 2013	**26,465**	**12,000**	**75,989**	**33,232**	**10,811**	**8,366**	**166,863**
Share capital & PREPS							
- new subscriptions	38	-	-	-	-	-	38
- additional subscriptions	11	-	-	-	-	-	11
- drawback	1,352	-	-		(1,352)	-	-
- paid off	(779)	(12,000)	-	-	-	-	(12,779)
Allocation of CMC net income :							
- revaluation of share capital	293	-	-	-	(293)	-	-
- legal reserve	-	-	8,030	-	(8,030)	-	-
- extraordinary reserve	-	-	-	5,903	(5,903)	-	-
- reserve ex art, 2426			173	(173)	-	-	-
- dividends	-	-	-	-	(724)	-	(724)
- mutual fund	-	-	-	-	(462)	-	(462)
- reclassification	-	-	6,079	(6,079)	-	-	-
Change in minority interests	-	-	-	-	-	(467)	(467)
Change in consolidation reserve	-	-	-	(5,953)	5,953	-	-
Translation adjustment	-	-	-	1,254	-	-	1,254
Net profit of the period	-	-	-	-	10,945	-	10,945
December 31, 2014	**27,380**	**0**	**90,271**	**28,184**	**10,945**	**7,899**	**164,679**

CONSOLIDATED STATEMENT OF CASH-FLOWS

Cash Flow (indirect method)	December 2014	December 2013
A. Cash flows from operating activities		
Profit (loss) for the year	*10.945*	*10.811*
Financial (Income)/Charges/Rate exchange	*41.209*	*28.649*
(Dividend collected)	*(20)*	*(17)*
Net change funds for risks and charges	*(497)*	*(1.194)*
Net change severance indemnity	*954*	*293*
Technical assets depreciation	*61.637*	*50.207*
Devaluation of financial assets	*765*	*609*
(Revaluation of financial assets)	*(39)*	*(92)*
1. Cash Flow before NWC changes	***114.954***	***89.266***
Decrease/(increase) inventories	*(84.173)*	*(72.524)*
Decrease/(increase) clients	*(85.091)*	*17.825*
Decrease/(increase) receivables from group companies	*21.507*	*(410)*
Decrease/(increase) receivables from others	*(47.162)*	*18.040*
Decrease/(increase) accruals&deferred	*(5.847)*	*2.350*
Increase/(decrease) advances	*3.707*	*(4.850)*
Increase/(decrease) payables to suppliers	*(6.219)*	*(1.657)*
Increase/(decrease) payables to group companies	*271*	*(17.904)*
Increase/(decrease) payables to others	*143.670*	*16.499*
Increase/(decrease) accruals&deferred	*14.669*	*(692)*
2. Cash Flow after NWC changes	***(44.668)***	***(43.323)***
CASH FLOW FROM OPERATING ACTIVITIES (A)	***70.286***	***45.942***
B. CASH FLOWS FROM INVESTMENTS		
Tangible fixed assets net (investments)/disinvestments	*(76.134)*	*(18.134)*
Intangible fixed assets net (investments)/disinvestments	*(8.184)*	*(11.417)*
Financial assets net (investments)/disinvestments	*(1.685)*	*(18.920)*
Other securities net (investments)/disinvestments	*1.490*	*(2.332)*
CASH FLOW FROM INVESTMENTS (B)	***(84.513)***	***(50.803)***
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Third party financing		
Increase/(Decrease) payables to banks	*(218.153)*	*35.766*
Increase/(Decrease) bonds payables	*300.000*	*-*
Increase/(Decrease) payables to other loans	*14.274*	*(1.058)*
Financial Income/(Charges)/Rate exchange	*(41.209)*	*(28.649)*
Dividend collected	*20*	*17*
Equity financing	*-*	*-*
Decrease/(increase)receivables from shareholders for payments due	*13*	*16*
Increase/(Decrease) shared capital	*(12.730)*	*(1.543)*
Increase/(Decrease) payables in shareholders loan	*(51)*	*(818)*
Other Increase/(Decrease) in shareholders equity	*785*	*(1.973)*
(Dividend paid)	*(1.186)*	*(981)*
CASH FLOW FROM FINANCING ACTIVITIES (C)	***41.763***	***777***
Increase/(Decrease) Cash and Cash Equivalents	***27.536***	***(4.087)***
Cash and Cash Equivalents AS OF JANUARY, 1	***99.302***	***103.389***
CASH AND CASH EQUIVALENTS AS OF SEPTEMBER 30, 2014 AS OF DECEMBER 31, 2013	***126.838***	***99.302***

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2014

(in thousands of Euro)

The consolidated financial statements of Cooperativa Muratori e Cementisti CMC di Ravenna S.C. and subsidiaries (hereinafter the "Group" or "CMC Group") as at December 31, 2014 have been prepared pursuant to the regulations introduced by Decree no. 127 of April 9, 1991, which implemented the EC VIIth Directive and comprise the balance sheet and the income statement (prepared in the formats established in arts. 2424 and 2425 of the Italian Civil Code, as appropriately modified by art. 32 of Decree no. 127/91 and Decree no. 6/2003), together with these notes.

The legal requirements have been supplemented, where necessary, with reference to the accounting standards issued by the Italian Accounting Profession (represented by the Consiglio Nazionale dei Dottori Commercialisti e dei Ragionieri) and by the Italian Accountancy Board (OIC), where lacking, those issued by the International Accounting Standards Board (IASB), where compatible with Italian legislation.

The purpose of the notes is to analyse, explain and, in some cases, supplement the information disclosed in the financial statements. They contain the disclosures required by art. 38 of Decree 127/1991 and Decree 6/2003, as well as the information required by other articles contained in the regulations or in earlier legislation. In addition, the attachments provide all the supplementary information considered necessary in order to present a true and fair view of the economic and financial position of the Group, even if such information is not specifically required by law. In particular, in order to provide a better representation of the financial situation of the Group.

As in prior years and in compliance with the requirements of the Italian Civil Code, new captions have been added to the financial statements if their content is not covered by any of the captions specified in arts. 2424 and 2425. Risks or losses relating to the year have been considered in the preparation of the financial statements, even if they become known after period-end.

In order to facilitate the Financial Statements and the notes understandability, the tables included in the consolidated financial statements have been prepared comparing the current data related to the Balance Sheet and the Income Statement with the corresponding amounts as of December 31, 2013.

In addition, it should be noted that:

- the consolidated financial statements were prepared using the separate financial statements as at December 31, 2014 of the Parent Company and the companies included in the consolidation area, as approved and-or being approved by their respective statutory bodies.
- the financial statements used for consolidation purposes were appropriately adjusted, where necessary, in order to align them to the accounting principles subsequently described, and reclassified into the format required by the Italian Civil Code.
- the financial statements of certain subsidiaries have been adjusted, in order to align the evaluation, made by local Directors to more appropriate criteria according to the Parert Company's Directors Standards.

In particular, the differences of accounting policies are related to the depreciation rates to the foreign currency translation method as well as to the criteria used for the evaluation of certain contract work-in-progress that, for consolidation purposes, have been aligned to those used by the Parent Company.

CONSOLIDATION PRINCIPLES

The main consolidation principles adopted for the drawing up of the consolidated financial statements are described below:

- the carrying amount of investments in companies consolidated on a line-by-line basis, recorded in the financial statements of the Parent Company and the other consolidated companies, is eliminated against the related shareholders' equity, while their total assets, liabilities, costs and revenues are combined without regard for the percentage interest held;
- the difference between the purchase cost and the net equity of the conslidated companies is allocated, where possible, to the assets and liabilities of the consolidated companies, within exceeding their fair value. Any residual difference, representing unallocated purchase costs is accounted for as "Consolidation difference" and amortized on a straight-line basis over the period of expected recoverability, while those representing an equity surplus are classified among the "Consolidation reserve" included among the Shareholders' equity items;
- significant unrealised profits and losses deriving from intercompany transactions are eliminated, net of any tax effects, as are all intercompany receivables and payables;
- minority interests in shareholders' equity are classified separately among the Shareholders' equity items, while their interests in the net income/loss of the subsidiaries are classified separately within the consolidated income statement.

Associated companies and Joint Ventures operating in the construction business jointly controlled with other partners are consolidated using the proportional method as required by art. 37 of Legislative Decree No. 127/91. The main policies adopted for the application of this method are described below:

- only the Group's interest in the assets, liabilities, revenues and costs of the businesses concerned is consolidated, rather than the total amount. In addition, the carrying amount of the investments is eliminated against the Group's interest in the related shareholders' equity. Accordingly, the "Minority interest" and "Net income attributable to minority shareholders" captions of the balance sheet and income statement are not disclosed;
- intercompany profits and losses are eliminated on a proportional basis, as are all other consolidation adjustments;
- in case of the elimination of receivables and payables between group companies consolidated in different ways, the third-party interest identified upon proportional consolidation is classified among the amounts due to and from third parties;
- any consolidation differences are accounted for as described in relation to line-by-line consolidation method.

Investments in associated companies not operating in the construction business as well as investments in subsidiaries not relevant and for which all the information needed for the consolidation line-by-line were not available are stated in accordance with the Equity method, except for what subsequently mentioned in paragraph “consolidation area”.
Investments in other companies and those in subsidiaries and associated, that are being wound up or which are dormant, are stated in accordance with the cost method.

TRANSLATION IN EURO OF FINANCIAL STATEMENTS IN FOREIGN CURRENCY

The above mentioned financial statements, being the group companies essentially indipendent, are translated in Euro using the current exchange rates at the end of the period for the balance sheet items and the average rates of the period for the income statement items.

As regards the Parent Company's foreign branches, which have a high degree of operational autonomy and use multi-currency accounting systems, transactions and balances denominated in foreign currencies are translated using the current exchange rates at the end of the period.

The net effect arising from the translation of the financial statements of foreign companies and the balances relating to foreign branches is accounted for against a “Reserve for translation adjustments” among Shareholders’ equity.

The following exchange rates used:

		2014		2013	
Currency	Code	December 31	Average (Annual)	December 31	Average (Annual)
US Dollar	*USD*	*1.21*	*1.33*	*1.38*	*1.32*
Rand (South Africa)	*ZAR*	*14.04*	*14.40*	*14.57*	*12.83*
New Metical (Mozambique)	*MZN*	*38.44*	*40.71*	*41.46*	*39.71*
Dollar (Singapore)	*SGD*	*1.61*	*1.68*	*1.74*	*1.66*
Kwanza (Angola)	*AOA*	*124.88*	*130.56*	*134.42*	*128.18*
Dinar (Algeria)	*DZD*	*106.61*	*106.87*	*107.79*	*105.61*
Loti (Lesotho)	*LSL*	*14.04*	*14.40*	*14.57*	*12.83*
Kwacha (Zambia)	*ZMW*	*7.75*	*8.17*	*7.61*	*7.16*
Pound (Sudan)	*SDG*	*7.25*	*7.60*	*7.86*	*6.32*
Yuan (China)	*CNY*	*7.54*	*8.19*	*8.35*	*8.16*
New Lev (Bulgaria)	*BGN*	*1.96*	*1.96*	*1.96*	*1.96*
Ruble (Russia)	*RUB*	*72.34*	*50.95*	*45.32*	*42.34*
Yen (Japan)	*JPY*	*145.23*	*140.31*	*144.72*	*129.66*
Kwacha (Malawi)	*MWK*	*570.66*	*557.67*	*593.01*	*482.74*
Rupee (Nepal)	*NPR*	*119.33*	*130.58*	*135.55*	*124.24*
Lilangeni (Swaziland)	*SZL*	*14.04*	*14.40*	*14.57*	*12.83*
Peso (Chile)	*CLP*	*737.30*	*756.93*	*724.77*	*658.32*

SCOPE OF CONSOLIDATION

The consolidation area as at December 31, 2014 includes the following companies:

Company	Registered offices	%
Line-by-line consolidation		
CMC AFRICA AUSTRAL Lda	*Mozambique*	*100.00*
CMC DI RAVENNA - PG MAVUNDLA J.V.	*South Africa*	*51.00*
CMC DI RAVENNA (Parent Company)	*Ravenna*	*100.00*
CMC DI RAVENNA CO. Ltd	*Sudan*	*100.00*
CMC DI RAVENNA FRANCE Sarl	*France*	*100.00*
CMC DI RAVENNA MOTA-ENGIL J.V (Liwonde-Naminga)	*Malawi*	*100.00*
CMC DI RAVENNA USA inc.	*U.S.A.*	*100.00*

Company	**Registered offices**	**%**
CMC HOLDING OVERSEAS Spa	*U.S.A.*	*100.00*
CMC IMMOBILIARE Spa	*Ravenna*	*76.19*
CMC NY CONSTRUCTION LLC	*U.S.A.*	*100.00*
CMC DI RAVENNA ALGERIE Eurl	*Algeria*	*100.00*
CMC –BOMAR J.V.	*Zambia*	*100.00*
CMC – BOTJHENG J.V.	*Lesotho*	*100.00*
CMC – CONDURIL J.V.- Beira	*Mozambique*	*50.00*
COMPANHIA IMOBILIARIA MOCAMBICANA Lda	*Mozambique*	*100.00*
G.E.D. Srl	*Cesena (FC)*	*80.00*
GROUPEMENT G.R.I.E.A.	*Algeria*	*54.70*
INIZIATIVE IMMOBILIARI SICILIANE Srl	*Palermo*	*100.00*
LMH CC LCC	*U.S.A.*	*100.00*
LMH CMC USA JV	*U.S.A.*	*100.00*
LMH CMC USA MBTA JV	*U.S.A.*	*100.00*
PALAZZO RASPONI Scrl	*Roma*	*100.00*
SOCIETA' ADRIATICA IMPIANTI E CAVE – S.I.C. Spa	*Ravenna*	*85.50*
SIDE INVESTMENTS (Pty) Ltd	*South Africa*	*100.00*
SULBRITA Lda	*Mozambique*	*100.00*
Proportional consolidation		
ACR Srl	*Ravenna*	*42.75*
ANCONA NEWPORT Scrl	*Ravenna*	*53.10*
BOLOGNETTA Scpa	*Ravenna*	*47.00*
C.A.V.E.T. (CONSORZIO ALTA VELOCITA' EMILIA E TOSCANA)	*Bologna*	*11,27*
CETA-CMC J.V (Macurungo)	*South Africa*	*49.00*
CMC G4 J.V (Gillooly's)	*South Africa*	*80.00*
CMC-Conduril JV 3 Ponti	*Mozambique*	*50.00*
COLFIORITO Scrl	*Roma*	*52.01*
CONSORZIO JV CB	*Ravenna*	*50.00*
CONSTRUCTORA NUEVO MAIPO SA (Cile)	*Chile*	*30.00*
CONSORCIO SULBRITA CONDOR JV	*Mozambique*	*50.00*
DI FAZIO INDUSTRIES INC.	*U.S.A.*	*33.33*
ELAION Scrl	*Portomaggiore*	*40.50*
EMIR S.p.A.	*Ravenna*	*41.90*
EMPEDOCLE Scpa	*Ravenna*	*80.00*
EMPEDOCLE 2 Scpa	*Ravenna*	*44.00*
EUROLINK Scpa	*Roma*	*13.00*
FDA Srl	*Milano*	*20.00*
FONTANA NUOVA Scrl	*Roma*	*51.00*
GAMMON – CMC JV	*India*	*50.00*
G.T.R.E.K. Groupement Cmc di Ravenna	*Algeria*	*70.00*
J.F. WHITE – LM HEAVY JV	*U.S.A.*	*35.00*
JV-CMC Razel (Nampula RioLigonha)	*Mozambique*	*50.00*
JV-CMC CETA (Nampula Water)	*Mozambique*	*99.90*
JV CCC – CMC	*Ravenna*	*66.00*
MOLFETTA NEWPORT Scrl	*Ravenna*	*38.50*
NORTE Scrl	*Reggio Emilia*	*28.10*
PASSANTE DI MESTRE Scpa	*Marghera*	*12.00*
TRAVESSAS DO NORTE SA	*Mozambique*	*40.00*
CMC MAVUNDLA EASTERN BASIN JV	*Mozambico*	*75,00*
VENAUS Scrl	*Ravenna*	*44.00*
VILLAMARINA Scrl	*Ravenna*	*51,10*
SISTEMA 3 Scrl	*Ravenna*	*50,00*
PADIGLIONI EXPO Scrl	*Milano*	*60,00*
MAZARA HOSPITAL Scrl	*Ravenna*	*60,00*
Consolidated in accordance with Equity method (*)		
ALVISI Srl	*Ravenna*	*70.00*

Company	**Registered offices**	**%**
ANTARES Scrl	*Ravenna*	*28.00*
BE INFRASTRUTTURE Srl	*Ravenna*	*70.00*
DUNROSE INVESTMENTS (Pty) Ltd	*South Africa*	*100.00*
GRANAROLO IMMOBILIARE Spa	*Ravenna*	*30.00*
GRUPPO IMMOBILIARE Srl	*Morciano (RN)*	*40.00*
INCOMDUE Srl	*Rimini*	*30.00*
MORESIDE INVESTMENTS (Pty) Ltd	*South Africa*	*100.00*
SIDEBAR MANUFACTURING (Pty) Ltd	*South Africa*	*100.00*
TANGENZIALE ESTERNA Spa	*Milano*	*3.24*

(*) The consolidation line-by-line of the subsidiaries stated according to the Equity method could have not generate material effects on the consolidated financial statements..

As an exception to the provisions of art. 37.1 of Legislative Decree No. 127/91 and based on the provisions of art. 29.4 of that Decree, the investments in Eurolink Scpa (13%), C.A.V.E.T. (11,27%) and in Passante di Mestre Scpa (12%) have been consolidated on a proportional basis since, under specific agreements, their shareholders exercise a joint control. This approach allows a more appropriate representation of Group's costs and revenues, given the significant volume of activity performed indirectly through these investments.

The changes in the consolidation area with respect to the prior year are identified below:

***Companies consolidated proportionally*:**

Companies that are newly formed or which have just become operational:

- Gammon CMC JV
- Travessas do Norte SA
- Consorzio Sulbrita Condor JV
- Sistema 3 Scrl
- Padiglioni Expo Scrl
- Mazara Hospital Scrl
- CMC Mavundla Eastern JV
- Groupement G.R.I.E.A.
- LMH CMC USA MBTA JV
-

The following subsidiaries and associates are carried at cost:

Company	**Registered offices**	**%**
Immaterial for the Group:		
Acquapura Scrl	*Ravenna*	*60.00*
Autostrada Romagna1 Scrl	*Ravenna*	*35.00*
CE.DI.R Scrl (being wound up)	*Ravenna*	*86.00*
CMC - Inyatsi – Ulusha J.V. (Nelspruit)	*South Africa*	*55.00*
CMC Engoa Groupement	*Algeria*	*70.00*
CMC di Ravenna Malaysia Sdn Bhd	*Malaysia*	*100.00*
CMC Swaziland (Pty) Ltd (by pass)	*Swaziland*	*100.00*
CMC di Ravenna –WBHO Jv Massingir	*Ravenna*	*60.00*
CO.L.I.SPA Scrl (being wound up)	*Ravenna*	*29.76*
Consorzio 2T Scrl	*Milan*	*31.00*
Consorzio C.I.R.C. (being wound up)	*Milan*	*25.00*
Geie Razel-CMC	*France*	*45.00*
Holcoa Srl	*Rome*	*15.00*
Itaca Scrl (being wound up)	*Ravenna*	*34.60*
La Quercia 2 Scrl (being wound up)	*Ravenna*	*52.00*
Letimbro Scrl	*Ravenna*	*51.00*
Lodigiani –CMC Malaysia SDN	*Malaysia*	*50.00*
Mirandola Scrl	*Ravenna*	*45.10*

Company	Registered offices	%
Opera 2 Scrl	*Ravenna*	*50.00*
Opera 3 Scrl	*Ravenna*	*34.67*
Ospedale dei Castelli Scrl	*Ravenna*	*50.10*
Pizzarotti CMC Sep	*France*	*50.00*
Piombone Scrl	*Ravenna*	*49.00*
Rodano Consortile scrl	*Reggio Emilia*	*46.43*
Rugula Scrl (being wound up)	*Ravenna*	*50.00*
Sistema 2 Srl	*Ravenna*	*37.00*
Sviluppo Palermo Srl	*Palermo*	*24.93*
Sviluppo Trapani Srl	*Trapani*	*100.00*
Under Water Anchors Srl	*Ravenna*	*33.33*
Val Di Chienti Scpa	*Ravenna*	*28.00*
Since no longer operational:		
Baglio la Camperia Srl	*Palermo*	*20.00*
CMC d.o.o Zagabria	*Croatia*	*100.00*
CMC Stroy LCC- Moscow	*Russia*	*100.00*
Consorzio Nuova Darsena Scrl	*Ravenna*	*28.50*
CTM BAU Srl	*Bolzano*	*42.00*
Habitur Lda	*Mozambique*	*40.00*
Italia 61 Scrl	*Ravenna*	*60.00*
Palazzo Guiccioli Scarl	*Ravenna*	*50.00*
Ravenna Tunnel Scpa	*Ravenna*	*99.00*
Rotonda Scrl	*Ravenna*	*100.00*
Solarmaas Srl	*Aci Castello*	*51.00*

Had these investments been consolidated line-by-line or carried at equity, the effect on the Consolidated Financial Statements as of December 31, 2014 would not have been material.

The interest in the capital of C.S.C. – Coop. Servizi Cultura is also carried at cost since the Group does not hold the majority of voting rights at members' meetings, given that the company is a Cooperative.

ACCOUNTING POLICIES

The 5th of August the Italian Accountancy Board has approved the new release of some accounting standard principles. The only effect for the group has been the variation of the OIC 15 (Receivables). Differently from the previous year, receivables sold with recourse are not derecognized. In order to maintein the comparability principle, the balance sheet of the year 2013 has been reclassified and the effects are shown in the paragraphs “Receivables”, “Banks” and “Due to other financers”.

The principal accounting policies adopted for the preparation of the consolidated financial statements are described below:

Intangible fixed assets

Intangible fixed assets are recorded at purchase cost including directly-attributable ancillary costs, at their contributed value or at the cost directly incurred to generate them; they are amortized over their expected useful life. Amortization rates have been adjusted in order to take into consideration the length of the interim period.

Incorporation and expansion costs, goodwill (recorded with the consent from the Board of Statutory Auditors), patents and intellectual property rights, concessions, licences and trademarks are amortized on a straight-line basis over five years, as required by Italian civil code.

Contracts’ deferred charges, such as start-up costs, site preparation, studies and design work, and contract warranties, are capitalized in the year when incurred and amortized on a stage-of-completion basis with reference to the individual projects concerned.

The costs of participation in bidding competitions whose outcome is unknown are capitalized as assets in progress in the year when incurred, on condition that they relate to contracts considered winnable with reasonable certainty.
Research and development expenses are charged to the income statement as incurred.

Following the initial recognition, intangible assets are written down if their value is found to be lasting impaired; if the reasons for write-downs cease to apply in subsequent years, the original value is reinstated net of the related amortization charges, except for goodwill and deferred costs for no restatement is allowed.

Tangible fixed assets

Tangible fixed assets are recorded at purchase cost, including related charges, or at their construction cost, comprising the direct costs incurred plus a reasonable allocation of indirect costs. The carrying amount of certain assets has also been adjusted in accordance with specific monetary revaluation laws. Amounts are stated net of the related accumulated depreciation.

Increases in fixed assets by internal construction comprise the cost of the materials and labour actually used, plus an allocation of general expenses.
Contract-related charges, such as transportation, freight, insurance and customs duties related to the transfer of machineries, are capitalized as "Contracts' deferred charges" and amortized with reference to the stage-of-completion of the contracts concerned.

Repairs and maintenance costs are charged in full to the income statement in the year when incurred; the cost of renovations and improvements that extend the economic life of an asset is allocated to the fixed asset concerned and depreciated using the rate applicable to that asset.

Depreciation is calculated on a systematic basis using rates deemed representative of the residual useful lives of the assets concerned. The rates applied to the various categories of asset are indicated below:

Land and buildings		***Industrial and commercial equipment***	
- Industrial buildings	*3.0%*	*- Excavators and loaders*	*20.0%*
Plant and machinery		*- Transport vehicles*	*20.0%*
- Temporary constructions	*12.5%*	*- Motor cars, motor vehicles and similar*	*25.0%*
- General plant	*10.0%*	*- Ordinary office furniture and machines*	*12.0%*
- Specific plant and machinery	*15.0%*	*- Electronic office machines*	*20.0%*
- Formwork and metal sheet piles	*25.0%*	*- Hardware*	*20.0%*
- Sundry equipment	*40.0%*		

Depreciation rates have been adjusted in order to take into consideration the length of the interim period. In addition, when an asset enters into service, depreciation is charged in proportion to the number of days it is used in the first year.

In case of permanent impairment of value, regardless of the depreciation already provided, the asset is written down accordingly if, in subsequent periods, the reasons for the write down are no longer applied, the original value is reinstated.

Financial fixed assets

Investments in associated companies not operating in the construction business and investments in subsidiaries not deemed material, for which it is not possible to obtain all the information needed for line-by-line consolidation, are consolidated according to the equity method except as specified in the preeceding paragraph "Consolidation area". Accordingly, their carrying amount represents the Group's interest in the shareholders' equity reported in their latest available financial statements, prepared pursuant to arts. 2423 and 2423 bis of the Italian Civil Code, net of dividends received and after the appropriate consolidation adjustments.

Please refer to paragraph "Consolidation principles."

Investments in non-consolidated subsidiaries and associated companies that are being wound up or which are dormant and investments in other companies are carried according to the cost method. Their carrying amount is determined with reference to purchase or subscription cost, or the contributed value. Cost is written down in the case of impairment, when the investments have incurred losses that are unlikely to be recovered from profits earned in the immediate future. The original value is reinstated in subsequent years if the reasons for the write-down made cease to apply.

The other financial fixed assets comprising receivables are stated at their estimated net realisable value.

Inventories

Inventories of raw and ancillary materials are stated at the lower of weighted-average purchase or production cost (including related charges and direct cost allocations) or their corresponding market value.

Inventories related to real estate initiatives are stated based on the costs incurred, represented by the purchase cost of the land and related charges, plus construction costs.

Contract work in progress are accounted using the percentage of completion method, the percentage of completion is calcutated by comparing the costs effectively incurred with the total estimated costs. Such percentage is applied to the forecasted contract revenues. The progress reports approved by the customer are accounted as revenues. As a consequence, inventories at year-end measured on the basis described above, represent the production carried out since the last approved progress report.

Claims for additional revenues not yet approved by the Customer, are recognized on a prudent basis. Accordingly, the reimbursement of the overrun incurred for the completion of the contract or additional revenues are accounted for only to the extent they are reasonably certain. In this regard, reasonable certainty is usually deemed to exist if the claim is collected prior to the approval of the financial statements and/or if the claim is subject to a dispute where the counterparty has, nevertheless, recognized the right to additional payment and only the final amount needs to be settled, or if the opinions of authoritative third parties (lawyers, consultants etc.) confirm that a favorable outcome of the litigation could be reasonably expected.

Work in progress that have to be completed within one year are accounted for in accordance with the “completed contract” method. Revenues are accounted for only upon completion of the contract, while inventories at period-end are stated based on the costs actually incurred.

Receivables

Receivables are stated at their estimated realisable value.

Accruals and deferrals

These items comprise costs and revenues relating to more than one year, which are recognized in accordance with the matching principle.

Reserves for risks and charges

Reserves for risks and charges are provided to cover certain or probable losses and liabilities for which the exact value and effective date are not determinable at the three-month period end. The reserves represent the best estimate possible based on the information currently available.
Risks, which may only possibly result in a liability, are disclosed in the Notes but not provided in the reserve for risks and charges.
Provisions are also recorded to cover risks arising in relation to contract work in progress in Italy and abroad.

Severance indemnity

Severance indemnities are recorded by the Group's Italian companies to cover the entire liability to employees accrued in accordance with current legislation and collective and in-house payroll agreements. Law 296 dated 27 December 2006 (2007 Finance Law) introduced new rules for the severance indemnity accruing from January 1, 2007. Pursuant to the reform of supplementary pensions:

- severance indemnities accumulated up to December 31, 2006 are retained by the Company,
- the amounts accruing from January 1, 2007 are, depending on the explicit or tacit choices made by each employee:
  a. paid to a supplementary pension fund;
  b. retained by the Company, and transferred to Treasury Fund managed by INPS.

The amountes accruing from January 1, 2007 are charged as before to the “severance indemnity” caption of the income statement. In the balance sheet, the “severance indemnity” caption represents the residual balance of the provision outstanding at December 31, 2006, as appropriately revalued using official indices. The “payables to social security and welfare institutions” caption includes the accrued termination indemnities not yet paid over to the pension funds and other welfare institutions.

Payables

Payables are stated at nominal value.

Derivative contracts

Derivative contracts comprise Interest Rate Swap (IRS). These contracts were entered to hedge the risk of changes in interest rates. Despite their stated purpose, these contracts do not possess all the characteristics required by current accounting standards for thir recognition under hedge accounting rules. Accordingly, these IRS are recognized in the financial statements with reference to their fair value at the period-end.

As regards the contracts entered to hedge foreign currency fluctuation risks related to some contracts denominated in foreign currency. The effect of the hedging contract has been considered when calculating the contractual revenues for the application of the cost to cost method.

Foreign currency translation

Receivables and payables originally denominated in foreign currencies are recorded using the exchange rates ruling on the transaction dates. The exchange differences realised on the collection of receivables and the settlement of payables denominated in foreign currencies are recognized in the income statement.
Foreign currency receivables and payables and cash and cash equivalents held in foreign currencies at the end of the period are translated using the exchange rates in force at that time. Gains and losses deriving from their translation using the current rates of the end of the period of current receivables and payables, including the current portion of long term receivables and pyables, and of cash and cash equivalents held in foreign currencies, are respectively credited and debited to the income statement as components of financial income (caption C.17 bis).
For the Italian entities, any net gain deriving from the translation of foreign currency balances using the period-end exchange rates is initially recognized as part of income for the period. Upon approval of the financial statements and the related allocation of results, any such gain not absorbed by losses are credited to a non-distributable reserve among Sareholders' equity until they have been realised, pursuant to para. 8-bis of art. 2426 of the Italian Civil Code.
With regard to forward contracts used to hedge the exchange rate risk on a specific long term contract, the work in progress is translated to Euro using the exchange rate at the date of execution of the forward contract used as a hedge, without exceeding the hedged amount. The exchange rate fluctuation relating to forward contracts between the date of execution of the forward contract and the forward exchange rate provided for by the contract is recognised in the income statement on an accrual basis over the length of the forward contract, in accordance with OIC 26.

Preparation of financial statements in highly-inflationary economies

The financial statements of CMC Africa Austral Lda, C.I.M. Lda and Sulbrita Lda, all subsidiaries in Mozambique, have been adjusted in accordance with the following criteria:

- fixed assets were adjusted by translating them using the historical exchange rates at the time of purchase and the related effect was reported separately within shareholders' equity;
- monetary items were not adjusted and were therefore translated using the year-end exchange rates;
- income statement items were not adjusted and were therefore translated using the year-end exchange rates.

Costs and revenues

These are recognised on a prudent and accrual basis. In particular, revenues related to contract whose execution exceed three month are accounted following the criteria described above, in relation to the valuation of inventories of contract work in progress.
Revenues from short term contracts and from other services is recognized upon completion of the service provided; revenues from sales of products are recognized at transfer of ownership, which is usually matching with the delivery or shipment of the goods; and finally financial revenues are recognized on an accrual basis.

Income taxes

Income taxes are recorded on the basis of estimated taxable income in accordance with prevailing laws, taking into account applicable exemptions and tax credits due. In particular, income taxes reflected in interim financial statements are estimated considering the autonomy of the interim period. That means that the tax burden is computed as if it should be actually paid at the end of the period, considering all the related adjustments in accordance with tax laws. The tax rate is the one expected to be in place at year-end.

In addition, deferred taxes are provided on the temporary differences between the book value of assets and liabilities reflected in the balance sheet and the related value for tax purposes of each company.
In particular, deferred tax assets are accounted for when it is reasonably certain that there will be in the future taxable income, which will be offset by that tax asset.

Memorandum accounts

These are stated at nominal value, taking account of the commitments and risks identified at period-end.

Finance lease contracts

Leasing contracts, mainly relating to machineries used mainly in Southern Africa, to a building located in Ravenna and a real estate property located in Cesena are recognized using financial methodology under IAS 17D, where applicable having regard for the nature of the transactions concerned.

Expression of values

For the sake of clarity and understandability, all the amounts reported in the notes and in the attachments are stated in thousands of Euro.

Reconciliation between CMC di Ravenna Shareholders' Equity and Net income and the Consolidated Shareholders' Equity and Net income

	Net income as of December 31, 2014	***Shareholders' equity as of December 31, 2014***
Balances resulting from Cmc di Ravenna Statutory financial statements as of December, 31 2014	***7,909***	***130,015***
Effect of eliminating consolidated equity investments against the related shareholders' equity after allocation of the minority interest	*2,799*	*15,458*
Effect of applying finance lease methodology	*237*	*11,308*
Group Shareholders' equity and net income	***10,945***	***156,781***
Minority interest	*(469)*	*7,899*
Balances resulting from the Consolidated financial statements	***10,476***	***164,680***

COMMENTS ON MAJOR ITEMS

ASSETS

Receivable from shareholders for payments due
This balance relates to amounts due from shareholders for subscribed capital that has not yet been paid in.

Fixed assets

Information regarding the changes with took place during the period about intangible and tangible fixed assets are disclosed in schedules I and II attached to these notes.

Intangible fixed assets

"Incorporation and expansion cost" mainly comprise the costs incurred on the formation of Group companies.

"Industrial patents and intellectual property rights" comprise the cost of acquiring the rights to use applications software.

"Fixed assets in progress and advances" mainly comprise the deferred cost for the participation in bidding competitions whose successful outcome, as discussed in the section on accounting policies, is deemed to be reasonably certain. This caption also includes the costs incurred on contracts that have not yet started.

"Contracts' deferred charges" mainly comprise site set-up and contract start-up costs, amortized on a stage-of-completion basis. These comprise:

Contracts' deferred charges	***December 31, 2014***	***December 31, 2013***
Site installation/start-up	*12,775*	*17,295*
Design studies	*823*	*1,295*
Contract insurance	*41*	*74*
Bond issuing costs	*7,934*	*-*
Other	*4,619*	*5,084*
Total	***26,192***	***23,748***

"Site installation/start-up" includes some Euro 5.5 million relating to costs incurred to win the contract for the construction of the Messina Bridge through the Consortium Eurolink S.C.p.a. As disclosed in the prior year financial statements, the Contractor has terminated the contract. This decision is currently the subject of litigation initiated by the winning Consortium for compensation for the failure to carry out the work and the related loss of profit. The Directors, assisted by the Consortium's legal advisers, believe that the final outcome of the litigation, which is still at a preliminary stage, will lead to the complete recovery of the capitalised costs, as well as a further Euro 4 million relating to the net amount of the investment in the Consortium, inclusive of the costs recognised as inventories.

The increase of the year is mainly attributable to costs capitalised as "other" in relation to the issue and the sale of the Senior Notes of Euro 300 million.

Tangible fixed assets

The main amounts of the caption machinery and equipment is related to assets located in foreign countries and used in specific work in progress. Their carrying value is deemed to be recovered through the project revenues and/or, in certain cases, through the compensation damages that would be paid by the customer in the event of work interruption.

"Plant and mamachinery" have increased significantly compared to the prior year, primarily due to machinery purchased for the motorway SS640 Agrigento to Caltanissetta section project 2.

The following assets held by the Group have been the subject of revaluations:

Revaluations	*Law 576/75*	*Law 72/83*	*Law 413/91*	*Law 266/05*	*Decree 185/08*	*Total*
Offices at Via Trieste – Ravenna	*108*	*1,033*	*639*	*1,000*	*4,000*	***6,780***
Operations centre at Via Trieste - Ravenna	*-*	*1,549*	*706*	*-*	*-*	***2,255***
Building at Via Faunia – Rome	*-*	*-*	*242*	*-*	*-*	***242***
Factory complex at S . Arcangeol (RN)	*1*	*111*	*151*	*-*	*-*	***263***
Factory complex at Pievesistina (FC)	*-*	*-*	*-*	*4,000*	*-*	***4,000***
Total	***109***	***2,693***	***1,738***	***5,000***	***4,000***	***13,540***

At December 31, 2014 the accumulated depreciation in relation to these revaluations amounts to about Euro 6 million.

Financial fixed assets

Investments

These comprise:

Investments	***December 31, 2014***	***December 31, 2013***
Non-consolidated subsidiary companies	*1,325*	*2,017*
Associated companies	*25,088*	*25,473*
Other companies	*29,071*	*27,093*
	55,484	***54,583***
Investments write-off	*(506)*	*(506)*
Total	***54,978***	***54,077***

The investments in non-consolidated subsidiaries and associated companies (please refer to Schedule III attached to these notes) comprise:

Subsidiaries	***December 31, 2014***	***December 31, 2013***	***%***
Acquapura Scrl (**)	12	-	60.00
Be Infrastrutture Srl (*)	105	104	70.00
Cmc di Ravenna China Co. Ltd.(***)	-	786	75.00
Cmc d.o.o Zagabria	3	3	100.00
CMC Swaziland (Pty) By Pass	876	876	100.00
Italia 61Scr	23	-	75.00
La Quercia 2 Scrl being wound up	40	48	52.00
Letimbro Scrl (**)	51	-	51.00
Ospedale dei Castelli Scrl (**)	25	-	50.10
Ravenna Tunnel Scrl	119	119	99.00
Rotonda Scrl	20	20	100.00
Solarmaas Srl	51	51	51.00
Sviluppo Trapani Srl being wound up	10	10	100.00
Total	***1,325***	***2,017***	

The principal changes with respect to the prior year derive from changes in the consolidation area, as already discussed.

Associated companies	***December 31, 2014***	***December 31, 2013***	***%***
Albacem Srl	8	70	20.00
Antares Scrl (*)	871	913	28.00

Associated companies	*December 31, 2014*	*December 31, 2013*	*%*
Autostrade Romagna 1 Scpa	350	350	35.00
Baglio la Camperia Spa	100	100	20.00
Bagnarola Srl	25	25	12.50
Co.l.i.s.pa. Scrl being wound up	6	7	29.76
Consorzio Due T	1,860	1,860	31.00
CTM BAU Srl	42	42	42.00
Granarolo Immobiliare Spa (*)	414	669	30.00
Incomdue Srl(*)	1,439	1,488	30.00
Itaca Scrl being wound up	4	4	34.60
Lodigiani - Cmc (Malaysia) Sdn Bhd	7	7	50.00
Mirandola Scrl	9	9	45.10
Mediterranea 010 Scrl	5	4	49.00
Opera 2 Scrl	13	12	50.00
Opera 3 Scrl	10	-	34.67
Palazzo Guiccioli Scarl (**)	10	-	50.00
Piombone Scrl	49	49	49.00
Rodano Scrl	116	116	46.43
Rugula Scrl being wound up (***)	-	8	50.00
Sistema 2 Scrl (**)	11	-	37.00
Sviluppo Palermo Srl (*)	100	100	24.93
Under Water Anchors Srl	40	40	33.33
Val di Chienti Scrl	19,600	19,600	28.00
Total	***25,088***	***25,473***	

The equity investments in other companies are detailed below:

Companies	*December 31, 2014*	*December 31, 2013*	*%*
Azienda Libico – Italiana (Ali)	9	9	0.33
Cfi. Cooperazione Finanza Imprese Scpa	6	5	0.70
Cons. Co.ri.re. being wound up	7	7	14.00
Cons. Coop.di Costruzioni – CCC (BO)	1,011	1,010	1.82
Cons. Coop.di Produzione e Lavoro (Conscoop-FO)	111	110	2.86
Cons. Lybian Expressway Contractors	1	1	11.00
Cons. Miteco	1	1	11.04
Cons. Nazionale Servizi	12	12	12.00
Cons. Prometeo being wound up	10	10	0.01
Cons. Toscano Costruzioni - C.T.C. Scrl	30	25	6.91
Coop. Culturale "Luigi Luzzati" Scrl	28	28	31.32
Coop. Servizi Cultura	574	574	95.56
Coop. Terremerse Scrl	3	3	1.33
Cooperare SpA	51	50	0.01
CO.VE.CO. (Consorzio Veneto Cooperativo) Scrl	11	11	3.84
Federazione delle Coop. della Prov.di Ravenna	7,193	5,194	12.30
Federcoop “Nullo Baldini” Scrl	63	62	3.84
Fincooper Scrl being wound up	176	176	0.93
Holcoa Spa	3,750	3,750	15.00
Immofil Srl	300	300	18.75
Istituto Coop I.C.I.E. (BO) Scrl	41	41	3.41
I.GE.I. (Inps Gestione Immobiliare) Spa being wound up	744	744	9.60
Immobiliare Riminese Malatesta Srl	8	7	0.44
ISI Service Emilia Romagna	12	12	12.00
Nomisma – Società' di Studi Economici – Spa	11	17	0.21
Platano S.c.n.c being wound up	5	5	16.67
Porto intermodale Ravenna Spa	51	51	0.39
S.C.S. Consulting Spa	11	11	0.44
SAT Lavori Scrl	9	8	8.66

Companies	*December 31, 2014*	*December 31, 2013*	*%*
Soped Spa	100	100	1.63
Tangenziale Esterna Spa(*)	14,720	14,802	3.24
Others	13	7	
Total	***29,071***	***27,093***	

The changes with respect to the prior year reflect:

- (*) the effect of valuation with the equity method and write-off for impairment
- (**) changes in consolidation area /reclassification
- (***) completion of liquidation work

Financial receivables

Financial receivables comprise:

Financial receivables	*December 31, 2014*	*December 31, 2013*
Non-consolidated subsidiaries	*6,607*	*5,399*
Associated companies	*29,692*	*26,968*
Other	*3,442*	*3,384*
Total	***39,741***	***35,751***

The amounts due to and from subsidiary and associated companies, not included in consolidation area, are detailed in Schedules V and VI attached to these notes.

The "Other" caption is analyzed as follows:

Receivables from others	*December 31, 2014*	*December 31, 2013*
Loans to other non-consolidated companies	*1,460*	*1,556*
Contributions to associations and/or entities	*113*	*186*
Guarantee deposits	*1,869*	*1,642*
Totale	***3,442***	***3,384***

CURRENT ASSETS

Inventories

This caption is analyzed as follows:

Inventories	*December 31, 2014*	*December 31, 2013*
Raw materials and consumables	*42,940*	*42,605*
Work in progress and semi-finished products	*12,320*	*15,347*
Contract work in progress	*515,123*	*438,620*
Finished products and goods	*10,002*	*11,030*
Advances	*21,510*	*10,119*
Total	***601,895***	***517,721***

a) *Raw materials and consumables*

These are mainly raw materials used in our different sites. The most significant amounts are referred to works in Southern Africa and Africa Austral area.

b) *Semi-finished products*

They refer, mainly, to semi-finished products of our subsidiary company Sulbrita Lda in Mozambique and Iniziative Immobiliari Siciliane Srl.

c) *Contract work in progress*

In the current period and in prior years, the Group accounted for claims for additional revenues not yet approved by the clients which are reflected among “Contract work in progress” and, to a lesser extent, among receivables “Due from customers”, in accordance with what previously disclosed in the “Accounting policies” section of these notes. Group Management believes that the amounts recognised represent a prudent estimate of the additional remuneration that will be acknowledged by the clients and that there is reasonable certainty as to their recovery based on the advanced stage of the negotiations being held in relation thereto.

CMI Joint Venture is in dispute with the client regarding the validity of the appointment of the adjudicator for the period January 1, 2014 to present. During the disputed period the adjudicator issued a number of rulings in favour of CMI JV supporting the relevant claims considered by management in the evaluation of contract work-in-progress for about Rand 1,371 million. The dispute has been referred to the High Court of South Africa, which has resolved that the Adjudicator nomination is valid until the end of the project. The client did not accept the judjment issued by the High Court and has issued an appeal to the Supreme Court of Appeal. Even considering the uncertainties related to the outcome of the litigation, CMC management, based on the opinion expressed by their legal advisors, in the positive judjment issued by the High Court, and the discussion in process to reach a settlement with the client, strongly believe that no material effect will derive from the above litigation.

Contract work in progress inventories are analysed below:

Principal	***Description***	***December 31, 2014***	***December 31, 2013***
ESKOM HOLDING LIMITED	*Station Pumping, Ingula (South Africa)*	*107,877*	*137,487*
ANAS SPA ROMA	*SS 640 Agrigento Caltanisetta*	*54,804*	*48,045*
ANAS Spa	*SS 640 Agrigento Caltanissetta Lotto 2*	*52,034*	*12,835*
IST.NACIONAL ESTRADA DE ANGOLA	*Luanda Soyo motorway (Angola)*	*46,027*	*26,619*
VAL DI CHIENTI SCPA	*Road network Quadrilatero Umbria – Marche*	*32,270*	*27,957*
A.N.E MOZAMBIQUE	*Improv. of Montepuez – Ruaca road*	*18,111*	*11,366*

	(Mozambique)		
MELAMCHI CORP.	Excavations for water transfer (Nepal)	14,641	2,038
ANAS Spa	Works in Savona	14,350	5,143
PROVINCIA DEL QUINGHAI (XINING)	Tunnel excavations with TBMs (China)	13,322	25,932
A.N.E MOZAMBIQUE	Road rehabilitation works (Mozambique)	12,807	9,266
LTA – LAND TRANSPORT AUTORITY	2 Lots of Singapore underground	10,331	4,143
GOVERNMENT OF LESOTHO	Oxbow Mapholaneng Road (Lesotho)	9,288	4,963
CASSA DEPOSITI E PRESTITI	Building Renovation Piazza Dante - Roma	8,714	871
AUTORITA' PORTUALE DI PIOMBINO	New wharf, Piombino port	8,267	1,417
AGENCE NATIONAL DE AUTOROUTE	El Affroun – Hoceina motorway (Algeria)	7,864	7,857
ROICC VICENZA	Works relating to Molin Vicenza	6,655	8,280
CONS. COSTR. TEEM / TEM	Works relating to Milan Outer Ring Road	5,982	17,470
ADE-ALGERIA	Douaouda desalination plant (Algeria)	5,976	4,857
MINISTERO DELLE INFRASTRUTTURE	Milan light rail transit system	5,542	2,367
RODANO	Special works	5,000	5,000
A.N.E MOZAMBIQUE	Lots 1, 2 and 3 of Rio Ligonha road (Mozambique)	4,559	4,466
KONKOLA COPPER MINES	Excavation of mines and 2 wells (Zambia)	4,356	1,383
AUSL Roma	Castelli Romani hospital	4,316	2,904
ANAS Spa	Palermo Lercara Friddi Highway	3,915	7,981
GOVERNMENT OF LESOTHO	Water treatment plant - Botjheng (Lesotho)	3,463	2,012
SHANXI MIDDLE YELLOW RIVER WATER RESOURCE DEVELOPMENT CO. LTD.	Middle Shanxi river diversion Project	3,012	-
ROAD INFRASTRUCTURE AGENCY	Lot 1 of Maritza Motorway (Bulgaria)	2,933	4,484
M.A. KHARAFI AND SONS	Zomba and Chitakale (Malawi)	2,653	1,590
COCA COLA BOTTLING PLANT	Coca Cola	2,622	-
IMOBILIARIA X LDA	Imotur II project (Mozambique)	2,589	1,979
ANAS ROMA	Salerno-Reggio Calabria Motorway Maxi-Lot	2,400	2,400
FUNDACAO PARA O DESENVOLVIMENTO DA COMUNIDADE	Building construction "Panorama"(Mozambique)	1,861	953
ANAS Spa	Forlì Eastern Ring Road	1,601	5,695
ANCONA PORT AUTORITY	Ancona Port	1,600	2,252
MIN.DES TRAVAUX PUBLICS ALGERIEN	El Kala port (Algeria)	1,519	1,778
EUROLINK Spa	Messina Bridge	1,512	1,336
REGIONE SICILIA	Construction of Basso Verdura water network	1,416	1,396
SAT - Società Autostrada Tirrenica	Highway Tarquinia – Civitavecchia	1,294	631
AUTORITA' PORTUALE MOLFETTA	Reconstruction Molfetta port	1,276	1,276
YIN TAO PROJECT	Tunnel excavations with TBMs (China)	1,138	1,027
A.G.A. (AG. GESTION AUTOROUTES)	Medea Highway (Algeria)	1,133	2,025
MASSINGIR DAM REHABILITATION	Ara Sul	1,085	-
ASP TRAPANI	Mazara del Vallo – Trapani Hospital	1,019	474
T.A.V. SPA	High-Speed Bologna-Florence railway	1,010	2,510
ANCONA PORT AUTORITY	New wharf, Ancona port	910	-
ROMAGNA ACQUE SPA	Water purification plant in Ravenna	336	1,288
MILLENIUM CHALLENGE ACCOUNT	Improvement of roads (Mozambique)	0	1,928
Others		19,733	20,940
TOTAL		**515,123**	**438,622**

d) *Finished products and goods*

These are mainly buildings for sale, held by subsidiary company CMC Immobiliare Spa, and finished products ordered and delivered to clients by the subsidiary company GED Srl

e) *Advances*
This item mainly includes advance payments to suppliers particularly involved in our works in South Africa

Receivables

This caption comprises:

Receivables	***December 31, 2014***	***December 31, 2013***
From customers:		
- for works and supplies	*404,230*	*317,906*
- less allowance for doubtful accounts	*(7,818)*	*(6,585)*
- for interests on overdue payments	*135*	*283*
- less allowance for interest on overdue payments	*(135)*	*(283)*
Total from customers	***396,412***	***311,321***
Due from non consolidated subsidiaries	*6,420*	*4,103*
Due from associated companies	*9,973*	*37,729*
Receivables from taxes	*22,628*	*27,724*
Deferred tax assets	*15,538*	*13,497*
Total	***54,559***	***83,053***
Due From others:		
- advances to suppliers and subcontractors	*13,916*	*15,207*
- amounts owed by J.V .partners partially consolidated	*49,608*	*17,687*
- social security and pension institutions	*6,933*	*6,740*
- employees	*486*	*352*
- credit notes due for work performed	*90*	*901*
- others	*28,728*	*8,657*
Total receivables from others	***99,761***	***49,544***
Total receivables	***550,732***	***443,918***

In conseguence to the variation of some itian accounting principles, in particular the variation of the OIC 15, as we have already explained in the section “Accounting Policies”, is not more possible derecognize receivables sold with recourse. In order to maintein the comparability of the financial statements, some items of the year 2013 have been reclassified. Relating to the Receivables the amount of the reclassification is 111.1 million.

The increase in receivables due from customers is mainly attributable to Ingula Pumped Storage Project (South Africa), to the principal ANE in Mozambique and ANAS in Italy..

The “Allowance for doubtful accounts” reflects the risk of non-collection of certain disputed third party receivables or cases where a counterparty is experiencing financial difficulties. In particular, at December 31, 2014 the Parent Company had a receivable of some Euro 14 million due for work performed for a Sicilian government-owned company. The Parent Company has taken action to ensure the recovery of these receivables which are considered fully collectable.

The amounts due from subsidiary and associated companies are analyzed in Schedule V and VI attached to these notes.

Amounts “Taxes” mainly include Italian and foreign VAT recoverable.

With respect to Due from others, note that:

- The amount “Due from partners in joint ventures consolidated on a proportional basis” mainly relates to J.V. consortiums and foreign joint ventures.

- “Other receivables” comprise advances made to arbitration boards in relation to ongoing disputes.

	December 31, 2014			December 31, 2013		
	Temporary differences	Tax effect	Rate %	Temporary differences	Tax effect	Rate %
Deferred tax assets						
- Joint Venture dividends	796	219	27.50%	6,156	1,693	27.50%
- interest expense	26,218	7,210	27.50%	17,585	4,836	27.50%
- tax loss	11	3	27.50%	15	4	27.50%
- non tax deductible general provisions	26,280	8,252	31.40%	23,643	7,424	31.40%
- write-down of investments	505	139	27.50%	505	139	27.50%
- provisions for special risks	400	110	27.50%	400	110	27.50%
- contributions deductible on a cash basis	411	129	31.40%	513	161	31.40%
- maintenance charges (above 5% threshold)	2,764	868	31.40%	920	289	31.40%
Deferred tax liabilities						
- Joint Venture dividends	(5,062)	(1,392)	27.50%	(4,218)	(1,160)	27.50%
Change in deferred tax assets (liabilities)		**15,538**			**13,496**	

Deferred tax assets are analysed below:

	Balance at December 31, 2013	Income statement	Balance at December 31, 2014
Deferred tax assets			
- Joint Venture dividends	1,693	(1,474)	219
- interest expenses	4,836	2,374	7,210
- tax losses	4	(1)	3
- non tax deductible general provisions	7,424	828	8,252
- provision for equity investments	139	-	139
- provisions for special risks	110	-	110
- contributions deductible on a cash basis	161	(32)	129
- maintenance changes (above 5% threshold)	289	579	868
- Other		348	
Deferred tax liabilities			
- Joint Venture dividends	(1,160)	(232)	(1,392)
Effect on the income statement	**13,496**	**2,390**	**15,538**

Receivables are analyzed by geographical area below, as required by art. 2427 of the Italian Civil Code:

	Italy	Africa	Asia	Europe	USA	Other	Total
From customers	*136,390*	*219,266*	*26,108*	*140*	*13,632*	*877*	**396,413**
From non consolidated subsidiaries	*4,368*	*1,977*	*75*	-	-	-	**6,420**
From associated companies	*9,707*	*266*	-	-	-	-	**9,973**
Taxes	*12,453*	*7,749*	*1,251*	*5*	*617*	*553*	**22,628**
Deferred tax assets	*15,538*	-	-	-	-	-	**15,538**
Others	*50,231*	*35,951*	*12,018*	*63*	*651*	*846*	**99,760**
Total	**228,687**	**265,209**	**39,452**	**208**	**14,900**	**2,276**	**550,732**

The amount due from customers is stated net of the allowance for doubtful accounts.

The “Receivables” caption does not include balances due beyond five years.

Current financial assets

Company	December 31, 2014	December 31, 2013
CMC (Parent Company)	557	2,066
Passante di Mestre Scpa	1,200	1,100
Fda Srl	385	414
Di Fazio Industries	195	248
Total	**2,337**	**3,828**

The above companies hold current financial assets for which the carrying amounts, given the nature of the investments, reflect their year end fair value.

Cash and Cash Equivalents

Bank deposits represent temporary liquidity arising from collections made at the end of December, funds held by consortiums which, under their shareholders' agreements, only distribute any surpluses on completion of the contract, and hard currency deposits made in relation to loans obtained in local currencies.
“Cash on hand” include the cash balances and equivalents held by the head office and at the various construction sites.

This caption is analyzed below:

Details of cash and cash equivalents	*December 31, 2014*	*December 31, 2013*
Cash and Cash Equivalents CMC		
- Euro	29,309	8,605
- Kwanza (Angola)	6,278	15,236
- Dinar (Algeria)	6,498	817
- Dollars (USA)	867	12,030
- Dollars (Singapore)	8,176	5,940
- Rand (South Africa)	3,305	2,029
- Renminbi (Yuan - China)	10,222	452
- Rupees (Nepal)	-	1,778
- Lev (Bulgaria)	132	1,199
- Other currencies	124	399
	64,911	**48,483**

Cash and Cash Equivalents Consortiums		
- Italian consortiums	23,934	18,543
- Foreign consortiums	37,312	31,801
- Other companies	681	475
	61,927	**50,819**
Total Cash and cash equivalents	**126,838**	**99,302**

Accrued income and prepayments

This caption comprises:

Accrued income and prepayments	***December 31, 2014***	***December 31, 2013***
Accrued income:		
- interest	*55*	*170*
- others	*412*	*54*
Deferred Costs:		
- insurance	*7.840*	*6.153*
- rental	*-*	*-*
- other rental fees	*170*	*433*
- guarantee	*1.080*	*735*
- interest	*3.784*	*1.759*
- others	*4.572*	*2.762*
Total	***17.913***	***12.066***

The increase in “others” item is mainly due to a prepayment related to our site in South Africa and in Sicily.

“Accrued income and prepayments” do not include any amounts due beyond five years.

LIABILITIES

Shareholders' equity

The statement of changes in shareholders' equity during the period is attached.

Share capital

Share capital comprises 547,113 shares, nominal value Euro 50 each, plus about Euro 24 thousand in part shares deriving from the revaluation process.

The changes in membership during the year 2014 are analyzed below:

	Active shareholders	***Pensioner shareholders***	***Financing shareholders***	***Total***
Year beginning	**410**	**584**	**2**	**996**
New members	10	-	-	10
Leavers	(5)	(33)	-	(38)
Retirements	(14)	14	-	-
As of December 31, 2014	**401**	**565**	**2**	**968**

Membership categories	December 31, 2013			December 31, 2014		
	no. of members	share capital (million of EUR)		no. of members	share capital (million of EUR)	
Cooperative members	410	16.1	61%	401	17.1	64%
Pensioner members	584	1.3	5%	565	1.6	4%
Financing members	2	9.1	34%	2	8.7	32%
TOTAL	**996**	**26.5**	**100%**	**968**	**27.4**	**100%**

Subscribed share capital increased from Euro 26.5 million as of December 31, 2013 to Euro 27.4 million as of December 31, 2014. The increase is almost entirely attributable to the impact of cooperative members' contributions that have been revalued under art. 7 of Law 59/92 and the annual allocation of retained profits as bonus increases of share capital.

Preferred Pooled Shares

The Cooperative adopted a "Preferred Pooled Shares (PREPS)" programme in 2006. The characteristics of the capital allocated to CMC, for an original amount of Euro 12 million repayable after seven years, made it the equivalent of equity.
Since, due to the features thereof, this financial instrument is almost entirely equivalent to Cooperative Membership Shares, the "Preferred Pooled Shares" was classified as members' capital.

In the course of 2014 this debt was fully repaid.

Legal reserve

Pursuant to art. 54 of the current Articles of association, the "Legal reserve" is not distributable and cannot be divided among the members during the life of the Cooperative or upon winding up.

Other reserves

The "extraordinary reserve" comprises the profits of the Parent Company that have already been taxed, as required for cooperatives under current regulations.

The "reserve for translation adjustments" reflects the differences in the equity of consolidated companies and permanent establishments abroad generated by exchange-rate fluctuations at the balance sheet date with respect to the historical rates.

The "consolidation reserve" reflects the additional book value of the shareholders' equity of consolidated companies with respect to their carrying amounts at the time of initial consolidation.

Reserves for risks and charges

Reserves	*December 31, 2014*	*December 31, 2013*
Taxes	*347*	*102*
Contractual risks	*5,320*	*8,934*
Overseas operations	*7,043*	*7,043*
Other risks and charges	*19,183*	*16,311*
Total	***31,893***	***32,390***

The “Reserve for contractual risks” and the “Reserve for foreign operations” have been accounted for based on the best estimate, in accordance with the information currently available, of the potential losses on contracts performed directly, with partners or through separate entities, as well as with reference to the evaluation of certain investments, as previously commented.
The reserve for “other risks and charges” are considered adequate by the Directors of the Cooperative, assisted by their legal and tax adivisors, to cover any charges that may arise from the outcome of litigations currently in progress. The increase in the period is mainly due to the provison for the pre-paid contract work, potential expenses deriving from post-completion and for the risk that revenue that we have recognized may be reversed due to. Attention is drawn to the following issues:

The Cooperative is party to a number of disputes arising in the ordinary course of business. In particular, we would mention that:

- In October 2013, the public prosecutor's office of the Court of Trani commenced a criminal investigation into the award of the contract for work relating to the construction of the new Molfetta port. The contract was awarded in 2006 to a consortium headed by the Company. The accusation against the Company is that it knowingly participated in a project organised fraudulently by Molfetta Municipality. The precautionary measures requested by the public prosecutor against the Company and its employees (inclusive of the request for interdiction prohibiting the continuation of its operations pursuant to Decree 231 /2001) were rejected and revoked by the competent Court. The investigations are still ongoing and no person or entity has yet been indicted. The Cooperative's Directors believe that the investigations will confirm the proper conduct of CMC Group that will provide assurance on the full recovery of the asset recorded of some Euro 3.3 million.

- with regard to the criminal proceedings activated against the C.A.V.E.T. Consortium and certain individuals, including some former managers of the Consortium, it is worth mentioning that the appellate proceedings ended in June 2011 with a decision handed down on June 27, 2011, which reversed in full the lower court’s decision, thus reversing the convictions handed down by the lower court and finding both the Consortium and the indicted individuals not guilty of any of the charges. The Public Prosecutor of the Court of Florence appealed this decision to the Court of Cassation, which, on March 18, 2013, set aside in part the decision of the Florence Court of Appeals ordering that the case be returned to the Court of Appeals. The reinstated proceedings before the Florence Court of Appeals got under way on January 30, 2014 and, on March 21, 2014, the Court of Appeals handed down a decision by which it rejected most of the charges levied by the Public Prosecutor, but upheld them in some important cases. The ruling of the Courts of Appeal of Florence, whose grounds were filed on May 29, 2014, was challenged by all the defendants and by C.A.V.E.T, as a party liable under civil law, and the related appeals were filed for Cassation in September this year. The Consortium, in protecting its interests, is confident that it will be able to demonstrate, again, in the subsequent courts of instance, the correctness of its actions.

Despite the uncertainties arising from the fact that certain proceedings and litigations are in a preliminary stage, based on the information available at the reporting date and supported by the opinion of their legal advisors, the Directors believe that the provisions recorded in the financial statements represent the best estimate of the potential risk that could arise from the closure of these proceedings and litigations.

Payables

<u>Bond</u>

This item is related to the Senior Notes of Euro 300 million due 2021, at a fixed coupon of 7.5% per annum and at an issue price of 100%.

Shareholders’ loans account

Balance as of December 31, 2014			Balance as of December 31, 2013
Within 12 months	Beyond 12 months	Total	
2,732	10,926	**13,658**	**13,709**

The disclosures below are as prescribed by section II, paragraph 2 of the Bank of Italy Circular of 2 December 1996:

- the funds collected from members at December 31, 2014 total Euro 13.7 million and the interest charged to the income statement for the period was Euro 432 thousand
- the members' capital of the Parent Company (paid-in capital plus reserves) is more than nine times greater than the amount of the members' loan.

Accordingly, the equity limits on the gathering of funds from members of cooperatives established by the C.I.C.R. (Ministerial Committee) are well respected.

Banks

In consequence to the variation of some itian accounting principles, in particular the variation of the OIC 15, as we have already explained in the section “Accounting Policies”, is not more possible derecognize receivables sold with recourse. In order to maintein the comparability of the financial statements, some items of the year 2013 have been reclassified. Relating to Banks the amount of the reclassification is 100.4 million.

Balance as of December 31, 2014			Balance as of December 31, 2013
Within 12 months	Beyond 12 months	Total	
174,831	50,777	**225,608**	**443,761**

The change in this caption during the period is analyzed in the statement of cash flows.

The above borrowing in hedged by contracts recorded on the basis described in the “Accounting policies” section of these notes.

The total payable includes long-term loans which are analyzed below by maturity of the related instalments:

Lender	Due 2015	Due 2016	Due 2017	Due 2018	More	Total 2014	Total 2013
Syndicated loans							
- Unicredit (Mar-07 / Mar-14)	-	-	-	-	-	**0**	**838**
- Compagnia finanziaria (Jul-09/ Jul-14)	-	-	-	-	-	**0**	**5,624**
- BIIS B. Inv. Infr. Svil. (Jul-10 / Jul-15)	-	-	-	-	-	**0**	**14,000**
- Banca Popolare Emilia (Aug-10 / Aug-15)	-	-	-	-	-	**0**	**4,629**
- Ugf Unipol Merchant (Mar-11 / Mar-16)	-	-	-	-	-	**0**	**7,000**
- GE Capital (Mar-11 / Mar-16)	-	-	-	-	-	**0**	**1,389**
- West LB (Jun-11 /Jun-16)	-	-	-	-	-	**0**	**5,000**
- Bnp Paribas (Jun-11 /Jun-16)	-	-	-	-	-	**0**	**18,750**
- BCC Banca Cr. Coop. (Jun-11 / Jun-15)	31	-	-	-	-	**31**	**93**
- Unicredit (Dec12 / Dic -17)	-	-	-	-	-	**0**	**14,100**
- Popolare di Vicenza (Mar-12 / Mar-17)	-	-	-	-	-	**0**	**24,375**
- Banco Popolare (May-13 / May-16)	-	-	-	-	-	**0**	**11,825**

- Mediocredito Centrale (Aug-13 /Aug-18)	*6,303*	*6,593*	*6,894*	*5,662*	*-*	***25,452***	***30,000***
- Cariromagna (Dic-13 / May-15)	*96*	*-*	*-*	*-*	*-*	***96***	***282***
- Sace CDP (Mar-2014/May-2019)	*4,500*	*9,000*	*9,000*	*9,000*	*4,500*	***36,000***	***-***
Unsecured loans							
- Cariromagna (Mar-12 /Mar-17)	*96*	*102*	*26*	*-*	*-*	***224***	***313***
- Banca di Romagna (Oct-12 / Oct-17)	*-*	*-*	*-*	*-*	*-*	***0***	***750***
Total loans	***11,026***	***15,695***	***15,920***	***14,662***	***4,500***	***61,803***	***138,969***
- Revolving Credit Facility	*27,000*	*-*	*-*	*-*	*-*	*27,000*	*-*
Other bank payables	*136,805*	*-*	*-*	*-*	*-*	*136,805*	*304,792*
Total Bank payables	***174,831***	***15,695***	***15,920***	***14,662***	***4,500***	***225,608***	***443,761***

The “Syndicated loans” do not include any accounts due beyond five years.

Due to other financers

These payables are analyzed as follows:

Due to other providers of finance	***December 31, 2014***	***December 31, 2013***
UBI Leasing	9,129	9,587
Sarda Leasing	5.025	-
Coop Servizi Cultura	3,000	3,045
Simest Spa	1,038	1,384
Factoring	9,160	10,767
Other	267	229
Total	***27,352***	***25,012***

In conseguence to the variation of some itian accounting principles, in particular the variation of the OIC 15, as we have already explained in the section “Accounting Policies”, is not more possible derecognize receivables sold with recourse. In order to maintein the comparability of the financial statements, some items of the year 2013 have been reclassified. Relating to the amount due the amount of the reclassification is 10.7 million.

Moreover, the capital element of lease obligations of Euro 23 milion is included in “payables to suppliers”.

These loans bear interest at market rates and do not include any amounts due beyond five years.

Advances from customers

This caption includes the difference between the amounts certified and paid by customers and the value of production actually performed.

Further information is provided in the “Inventories” section of the “Accounting policies”.

Due to subsidiaries and associated companies

The amounts due to/from subsidiaries and associated companies are analysed in Schedules V and VI attached to these notes.

Taxes

This mainly includes amounts due for withholdings from fees paid by Group companies as well as direct taxation.

As regards the Parent Company and the main Group companies, note that all tax years are closed up to December 31, 2009 for the purpose of both direct taxation (art. 43 of Presidential Decree 600/73) and VAT (art. 57 of Presidential Decree 633/72).

Other payables

Other payables are summarized below:

Other payables	***December 31, 2014***	***December 31, 2013***
Amount owed to J.V. partners	*202,557*	*116,318*
Employees for unpaid payroll	*12,340*	*7,229*
Subscribed capital to be paid	*5,420*	*6,344*
Others	*15,855*	*9,580*
Total	***236,172***	***139,471***

The amounts due from partners in joint ventures consolidated on a proportional basis derive from the effects of proportional consolidation and mainly relate to contracts performed abroad via vehicle companies.
The “Other” caption includes a number of payables of a modest amount and an amount due to former members of consortiums that are no longer active.

Other payables do not include any amounts due beyond five years.

Advance payment from clients and customers

This caption comprises the contractual amounts paid by Employers as advances against the work to be completed; these amounts are recovered against the work performed as it progresses.

Advances from customers are analyzed below:

Advances from customers	***December 31, 2014***	***December 31, 2013***
Gabineto Tecnico de Investimentos Publicos (Angola)	*27,073*	*26,748*
AGA - Autoroute Est (Algeria)	*15,792*	*-*
A.E.S. Gener Hydroelectric Plant Alto Maipo (Chile)	*14,299*	*-*
Melamchi Corp. ,Water Supply Project (Nepal)	*12,775*	*12,774*
A.N.E. - Administracao National de Estradas (Mozambique)	*12,571*	*14,080*
Ministry of Public Works & Transport (Lesotho)	*7,398*	*9,772*
ARA-Sul Adiantamento Contrat (Mozambique)	*7,351*	*-*
Lyon- Turin Ferroviarie sas, Exploration Tunnel in Piedmont	*7,028*	*7,028*
TCTA - Trans-Caledon Tunnel Authority	*6,660*	*-*
Travessas do Norte (Mozambique)	*4,152*	*-*
Tunnel Qinghai (China)	*3,855*	*5,175*
Coca Cola Sabco Mocambique	*2,990*	*6,858*
NHPC Ltd, Parbati Hydroelectric Project (India)	*2,765*	*-*
China-Shanxi Project	*2,616*	*-*
G.T.R.E.K. Groupemente CMC-Sotramest (Algeria)	*2,175*	*-*
Road Infrastructure Agency, Maritza motorway (Bulgaria)	*1,949*	*3,401*
Regione Sicilia E.s.a.	*1,223*	*1,221*

China-Yin Tao Project	*1,129*	*1,129*
Amm.ne Provinciale di Foggia	*1,114*	*1,114*
China Road Corporation (Mozambique)	*418*	*-*
Eskom Hydroelectric Plant Ingula (South Africa)	*-*	*7,666*
Konkola Copper Mines	*-*	*1,051*
Other	*9,151*	*9,569*
Total	***144,484***	***107,586***

This caption mainly comprises advances received for work still to be performed and does not include any amounts due beyond five years.

Accrued liabilities and deferred income

These consist of the following:

Accrued liabilities and deferred income	***December 31, 2014***	***December 31, 2013***
Accrued expenses:		
- interest charge	*11,431*	*1,939*
- insurance expense	*847*	*1,026*
- guarantee charges	*1,326*	*346*
Deferred income:		
- others	*4,559*	*184*
Total	***18,163***	***3,495***

The “Accrued liabilities and deferred income” caption does not include any amounts due beyond five years.

MEMORANDUM ACCOUNTS

Commitments for guarantees provided by third parties on behalf of the Group to non-consolidated subsidiaries, associates (excluding those consolidated on a proportional basis) and third parties almost entirely relate to performance guarantees, advances, the release of amounts withheld in guarantee and price revisions. The most significant guarantees were provided in Italy in respect of the HST contract won by Cepav Uno Consortium (Bologna-Milan stretch) and abroad for road works in Angola and for hydroelectric plants in South Africa.

The secured guarantees in favour of third parties relate to pledges over the shares of Val di Chienti Scpa and Tangenziale Esterna Spa.

Other commitments and risks relate to commitments pertaining to interest rate swap derivatives. As at December 31, 2014, the notional value of the underlying relating to interest rate swaps arranged with primary banks is 130.3 million. These contracts were executed to hedge the risk of changing interest rates.

The potential risks pertaining to the aforementioned contracts are quantified in the memorandum accounts under “other commitments and risks”.

The effect of measuring these derivative contracts at fair value is reported in the attachments to the notes to the Parent Company's financial statements.

Lastly, disclosure has been made of the recourse risk relating to receivables sold with recourse, but not yet due at the period end.

INCOME STATEMENT

The ”Revenues from sales and services” are analyzed below:

Revenues from sales and services	*2014 (Annual)*	*2013 (Annual)*
Contract revenues	*894,053*	*877,694*
Sundry services	*76,705*	*28,373*
Sale of materials	*24,690*	*20,415*
Total	***995,448***	***926,482***

Detail of value of prodaction	**2014 (Annual)**		**2013 (Annual)**	
Revenues and changes in contract work in progress inventory	1,079.2	97.7%	994.2	97.9%
Construction	*1,067.0*	*96.6%*	*979.6*	96.5%
Oter activities	*12.2*	*1.1%*	*14.6*	1.4%
Increases to fixed assets for internal work	3.6	0.3%	4.2	0.4%
Other income and proceeds	21.9	2.0%	17.2	1.7%
Value of production	**1,104.7**	**100.0%**	**1,015.6**	**100.0%**

Other income and proceeds are made up as follows:

Other income and proceeds	*2014 (Annual)*	*2013 (Annual)*
Capitalization of deferred charges	*13,989*	*4,458*
Other income	*7,955*	*12,767*
Total	***21,944***	***17,225***

The "Capitalization of deferred charges " relates to site set-up costs recognized as intangible fixed assets and amortized on a stage-of-completion basis with reference to the contracts concerned and to the capitalised costs related to the issue and the sale of the Senior Notes of Euro 300 million.

“Other income” mainly includes rental income, Euro 1,5 million, gains on the disposal of assets, and charges made to sub-contractors for the use of site facilities and services.

The total amount of “Services” comprises:

Services	*2014 (Annual)*	*2013 (Annual)*
Sub-contracts	*226,680*	*236,115*
Services for works in JV	*135,901*	*74,375*
Consultancy, lawyers and notaries	*30,068*	*35,222*
Transport	*28,000*	*33,857*
Studies and design	*5,801*	*8,985*
Utilities	*8,304*	*6,541*
Lease and hire	*5,380*	*5,528*
Maintenance and repairs	*2,569*	*2,180*
Other services	*75,345*	*59,789*
Total	***518,048***	***462,592***

Other provisions

The other provisions include the minority interest in CMI subsidiary, equal to Euro 31,690 thousand as of December 31, 2014 (Euro 48,183 thousand as of December 31, 2013).

Other operating costs

This item consists of the following:

Other operating expenses	*2014 (Annual)*	*2013 (Annual)*
Insurance and custom duties	*15,340*	*15,160*
Social activities	*1,690*	*1,384*
Losses on the sale of machinery	*196*	*540*
Taxes	*6,875*	*3,521*
Other	*4,937*	*5,734*
Total	***29,038***	***26,339***

Financial income and charges

This caption comprises:

Financial income and charges - third parties	*2014 (Annual)*	*2013 (Annual)*
Income from third parties		
- interest income - customers	*95*	*1,979*
- interest income - banks	*2,027*	*1,030*
- others income	*374*	*117*
Total income	***2,496***	***3,126***
Charges from third parties		
- interest expenses - banks	*(18,886)*	*(23,547)*
- guarantee charges	*(4,105)*	*(2,510)*
- bank charges	*(9,973)*	*(3,255)*
- without recourse charges and interest	*(1,474)*	*(1,219)*
- interest expense on members' loan	*(432)*	*(449)*
- interest expense - other providers of finance	*(550)*	*(645)*
- bond interest expense	*(10,216)*	*0*
- other charges	*(153)*	*(322)*
Total charges	***(45,789)***	***(31,947)***

Extraordinary income and charges

These consist of the following:

Extraordinary income and charges	*2014 (Annual)*	*2013 (Annual)*
Income		
Capital gains	-	-
Other extraordinary income:		
- Insurance reimbursements	*436*	*369*
- Prior year income	*1,590*	*1,548*
- Other	*1,722*	*1,093*
Total other extraordinary income	***3,748***	***3,010***
	-	-
Total extraordinary income	***3,748***	***3,010***
Charges		
- capital losses from sales		
Taxation for previous years	*(420)*	*(56)*
Other extraordinary charges:		
- Prior year expense	*(1,452)*	*(4,538)*
- other	*(216)*	*(229)*
Total other extraordinary charges	***(1,668)***	***(4,767)***
Total extraordinary charges	***(2,088)***	***(4,823)***
Total	***1,660***	***(1,813)***

Current income taxes, deferred tax liabilities and deferred tax assets

"Income taxes" of Euro 9,698 thousand include Euro 12,088 thousand of current taxes and Euro 2,390 thousand of deferred tax assets.

Minority interests

This caption comprises:

Minority interests	*2014 (Annual)*	*2013 (Annual)*
Cooperare SpA	*21*	*(91)*
Generale Prefabbricati SpA	*315*	*146*
Conduril-Construtora Duriense Sa	*9*	*93*
Others	*124*	*105*
Total	***469***	***253***

The average number of Group employees is summarised in the following table:

Average number of employees	*2014 (Annual)*	*2013 (Annual)*
Managers	*53*	54
White collar and supervisors	*2,040*	2,025
Blue collar	*5,591*	5,787
Total	***7,984***	***7,866***

ATTACHMENTS

I. STATEMENTS OF CHANGES IN INTANGIBLE FIXED ASSETS

II. STATEMENTS OF CHANGES IN TANGIBLE FIXED ASSETS

III. LIST OF NON CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

IV. MEASUREMENT OF DERIVATIVES

V. RECEIVABLES AND PAYABLES DUE FROM/TO SUBSIDIARIES

VI. RECEIVABLES AND PAYABLES DUE FROM/TO ASSOCIATED COMPANIES

I. STATEMENT OF CHANGES IN INTANGIBLE FIXED ASSETS

	Incorporation and expansion costs	*Industrial patents*	*Concessions licenses and trademarks*	*Asset in process of formation and advance payments*	*Contracts' deferred charges*	*Totale*
December 31, 2013						
Cost	*847*	*9,718*	*174*	*4,700*	*27,456*	**42,895**
Acc. Amortization	*(498)*	*(8,049)*	*(77)*	-	(3,707)	**(12,331)**
Net Book value	***349***	***1,669***	***97***	***4,700***	**23,749**	**30,563**
Movements 2014						
Increases	1	318	7	3,284	11,923	**15,534**
Decreases	-	(86)	(1)	(150)	(3,075)	**(3,311)**
Amortization	(90)	(607)	(32)	-	(3,866)	**(4,595)**
Exchange recl. Difference	-	(16)	-1	1,500	(2,538)	**(4,056)**
December 31, 2014						
Cost	847	9,841	91	6,334	30,282	**48,395**
Acc. Amortization	(587)	(8,563)	(21)	-	(5,089)	**(14,260)**
Net Book value	**260**	**1,278**	**70**	**6,334**	**26,193**	**34,135**

II. STATEMENT OF CHANGES IN TANGIBLE FIXED ASSETS

	Land and buildings	*Plant and machinery*	*Industrial and Commercial equipment*	*Other assets*	*Construction in progress and advances*	*Total*
December 31, 2013						
Cost	79,611	383,335	103,030	335	2,751	**569,062**
Acc. amortization	(16,964)	*(258,081)*	*(79,569)*	*(165)*	-	**(354,779)**
Net Book value	62,647	125,254	23,461	170	2,751	**214,283**
Movement 2014						
Increase	3,402	55,760	19,589	745	4,313	**83,809**
Decrease	(945)	(2,006)	(1,567)	(45)	(402)	**(4,965)**
Amortization	(2,518)	(44,086)	(9,759)	(137)	-	**(56,500)**
Exchange recl. Difference	389	(3,648)	(678)	319	365	**(3,253)**
December 31, 2014						
Cost	82,743	381,505	116,920	1,343	7,027	**589,538**
Acc. Amortization	(19,768)	(250,231)	(85,875)	(291)	-	**(356,165)**
Net Book value	**62,975**	**131,274**	**31,045**	**1,052**	**7,027**	233,373

III. LIST OF INVESTMENTS IN SUBSIDIARIES
NOT CONSOLIDATED LINE-BY-LINE OR ON A PROPORTIONAL BASIS

Company	*Headquarter*	*CMC stake%*	*Shared Capital*	*Equity*	*Equity quota (a)*	*Book Value December 31, 2014 (b)*	*Diff. (a - b)*
Acquapura Scrl	Ravenna	60	20	20	12	12	0
Alvisi Srl	Faenza (RA)	90	100	36	33	-216	248
Be Infrastrutture Srl	Ravenna	70	100	150	105	105	0
Cedir Scrl (in liquidazione)	Ravenna	86	10	36	31	0	31
Cmc di Ravenna Malaysya Sdn Bhd	Malaysia	100	118	-145	-145	0	-145
Cmc d.o.o Zagabria (*)	Croatia	100	3	3	3	3	0
Cmc Stroy LCC Mosca (*)	Russia	100	0	0	0	0	0
CMC Swaziland (Pty) By Pass	Swaziland	100	0	876	876	876	0
Consorzio Nuova Darsena	Ravenna	29	0	0	0	0	0
Dunrose Investment (Pty) Ltd	Sud Africa	100	0	0	0	0	0
Italia 61 Scrl	Ravenna	75	30	30	23	23	0
La Quercia 2 Scrl in liquidazione	Ravenna	52	92	96	50	30	20
Letimbro Scrl	Tortona	51	100	100	51	51	0
Moreside Investment (Pty) Ltd	Sud Africa	100	0	4	4	0	4
Ospedale dei Castelli Scrl	Ravenna	50	50	50	25	25	0
Ravenna Tunnel Scrl	Ravenna	99	120	120	119	119	0
Rotonda Scrl	Ravenna	100	20	20	20	20	0
Sidebar Manufactoring (Pty) Ltd	Sud Africa	100	0	4	4	0	4
Solarmaas Srl (**)	Aci Castello	51	100	97	49	51	-2
Sviluppo Trapani Srl in liquidazione (**)	Palermo	100	10	4	4	10	-6

(*) Values updated as of December 31, 2013

(**) Non official value

III, LIST OF INVESTMENTS IN ASSOCIATED COMPANIES
NOT CONSOLIDATED LINE-BY-LINE OR ON A PROPORTIONAL BASIS

Company	*Headquarter*	*CMC stake%*	*Shared Capital*	*Equity*	*Equity quota (a)*	*Book Value December 31, 2014 (b)*	*Diff. (a - b)*
Antares Scrl	Ravenna	28	3,000	3,109	871	871	0
Autostrade Romagna 1 Scpa	Forlì	35	1,000	1,000	350	350	0
Baglio la Camperia Spa (*)	Palermo	20	100	65	13	100	-87
Bagnarola Srl (*)	Cesena	13	100	96	12	25	-13
Co.l.i.s.pa. Scrl in liquidazione (*)	Ravenna	30	21	22	7	6	0
CTM BAU Srl	Bolzano	42	100	-6	-3	42	-45
Granarolo Immobiliare Spa	Ravenna	30	3,300	1,381	414	414	0
Gruppo Immobiliare Spa	Morciano(RN)	40	100	-550	-220	-450	230
Incomdue Srl(*)	Rimini (RN)	30	28	4,991	1,497	1,439	58
Itaca Scrl in liquidazione	Ravenna	35	10	10	4	4	0
Lodigiani - Cmc (Malaysia) Sdn Bhd (*)	Malaysia	50	141	14	7	7	0
Mirandola Scrl	Ravenna	45	20	20	9	9	0
Mediterranea 010 Scrl (*)	Perugia (PG)	49	10	10	5	5	0
Opera 2 Scrl	Ravenna	50	25	25	13	13	0
Opera 3 Scrl	Ravenna	35	30	30	10	10	0
Palazzo Guiccioli Scarl	Ravenna	50	20	20	10	10	0
Piombone Scrl	Ravenna	49	100	100	49	49	0
Rodano Scrl	Milano	46	250	250	116	116	0
Sistema 2 Scrl (*)	Ravenna	37	30	30	11	11	0
Under Water Anchors Srl	Ravenna	33	119	161	54	40	14
Val di Chienti Scrl	Ravenna	28	70,000	70,000	19,600	19,600	0

(*) Values updated as of December 31, 2013

(**) Non official value

IV. MEASUREMENT OF DERIVATIVES

Contract	Not. Amount 12/31/2014	Interest rate - Exchange rate	Expiry Date	MARK TO MARKET (€/000)		
				Posit.	Negat.	Net
Interest rate derivates						
Irs Forward Start	2,813	Euribor 3 mesi	16/03/2017		-38	-38
Irs Forward Start	2,813	Euribor 3 mesi	16/03/2017		-22	-22
Irs Forward Start	1,688	Euribor 3 mesi	16/03/2017		-22	-22
Irs Forward Start	3,645	Euribor 3 mesi	03/05/2016		-23	-23
Irs Forward Start	3,500	Euribor 6 mesi	15/07/2015		-67	-67
Irs Forward Start	21,600	Euribor 6 mesi	05/02/2019		-334	-334
Irs Forward Start	2,800	Euribor 3 mesi	29/03/2016		-72	-72
Irs Forward Start	1,500	Euribor 3 mesi	17/06/2016		-34	-34
Irs Forward Start	2,800	Euribor 3 mesi	29/03/2016		-50	-50
Irs Forward Start	3,645	Euribor 3 mesi	03/05/2016		-21	-21
Irs Forward Start	6,910	Euribor 3 mesi	30/06/2017		-83	-83
Irs Forward Start	3,455	Euribor 3 mesi	30/06/2017		-24	-24
Irs Forward Start	1,500	Euribor 3 mesi	17/06/2016		-38	-38
Irs Forward Start	3,000	Euribor 3 mesi	02/07/2015		-39	-39
Irs Forward Start	50,000	Euribor 6 mesi	01/08/2021	1,025		1,025
Irs Forward Start	9,052	Euribor 6 mesi	01/06/2023		-1,860	-1,860
Total	**120,721**			**1,025**	**-2,727**	**-1,702**

Exchange rate derivates						
Opzione acq. put usd/call eur	2,364	cambio USD/EUR	10/04/2015		-105	-105
Opzione acq. put usd/call eur	1,856	cambio SGD/EUR	06/07/2015		-12	-12
Totale	**4,220**			**0**	**-117**	**-117**

V. RECEIVABLES AND PAYABLES

DUE FROM/TO NON-CONSOLIDATED SUBSIDIARIES

Receivables/Payables - Subsidiary companies	***Financial Receivables***	***Trades receivables***	***Financial Payables***	***Trade payables***	***Total 2014***	***Total 2013***
Acquapura Scrl	-	573	-	(3,808)	**(3,235)**	**-**
Alvisi Srl	-	-	(80)	-	**(80)**	**308**
Autostrada SARC 3 Scrl	-	-	-	-	**-**	**288**
BE Infrastrutture Srl	-	113	-	(520)	**(407)**	**(209)**
Cedir Scrl (in liquidazione)	37	251	-	-	**288**	**-**
CMC China - Yunnan Zhongyi Co. Ltd	-	-	-	-	**-**	**(786)**
CMC Engoa Groupement	-	1	-	(2)	**(1)**	**1**
CMC Inyatsi-Ulusha JV (Nelspruit)	-	68	-	(143)	**(75)**	**(71)**
CMC Malaysia Sdn Bhd	697	75	-	(1)	**771**	**51**
CMC Mavundla-Indiza-Hkb JV	-	-	-	(11)	**(11)**	**(11)**
CMC Swaziland (Pty) by pass	-	14	-	(72)	**(58)**	**(60)**
CMC Tamega JV	-	365	-	-	**365**	**917**
CMC Wbho JV	-	867	-	(4,492)	**(3,625)**	**(3,360)**
Cooperativa Servizi Cultura	-	-	-	-	**-**	**-**
Dunrose Investments Pty Ltd	63	4	-	-	**67**	**64**
Ghilina Scrl (in liquidazione)	-	1	-	-	**1**	**1**
Italia 61 Scrl	531	401	-	(709)	**223**	**-**
La Quercia 2 Scrl	-	81	-	-	**81**	**34**
Letimbro Scrl	-	2,139	-	(7,492)	**(5,353)**	**-**
Mirandola Scrl	-	-	-	-	**-**	**202**
Moreside Investments Pty Ltd	113	41	-	-	**154**	**(3)**
Ospedale dei Castelli Scrl	-	196	-	(7,509)	**(7,313)**	**-**
Polis Trento Scrl (in liquidazione)	-	1	-	-	**1**	**1**
Ravenna Tunnel Scpa	-	263	-	(353)	**(90)**	**(93)**
Rotonda Scrl	-	14	-	(35)	**(21)**	**(38)**
S.B.C. Scrl	-	-	-	-	**-**	**-**
Sidebar Manufacturing Pty Ltd	5,101	617	-	(313)	**5,405**	**(2,596)**
Sviluppo Palermo Srl	-	-	-	-	**-**	**-**
Sviluppo Trapani Srl	65	335	-	(1)	**399**	**393**
Tavolicci Scrl (in liquidazione)	-	-	-	-	**-**	**-**
TOTAL	**6,607**	**6,420**	**(80)**	**(25,461)**	**(12,514)**	**(4,967)**

VI. RECEIVABLES AND PAYABLES

DUE FROM/TO NON- CONSOLIDATED ASSOCIATED COMPANIES

Receivables/Payables - Subsidiary companies	***Financial Receivables***	***Trades receivables***	***Financial Payables***	***Trade payables***	***Total 2014***	***Total 2013***
Acquapura Scrl	-	-	-	-	-	-
Alvisi Srl	35	365	-	-	400	-
Antares Scrl	-	333	-	-	333	120
Autostrada Estense Scpa	-	-	-	-	-	429
Autostrade Romagna 1 Scpa	-	-	-	(336)	(336)	(333)
Baglio la Camperia Spa	70	-	-	-	70	70
Bagnarola Srl	-	45	-	-	45	45
BE Infrastrutture Srl	-	-	-	-	-	(35)
Colispa Scrl (in liquidazione)	-	2	-	(21)	(19)	90
Consorzio 2T	-	-	-	(1.845)	(1.845)	(1.973)
Consorzio C.G.L. (in liquidazione)	-	1	-	-	1	1
Consorzio Costruttori TEEM	-	5.791	-	-	5.791	8.074
Consorzio Miteco	-	10	-	-	10	10
CTM BAU Srl	48	-	-	-	48	-
GEIE Razel CmcRa Tabellout	-	113	-	-	113	200
Granarolo Immobiliare Spa	400	6	-	-	406	-
Gruppo Immobiliare Srl	1.348	2.365	-	-	3.713	3.585
Incomdue Srl	1.440	-	(87)	-	1.353	(457)
Itaca Scrl	-	99	-	(78)	21	9
JV Besix - CMC	-	-	-	-	-	30
Lodigiani-CMC Malaysia Sdn Bhd	792	33	-	-	825	825
Mediterranea 010 Scarl	-	-	-	-	-	(25)
Mirandola Scrl	-	209	(450)	(114)	(355)	(670)
Moreside Investments Pty Ltd	-	-	-	(219)	(219)	-
Opera 2 Scrl	-	-	-	(21)	(21)	30
Opera 3 Scrl	-	67	-	(20)	47	-
Ospedale dei Castelli Scrl	-	-	-	-	-	-
Palazzo Guiccioli Scrl	-	25	-	(29)	(4)	-
Piombone Scrl	-	-	-	(65)	(65)	(72)
Pizzarotti-CMC Ra Sep	-	-	-	(16)	(16)	(16)
Rodano Scrl	-	31	-	(93)	(62)	(329)
Rugula Scrl	-	-	-	-	-	20
Sistema 2 Scrl	-	147	-	(59)	88	-
Sidebar Manufacturing Pty Ltd	-	151	(4.126)	(61)	(4.036)	-
Sviluppo Palermo Srl	982	180	-	-	1.162	971
Under Water Anchors Srl	50	-	-	-	50	-
Val di Chienti Scpa	24.527	-	-	(14.030)	10.497	21.630
TOTAL	**29.692**	**9.973**	**(4.663)**	**(17.007)**	**17.995**	**32.229**

Ria
Grant Thornton

Auditors report on the statutory financial statements
pursuant to art. 14 of legislative decree n. 39 of January 27, 2010

(Translation from the Original Issued in Italian)

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To the Shareholders of
Cooperativa Muratori & Cementisti - C.M.C. di Ravenna

1. We have audited the consolidated financial statements of Cooperativa Muratori & Cementisti - C.M.C. di Ravenna and subsidiaries (hereinafter "C.M.C. Group" or the "Group") as of and for the year then ended December 31, 2014. The preparation of the consolidated financial statements in compliance with the laws governing the criteria for preparation is the responsibility of Cooperativa Muratori & Cementisti - C.M.C. di Ravenna's Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the standards on auditing issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such consolidated financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by law, reference should be made to report issued by other auditors dated May 30, 2014.

3. In prior years, the Parent Company accounted for gains related to transactions with Group companies amounting to Euro 6.3 million, net of the portion subsequently realized through sales to third parties, revaluations made in accordance with specific laws and the depreciation process. The above mentioned residual value of the gains has not been eliminated as requested by the applicable accounting principles regarding consolidated financial statements in order to align the value of the fixed assets transferred within the Group to their historical cost. As a consequence, the consolidated shareholders' equity as of December 31, 2014 is overstated by Euro 6.3 million, gross of the related tax effect, with no significant effect on the consolidated income.

4. In our opinion, except for the effect of the matters referred to in the preceding paragraphs 3., the consolidated financial statements of Cooperativa Muratori & Cementisti - C.M.C. di Ravenna as of December 31, 2014 comply with the laws governing the criteria for their preparation. Accordingly, they give a true and fair view of the financial position and of the results of operation of C.M.C. Group for the year then ended.

5. The Board of Directors of Cooperativa Muratori & Cementisti - C.M.C. di Ravenna is responsible for the preparation of the Report on Operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by the 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, except for the effect of the matters referred to in the preceding paragraphs 3., the Report on Operations is consistent with the consolidated financial statements of C.M.C. Group as of December 31, 2014.

Bologna, May 7, 2015

Ria Grant Thornton S.p.A.
Signed by

Silvia Fiesoli
Partner

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international